



Doing well by doing good

Corporate Sustainability Report 2019





"If we want to keep growing and thriving — as individuals, corporations or countries — we have to do better."

The world we're standing in today looks very different than it did a year ago. The COVID-19 pandemic has disrupted lives and livelihoods and shown us very clearly how deeply interconnected our world has become — in ways that go far beyond our politics, our cultures and our supply chains. And the race tensions in the United States, echoed by protests against all kinds of racial injustices around the world, underscore just how much more work we have to do.

These converging crises lay bare three challenges we are confronted with: the tensions between humanity and nature (i.e., the environment), the distinction between one and many (i.e., inclusion), and the balance between the short-term and the long-term (i.e., how we manage our businesses, communities and more for success and social impact).

How we resolve these challenges will determine how we make Environmental, Social, Governance (ESG) central to our business model. We seek to integrate environmental considerations not just into our practices, but to offer consumers the opportunity to do so, too. We seek to pursue commercially sustainable social impact that can deliver short-term gains while also building longer-term systems that help set everyone up for success. And all of that means we have to organize ourselves around sound and ethical business practices that are guided by clear and sustainable purposes.

Earlier this year, Mastercard introduced a new purpose statement: Connecting Everyone to Priceless Possibilities. It's a statement that speaks to how we run our company. We set our workforce up for success first — through culture, inclusion, development and opportunity — so that they can set our business up for success in the long run. It is our people's decency, their diversity and their commitment to doing well by doing good that make it possible for us to keep delivering on our commitments to enable commerce, to drive financial inclusion, to give back to the environment and to maintain a strong business model over the long term. Putting our hand at their backs gives us all a boost.

While the words of our purpose statement are new, the spirit is not. Our people use our technology, resources and capabilities to drive financial inclusion — because bringing more people into the digital economy strengthens the system, empowers its users and leads to inclusive growth. That's why we're doubling down on our original financial inclusion commitment to bring a total of 1 billion people into the financial system by 2025. We are committed to bringing 50 million micro and small businesses into the digital economy and to helping 25 million women-owned and -run businesses with the tools they need to succeed and grow — part of our ongoing efforts to help small businesses get through this crisis and continue to drive job creation and inclusive growth.

The statement also speaks to how we look at our responsibility to the environment. The quality and nature of our own future are deeply and inextricably linked to the health and well-being of our planet. If we want to keep growing and thriving as individuals, corporations or countries, we have to do better. That's why we're accelerating our plan to improve our environmental footprint and putting the power of our network of partners — consumers included — behind a "Priceless Planet Coalition". The coalition is designed to take collective action against climate change, including educating, incentivizing and inspiring consumers to participate in carbon footprint-reducing behaviors and contribute to tree-planting efforts.

We are all in this crisis together, but we have a choice as to how we come out of it: We can put things back the way they were before, or we can work together to rebuild a better, stronger, more resilient and more inclusive digital economy, one that benefits everyone, everywhere.

A handwritten signature in black ink that reads "Ajay".

Ajay Banga
CEO, Mastercard

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This report covers the 2019 fiscal year, spanning January 1, 2019 to December 31, 2019. In some cases, we include data and information about programs and activities relevant to our corporate sustainability key areas of impact that occurred in the 2020 fiscal year, as noted.

**Updated: September 2020



ABOUT MASTERCARD

Connecting and powering an inclusive, digital economy by making transactions safe, simple, smart and accessible

WHO WE ARE

- Our purpose statement
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- Materiality and our key areas of impact
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OUR RESPONSE TO COVID-19

ABOUT THIS REPORT

- Report scope
- External assurance

Highlights

- We grow, diversify and build our business through a combination of organic growth and strategic investments.
- Sustainability at Mastercard is driven from the top by our Board of Director and CEO, and it is embedded in every level of our company.
- Our innovation agenda focuses on discovering new applications of emerging technologies, allowing us to experiment and deliver solutions that create value economically, environmentally and socially.



INCLUSIVE GROWTH

Creating a more inclusive world through our products, programs and partnerships

OUR APPROACH

Financial inclusion goals and performance

OUR INCLUSIVE GROWTH JOURNEY

Mastercard Center for Inclusive Growth

Mastercard Impact Fund

Mastercard Lab for Financial Inclusion

Mastercard Foundation

FINANCIAL SECURITY

Digitizing supply chains

Enabling access to critical services through digital infrastructure

Unlocking microcredit

Financial literacy

ECONOMIC DEVELOPMENT

City Possible

City Key

Inclusive Growth Score and Toolkit

Benefits Data Trust

Accelerator for America

FUTURE OF WORKERS

Gig solutions

Portable benefits

Advocacy

Upskilling our communities through partnerships

Upgrading employees' current and future skills

Our commitment to gender equity

DATA FOR GOOD

Data Fellows

COMMUNITY SUPPORT AND DEVELOPMENT

Disaster relief

Crisis response solutions

Funding for critical causes

Providing nutritious meals for children

Supporting cancer research and treatment

Highlights

- In 2015, we set an ambitious goal to bring 500 million individuals into the financial system by 2020. As that goal has been met, we have raised the total commitment to 1 billion people worldwide by pledging to bring another 500 million people into the digital economy by 2025.
- We committed to connecting 50 million micro and small-businesses to the digital economy by 2025, including by enabling them to accept electronic payments.
- The Mastercard Impact Fund committed \$93.5 million toward inclusive growth, as of Dec. 31, 2019.
- We established a \$50 million collaborative effort with the Rockefeller Foundation to advance the field of data science for social impact and launched a data.org platform to bring partners onboard.



OUR PEOPLE AND CULTURE

Leveraging our core values to make our company the place where the best people choose to be

OUR APPROACH

Taking a stand, driving change
Our workforce today

ATTRACTING TOP TALENT TO A DIVERSE GLOBAL WORKFORCE

Campus attraction
Diversity and future talent programs
Midcareer attraction
Executive attraction

REWARDING AND PROVIDING BENEFITS

Compensation
Retirement
Pay equity
Benefits

DEVELOPING OUR PEOPLE AND LEADERS

Learning and development programs
A culture of ongoing development

CULTURE AND INCLUSION

The Mastercard Way
An inclusive workplace
A workplace free of discrimination and harassment
A safe and secure workplace

ENRICHING OUR COMMUNITIES AND THE WORLD

Global Pro Bono

Highlights

- As of September 1, 2019, women represented nearly 40% of our global workforce and 32% of our senior management roles. In the U.S., racial and ethnic minorities represented 37% of our workforce and 33% of our senior management.
- Women earned \$1.000 for every \$1.000 men earned.¹ In the U.S., racial and ethnic minorities earned \$1.005 compared to every \$1.000 earned by white employees.²
- All employees globally have the opportunity to receive a contribution of 10% of base pay, on a matched basis to employee retirement plans. Employee participation reached over 92% in 2019.
- Approximately 39% of employees supported more than 3,400 charities through monetary donations or by contributing more than 73,000 volunteer hours to support these charities.

¹ Based on the available employee population as of September 1, 2019, and on our latest analysis of gender pay equity, which measures whether men and women are paid fairly given factors like role, job level, experience, contributions, geography, and so forth.

² \$1.006 as of March 1, 2020.



ENVIRONMENTAL STEWARDSHIP

Responsibly managing our environmental footprint and creating environmentally conscious solutions

OUR APPROACH

OPERATIONAL STRATEGY

- Scope 1 and 2 emissions
- Renewable energy
- Green buildings
- Scope 3 emissions
- Supplier engagement
- Business travel
- Employee engagement

ENVIRONMENTALLY CONSCIOUS SOLUTIONS

- Educating and inspiring action
- Priceless Planet Coalition
- Greener Payments Partnership
- Test & Learn[®]
- Solar energy

Highlights

- We raised our CDP climate change score to a "B" and maintained our Supplier Engagement Rating of "A".
- We were first in the payments industry to receive approval from the Science Based Targets initiative (SBTi) for our updated emissions target, which aligns to a 1.5-degree Celsius climate trajectory.
- We launched the Priceless Planet Coalition in January 2020, pledging to plant 100 million trees over five years with partners who share a commitment to doing well by doing good.



ETHICAL AND RESPONSIBLE STANDARDS

Acting responsibly and with integrity, guided by the highest standards of ethical behavior

OUR APPROACH

ETHICS AND COMPLIANCE

Working to ensure compliance
Political activity and public policy
Regulatory compliance
Antitrust and competition law

RESPONSIBLE RISK MANAGEMENT

PRIVACY AND DATA MANAGEMENT

Data responsibility
Privacy by Design
Accountability
Individual rights
Partnering for privacy
Privacy recognitions and leadership

SAFETY AND SECURITY SOLUTIONS

Protecting the digital payment transaction
Safeguarding interactions
Safeguarding Mastercard

HUMAN RIGHTS

RESPONSIBLE SOURCING AND SUPPLIER DIVERSITY

Highlights

- We adopted and disclosed our Human Rights Statement, which describes our commitment to respecting and promoting human rights, in April 2020.
- We launched the Global Data Responsibility Imperative, an effort to ensure that all of our data practices respect our customers, individuals and all constituents. The initiative is centered on four practices to protect an individual's data with six corresponding principles that ensure our ethical collection, management and use of data.
- We introduced the True Name™ card as a way to enable transgender and non-binary account holders to use a name that is authentic to their gender identity.

ABOUT MASTERCARD

WHO WE ARE

Mastercard is a technology company in the global payments industry, connecting and powering an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible.



Our purpose statement

Connecting Everyone to Priceless Possibilities

We see a connected world.

Where humanity unites, prosperity is possible, and opportunity is open to us all. Our responsibility is to let basic human decency serve as our guide, innovate with purpose and unlock potential for people everywhere.

We grow trust in every touchpoint, use data for good and build networks that empower society.

We nurture the entrepreneurial spirit and show the world that borders aren't boundaries for partnership, thanks to the exponential power of people coming together.

We see beyond what technology can build, to what passion can do, transforming economic growth into inclusive, sustainable growth, rewriting the future as we go.

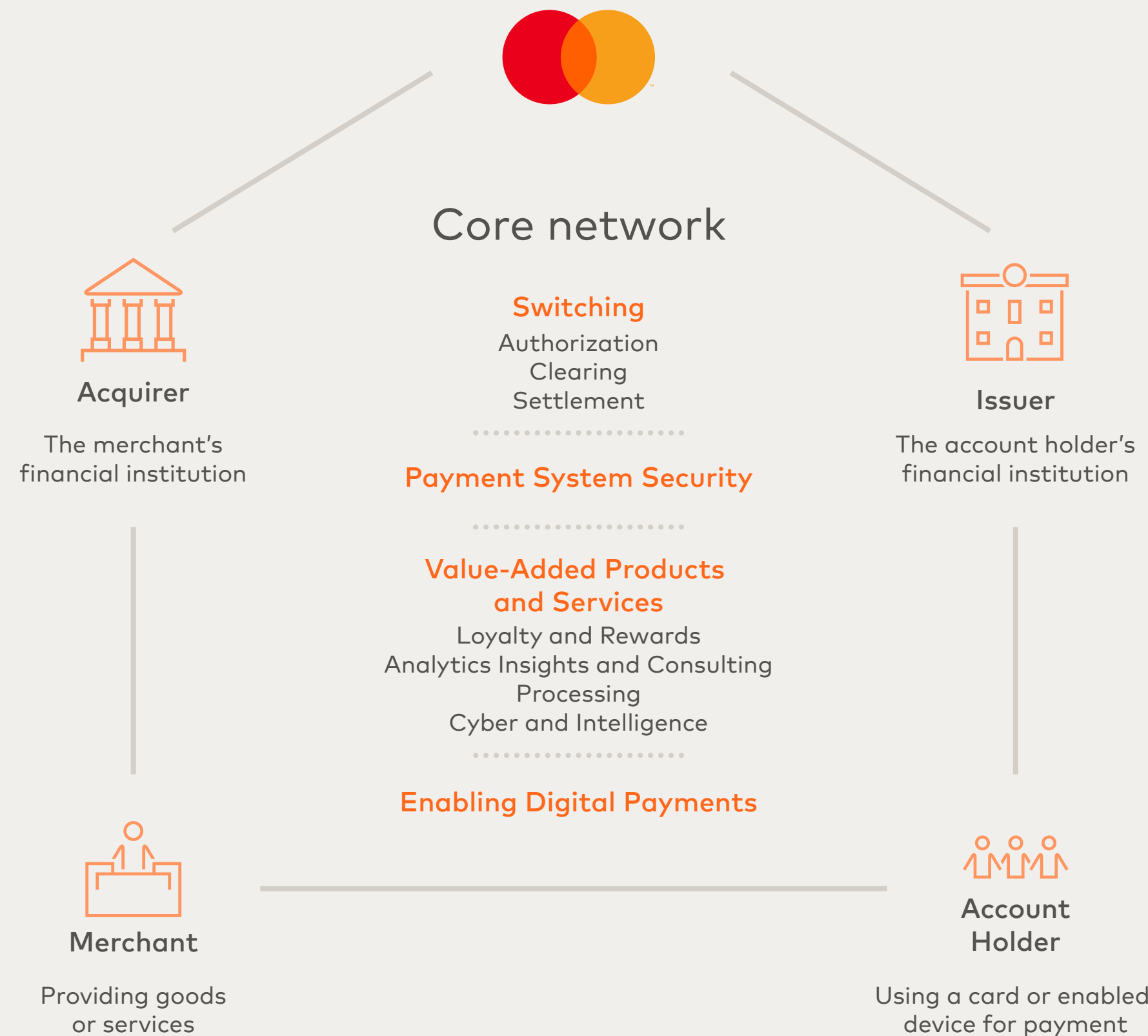
Our connection with each other fuels us to connect the world. And when we believe and build together, it creates priceless possibilities for everyone.

Our core business

We are a multi-rail network that offers customers one partner to turn to for their domestic and cross-border payment needs.

Through our distinctive and proprietary global payment network, which we refer to as our core network,

we switch (authorize, clear and settle) payment transactions and provide related products and services. We have additional payment capabilities that include automated clearing house (ACH) transactions (both batch and real-time account-based payments).



Franchise

Mastercard's franchise creates and sustains a comprehensive series of value exchanges across our ecosystem, where each participant benefits directly or indirectly from the involvement and actions of other participants.

These value exchanges are managed and held in tension by the franchise function to ensure a balanced ecosystem where all participants benefit from safety and security on our standardized rails — and yet still retain the ability to independently differentiate against their competition. We achieve this through the following key activities:

Participant onboarding

Defining what the ecosystem roles are and what responsibilities each ecosystem participant has, and ensuring that participants meet the necessary prerequisites to partake in the network.

Safety and security

Establishing the core principles that are essential to the experience of our network participants, including ensuring consumer protections and integrity, so participants feel confident to transact on the network.

Operating standards

Defining the operational, technical and financial policies to which the network participants are required to adhere. Identifying changes in the ecosystem and emerging roles that require definition with the aim of achieving efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply with industry regulations.

Responsible stewardship

Establishing performance standards to support ecosystem growth and optimization by setting key objectives and targets for participants so the quality of the ecosystem improves over time. Establishing proactive monitoring to ensure participants are adhering to operating standards, and overseeing actions that will be taken to protect the ecosystem where standards are not met.

Issue resolution

Operating a framework to enable global network participants to resolve a grievance, which might be financial or nonfinancial, in order to come to a resolution in a timely and orderly fashion.

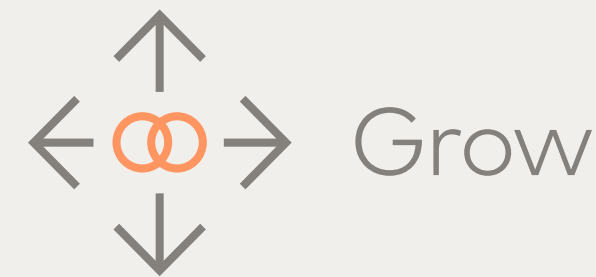
How we make money

Mastercard does not issue cards, extend credit, or determine or receive revenue from interest rates or other fees that issuers charge account holders, or establish the rates that acquirers charge in connection with merchants' acceptance of our products.

In most cases, account holder relationships belong to, and are managed by, our financial institution customers. We generate revenue primarily from assessing our customers based on the gross dollar volume of activity on the products that carry our brands, from the fees we charge to our customers for providing transaction switching, and from other payment-related products and services.

Our strategy

We grow, diversify and build our business through a combination of organic growth and strategic investments.



CORE

- Credit
- Debit
- Commercial
- Prepaid
- Digital-physical convergence
- Acceptance

We focus on growing our core business globally, including growing our consumer and commercial products and solutions, switching more payment transactions, and supplementing our core network with enhanced payment capabilities to capture new payment flows.



CUSTOMERS & GEOGRAPHIES

- Financial inclusion
- New markets
- Businesses
- Governments
- Merchants
- Digital players
- Local schemes/switches

We diversify our business by working with new customers; by scaling our capabilities and business into new geographies; and by broadening financial inclusion for unbanked and underbanked people around the world.



NEW AREAS

- Data analytics
- Consulting
- Marketing services
- Loyalty
- Cyber and intelligence
- Processing
- New payment flows

We build our business with an expanding suite of services and products. By creating and acquiring differentiated products, we bring to market distinctive and innovative solutions to support new payment flows and related applications.

ENABLED BY BRAND, DATA, TECHNOLOGY AND PEOPLE

Our products and services

We provide a variety of integrated products and services to support the payment products our customers can offer to their account holders.

Core products

Consumer credit

We offer a number of programs that enable issuers to offer consumer credit to defer payment.

Consumer debit

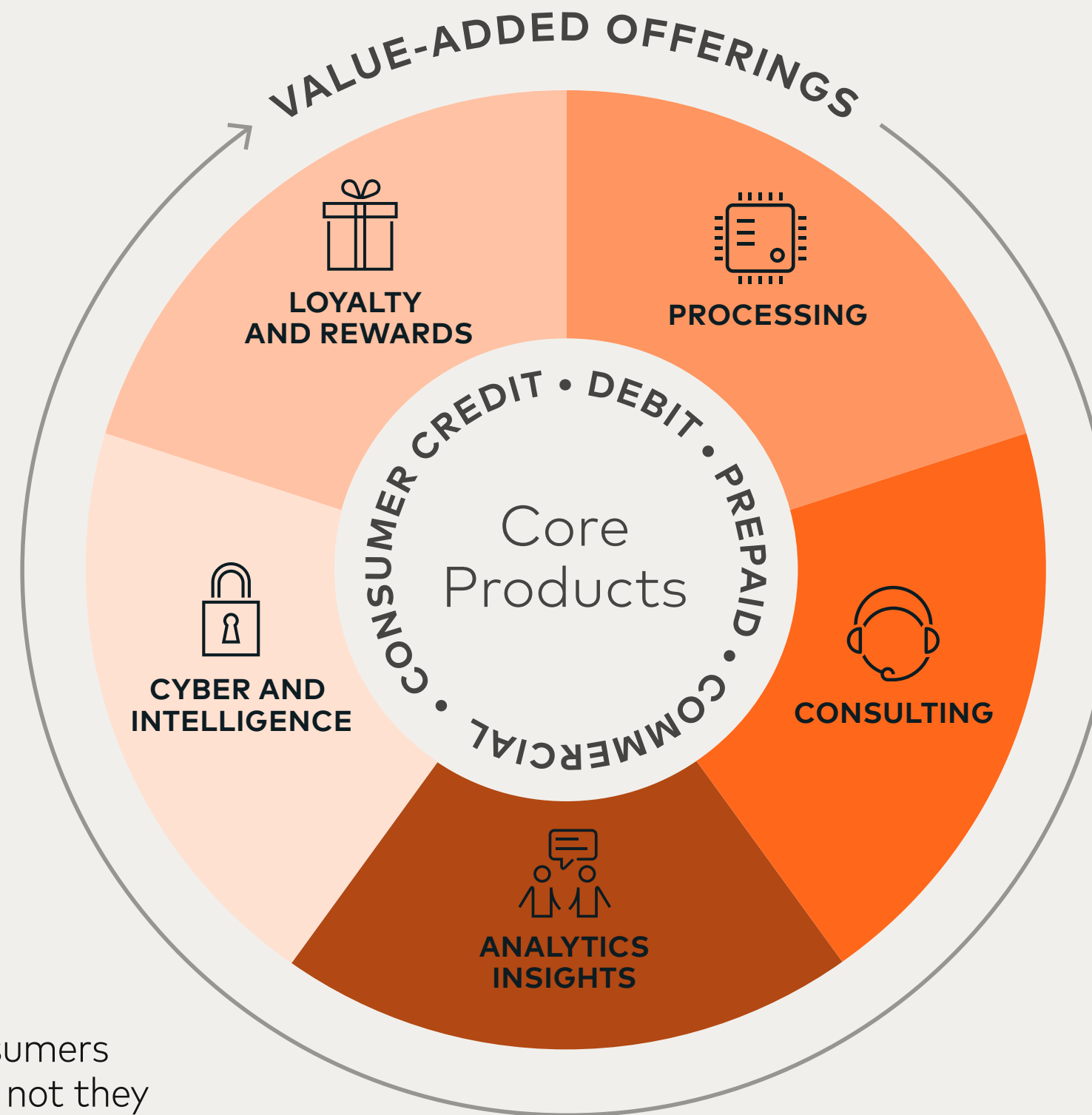
We support a range of payment products and solutions our customers use to provide consumers with convenient access to funds in their deposit and other accounts.

Commercial

We offer commercial payment products and solutions that help large corporations, midsize companies, small businesses and government entities. Our solutions streamline procurement and payment processes, manage information and expenses such as travel and entertainment, and reduce administrative costs.

Prepaid

Prepaid accounts enable consumers to pay in advance whether or not they previously have had a bank account or credit history. Our focus ranges from digital accounts to business programs such as employee payroll, health savings accounts and solutions for small business owners. Our prepaid programs also offer opportunities in the private and public sectors to drive financial inclusion of previously unbanked individuals through social security payments, unemployment benefits and salary cards.



Value-added offerings

Cyber and intelligence

We offer integrated products and services to prevent, detect and respond to fraud and cyberattacks and to ensure the safety of transactions made using Mastercard products through a multilayered safety and security strategy.

Loyalty and rewards

We have built a scalable rewards platform that allows financial institutions to provide consumers with a variety of benefits and services, such as personalized offers and rewards, access to a global airline lounge network, concierge services, insurance offerings, emergency card replacement, emergency cash advances and a 24-hour account holder service center.

Processing

We extend the processing capabilities of our payments value chain in various regions and across the globe with an expanded suite of offerings, including issuers' offerings designed to provide a complete processing solution, payment gateways for e-commerce merchants to process secure online and in-app payments, and mobile gateways that facilitate transaction routing and processing for mobile-initiated transactions.

Data analytics and consulting

We provide proprietary analysis, data-driven consulting and marketing solutions to help clients optimize, streamline and grow their businesses, as well as deliver value for consumers.

INNOVATION AND NEW TECHNOLOGIES

At Mastercard, we believe in purposeful innovation. It's why we remain focused on investing in innovation that brings more people into the financial system, instills trust at every transaction, and safeguards our communities and planet.

This thinking ensures that we harness technology to benefit society, not just our bottom line.

Mastercard Labs is at the heart of our innovation agenda and focuses on discovering new applications of emerging technologies, allowing us to experiment and deliver solutions that create value economically, environmentally and socially.

Its ability to keep pace with evolving behaviors and changing needs lies in making the execution of solutions faster and less risky. Mastercard Labs is reimagining the digital economy so that it is faster, safer, borderless and inclusive — with people at the center.



Mastercard Labs

We convert signals from trends into innovative commerce solutions and experiences, applying advanced technologies to empower businesses and consumers in the digital economy.

PORTFOLIOS

- Provenance
- Artificial Intelligence
- Data & Services
- Blockchain & Digital Assets
- Digital Payments
- Merchant Solutions
- Strategic Growth

EMERGING TRENDS

- Artificial Intelligence
- Biotechnology
- Blockchain
- Consumer Behavior
- Cryptocurrencies
- Cybersecurity
- Mixed Reality
- Nationalism
- Social Norms
- Startup Innovation
- Regulatory
- Robotics
- Quantum Computing

SIGNALS

DE-RISK

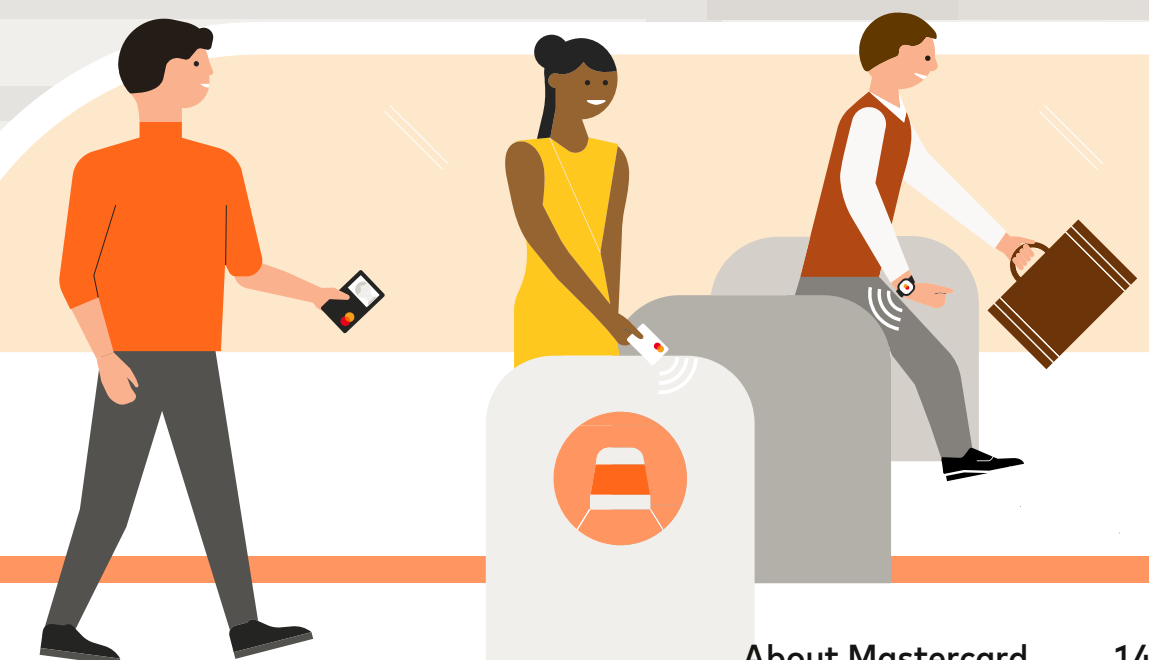
OPPORTUNITIES

EXAMPLE SOLUTIONS

CAPABILITIES

- Research and Development
- Mastercard Experience Centers
- Innovation Management
- Labs as a Service
- Accelerate

- AI & Sonic Drive-thru
- Track BPS
- Community Pass
- Loyalty Link
- Mastercard Farmer Network
- Payment on Delivery
- Provenance



Mastercard Labs capabilities overview

Research and Development Our Research and Development team explores disruptive tech and cutting-edge trends in new domains, then synthesizes and shares discoveries.

We do this by forging partnerships to drive a collaborative research agenda; embedding new tech, capabilities and products; and co-creating new concepts while balancing creativity with delivery to build the future of commerce with partners and engaging clients throughout.

Mastercard Labs is headquartered in Dublin, with team members in Singapore, Pune, India, Nairobi, Kenya, New York and San Francisco. We also have seven technology centers across the globe — Dublin, India (Pune-Vadodara), New York, St. Louis, Sydney and Vancouver — where we gather various parts of the organization for increased collaboration, inspiration and innovation. These centers are complemented by our Digital Security (DigiSec) lab in the U.K., which is focused on proactively testing threats to all forms of digital payments, in coordination with government security agencies and leading academics.

With a truly global focus, we pioneer discoveries, explore the digital landscape, and remain passionate about helping Mastercard and our partners unlock the commercial potential of emerging technologies.



Africa:
Nairobi



North America:
New York, San Francisco,
St. Louis, Vancouver



Europe:
Dublin



Asia-Pacific:
Pune-Vadodara



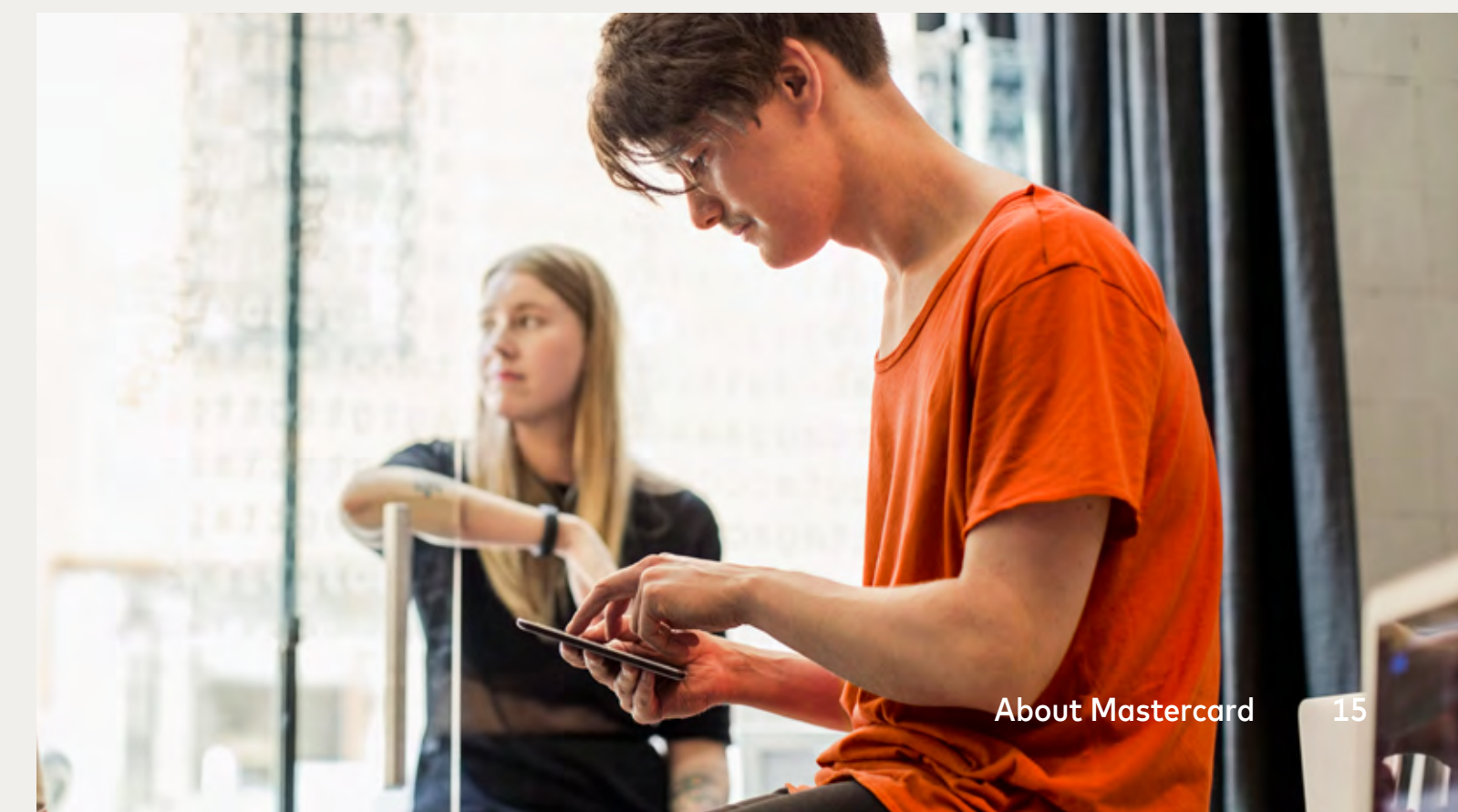
Australia:
Sydney

Mastercard Experience Centers Creating opportunities for participation, education and co-creation is essential to showcasing the value of our innovation capabilities and solutions for pressing client challenges.

The Experience Centers are interactive spaces that bring our products and services to life through immersive demos and digital storytelling tailored around our customers' business needs. The customer-centric approach allows for focused co-creation that addresses pain points and the needs of consumers and communities that our customers serve.

In 2019, the Experience Centers welcomed more than 5,000 participants and showcased over 45 interactive products and bundle demos that Mastercard designed and enabled. Building on this momentum, we are launching four Experience Centers in London, New York, Mexico City and Dublin by 2021.

**IN 2019 WE'VE WELCOMED
OVER 5,000 PARTICIPANTS
IN OUR EXPERIENCE CENTERS
AROUND THE WORLD**



Innovation Management

Innovation at Mastercard is critical to the success of our business. We encourage and support innovation and creative thinking across the entire organization.

We have a well-established patent program that supports these activities, providing incentives for all employees wherever they sit, to rethink and reimagine the potential of the digital economy. These efforts led to Mastercard being recognized in the IPO 300, a listing of the top 300 companies who acquired U.S. patents during 2019, and we are among the leaders in blockchain-related patents.

In 2019, we launched Sandbox, a program designed to engage employees in a self-led innovation journey with a proven product development framework. This "always-on" innovation program provides the tools for employees to turn an idea into a tangible solution and connects them with executives who help to commercialize these solutions, cultivating the entrepreneurial spirit within Mastercard Labs across the entire organization.

Labs as a Service

The Labs as a Service team consults with customers to gain a deeper understanding of their business challenges and develop custom solutions to support their digital transformation efforts.

The end-to-end innovation offerings turn ideas into market-ready products. Today, we have executed 430 engagements worldwide in partnership with 230 clients across industries. Our flagship service is Launchpad, a five-day rapid prototyping and co-development sprint, during which our innovation specialists work with a client's product team to ideate and design new digital offerings.

In 2019, we added new capabilities and engagements to our Labs as a Service portfolio, including innovative programs that support financial inclusion and the environment. We launched a product piloting program to roll out automotive smart mobility and fleet management, retail ventures and drive-through services within the quick-service restaurants (QSR) vertical. The team also helped develop a financial inclusion solution for instant card issuance in South Africa that supports individuals who are unable to go to physical banks. By combining our expertise with startup agility, we deliver lasting customer value, reduce product development timelines and deliver tailored innovations.

TODAY, WE HAVE EXECUTED 430 ENGAGEMENTS WORLDWIDE IN PARTNERSHIP WITH 230 CLIENTS ACROSS INDUSTRIES





Accelerate

In 2019, we launched Mastercard Accelerate, a global initiative that simplifies the way we work with fintechs, giving them access to everything they need at every stage of their growth and transformation, from market entry to global expansion.

Accelerate is composed of a range of award-winning programs that have helped participants all over the world gain access to and benefit from Mastercard's ecosystem, customers and innovations:

Mastercard Fintech Express

Provides easy access to a customized set of rules, relevant resources and digital-first services designed to address the unique needs of fintechs and enable program launch and global expansion with speed.

Mastercard Engage

Connects fintechs to thousands of Mastercard technology partners, making it quicker and easier to work together.

Mastercard Start Path

Invites later-stage startups to participate in a six-month program, providing opportunities to scale and secure strategic investments. More than 200 companies have participated in the Start Path program since its founding in 2014 and those companies have collectively gone on to raise \$1.5 billion in capital.

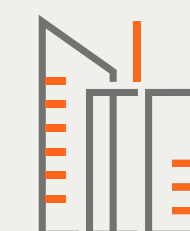
Start Path has prioritized support for women-founded companies to address the higher barriers women face in scaling their businesses. In 2019, 25% of the startups in the program were women-led. This includes women-led startups like Kasha, an East African e-commerce platform for women's health and personal care, and Mfarmpay, a loan and credit app for underserved African farmers.

Mastercard Developers

Provides APIs for everything, empowering engineers with the ability to access Mastercard payment, security and analytics services via simple, user-friendly documentation, SDKs and sample code for the top programming languages.



\$1.5 billion
capital raised



200 companies
participated

Mastercard Labs portfolio highlights

Provenance

As cross-border trade continues to grow with technological innovation and the globalization of commerce, companies are managing complex supply chains that are highly fragmented. In parallel, more conscious consumers are making purchasing decisions aligned with their beliefs and with a focus on quality and authenticity, but they don't know the story behind the products.

Mastercard's Provenance Solution addresses this demand by enabling visibility into a product's journey from origin to end consumer. In 2019, using our permissioned provenance solution on blockchain, we helped large food retailers trace the journey and highlight the origin of their seafood supply, providing transparency into ethical sourcing and the environmental compliance of providers of seafood sold at their stores.

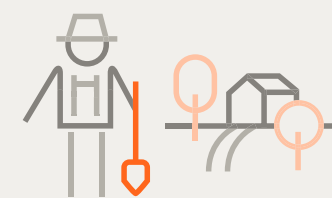
With increased transparency, our scalable provenance solution enables our partners to bolster trust in supply chains and improve reconciliation processes between parties, while also limiting counterfeit trade, encouraging regulatory compliance, promoting sustainability and building consumer confidence.

¹The World Bank. Financial Inclusion on the Rise, But Gaps Remain, Global Findex Database Shows.

Lab for Financial Inclusion

In 2019, we estimate that over 1.7 billion people lacked access to basic financial tools and services.¹

Providing financial services and security to these underserved individuals is critical in helping lift people out of poverty and putting them on a path toward prosperity. The Nairobi-based Mastercard Lab for Financial Inclusion's sole mission is to address this urgent need. By bringing together Mastercard's innovation and financial inclusion expertise with local insight and strategic partners, the Lab launches solutions that help individuals manage risk better, plan their financial future and empower their economic potential.



475,000
farmers registered



more than 500
schools participated

Three key solutions include: Mastercard Farmer Network (MFN) in agriculture; Kionect in micro-retail; and Kupaa in education. By the end of 2019, the Mastercard Farmer Network, which digitizes marketplaces, payments and other transactions for farmers in Tanzania and Uganda, had over 475,000 farmers registered. Similarly, Kupaa, our education platform designed to eliminate school payment inefficiencies, was adopted by more than 500 schools in Uganda during 2019, representing a 67% increase from 2018. For more information, please see [page 32](#).

**OUR LAB FOR FINANCIAL INCLUSION
EMPOWERS INDIVIDUALS TO MANAGE
RISK, PLAN FOR THEIR FINANCIAL
FUTURE AND REACH THEIR FULL
ECONOMIC POTENTIAL**



SUSTAINABILITY AT MASTERCARD

Sustainability at Mastercard is at the core of our business strategy; it's an imperative stated in our purpose.

We recognize that we cannot succeed in a failing world. That's why we've set bold new targets to address issues the world is facing.

However, we know that these issues are bigger than any one company — sustainability requires a network of reach and partnerships. We are leveraging and activating the power of our network to make real, sustainable change for our company, society and planet.

Materiality and our key areas of impact

At Mastercard, we welcome the views of diverse stakeholders, both internal and external, as key partners in identifying the environmental, social and governance (ESG) issues that affect our business most materially and where we can make the biggest impacts.

Every few years, we conduct a formal assessment that captures the views from internal and external stakeholders on ESG topics. This formal stakeholder engagement ensures that we are prioritizing key areas of impact that are important to our external stakeholders and our long-term business success.

Our latest assessment was conducted in partnership with a global nonprofit, Business for Social Responsibility (BSR), in 2016. The assessment incorporated the research and guidance provided by the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

Each year since, we have reviewed and refreshed the results as needed. Informed by this assessment, as well as by our ongoing engagement with stakeholders, the following ESG matters were identified as our top material issues as they relate to the importance of sustainability and the influence on our business success.

- Consumer financial literacy
- Ethical business practices
- Inclusion and diversity
- Inclusive growth
- New technologies
- Privacy and data protection
- Responsible use of data
- Risk management and compliance

Awards

Mastercard is honored to have earned recognition for our environmental, social and governance work.

We received the following sustainability recognition, among others listed in the relevant chapters of our report:



Dow Jones Sustainability
North America Index

Ethisphere
World's Most Ethical Companies®

Fortune
Change the World list
World's Most Admired Companies

FTSE4Good
Index series

Sustainability governance

Sustainability at Mastercard is driven from the top by our Board of Directors and CEO, and it is embedded in every level of our company.

Because sustainability is part of our strategic thinking, the full Board oversees certain sustainability matters (e.g., financial inclusion, privacy) directly as part of both regular market reviews of geographic areas and strategic reviews of strategic growth, products and innovation, enterprise partnerships, and data and services. The Board also reviews talent matters annually.

All three Board committees also oversee discrete sustainability matters from a strategic and risk-management perspective. In particular, the Human Resources and Compensation Committee (HRCC) discusses people and culture regularly.

The Audit Committee discusses ethics and compliance and receives regular reporting regarding business risks and opportunities, some of which addresses sustainability issues such as data privacy. The Nominating and Corporate Governance Committee considers sustainability matters more generally, including overseeing the development of a human rights framework, and overseeing the management of our social impact and our environmental stewardship programs.

Our senior management works together to advance our global sustainability efforts across the organization. Our Chief Sustainability Officer (CSO) is tasked with integrating sustainability initiatives across business units and leveraging them as enterprise-wide drivers of growth. The CSO reports to the Vice Chairman and President of Strategic Growth, who reports directly to the CEO. Both the President of Strategic Growth and the CSO report regularly to the Board and the relevant committees on sustainability matters.

Board risk oversight



BOARD OF DIRECTORS Oversees major risks

- Strategic and competitive
- Brand and reputational
- Operational
- CEO succession planning
- Financial
- Legal and regulatory
- Cybersecurity



AUDIT COMMITTEE

Primary risk oversight

Financial statement integrity and reporting

Major financial and other business risk exposures

Information security, technology, and privacy and data protection

Risk management framework

Legal, regulatory and compliance

Internal controls



HR AND COMPENSATION COMMITTEE

Primary risk oversight

Employee compensation policies and practices

Key diversity initiatives and people & capabilities policies and practices, including those related to organizational engagement and effectiveness and employee development

Non-executive director compensation policies and practices

Succession planning



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Primary risk oversight

Governance structure and processes

Legal and policy matters with potential significant reputational impact

Matters of significance to the company and its stockholders, including corporate responsibility, environmental stewardship, human rights, inclusion and diversity

MANAGEMENT

Key risk responsibilities

BUSINESS UNITS

Identify and manage business risks

CENTRAL FUNCTIONS

Design risk framework, including setting boundaries and monitoring risk appetite

INTERNAL AUDIT

Provides independent assurance on design and effectiveness of internal controls and governance process

Stakeholder engagement

We continually engage with stakeholders to better understand their views and sustainability concerns.

Employees

We maintain continuous engagement with our people through a variety of channels, including town halls, digital and face-to-face communications, and intranet communications. Feedback is encouraged through the Experience Survey, manager dialogue and our Ethics Helpline.

Financial institutions, merchants and consumers

We provide financial institutions with solutions to help them increase revenue by driving preference for our products. We help merchants, financial institutions and other organizations by delivering data-driven insights and other services that help them create and grow simple and secure customer experiences. For consumers, we provide faster, safer and more convenient ways to pay and transfer funds.

Suppliers

We work closely with our suppliers to ensure that we can source responsibly and conduct business with integrity. Our suppliers are expected to comply with the high standards of ethics communicated in our Supplier Code of Conduct and promote these standards within their own supply chains. We also engage and support our suppliers in managing, reporting and reducing their greenhouse gas emissions.

Community and nongovernmental organizations

Mastercard is involved in several partnership efforts with community organizations and NGOs on issues relevant to their organizations and our business, including financial innovation, financial education, philanthropy and academic research.

Government and regulators

We help national and local governments drive increased financial inclusion and efficiency, reduce costs, increase transparency to reduce crime and corruption, and advance social programs. We also advocate for public policy issues that are significant to our business and our ability to serve our customers by educating and providing context to key decision-makers in government.

Shareholders

We engage with the investment community through direct meetings, regional roadshows, earnings calls and investor conferences.

Memberships

In addition to our broad community of stakeholders, Mastercard is a member of several sustainability organizations and peer networks focused on environmental, social and governance topics. These memberships help us learn from other companies' sustainability efforts and share successes with our peers. Our memberships include:

- BSR
- Business Ambition for 1.5°C
- CECF
- The Conference Board
- Corporate Eco Forum
- Global Reporting Initiative
- GreenBiz Executive Network
- Green Lease Leaders
- Sustainability 50 (part of World 50)
- Sustainable Brands
- Sustainable Purchasing Leadership Council
- Together with Nature
- UN Global Compact
- Green Building Council

Financial inclusion partnerships

The trust, partnerships and programs we've built with all levels of government and nongovernmental organizations around the world helped us bring 500 million people out of the informal, cash-only economy into the digital economy in the past five years. These essential partnerships span a diverse array of areas, including financial innovation, policymaker and stakeholder engagement, financial education, philanthropy and academic research. Our partnerships include:

- Alliance for Financial Inclusion
- Better Than Cash Alliance
- CEO Partnership for Economic Inclusion
- G20 Global Partnership for Financial Inclusion
- International and regional development banks
- International Finance Corporation
- International Telecommunication Union
- United Nations agencies
- World Bank Group
- World Economic Forum

OUR RESPONSE TO COVID-19

Mastercard is focused on helping individuals and businesses weather these times not only by ensuring that our network remains secure, resilient and reliable, but also by applying our technology, philanthropy and data science expertise to rebuilding healthy communities and ensuring that economic growth is inclusive.

Key commitments

\$250 million in financial, technology, product and insight assets over the next five years to support the financial security and vitality of small businesses and their workers.

\$25 million seed money to establish the COVID-19 Therapeutics Accelerator with the Bill & Melinda Gates Foundation and Wellcome Trust to speed the development of and access to therapies.

\$10 million challenge issued by data.org for ideas that use data science to advance inclusive growth and recovery around the world. Data.org was founded by the Mastercard Center for Inclusive Growth and the Rockefeller Foundation in January 2020.

\$10 million in emergency grants to support frontline workers, issued from the Mastercard Impact Fund.

In light of the stark digital inequality gaps being exacerbated by COVID-19, we have expanded our worldwide commitment to financial inclusion, pledging to bring in a total of **1 billion people** by 2025. We have also committed to helping **50 million micro and small businesses** connect to the digital economy by reaching **25 million women-owned and -run businesses**. Read more [here](#).





Learn more about how we are supporting recovery efforts across our company, for our customers and for communities around the world during the COVID-19 crisis.

Our company

- Introduced a COVID-19 global employee benefit for up to 10 business days of paid leave for sickness, child care or elder care.
- Provides 100% of costs associated with COVID-19 testing for U.S. employees and access to free telemed consults.
- Committed to no layoffs in 2020 as a result of COVID-19.
- Runs a virtual summer intern program with full/same compensation as promised.
- Gives employees a range of choices about how and where they get work done as we put precautionary measures in place to help them feel safe if they choose to return to offices.
- Introduced Thrive, a new benefit focused solely on mental well-being that helps employees move from awareness to action to bolster their mental well-being and curb stress.

Our customers

- Engaging with several hundred national and local governments around the world to help digitize programs and support recovery and resiliency planning. This includes:
 - Enabling secure delivery of social disbursements to vulnerable businesses and individuals.
 - Equipping municipalities with actionable insights to help them assess impact and optimize plans.
- Providing recovery insights for customers to navigate the rise in e-commerce, fine-tune operations and prioritize investments.
- Offering free cyber vulnerability assessments and identity theft protection to businesses, as well as free cybersecurity rating assessments for all health care organizations.
- Accelerating contactless payments to help people stay safe and healthy by championing an increase in limits, making signatures optional, accelerating no-touch transit and driving QR acceptance.
- Alleviating the stress of refunds by giving banks and credit unions the ability to share timely alerts with businesses about disputed transactions.

Our community

- Partnered with the Mayors Fund of LA, the City of Los Angeles and Accelerator for America to create the Angeleno Campaign, a financial assistance program aimed at providing direct relief for Angelenos in need. Leveraging Mastercard's donation platform technology, the Angeleno Campaign has distributed over \$25 million, reaching roughly 70,000 Los Angeles residents in a few short months. Building on the campaign's success, we are extending similar programs to 10 additional U.S. communities with Accelerator for America.
- Launched collaborations with partners like UberEats, iFood and Lyft to provide meals and essential services for frontline workers and vulnerable communities. This has also helped small businesses navigate the crisis.
- Extended access to our signature STEM curriculum, Girls4Tech, through a suite of new online, creative educational resources designed to help parents and teachers engage and inspire kids ages 8-12.

ABOUT THIS REPORT

Report scope

This report covers the 2019 fiscal year, spanning Jan. 1 to Dec. 31, 2019. In some cases, we include data and information about programs and activities relevant to our key corporate sustainability areas of impact that occurred in the 2020 fiscal year, as noted.

Unless otherwise noted, the information in this report covers Mastercard's global operations.

In selecting content for inclusion in our 2019 report, we used the Global Reporting Initiative (GRI)'s reporting principles of materiality, sustainability context, and stakeholder inclusiveness and completeness. This report was prepared in accordance with the GRI Standards: Core option. We have also reported in accordance with our industry-specific Sustainability Accounting Standards Board (SASB) framework.

External assurance

Mastercard did not employ an external agency or organization to audit the contents of this report. However, certain elements of our external disclosures have gone through external independent assurance.

This includes calculations of our greenhouse gas (GHG) emissions and reduction targets. The assurance letters are included in this report on [page 99](#). Information about our business and financial performance is provided in our 2019 annual report and quarterly U.S. Securities and Exchange Commission filings. Please direct questions on this corporate sustainability report or topics related to our corporate responsibility activities to sustainability@mastercard.com.



INCLUSIVE GROWTH

OUR APPROACH

Mastercard has become a leader in financial inclusion and inclusive growth over the past decade. Our journey began because we saw the social and economic implications of being excluded and the hidden cost of cash on people, communities and businesses at the base of the pyramid.



We are committed to bringing 1 billion people into the digital economy by 2025, by creating pathways toward increased financial security for people, communities and businesses around the world.

We have launched innovative programs across more than 125 countries, successfully bringing 500 million previously unbanked individuals into the formal economy.

More than ever, it is clear that growth can be sustainable only when it is inclusive, where the benefits of a growing economy accrue to all segments, leading to broadly shared prosperity, and the burdens of a contracting economy are not unfairly borne by the most vulnerable. Long before the COVID-19 pandemic, we were on a mission to make the digital economy work for everyone, everywhere. Our goal is to help individuals, families, businesses, NGOs and governments leverage new technologies to unlock their potential. That mission has become even more critical in light of the pandemic, which has accelerated the trend toward digitized economies and underscored the importance of ensuring that everyone benefits from the shift.

At Mastercard, we are applying the expertise of our 18,600 team members and leveraging our research, philanthropic capital, technology, data insights and partnerships to build a more inclusive global digital economy. We are focused on connecting people and businesses to achieve financial security, providing workers with the tools they need to thrive in a rapidly changing landscape, ensuring that economic development is inclusive, and building up the field of data science for social impact.

We are leveraging our trusted network to build partnerships and programs that increase access to education, health care, supply chains, commerce, and more. Our collaborators include governments and multilateral development and financial institutions, nonprofit organizations, universities, think tanks and our colleagues across the private sector. We all thrive in growing, inclusive and healthy economies. By driving commercially sustainable social impact, we can demonstrate what it means when we say we are "doing well by doing good" — by doing what we do best!



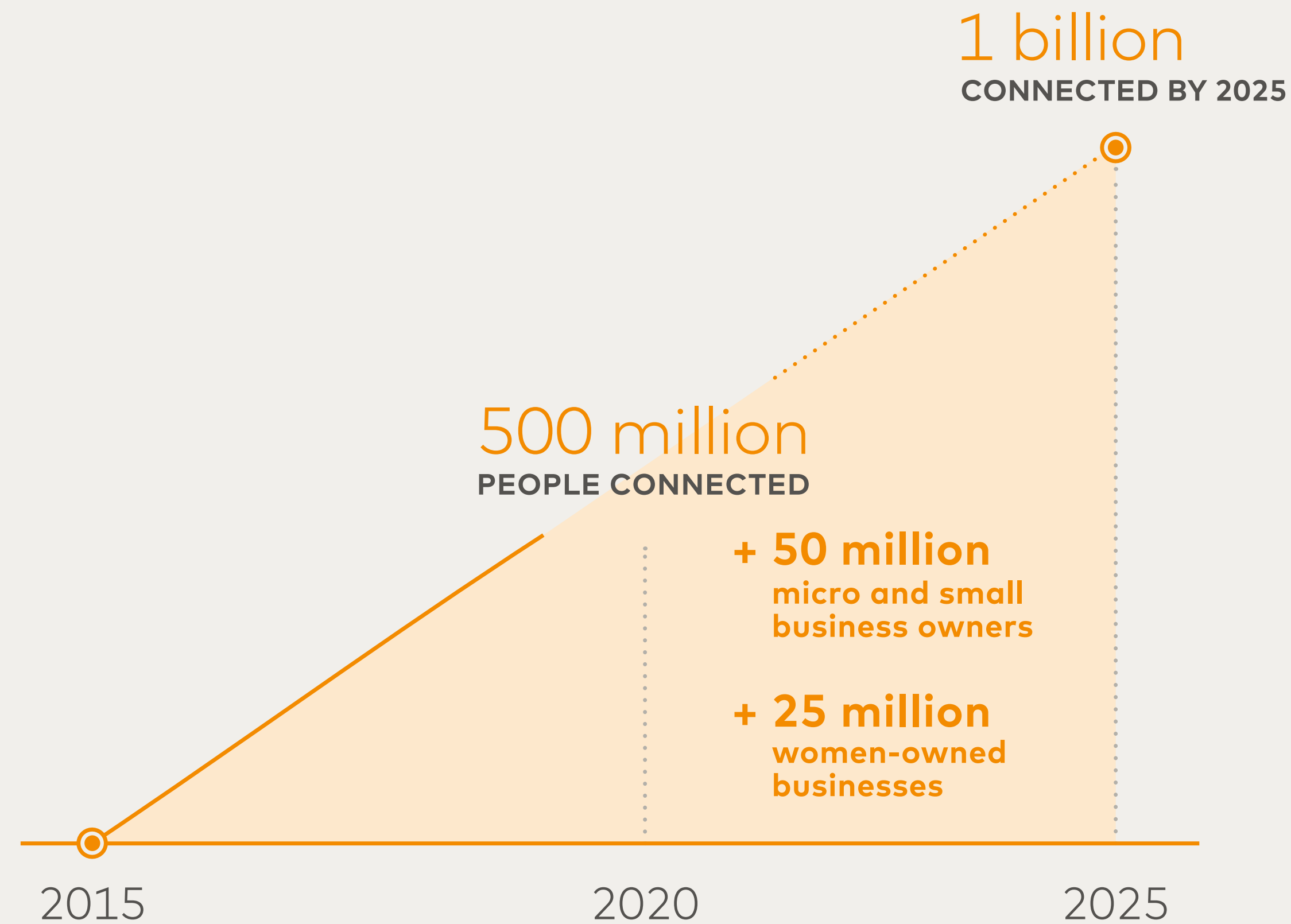
Financial inclusion goals and performance

Five years ago, we made a commitment to bring 500 million financially excluded individuals into the digital economy.

Having achieved that goal, we're focused on extending our commitment, with plans to bring a total of 1 billion individuals into the digital economy by 2025.

We also committed to bringing 50 million small and micro merchants into the digital economy, with a direct focus on providing 25 million women entrepreneurs with solutions that can help them grow their businesses.

COVID-19 underscored just how important inclusion in the digital economy is to the financial security of individuals and micro and small-businesses, which is one reason why it is so important to double down on our commitment. This is social impact at scale.



Bringing **1 billion** individuals into the digital economy by 2025



Helping to connect **50 million** micro and small businesses



Reaching **25 million** women-owned and -run businesses

OUR INCLUSIVE GROWTH JOURNEY

2011-2013

ADVANCING FINANCIAL INCLUSION

- Launched "Cost of Cash" studies
- Co-chaired the World Economic Forum's financial inclusion steering committee

2014-2015

DEMONSTRATING COMMITMENT

- Established the Mastercard Center for Inclusive Growth
- Launched the Mastercard Lab for Financial Inclusion with the support of the Bill & Melinda Gates Foundation
- Announced a commitment to financial inclusion of half a billion people before the end of the decade

2016-2017

BREAKTHROUGH LEADERSHIP

- Led first public session on financial inclusion at the World Economic Forum
- Launched the Jaza Duka partnership with Unilever to help micro merchants access microcredit and digital training
- Piloted Mastercard Farmer Network; built Mastercard's Quick Response (QR) partnerships to bring the technology to Africa

2018

DRIVING IMPACT

- Pledged \$500 million for inclusive growth
- Established the Mastercard Impact Fund
- Kicked off the CEO Partnership for Economic Inclusion with Her Majesty Queen Máxima of the Netherlands, the UNSGSA¹
- Partnered with Accion to unlock growth for millions of small and micro businesses

2019

ACCELERATING GROWTH

- Organized first Global Inclusive Growth Summit
- Administered several large grants to recipients including the Aspen Institute, CARE USA, Accelerator for America
- Established a \$50 million collaborative effort with the Rockefeller Foundation to advance the field of data science for social impact, and launched data.org platform to bring partners onboard

¹ United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA)

Mastercard Center for Inclusive Growth

The Center for Inclusive Growth (“the Center”) is the philanthropic hub of Mastercard. It focuses on promoting equitable and sustainable economic growth and financial inclusion around the world, as well as administering the Mastercard Impact Fund’s philanthropic investments.

The Center leverages the company’s expertise, data analytics, technology and partnerships to produce independent research, scale global programs and empower a community of thinkers, leaders and doers on the front lines of inclusive growth. In 2019, the Center expanded its economic development efforts by establishing new partnerships and creating tools that give policymakers and community leaders actionable insights so they can build inclusive economies, locally and regionally. Two of the major partnerships launched in 2019 are the Rockefeller Foundation partnership data.org, to catalyze the use of data science for social impact, and our multiyear Global Inclusive Growth Partnership with the Aspen Institute, to mobilize leaders across sectors to promote integrated strategies for inclusive growth.

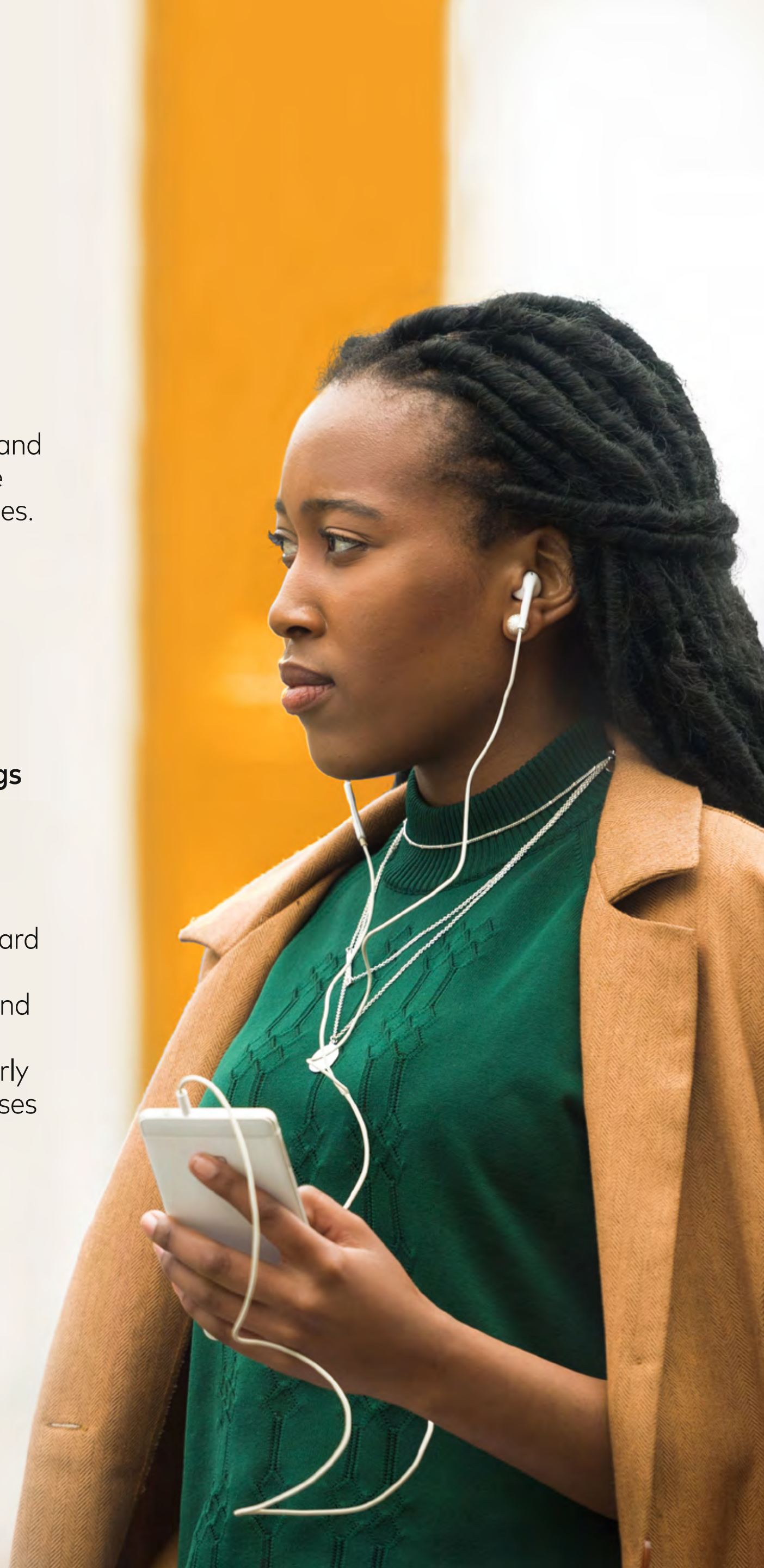


To date, the Center for Inclusive Growth has collaborated with 55 research organizations and fellows and invested in programs reaching more than 1.5 million people in 30 countries.

Mastercard Impact Fund

In 2018, Mastercard decided to dedicate \$500 million of the savings generated by U.S. and European tax reforms to inclusive growth, so we created the Mastercard Impact Fund.

As of Dec. 31, 2019, the Mastercard Impact Fund had committed \$93.5 million. For example, in 2019, the Fund supported CARE USA with a \$5.26 million multiyear grant to equip nearly four million micro and small businesses in Pakistan, Peru and Vietnam with tools, training, education, products and services to help them formalize and grow.



Global Inclusive Growth Summit

Mastercard’s Center for Inclusive Growth joined the Aspen Institute in October 2019 to co-host the first Global Inclusive Growth Summit. The objective was to advance inclusive economic growth around the world by assembling a community of purpose-driven leaders from across sectors to catalyze partnerships and shine a spotlight on innovative, data-driven, scalable and commercially sustainable solutions.

The Summit forged connections to drive solutions for some of the world’s most intractable problems, raising the bar for how we engage with stakeholders to inspire action.

More than 500 people attended the Summit — followed by over 30,000 video views — to hear 50 global leaders from government, nonprofits and the private sector.

Eight major funding commitments totaling \$72 million were announced to support inclusive growth programs, including Mastercard’s own pledge of \$26 million toward the creation of the Aspen Partnership for an Inclusive Economy (APIE). That partnership will combine the ideas, talents and resources of the public, private and nonprofit sectors to address income inequality and opportunity through the lens of inclusive growth. APIE will lead to the development of bold new proposals from experts across Aspen Institute programs and networks; the mobilization of leaders across sectors to advance integrated strategies for inclusive growth; and the convening of thought leaders and change-makers to drive solutions and impact. The Center will serve as a partner of APIE and leverage the assets of Mastercard — people, data insights, technology and a global network — to ensure that the digital economy works for everyone, everywhere.

Mastercard Lab for Financial Inclusion

The Nairobi-based Mastercard Lab for Financial Inclusion created groundbreaking solutions to help individuals and micro and small-businesses achieve increased financial security.

The Lab brings together Mastercard's innovation and global financial inclusion capabilities, combining these with local expertise and insight to deliver inclusive growth and empower people. Three solutions developed by this team — Mastercard Farmer Network, Kupaa and Kionect — have successfully transitioned from the Nairobi Lab to Mastercard business units and are being deployed across several countries.

Mastercard Foundation



The Mastercard Foundation is one of the largest foundations in the world. Through its Young Africa Works strategy and Canadian EleV program, the Foundation works with partners to ensure young people, especially young women, have access to a quality education, financial services and dignified work.

The Foundation was established in 2006 through a designated allocation of stock when Mastercard became a public company. The Foundation is independent, with its own board of directors and CEO. Its assets have grown and its programs have helped improve the lives of 44 million people living in poverty.

Mastercard Foundation highlights*

\$33.4 billion

Value of assets

\$148 million

Dividends paid by Mastercard to the Foundation in 2019

\$3 billion

Funding committed to date

Key 2019 accomplishments include:

- Implemented its new Young Africa Works country-focused strategies in Ethiopia, Ghana, Kenya, Nigeria, Senegal and Uganda to help 30 million young people have dignified and fulfilling work by 2030.
- Established four regional hubs — in Accra, Ghana; Nairobi, Kenya; Kigali, Rwanda; and Toronto, Canada — to ensure the heart of the Foundation is in the countries where we work.
- Expanded the Scholars Program at the tertiary level to advance transformative leadership and youth transitions in support of socio-economic transformation in Africa. Fifteen thousand young people will be added to the Program with a focus on excluded populations, including refugees and displaced youth, people with disabilities and women.
- Expanded EleV Indigenous education program in Canada to help 30,000 indigenous youths over the next 10 years to complete their educations, access economic opportunities and drive meaningful change in their communities and across Canada.
- To date, trained about 7,800 teachers and reached about 318,000 students through Leaders in Teaching, a program that aims to transform teaching and learning in secondary education across Africa.

*As of Dec. 31, 2019.

FINANCIAL SECURITY

Mastercard spent years developing a combination of programs to help individuals access financial tools — and the education to use them properly — to achieve financial security.

Our mix of digital products and services ensures timely payments for completed work, allows for the accrual of savings, provides a way to tap into credit and makes it easier to deliver essential services to underserved communities.

We're working to improve the lives of marginalized groups by connecting them to priceless possibilities so they can reach their potential.

Digitizing supply chains

Farming

Most coffee farmers in Mexico are smallholders cultivating 1 to 3 hectares of land, often in remote locations, making them dependent on middlemen to sell their coffee, which means they lose a substantial amount of their income in fees.

Under Mastercard's partnership with the Neumann Kaffee Gruppe (NKG) and its Mexican subsidiary, Exportadora de Café California (ECC), an innovative electronic payments solution has been implemented that allows farmers to get paid directly by NKG. This means farmers get paid in a faster, safer and more convenient way that allows them to keep more of their earnings. The payment solution is complemented by also enabling local merchants to accept digital payments.

As of May 2020, more than 1,200 farmers were enabled by our digital payment solution. This scalable, speedy and cost-efficient system also lowered processing costs, allowing NKG to reach even more farmers directly. We're continuing to innovate and expand the program.



Coffee farmer Elia Velázquez Domínguez, from Mexico's Sierra Madre de Chiapas mountains, saw immediate benefits after switching to a digital supply chain. She now has instant access to all her earnings, including the 20% of her earnings that previously went to cash-based middlemen.

Commerce

Kionect is a multi-sided supply chain platform that enables the growth of underbanked small merchants by efficiently linking them digitally to their suppliers and to financial service providers, allowing them to access credit and participate in supply chain finance. The platform was launched in Egypt in 2019.

Empowering garment workers through digital wages

Around the globe, 70% of adults in low-income countries who work in the private sector receive their wages in cash.

Mastercard, alongside industry partners including Levi Strauss & Co. and Marks & Spencer, is helping garment factory workers to get paid digitally and build their savings safely.

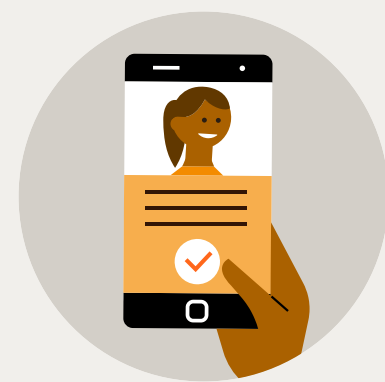
At the same time, we're providing more transparency, streamlining operations and increasing efficiencies for these brands' factories. The first pilot is underway in Egypt. At the end of 2019, over 3,800 factory workers had bank accounts and over 280 had opened digital wallets.

As part of this effort, the Mastercard Center for Inclusive Growth partnered with global nonprofit BSR to offer financial-literacy training to workers and to adapt its successful HERfinance program to these markets. The HERfinance program helps low-income workers better manage their incomes and brings them into the formal financial system through education programs on financial literacy and availability of digitized wage payments. Ultimately, we plan to replicate and scale this approach in other countries and other areas of manufacturing.

Enabling access to critical services through digital infrastructure

Community Pass is a suite of digital tools connecting people simply and securely to the vital services they need over a safe data platform.

It creates digital “rails” that governments, civil society and the private sector can use to deliver necessary products and services. They also reduce the costs and improve the efficiency of delivering those services, encouraging and enabling investment by development and humanitarian organizations.



Inclusive Identity is a biometric-based authentication ecosystem that allows people to prove their identities, even without any formal documentation such as a birth certificate.

This low-infrastructure solution offers frictionless enrollment and authentication. We’ve made it interoperable and open-standards-based to ensure it can operate as a global franchise model.



Mastercard Aid Network is a digital voucher system that has been used by aid agencies in Yemen, Niger and Mali.

It works by giving aid recipients a chip-enabled card that is periodically loaded with value so they can get necessities from a pool of goods, even in environments with no or limited connectivity. Local merchants are provided with user-friendly tablets to accept the cards. This system is safe and easy to use, it’s globally accessible and it eliminates the need for multiple partners.



Kupaa is a mobile education payment platform created in partnership with UNICEF and Uganda’s Ministry of Education to help students stay on track and take their education to the next level.

It allows parents, schools and governments to make and track digital payments. It also digitizes collection and tracking of teacher attendance, so schools in marginalized communities can maintain real-time data. In 2019, we scaled it to a total of more than 500 schools in Uganda, increasing the reach to more than 130,000 parents and guardians.



Wellness Pass is a platform for digitizing immunization records via a secure chip card developed by Mastercard and GAVI, the Global Alliance for Vaccine Innovation.

It’s an application that enables record portability and accurate treatment, even among offline health centers. It includes the activation of electronic notifications so service providers can help more children from the poorest countries stay on track to receive life-saving immunizations and helps governments assess the effectiveness of their programs to eradicate diseases.



Community Commerce provides underbanked or unbanked individuals with a secure “bank account on a card” to receive and send funds or store cash, even without a mobile phone or internet access.

We piloted Community Commerce in December 2018 in Mozambique in partnership with Banco Letshego, a subsidiary of the Letshego Group. As of June 2020, the pilot resulted with more than 100,000 consumers and 500 merchants registered, and more than 87% of consumers deposited money onto their cards.



Mastercard Farmer Network is a network that digitizes marketplaces, payments and transactions for farmers, giving smallholder farmers access to a digital marketplace.

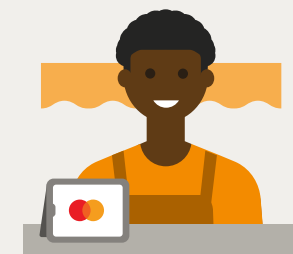
It has been deployed in Tanzania, Uganda and India. By the end of 2019, more than 475,000 farmers had registered on the platform.

Unlocking microcredit

Jaza Duka

Meaning “Fill up your store” in Swahili, Jaza Duka was created to give micro merchants in Kenya access to low-interest Jaza Duka credit, allowing them to sell a wider range of products and grow their businesses. It launched in 2017 in partnership with Unilever and Kenya Commercial Bank (KCB).

KCB offers shopkeepers digital credit and accounts and in return receives critical data on its purchases from suppliers to assess credit risk with improved accuracy. Unilever provides its products, thereby expanding its distribution and Mastercard's network runs the transactions. Since its inception, 20,000 shopkeepers have registered with the program. In 2019, we expanded even further with two pilot programs. One is an insurance pilot, partnered with AXA and Unilever, the other a membership/rewards pilot, offering stores incentives to place Jaza Duka credit orders — and repay them in full and on time.



Mutua Muasia Kivathi obtained credit through Jaza Duka and Kionect so he could fill his store shelves and increase his business. Now he's consistently paying rent and covering his children's school fees.

Ensuring shopkeepers are equipped with basic financial knowledge is instrumental to the program. The Mastercard Center for Inclusive Growth partnered with nonprofit TechnoServe to facilitate that education. It had in-person training for the micro merchants on topics such as financial management, responsible credit use, merchandising and other business operational skills.

To date, this training has reached more than 4,500 merchants, more than half are women. Shopkeepers reported an average increase in daily revenue of nearly 20%. We are using digital training models, including SMS-based platforms, to expand the training program.

Mastercard remains committed to scaling Jaza Duka and Kionect as part of its Mastercard Micro Credit Program with other consumer goods companies across several emerging markets. Mastercard wants to offer shopkeepers more choices among financial propositions, training programs and other benefits.

Accion

We are working to transform services for 8 million people, 3 million of whom are entrepreneurs, over four years with \$15 million in grant funds for Accion from the Mastercard Impact Fund. This grant supports the digitization of financial service providers around the world, enabling organizations to scale safely and to increase the number of people they serve.

In 2019, the partnership with Accion reached more than 500,000 micro, small and medium enterprises, working with eight fintech startups and six financial service providers (FSPs). The fintechs, two in the U.S. and six in emerging markets, are helping create a more inclusive digital ecosystem for micro merchants. The FSPs are engaged in activities as varied as creating a financial inclusion innovation hub, a digital bank within a microfinance institution, a marketplace platform for financial services and expanded outreach through digital lending. They include Accion Microfinance Bank in Nigeria, CÍVICO in Colombia and Mexico, BASIX Sub-K and Annapurna Finance in India, Bina Artha Ventura in Indonesia and BancoSol in Bolivia.





Financial literacy

Master Your Card

Financial literacy is an important component of financial security, so helping marginalized or underserved groups learn and understand how to manage money is a key component of Mastercard's vision for inclusive growth.

Educational programs such as Master Your Card help build that solid foundation for people of color, seniors, women, youths and small-businesses. Our curriculum for small business owners explains the benefits of accepting electronic payments and other tools to help improve and protect their businesses. In 2019, the Master Your Card program engaged directly with more than 2,000 individuals and entrepreneurs through many partner engagements and events in more than 10 U.S. markets.

There are various Master Your Card youth education initiatives, including a student-based program that provides financial literacy education in 200-plus schools in underserved communities. We worked in 2019 with high-need students in New York and St. Louis in conjunction with EVERFI Inc., the leading U.S. digital education company. The program has reached 30,000-plus students since launching in 2016.

Mastercard Academy

Mastercard Academy provides training on Mastercard's products and services to customers, developing essential skills through three platforms – consisting of expert open seminars, on-demand courses and online training sessions.

Customers can choose to learn at a location of convenience, their own premises or remotely through our Academy on the Web (AOW) platform. In 2019, the Mastercard Academy educated over 45,000 people about the payments industry and its technology.

Mastercard Academy 2.0

Mastercard made a commitment to increasing worldwide financial and digital literacy.

Over the next three years, Mastercard Academy 2.0 will empower 100,000 school-age children, young adults, entrepreneurs and midcareer professionals in Indonesia with the tools and knowledge they need to succeed in the digital economy.

ECONOMIC DEVELOPMENT

We are harnessing our technology, talent and data insights with a suite of innovative products and programs to help local leaders build strategies for inclusive growth in the communities they serve, including promoting equity for the underserved and marginalized.

Our data analytics help those leaders, as well as businesses, nonprofits and NGOs, to assess and promote economic growth and make more-informed decisions.

City Possible

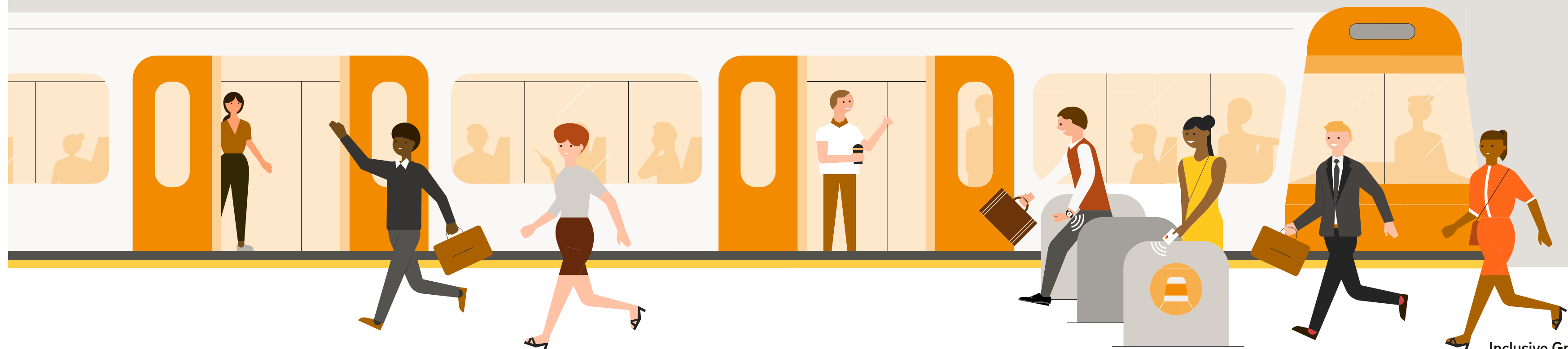
Launched in 2018, City Possible is a partnership and co-creation initiative that brings cities, companies and communities together to identify common challenges and co-develop solutions that advance inclusive and sustainable urban development.

In 2019, the network grew to more than 40 cities and made significant progress in helping cities make tech work for people — by streamlining public transit, increasing access to city services and informing urban planning to improve quality of life. By bringing together city leaders to surface shared challenges and connect them to the insights and solutions of academics, businesses and NGOs, City Possible is pioneering a path to making cities more inclusive and sustainable, drawing on the collective expertise and resources of all stakeholders.

City Key

City Key helps economically disadvantaged people take the first steps toward financial security, while providing better and more efficient access to city services.

City Key can be programmed with many functions, including official identification, access to city services, disbursement of social benefits and subsidies and a way to transact digitally. A pilot of City Key was launched this year in San Jose, California. We're taking insights from that pilot back to our partners to explore additional uses, including faster and more targeted distribution of social benefits and improved access to broadband and other digital services.





Inclusive Growth Score and Toolkit

The Mastercard Center for Inclusive Growth introduced a suite of tools for community leaders in response to a growing demand for more evidence-based insights. These tools help steer impact investment dollars to locally led economic development initiatives and unlock the potential of underserved neighborhoods.

The Inclusive Growth Score is an interactive online map that, for the first time, provides a clear view of social and economic growth in underserved communities across the U.S. at the census-tract level. The initial design is focused on driving sustainable growth for the more than 30 million people living in more than 8,700 Qualified Opportunity Zones throughout the United States.

Our map is based on timely and highly granular economic and location data. It calculates an Inclusive Growth Score for each zone using both Mastercard insights and open-source data, taking into account not only economic activity, but also various social metrics. The higher the score, the more likely it is that growth is trending in a more inclusive direction.



Benefits Data Trust

As part of data.org, the Mastercard Impact Fund and the Rockefeller Foundation pledged to help improve the health and economic mobility of at least 5 million people in five years through a jointly awarded \$7.5 million gift to Benefits Data Trust.

The Trust streamlines access to food, health care, housing and other essential benefits for low-income people in the United States. The Trust will deliver at least \$2.5 billion in benefits through a combination of digital products, machine learning, policy, research and new partnerships.



Accelerator for America

We're using our data-science expertise to help cities promote inclusion, mobility and equity. Through \$1 million in grants from Mastercard in 2019, Accelerator for America built prospectuses for 50-plus cities, helping them foster inclusive growth.

Our data scientists identify patterns for a timely view of the economic activity happening in underserved neighborhoods and the potential unmet needs of the community.



FUTURE OF WORKERS

Mastercard is working to give people the digital technology and tools needed to confidently navigate the changing nature of work and adapt to emerging opportunities.

Technology creates new ways to start, grow and operate businesses, but it also displaces and unsettles many segments of the workforce, fueling a new economy of on-demand work and posing challenges to traditional notions of the social safety net.

Gig solutions

We're introducing solutions to make gig workers more financially secure — and their work more financially viable — by helping them track income and expenses, receive pay in real time and access small business benefits.

One example of this is a new Mastercard debit card that strengthens professional drivers' economic security by giving them immediate access to their earnings, no-fee bank accounts and cash back on everyday purchases, designed in partnership with Lyft.

Portable benefits

As automation continues to change the employment landscape, we believe that access to skill-building, insurance protections, financial management tools and other benefits will be vital to helping vulnerable workers achieve financial security and stability.

We know that to accomplish that goal, we must learn more about how workers access various benefits and find a way to help design a digital solution for portable benefits.



Advocacy

Mastercard is committed to being a proactive voice at the forefront of major policies involving access for all people to the financial system.

By developing relationships with policymakers and governments, we seek to foster a legislative and regulatory environment that promotes policies that drive inclusive growth, while also directly empowering communities with the tools, skills and resources needed to participate in today's globally connected economy.

Upskilling our communities through partnerships

Mastercard seeks partnerships with public and private organizations to promote skill-building and continual learning in communities around the world. We are working on and investing in several programs, some of which are described below.

We actively engage in many partnerships fostering education, training and apprenticeship opportunities, including TechSkills Accelerator (TeSa) in Singapore and LaunchCode, CareerWise New York and Women in Tech and Entrepreneurship in New York.

We are helping establish a high school dedicated to building cybersecurity skills through our relationship with Partnership for New York City. Offering early access to college and career education prepares students for postsecondary education or immediate entry into high-demand jobs. We also engaged in the Cybersecurity Talent Initiative, a first-of-its-kind public-private partnership created in collaboration with leading companies, federal agencies and higher-education institutions. Students are incentivized to explore roles in cybersecurity through special training, tuition reimbursement, and short- and long-term job opportunities in the public and private sectors.

We continued in 2019 to provide our Mastercard Global Risk Leadership curriculum externally. This included global cybersecurity and risk summits, along with various courses and workshops. Other components are complimentary online educational resources, including white papers, on-demand training modules and best practices aimed at securing the payments ecosystem.

Upgrading employees' current and future skills

We invest in our current and future workforce by providing employees with opportunities to develop skills to help them succeed not just in their current jobs, but throughout their careers.

We cultivate a culture of continuous learning with a variety of learning content and development experiences to develop current capabilities and acquire new skills so employees maintain their marketability. To learn more, please visit [page 54](#).



Our commitment to gender equity

Women have a transformative impact on the financial landscape and the financial health of their communities. However, inequality and exclusion can hold women back, in part because much of our world was designed without women involved or in mind.

Mastercard is tackling this imbalance head-on, joining forces with our customers and organizations such as the Financial Alliance for Women to design better products, communications and experiences for women.

As part of this focused effort, we have invested in global consumer research to better understand women's financial needs, attitudes and behaviors across 18 markets. We also developed **Women by Design**, our proprietary framework for designing more inclusive financial solutions. Collaborating with our Labs as a Service team, we launched Women Sparks, a design thinking innovation workshop focused on working with our partners on women-centric concept development.

Despite huge strides, women entrepreneurs continue to face a steeper climb than their male peers when it comes to accessing capital investment and other resources necessary to launch and grow their businesses.

Mastercard wants to help fix that. We're pushing our networks further, forging ambitious partnerships and championing the people, businesses and innovations that are transforming the way our world works.

In the U.S., Mastercard has worked with the nonprofit microfinance organization Grameen America to support its technology transformation and to move low-income women into digital banking. Through this partnership, women can establish a financial identity and improve their businesses by digitizing their operations and accessing microloans. Digital payments enable Grameen to disburse same-day loans to women entrepreneurs in need, providing critical lifelines of support to their businesses. As of April 2020, Grameen America has disbursed over \$1.5 billion to help more than 132,000 women entrepreneurs build or expand their businesses.

We've launched campaigns such as **Her Ideas Start Something Priceless**, which supports women entrepreneurs by connecting them with mentors, communities and other resources. We reaffirmed our commitment to women entrepreneurs in the U.S. by launching our **Path to Priceless Initiative**. Building on the success of Her Ideas, this initiative brings together partners like Create and Cultivate and Hello Alice to provide a network of support, learning resources and growth opportunities for women entrepreneurs.

Our solutions give women control over their finances and protection for themselves and their families. The Mastercard Labs developed the **Mastercard Farmer Network**, a digital platform accessible through a basic mobile phone that revolutionizes access to financial services by providing an easy way for women smallholder farmers to buy, sell and receive payments. More than 250,000 women smallholder farmers already are benefitting from it.

In April 2020, as part of our overall financial inclusion initiative, we extended our commitment by pledging to help **25 million women-owned and/or -run businesses**. We're connecting women to resources and solutions to improve their lives, because we believe that a world that works better for women creates limitless possibilities for us all.





DATA FOR GOOD

Mastercard is building the field of data science within the social sector so organizations have the tools and capabilities necessary to harness data science to improve lives.

We're accelerating social impact through research, skill-building and the development of new technology platforms using data science and data governance.

In 2019, the Mastercard Impact Fund committed \$25 million to the effort. Last year, we launched a Data Science for Social Impact (DSSI) collaborative with the Rockefeller Foundation with a joint \$50 million commitment over five years. That partnership, now being pursued as data.org, included a \$20 million grant to DataKind, a global platform for social sector's data science needs.

Data.org is a platform designed to drive the development of the field of data science for social impact by forging partnerships and demonstrating the power of data as a tool for solving long-standing and seemingly intractable social problems. We're also partnering with universities around the world to create a core curriculum on data science for social impact.

THE MASTERCARD IMPACT FUND HAS COMMITTED \$25 MILLION TO ACCELERATE SOCIAL IMPACT THROUGH RESEARCH OVER THE NEXT FOUR YEARS

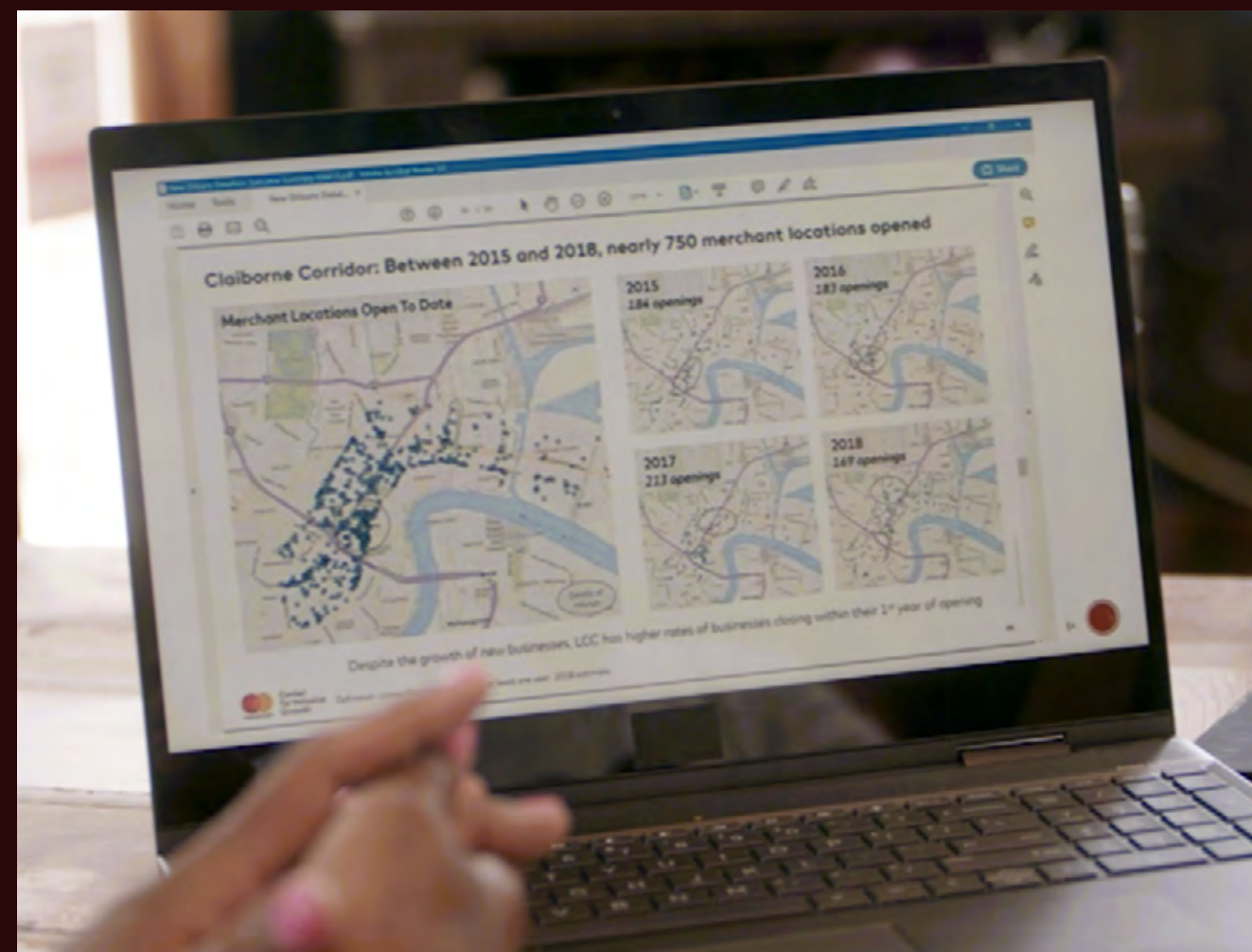
Helping New Orleans promote inclusive growth

Mastercard put our insights to work in New Orleans, looking to see whether data could be used to determine the economic health of a community.

The city needed hard data about the strengths of historically black neighborhoods to attract new investment and development. More than 60 Mastercard data scientists gathered in 2019 for a 36-hour "Datathon," joining forces with Michelle Thompson, a University of New Orleans professor and Mastercard data fellow who has been working with community leaders to develop insights to bolster investment. Mastercard data scientists identified trends in consumer spending and store openings that uncovered and validated enormous growth in two overlapping areas of New Orleans — the Claiborne Corridor Cultural Innovation District (CID) and the Livable Claiborne Corridor (LCC).

The analysis is helping the community validate that neighborhood development efforts appear to be paying off — consumer spending and store openings in the area have risen sharply since those efforts began in 2015, according to the results from the Datathon analysis. Between 2015 and 2018, consumer spending growth at CID retail businesses was 12 times greater when compared with Greater New Orleans. In the larger LCC, consumer spending grew by 16%. Community leaders say the insights can help them court new investments and make more-informed policy choices that lead to meaningful benefits for everyone in Claiborne.

¹ For image credit, click [here](#).



Data Fellows

The Data Fellows program came out of Mastercard's efforts to harness data insights for social good in collaboration with some of the world's brightest minds.

The Fellows, data scientists from diverse academic and government institutions, collaborate with our data scientists to identify patterns, develop research papers and glean insights that drive economic growth for underserved segments of society. Last year's inaugural class of Data Fellows delivered groundbreaking research demonstrating the power of data philanthropy to address social issues around inclusive growth.

COMMUNITY SUPPORT AND DEVELOPMENT

We are committed to building solutions that channel aid quickly and securely to people who need it in times of emergency. We also support communities in need through charitable giving to organizations on the front lines helping people rebuild their lives in times of crisis and recovery.

Disaster relief

We take a team approach to disaster relief by channeling both corporate and employee donations to relief agencies. We also use Mastercard's digital products, services, insights and employee volunteerism to support relief efforts.

In 2019, we committed \$545,000 to support response and relief efforts for disasters around the world. We provided \$250,000 to the American Red Cross for general disaster response coverage in the U.S., which included training initiatives in New York and St. Louis, where Mastercard employees serve as second responders.

We gave another \$200,000 to the Red Cross and \$25,000 to Americares to fund disaster relief efforts in the Bahamas in the wake of Hurricane Dorian. We also hosted an employee volunteer effort to pack medical supplies for people in need.

In early 2020, we committed AU\$250,000 to the Australian Red Cross to help people recover from the nation's devastating bushfires.

Crisis response solutions

We work to help humanitarian organizations more efficiently and effectively serve people impacted or displaced by conflict or natural disaster.

Through solutions like the Mastercard Aid Network and initiatives such as the [Smart Communities Coalition](#), our technologies and partnership models can support more comprehensive responses.

Since 2015, the Mastercard Aid Network and its prepaid cards and debit cards have helped bring lifesaving assistance, including essentials such as food, blankets, tarps and schoolbooks, to more than 3 million people around the globe. In 2019, more than 12,500 households were in the Mastercard Aid Network.

Funding for critical causes

Mastercard leverages our technology and network to support nonprofit organizations in the health care, education and environmental spheres. Together, our company, partners, employees and cardholders can help the next generation thrive.

Mastercard enabled the collection of more than \$20 million in 2019 through several channels to support young people in health, education and the environment. Mastercard and our partners — issuers, acquirers, merchants and governments — collected most of these funds through more than 100 donation-driven marketing campaigns and activation programs. These donations benefitted highly regarded international organizations, as well as national nonprofits, in support of local projects. The model is simple: Consumer transactions over the Mastercard network in a defined time frame produce a small charitable donation.

Consumers can actively contribute through the [Mastercard Donation Platform](#), a digital tool available in 10 countries with over 3,300 charitable organizations. It allows cardholders to direct small donations to specific charities every time they use their cards. They also can register for monthly donations or one-off donations in support of the causes they care about most.

Providing nutritious meals for children

 **\$26.9 million** donated

 **107 million** meals provided

Since our partnership with the World Food Programme (WFP) began, Mastercard, its partners and cardholders have donated a total of \$26.9 million¹ to fund the equivalent value of more than 107 million meals.²

For many children born into difficult circumstances, a school meal is often the only nutritious meal they receive each day and it can mean the difference between going to school or helping their parents at home or in the field. The benefits of school meals go beyond education and health — they are key to unlocking children's potential and helping communities build self-sufficiency. Here are just a few examples of the on-the-ground impact the WFP made around the world, with our help, in 2019:



In Mali, Mastercard helped the WFP reopen closed school canteens and expand to 25 new locations in 2019, enabling school meals for 66,000 children.

In Jordan, 6,000 Jordanian and Syrian children affected by the refugee crisis received meals, while other refugees (mostly women) were hired to cook the meals through the WFP Healthy Kitchens project.

In Honduras, 3,700 children in two municipalities with the highest rates of malnutrition received meals, made with food purchased from 74 smallholder farmers.

¹ This figure includes all 2012-2019 cash donations from Mastercard, its employees, partners and consumers that are allocated for WFP school meals, excluding donations for WFP emergency operations and cash payments supporting Mastercard expertise-sharing activities with the WFP.

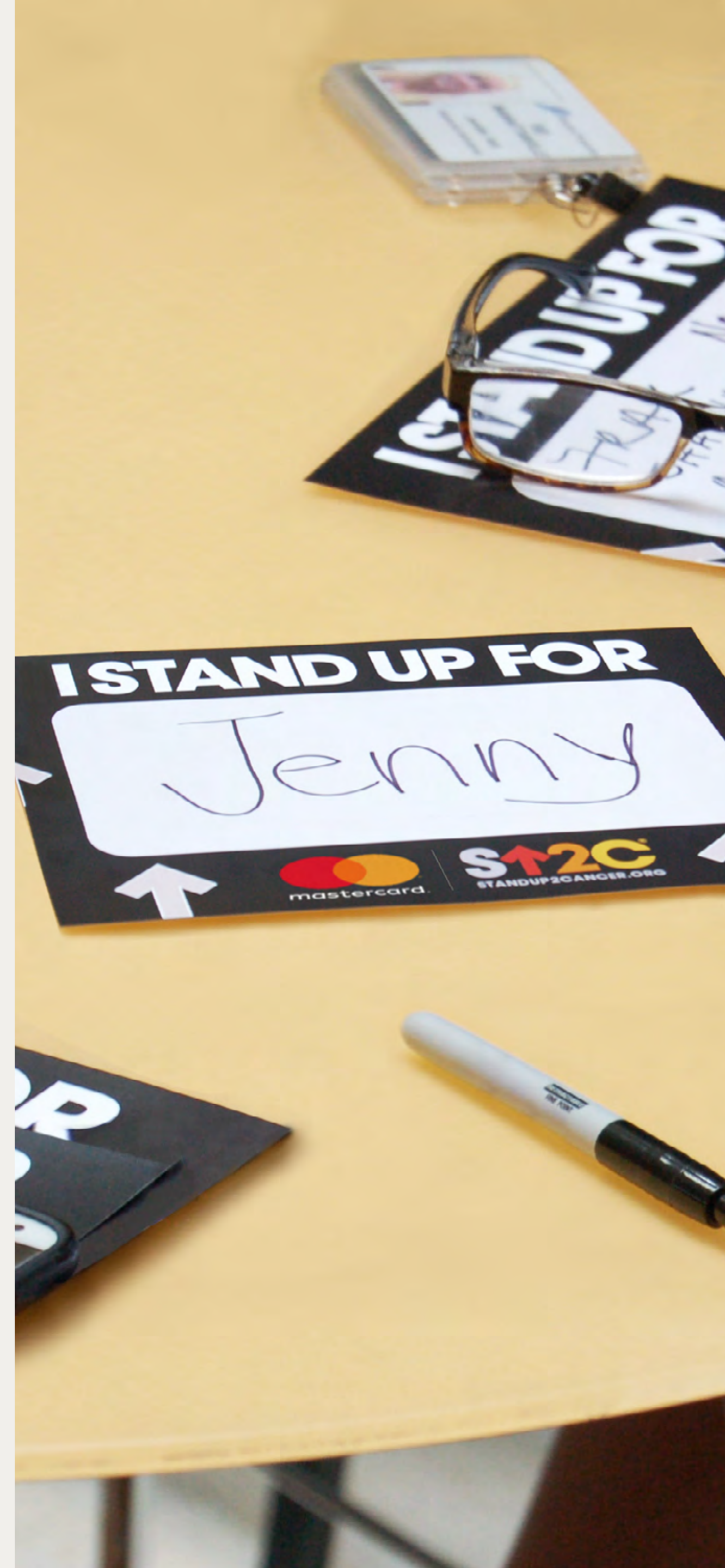
² The "equivalent value of" is based on the global average price of one WFP school meal (US\$0.25).

Supporting cancer research & treatment

Mastercard is a proud, long-standing partner of Stand Up to Cancer (SU2C), having donated more than \$50 million toward cancer research and treatment in the past decade.

Our support, along with that of millions of cardholders, helped SU2C fund breakthrough clinical trials and new treatments that can save lives now. SU2C-supported research also led to five new Food and Drug Administration-approved cancer therapies, including treatments for breast, ovarian and pancreatic cancers and certain difficult-to-treat leukemias.

Stand Up to Cancer works relentlessly to bring the latest, most effective and most promising cancer treatments to patients as quickly as possible by bringing together the best minds to collaborate, innovate and share their clinical research. In the spirit of this collaboration, we developed marketing programs that harness the collective power of our cardholders. From July 1 through Aug. 15, 2019, Mastercard committed up to \$4 million by donating 1 cent to SU2C every time a U.S. cardholder charged \$10 or more on their card while dining out. We doubled the donation when consumers paid for their meals with a contactless transaction.



03

OUR PEOPLE AND CULTURE

OUR APPROACH

We believe that what we do is as important as who we are. We invite our employees to bring their hearts, minds and whole selves to work every day to push boundaries and imagine new possibilities. We attract and recruit those who are change-makers, those who want to own their path and dare to go further.



As a purpose-driven company with a long commitment to inclusivity, we have a broad view of what constitutes and inspires talent, so we develop employee skills for now and for the future.

Understanding that employees have different needs across different stages of life, we offer competitive rewards and benefits such as inclusive family support programs, five paid days off for volunteerism, flexible work and a generous retirement plan match.

We continue to build a workforce as diverse as the markets and customers we serve. Purpose is connected to — and in service of — influencing and impacting societal change. We unlock that possibility through our collective business initiatives, philanthropic efforts and people-first focus, all of which are at the core of who we are. With a highly engaged workforce — in both good and challenging times — we think we're on the right path.

Taking a stand, driving change

At Mastercard, we embrace diversity and inclusiveness and create a sense of belonging because we know it's what makes us better as colleagues, as a company and as citizens of the world.

We have written in this report and in other forums about our commitment to decency. Decency sits at the core of all we do, working hard to ensure that we treat all people of all backgrounds, cultures and perspectives fairly, providing an equal opportunity to grow and advance their careers.

We speak boldly and loudly about our beliefs and the changes that we see need to be made. These have included immigration, gender equity, LGBTQ+ support and, more recently, a call against racism. Racism is against everything we stand for as a company, as a community and as individuals who strive to live peacefully and joyfully.

We will continue to lead on these causes, using our voice to raise awareness and advance solutions, while taking action ourselves. This is how we have approached many issues, focusing on the areas where we can have impact — first within our own walls and for our employees, followed closely by how we approach our business and our partnerships and programs to support the broader community (or economy).

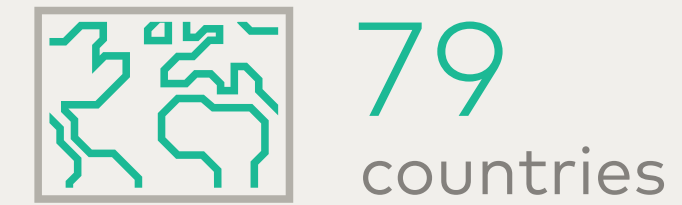
This spring, we made clear our belief that racism is against everything we stand for as a company, as a community, as individuals. That is why we launched In Solidarity, a company-wide, long-term initiative that activates the full breadth of our company's resources to advance inclusion and equality. The initial focus will be on Black communities in the United States and will expand to other geographies to address the unique local needs and combat all forms of racism and discrimination around the globe.



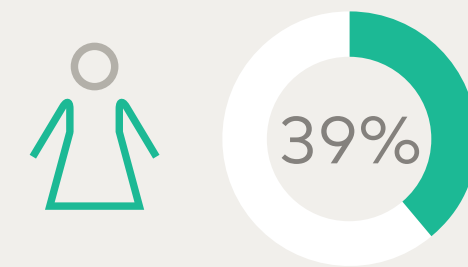
Our workforce today

Mastercard's workforce has grown and diversified as our markets, products and services have expanded.

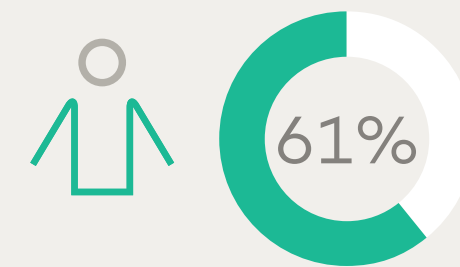
- We ended 2019 with 25% more people than the year before, in part due to organic hiring and employees we onboarded as part of the integration of newly acquired entities. We total 18,600 committed people, all driven to do their best.
- Back in 2012, 57% of our employees were U.S.-based and most came from the banking industry. Today, 61% of our employees work in 79 countries outside the U.S. Our people have a wider range of skills than at any time previously — and are the most diverse they've ever been, from senior leadership down. Most of our current hires come from nonfinancial backgrounds, with an extensive mix of expertise such as cyber, AI, consulting, retail and government.



GENDER REPRESENTATION GLOBAL WORKFORCE, ALL LEVELS

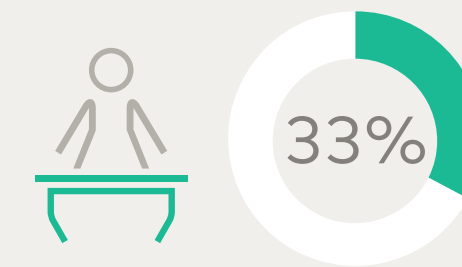


Women in the
global workforce

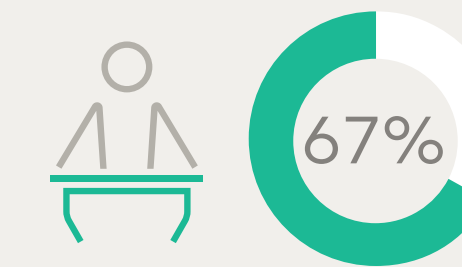


Men in the
global workforce

GENDER REPRESENTATION GLOBAL SENIOR MANAGEMENT



Women in global
senior management



Men in global
senior management



ETHNIC BACKGROUND U.S. WORKFORCE, ALL LEVELS

Asian	20.6%
Black or African American	5.5%
Hispanic or Latino	8.3%
All other people of color	2.0%
White	60.6%



ETHNIC BACKGROUND U.S. WORKFORCE, SENIOR MANAGEMENT

Asian	14.8%
Black or African American	4.2%
Hispanic or Latino	11.2%
All other people of color	1.8%
White	67.4%

Women/men and ethnicity totals do not include unknown. Denominators include unknown. Senior management is defined as Vice President and above.



ATTRACTING TOP TALENT TO A DIVERSE GLOBAL WORKFORCE

We designed our workforce to keep pace with a dynamic 21st century by hiring people with distinctive skills and diverse backgrounds who infuse energy, enthusiasm and innovation into the company.

Our workforce shapes our ideas of fairness and opportunity, and positively affects performance. Their skills, experience and integrity drive our success.

Campus attraction

We find talent from a multitude of backgrounds on college campuses around the world.

Our strategy focuses on three talent groups — our undergraduate internship program, our undergraduate entry-level program and our management associate program — plus additional efforts to ensure we find traditionally underrepresented candidates. Our University Relations strategy is designed to craft intensive, multiyear partnerships with more than 100 of the world's best universities, 76% of which are outside the U.S. Special collaborations with universities help us solidify relationships with these schools and their students. Through these partnerships, we sponsor events with key campus organizations to strengthen our bonds with diverse communities.

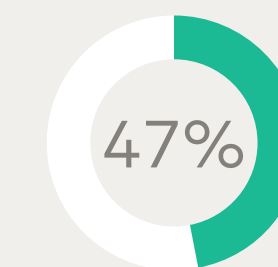
Undergraduate Entry-Level Program
We hired 460 new graduates from campuses all around the world in 2019 and put them through an 18-month new-hire program.

The program provides recently graduated talent with development opportunities as well as exposure to the business experience that's needed

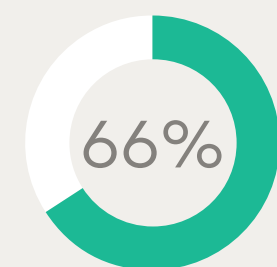
to enhance their professional growth and launch their careers at Mastercard. The program includes regional boot-camp training, followed by a learning curriculum to supplement their job training and professional development. We expanded the program globally by over 200% in 2019, with the goal of attracting more diverse candidates.

Undergraduate Internship Program
Our internship program provides students with hands-on work experience, allowing them to develop their problem-solving and analytical skills.

The program is designed to give students an opportunity to make a big impact by contributing to the Mastercard mission. In addition to targeted team assignments, interns can participate in networking sessions, a leadership speaker series, volunteer and team-building experiences, and more.



of our interns were women



of our interns were people of color

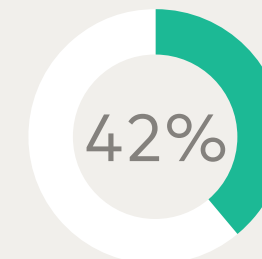


Management Associate Program

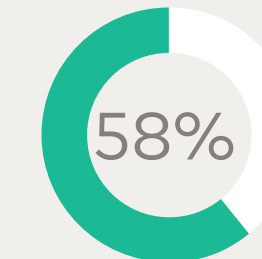
This 18-month rotational leadership development program for graduates with advanced degrees builds general management skills, allowing participants to accelerate their career opportunities.

The program is composed of three six-month placements across three distinct business units aligned to strategic priorities and business needs. Associates are aligned to one of four tracks: Finance, Markets, Product, or Operations and Technology. Forty-three percent of the participants in this program have been women and 60% have been people of color.

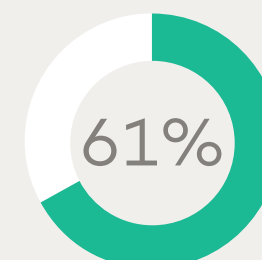
TOTAL UNIVERSITY HIRES



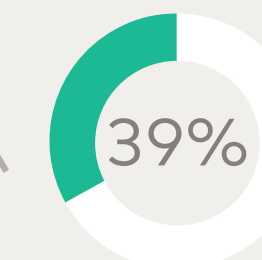
42% of global university hires were women



58% of global university hires were men



61% of U.S. university hires were people of color



39% of U.S. university hires were white

Diversity and future talent programs

Our supplemental programs to find diverse talent on college campuses include our continued partnerships with INROADS and Women in Technology New York (WiTNY).

INROADS is a global nonprofit program focused on increasing the representation of people of color in corporate leadership. Women in Technology New York (WiTNY) provides winter internships for female students interested in technology careers. These partnerships support us in building our talent pool while providing students with opportunities to develop their personal and career goals. In 2019, we welcomed students into our internship program in our St. Louis, Missouri; Purchase, New York; and New York City offices.

We also introduced a new three-year paid and accredited apprenticeship program called Career Wise for high school students in our New York City office. This unique program creates a path for future employment by focusing on developing the students' technology and soft skills, which are critical for the 21st-century workplace.

Midcareer attraction

Our recruitment includes partnerships with more than 20 organizations that connect us to exceptional talent with a variety of backgrounds and skills.

These partnerships allow us to engage talent from all walks of life — and inspire them to join Mastercard. Our partners at Disability:IN, the Wounded Warrior Project, the Corporate Counsel Women of Color, Lesbians Who Tech and the 30% Club provide valuable insights and connections that help our workforce diversify and thrive. The National Urban League, the National Black MBA and the New York Hispanic Chamber of Commerce have also exposed us to amazing communities of talent.

Executive attraction

Securing the leadership pipeline to ensure Mastercard's ongoing growth and innovation means identifying top talent with the widest variety of perspectives.

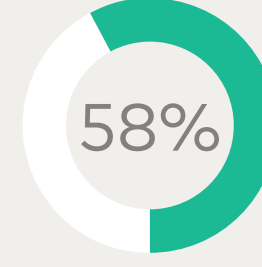
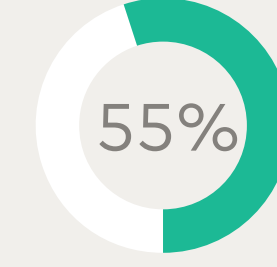
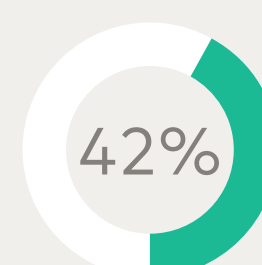
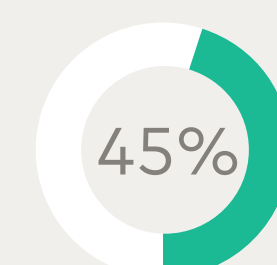
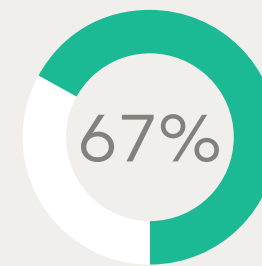
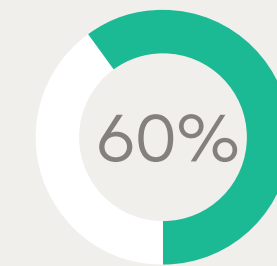
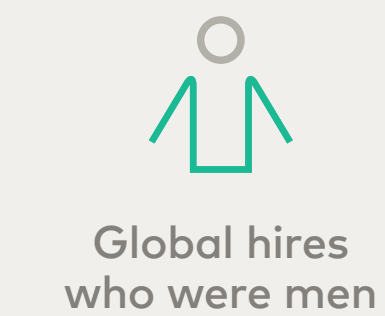
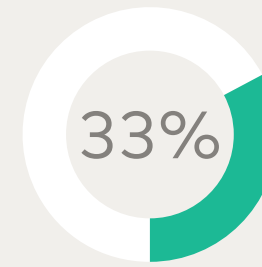
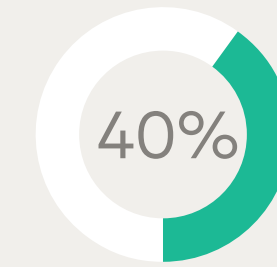
We continue to focus on proactive development of our executive talent pipeline through direct efforts and relationships with select Diversity & Inclusion talent partners. In 2019, we focused on interviewing and hiring the best, brightest and most diverse executives.

2019 BY THE NUMBERS

HIRING

ALL LEVELS

SENIOR MGMT*



*Senior management is defined as Vice President and above.



REWARDING AND PROVIDING BENEFITS

Our comprehensive benefits are designed to enrich the lives of employees — at work and beyond — and their families.

Compensation

Mastercard offers competitive compensation packages through a mix of fixed and variable pay, including base salary, annual cash incentives and long-term stock incentives.

Compensation is guided by three core principles: to align our long-term interests with our stockholders' interests; to ensure market-competitive pay across our packages; and to design pay packages that encourage optimal short- and long-term performance.

Retirement

All employees globally have the opportunity to receive a contribution of 10% of base pay, on a matched basis, to employee retirement plans.

As a result of retirement initiatives, our participation reached over 92% in 2019. Also, we rolled out 10 new international retirement programs and expanded our International Savings and Investment Plan to 28 new countries.

Pay equity

We embrace practices designed to ensure that our people receive equal pay for equal work, and we offer employees multiple channels for raising pay-disparity concerns, including our Ethics Helpline, Employee Relations team and the Law Department.



As of Sept. 1, 2019, our assessment and validation process found women at our company earn \$1.000 for every \$1.000 men earn, based on our latest analysis of employees at the same level, doing the same role. The median pay for women globally is 92.2% of the median pay for men, as of March 1, 2020.



In the U.S., Mastercard employees of color earned \$1.006 for every \$1.000 white employees earned, as of March 1, 2020. The median pay for people of color is 93.0% of the median pay for white employees in the U.S., as of March 1, 2020. Our aim is parity across all measures.



Benefits

At Mastercard, the well-being of employees is an important component of our company culture and is vital to thinking about worker benefits in a holistic way.

We offer a core package of global benefits and supplemental benefits for employees who need to meet local and regional needs.

Financial security

- We provide **life insurance** to all employees throughout the world.
- We provide **supplemental insurance** for employees in the majority of our countries to cover accidental death, injury or serious illness.
- Our **Employee Assistance Fund** provides financial funding to eligible members of the Mastercard Employee Community who are suffering from financial hardship due to serious illness or injury.
- We provide supplemental business travel **accident insurance** that provides benefits to employees and their families in the case of a serious injury or death occurring during company business travel.
- When our Mastercard employees travel alone or with their families on personal matters, we provide **24/7 emergency medical, security, natural disaster and concierge assistance services.**

- Full- and part-time employees and their dependents up to age 25 can apply for one of **20 academic scholarships** annually of \$5,000 each for undergraduate college education. In addition, we reimburse employees up to \$5,000 per year for select professional certification courses, \$7,000 per year for undergraduate courses and \$11,000 per year for graduate courses.

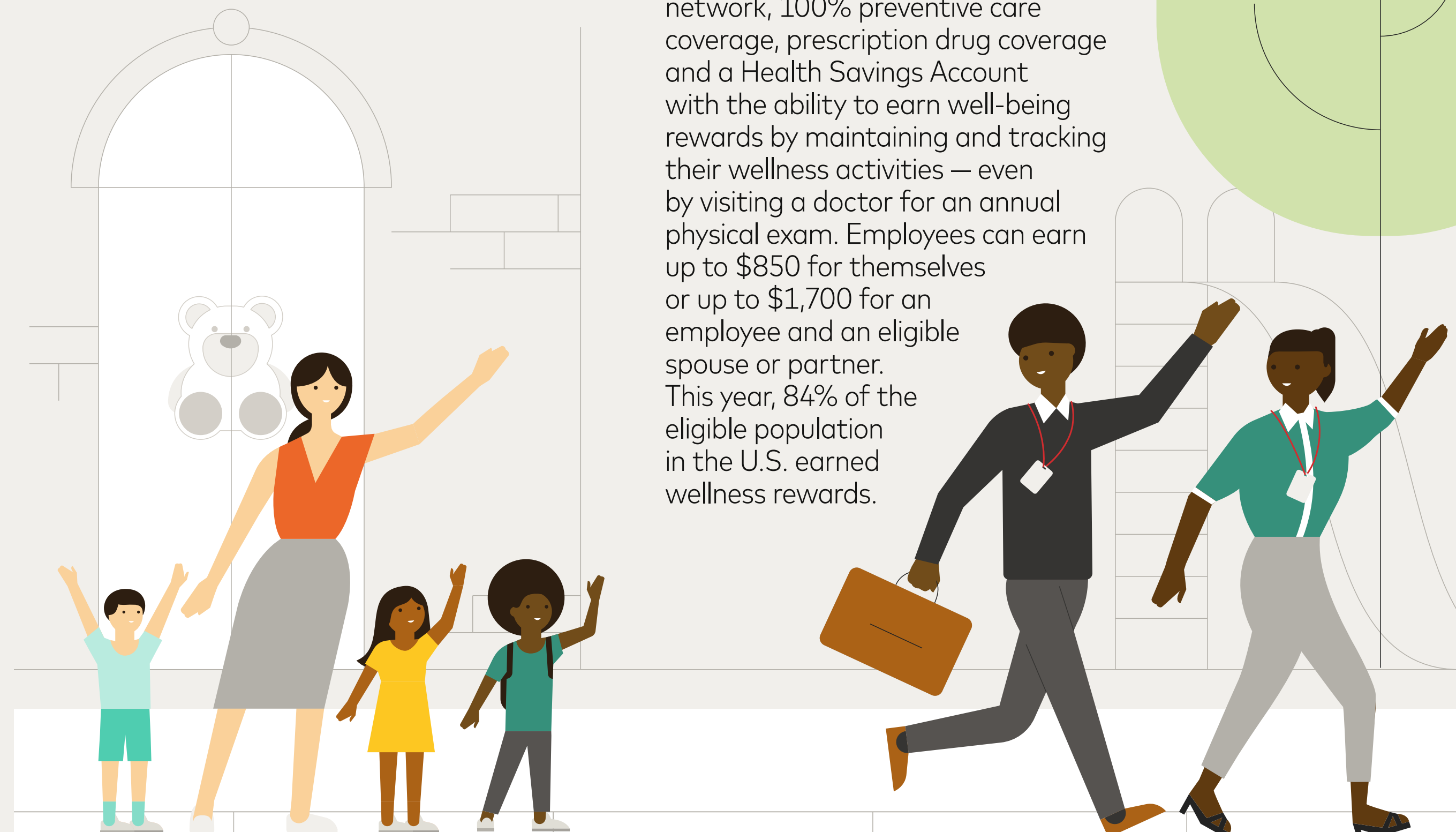
Family support

- Our global **New Parent Leave** benefit supports adoption and childbirth for everyone in all geographies — regardless of race, gender, sexual orientation or local laws. It was enhanced in 2020 to provide **up to 16 weeks** of paid parental leave regardless of gender.
- Starting in 2020, we provide **financial support of adoption, surrogacy or fertility treatments**, if they are not covered by an employee's medical insurance.
- We provide **20 days of backup care** for adult or elderly dependents or family members, as well as up to 20 days of urgent or planned backup child care for children under 13. Both of these programs cover employees in the U.S., Canada, the U.K. and Ireland.

- We provide up to **20 days of paid bereavement leave** for a spouse, domestic partner, parent or child/stepchild; 10 days for a grandparent, grandchild or sibling; or five days for all other extended family.
- Through our Employee Family Resource Program, we offer **confidential counseling and consultation** or referrals for employees and their dependents on personal and professional issues.

Health savings account

- In the U.S., we offer our employees a choice of **high-deductible medical plans**, with an aggregate cost share of about 80% employer-paid and 20% employee-paid. This has remained consistent over the past two years, despite increases in the costs of medical care. We also offer a high-deductible safety-net plan that provides coverage without paycheck deductions. All plans offer employees the same provider network, 100% preventive care coverage, prescription drug coverage and a Health Savings Account with the ability to earn well-being rewards by maintaining and tracking their wellness activities — even by visiting a doctor for an annual physical exam. Employees can earn up to \$850 for themselves or up to \$1,700 for an employee and an eligible spouse or partner. This year, 84% of the eligible population in the U.S. earned wellness rewards.



Community and life balance

- Our **flex-time work** allows employees to work remotely, adjust their start times or both — whatever allows employees to get the job done where and how they work best.
- Through our voluntary, employee-led **Business Resource Groups**, colleagues enhance cultural awareness, develop leadership skills and find opportunities to network with one another.

- We give our employees **up to five paid workdays per calendar year** for volunteer work and community outreach, to encourage their service.
- When employees log 40 or more **volunteer hours** at an organization, Mastercard will make up to four \$500 donations a year to that charity.
- **We match 1:1** up to \$15,000 per year in our employees' charitable contributions.

Well-being at Mastercard

- The **Live Well program** showcases resources to manage stress and build resiliency for our people and their families. Its easy-to-navigate app provides support according to our four well-being pillars: mind, body, social and financial. The associated app includes digital coaching, numerous ways to connect with colleagues, daily tips to keep employees on track with their well-being goals, and much more.
- We have developed **programs to support our employees with exercises and activities for all lifestyles**, resources for sleeping well, taking time off and unplugging, and opportunities to network, socialize and collaborate with one another, no matter where they are. The Live Well app syncs fitness activities from all devices into a single place while self-guided digital courses and short video and audio sessions offer additional ways to maintain the best level of health.

Other programs that help to support well-being at Mastercard include:

- The **Corporate Athletic Program** defrays the cost of team sports with colleagues. From Frisbee to cricket, cycling to soccer, all employees are encouraged to join the fun.
- In certain Mastercard offices, we offer **onsite rooms for meditation, well-being and games**. Our larger facilities offer fitness centers and walking trails to prompt physical activity throughout the day.
- We also offer **virtual workplace ergonomic assessments** globally.





Employee recognition

Our employee-recognition program presented more than 35,000 recognition awards in more than 65 countries in 2019.



35,000
recognition
awards



65
countries

The program rewards behavior that drives business results while adhering to our culture of decency and inclusion. It's a company-wide morale-booster designed to help us celebrate victories big and small, express gratitude for the excellent work we do and recognize the efforts required to accomplish our goals.

We find that simple expressions of appreciation and recognition inspire, create meaningful connections and reinforce our culture as a whole.

DEVELOPING OUR PEOPLE AND LEADERS

Mastercard promotes skill-building and development for current and prospective employees, the communities we serve and the world at large.

Our development programs keep our talent pipeline full and allow us to pivot quickly when we need to adapt.

Learning and development programs

We improve our employee experience by supporting growth in critical skills that will help workers succeed in their current roles and sustain their future marketability.

All employees can participate in both formal, internal and external programming, and informal, self-directed learning. They are supported by a robust suite of offerings targeted to build professional and technical skills.

The vast majority of employees (79%) engaged in a formal learning program in 2019, in addition to required training. Some of the most popular programs addressed communication skills, people management, digital fluency, innovation, sales, and coding and other technical skills.

We have a generous tuition assistance program for all full-time and most part-time employees. It now includes Massive Open Online Courses (MOOCs) from a host of universities, enabling our employees to earn industry-recognized and -verified certificates or credits toward traditional advanced degrees through providers.

Cutting-edge technology is key to Mastercard's continued-learning culture. We've created nine "learning lounges" connecting employees in offices around the globe for team-based learning and collaboration. We also launched two virtual-reality (VR) learning labs, engaging employees in VR training pilot programs. We're leveraging collaboration tools for peer-to-peer and on-the-job learning and enabling employee access to many of the leading online technical and professional skill-training providers.

We offer a rich portfolio of enrichment opportunities and development programs at every stage of our employees' careers. Participation in these formal development programs more than tripled in 2019.

Recently graduated emerging talent takes part in our undergraduate entry-level program, an 18-month development journey. It begins with an experiential boot-camp to help young people kick-start their careers at Mastercard. The program focuses on developing skills through on-the-job learning and a curated curriculum in order to drive career growth and advancement.

Relaunch Your Career, our return-to-work program, is designed to attract, develop and reintegrate individuals who have been out of the workforce for two years or more. The goal of the 16-week program is to help them secure a full-time role with Mastercard.

We deliberately invest in developing women leaders and increasing their representation at senior levels. Women Who Lead helps women find and amplify their voices, as well as explore the dynamics of power and leadership. This program equips women with perspectives and skills for the distinct challenges they might face and is an opportunity for them to learn from one another's shared experiences.

Equipping our people-managers with the right skills, expectations and development opportunities is central to ensuring that they can coach and lead their teams effectively. The people-manager curriculum develops managers to lead inclusively. It also teaches them to give effective feedback, navigate challenging conversations and circumstances, and build self-awareness of their impact on others. Another program around leadership development looks to help our future leaders also build self-awareness, develop key skills and reinforce values-based leadership. Both programs build strong leaders who protect and nurture our culture of decency.

A culture of ongoing development

Our culture is driven by ongoing development that is focused on our customers, communities and society. It is supported by a wide array of opportunities for our talent to own and drive their careers.

Fundamental elements of this support are nurturing people managers and providing time to help employees plan their long-term career development. In 2019, all employees had these conversations, and 80% said they found them meaningful.

We believe experience and exposure are key to enabling great performance, which is why we encourage movement across areas of the business and the free flow of talent across geographic borders. Many employees “cross-pollinate” through business units and acquired companies to build breadth in different roles throughout the organization. Managers facilitate “double-hatting,” or “stretch assignments,” for those keen to explore other areas without switching jobs. It allows talent to lead a project in another area of the business while maintaining their current role.

We believe there is no better driver of performance than allowing people to grow and reach their potential. Ultimately, we are creating an environment where people can build a meaningful career and that allows us to attract and retain top talent.

WE BELIEVE THERE IS NO BETTER DRIVER OF PERFORMANCE THAN ALLOWING PEOPLE TO GROW AND REACH THEIR POTENTIAL



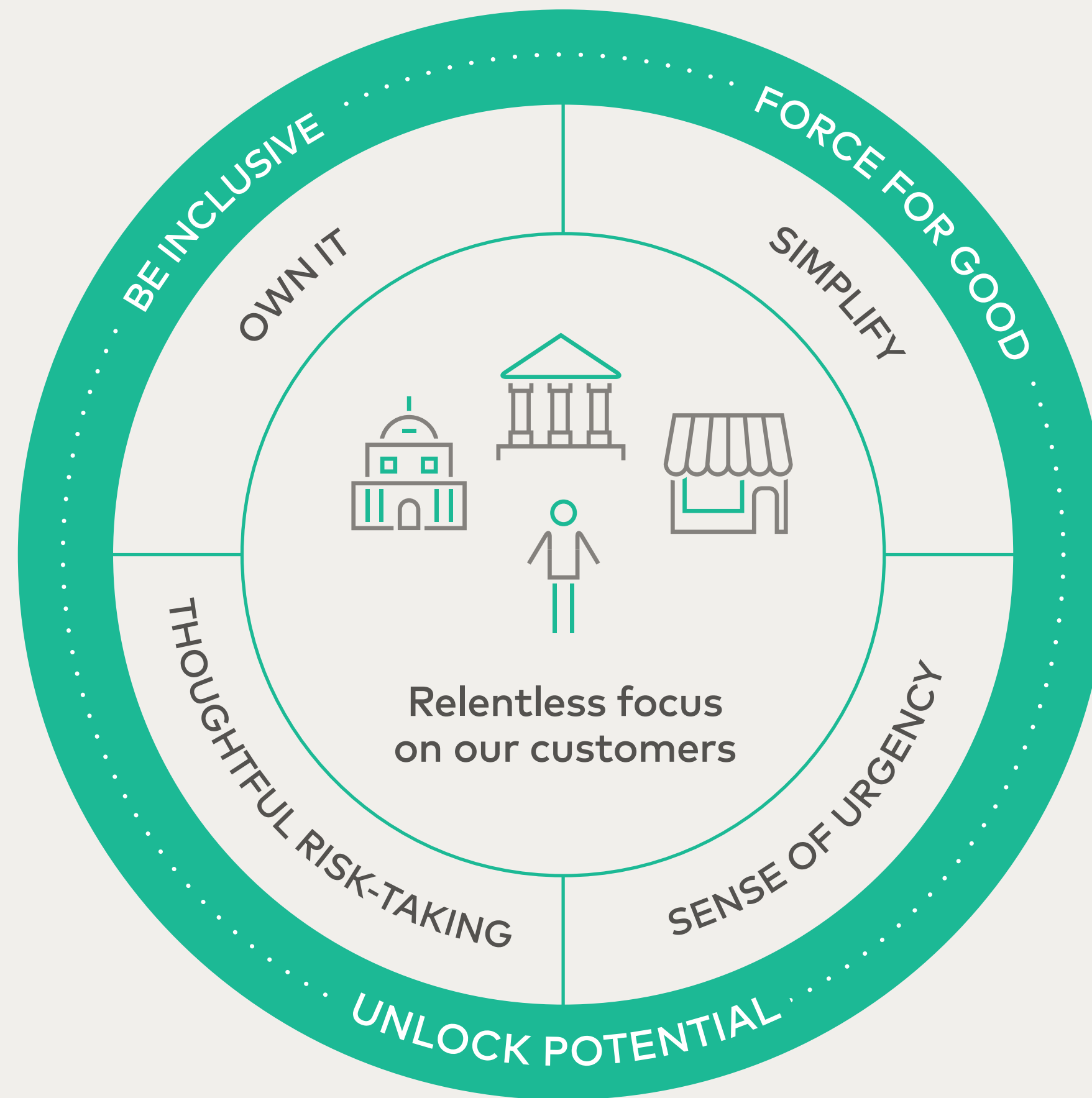
CULTURE AND INCLUSION

Our people and company flourish because we deliberately created a winning culture with decency at its core.

It is informed by diversity, innovation and inclusiveness, leading to a workplace that is welcoming to people of all needs and abilities, free of harassment and discrimination, and safe and secure for everyone.

In 2019, we formally defined the Mastercard Way. It captures the actions that matter most, especially how our employees display a commitment to diversity, innovation and inclusiveness at work and in their communities, uniting us and enabling our continued success. While these values and behaviors are not new to us, this simple visual expression is.

The Mastercard Way

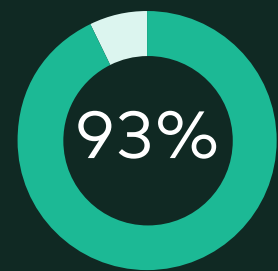


Underpinning all of this is our Decency Quotient

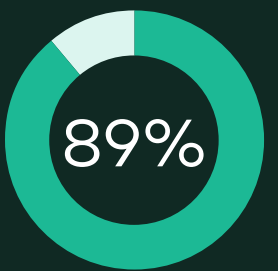
The Mastercard Way starts with having a relentless focus on our customers — both internal and external — who are at the center of everything we do. Through this lens, we make an impact by owning challenges, opportunities, actions and outcomes. In a complicated, crowded world of products and solutions, we do the work to keep things simple — no one ever asked for a more complex solution. We know that innovation requires taking thoughtful risks and moving with speed and agility, so that's what we do. The Mastercard Way underpins everything we do, including our uncompromising commitment to decency.

Our commitment

Our commitment to diversity, inclusion and personal development is at the forefront of everything we do, proving to our employees every day that the company's actions match its words. The results speak for themselves:



of employees agree: "I am proud to work at Mastercard."



of employees say, "I would recommend Mastercard as a place to work."



An inclusive workplace

Our people's differences empower us to be a better team — one that makes smarter decisions, drives innovation and delivers stronger business results.

As we continue our journey of inclusion, Mastercard remains focused on taking actions that make an impact. Among our efforts:

The **Global Inclusion and Diversity Council** is a resource for all employees, sponsoring people-first initiatives across our company. We have special outreach efforts supporting women and talent of African descent, helping them navigate the specific challenges they face attaining higher levels in the company.

In 2019, we set out to enhance our people function by investing in a larger global footprint, increasing awareness and outreach through our employee pERspectives program and expanding our presence at new-manager training sessions. We also leveraged our data to identify areas of opportunity for continued education and programming to ensure that employees at every level treat one another and are treated in the way we expect.

The newly debuted **Global Inclusion & Diversity Experience** helps employees learn more about our foundational inclusion and diversity work, how employee Business Resource Groups, or BRGs (see adjacent), are making an impact, and how Mastercard is committed to gender balance. It also highlights inclusion and diversity information at the local level.

The overall experience challenges employees to consider their own efforts to be inclusive and asks them, "What are you doing to create a culture of belonging, with decency at its core?"

The **Diverse Recruitment Advisory Committee** supports efforts to hire diverse talent. It is composed of Mastercard colleagues across the company working together to ensure we represent a diverse array of backgrounds and perspectives.

We've also developed **Regional Action Plans** across all five Mastercard regions: North America, Europe, Middle East and Africa, Latin America and the Caribbean, and Asia Pacific. They help us identify and develop plans to achieve regional priorities, including inclusion and balance in gender and racial representation.

The **Inclusion Leadership Think Tank** consists of Mastercard employees from diverse communities around the world. They meet regularly to share insights and help develop impactful case studies that will help support a culture of inclusion and belonging. The case studies are used in various programs across the company as educational tools and to raise awareness among leaders at all levels.

In response to employee feedback, we piloted a **Mid-Career Inclusion Elective** in 2019 to help women and people of African descent successfully navigate their careers at Mastercard by exploring their personal strengths and opportunities. Participants in the six-month program engaged in a development experience addressing some of the distinctive challenges they face in the workplace.

Our **Seat at the Table Campaign** was designed to reinforce inclusive behaviors in employees by encouraging them to take small, meaningful actions in their daily lives to embrace diversity and reinforce our core principle of decency. It was launched this year in Purchase, New York; London; Singapore; St. Louis; and the New York City Tech Hub.

Business Resource Groups
Mastercard has nine employee affinity groups, called Business Resource Groups (BRGs), to support employees' professional development and improve their leadership skills.

These BRGs act as internal business consultants, helping the company with consumer research, cultural insights, customer segmentation and access to networks. While each BRG focuses on a specific area, they all are guided by our culture of inclusion and are open to all employees. More than 100 BRG chapters are in 35 Mastercard locations. As of May 2020, more than a third of our global workforce participates in these groups:

- **ADAPTability:** Employees with disabilities and their friends and families
- **EAST:** Exploring Asian Societies and Trends
- **ePros:** Experienced Professionals
- **Latin Network:** Employees of Latin descent
- **LEAD:** Leading Employees of African Descent
- **PRIDE:** Fostering an environment of inclusivity and respect for LGBTQ employees
- **SALUTE:** Active and veteran military personnel and their families
- **WLN:** Women's Leadership Network
- **YoPros:** Young Professionals

BRG highlights from 2019

- **PRIDE** partnered with the North America Marketing & Issuer teams to find a solution for LGBTQIA+ consumers whose legal names don't match their gender identity or presentation. The newly developed True Name™ card allows for a chosen name to appear on the front of cards. PRIDE support also led to the company underwriting rainbow-colored signs in Manhattan's West Village for the newly named "Acceptance Street," formerly called Gay Street.
- **ADAPT** chapter leaders and members volunteered their personal stories for a global training video issued to all of our employees.

Diversity partnerships

Mastercard maintains a comprehensive portfolio of partnerships and organization sponsorships that allow us to strengthen our connection with diverse communities. We sponsor more than 30 organizations representing diverse communities, including:

BLACK / AFRICAN AMERICAN

Management Leadership for Tomorrow
National Action Network
National Museum of African American History and Culture
National Urban League

PEOPLE WITH DISABILITIES

Best Buddies
Disability:IN

HISPANIC / LATINO

Hispanic National Bar Association
New York Hispanic Chamber of Commerce
Puerto Rican Legal Defense and Education Fund

LGBTQ+

Heritage of Pride
Human Rights Campaign
INvolve
Lambda Legal
Lesbians Who Tech
Out Leadership

WOMEN

30% Club
Corporate Counsel Women of Color
Financial Alliance for Women
Global Summit of Women
United Nations HeForShe
Women in the World

VETERANS

American Corporate Partners
The Wounded Warrior Project

ALL COMMUNITIES

The Conference Board
The Council of Urban Professionals
DiversityInc
Gartner
Launch Code
Minority Corporate Counsel Association
The National Association of Minority and Women Owned Law Firms
Professional Diversity Network



"The core of what unites us at Mastercard is our commitment to decency; racism or mistreatment of any kind will never be tolerated here."

Ajay Banga
CEO, Mastercard

A workplace free of discrimination and harassment

Our workplace is a safe place for employees to be themselves and voice their opinions.

Mastercard does not tolerate unlawful discrimination, harassment or retaliation by employees or our vendors, contractors or business partners. This includes sexual harassment, degrading or offensive comments or jokes, violence, intimidation or threats.

All Mastercard employees receive training on these policies and have several ways to report concerns, including an anonymous ethics helpline. We also set and evolve our conduct standards to align with our culture and drive change when we see opportunities for improvement and enhancement. We achieve these goals through our four pillars:

- We communicate our workplace policies that, along with our Code of Conduct, embody our expectations for how we conduct ourselves and treat one another at Mastercard, and which are the foundation of our culture.
- We train our human resources professionals on emerging trends and best practices, our managers on the Mastercard Way and our employees on upholding our culture.
- We listen to our employees when they have concerns, investigate those concerns and conduct regular climate checks to monitor our workplace culture.
- We respond by providing guidance to our human resources professionals and business partners and by holding everyone accountable for their conduct with appropriate transparency, consistency and fairness.

A safe and secure workplace

The security of our company, brand, employees, facilities and information is paramount at Mastercard, as is our commitment to providing a safe working environment.

The Corporate Security department proactively protects the company and our employees, advising on risk-mitigation and threat preparedness. We use physical, technical and administrative safeguards to protect personal information and require anyone authorized to access employees' health data to undergo detailed training on its ethical use.

We've developed an e-learning platform that promotes security awareness and communicates security policies, and we also offer virtual-reality safety training. Mastercard provides enterprise-wide classroom training in first aid, CPR, automatic external defibrillator (AED) use and women's self-defense.

ENRICHING OUR COMMUNITIES AND THE WORLD

Mastercard employees want to give back, so we make it easy for them. Nearly 90% of our employees say the company supports their community engagement efforts.

Full-time employees are allowed up to five paid days per year for eligible volunteer work and community outreach. It's simple: Living our values and improving the world through service go hand-in-hand.

This year, we consolidated all our community service work under the new Mastercard Impact Corps.

It's our way of galvanizing employees to give with their time, skills and charitable donations, and it provides a stronger framework for delivering meaningful social impact at scale. The Impact Corps encapsulates all the ways our employees give back and use their skills for social good, from team-based volunteering to long-term, pro-bono placements to STEM mentoring and even making a difference on their own time.

Mastercard also matches charitable giving up to \$15,000 per employee annually. Additionally, employees who volunteer at least 40 hours per year with a single organization are eligible to apply for up to four \$500 grants to help further the nonprofit's work.

Those matches increased 86% in 2019, largely due to the Giving Tuesday initiative, which offered a 2:1 match for donations during the campaign in early December. Together with our employees, we raised over \$3,000,000.

Our people have volunteered more than **270,000** hours since 2015. In 2019, more than **39% of employees** supported more than **3,400 charities** — with monetary gifts, which Mastercard matched, or through more than **73,000 volunteer hours** in direct support.



Total giving

\$5,283,000

Employee philanthropy

\$4,300,000

Retiree philanthropy

\$441,000

Board of Directors philanthropy

\$112,000

Volunteer Incentive Program

\$170,000

Political Action Committee (PAC) match*

\$260,000

*Employees who make PAC contributions are allowed to direct Mastercard corporate funding (noncharitable) to the charities of their choosing.



Below are some of the ways in which our people enrich their communities and the world:

Girls4Tech

Our award-winning Girls4Tech™ education program, designed for girls around the world ages 8-16, aims to create future problem-solvers. Based on STEM principles, Girls4Tech was developed in conjunction with our top engineers and technologists to showcase Mastercard's payments technology, incorporating our deep expertise in encryption, fraud detection, cybersecurity, AI, data privacy, and more.

As of 2019, Girls4Tech has engaged more than 4,500 employee mentors to reach more than 375,000 girls in 72 countries. We continue to expand the global reach of the program by translating the curriculum into 13 languages and continuing partnerships with Scholastic, Network for Teaching Entrepreneurship, American Airlines and Major League Baseball. And we've begun new partnerships with The R&A (the governing body for golf outside the U.S. and Mexico) and YCAB Foundation in Indonesia — all with the goal of advancing STEM education for girls.

Military mentoring

For the past five years, Mastercard has sponsored American Corporate Partners (ACP), a program that assists members of the military transitioning to the civilian workforce. In that time, 195 employees in the U.S. and U.K. participated in one-on-one, yearlong mentorships to aid nearly 450 veterans.

Teaching tomorrow's business leaders

With a 14-year partnership with Junior Achievement, more than 6,000 employees in our U.S. offices of St. Louis, Kansas City and New York, as well as in Dublin, Ireland, have volunteered with Junior Achievement programs in schools, teaching more than 85,000 K-8 students.

Supporting future entrepreneurs

Mastercard is helping inspire students in underserved areas in the U.S., Mexico and China to envision, develop and launch their own businesses. Since 2010, we've partnered with the Network for Teaching Entrepreneurship (NFTE), a nonprofit that activates the entrepreneurial mindset and builds startup skills in youths from under-resourced communities. We've contributed volunteer hours and donated more than \$9 million to support its global mission in the past decade. Several employees also serve as members of various boards.

Global Pro Bono

Being a Force for Good starts with our efforts around financial inclusion, but it's also about building an inspired workforce.

Our Impact Corps includes our pro bono efforts, which range from virtual to team-based to full-scale immersion opportunities. They allow our employees to use their skills to benefit our communities around the world. Here are two examples:

Supporting Nonprofits with Business Efforts

In partnership with [Accion](#), we enhanced our pro bono program to immerse our employees into this organization, where they use their skills to improve product design, governance, and more. This partnership develops employees' skills in critical thinking, data analytics, digital transformation and experimentation while supporting our shared efforts with Accion to help micro businesses benefit from the digital economy.

World Food Programme

Every day, countless children across the globe turn up for school on an empty stomach. That's why Mastercard has partnered with the World Food Programme since 2012, focusing on the transformational power of school meals, which can help improve children's health, cognitive development, access to education and lifetime earnings. Our employees conduct annual cost-benefit analyses to help local governments around the world better understand the long-term benefits that school meals provide for children and their economies. Since 2015, over 35 Mastercard employees have completed 21 WFP four-week missions, using their leadership and professional skills to complete these analyses in more than 20 countries.

MASTERCARD HAS PARTNERED WITH THE WORLD FOOD PROGRAMME SINCE 2012, FOCUSING ON THE TRANSFORMATIONAL POWER OF SCHOOL MEALS

Force for Good Awards

Our annual CEO Force for Good Awards recognize employees who make a meaningful difference in their communities.

More than 440 employees have been recognized with community grants over four years. Each year, we honor the "best of the best" community service contributions at an annual gala in New York hosted by CEO Ajay Banga and Chief People Officer Michael Fraccaro.





Awards

We are very proud to have received the following awards recognizing our efforts to be a diverse, inclusive and great place to work:



**100% on Disability:
Disability Equality Index (DEI)**
Best Places to Work for
Disability Inclusion

**100% on Human Rights
Campaign's Corporate
Equality Index**
Best Places to Work for
LGBTQ Equality

Bloomberg
Gender Equality Index

DiversityInc
Top 50 Companies for
Diversity

Forbes
World's Best Employers

Fortune
Best Workplaces for Diversity

ENVIRONMENTAL STEWARDSHIP

OUR APPROACH

We believe "sustainable" is more than an adjective to be added before nouns. For us, it's a daily mindset we're embedding throughout our organization.



Our commitment to environmental sustainability starts at the top and runs deep. In 2020, our Board of Directors affirmed the critical nature of environmental stewardship, placing it within the purview of the Nominating and Corporate Governance Committee.

This reflects the universal importance of environmental consciousness among our customers, stakeholders, cardholders and Mastercard's people at every level.

We announced our commitment to align with the Task Force on Climate-related Financial Disclosures' recommendations, and we will be working toward this commitment. This proactive, voluntary commitment provides increased transparency so our stakeholders can better understand how Mastercard measures and responds to climate change risks.

By activating our partners and more than 2.6 billion consumer and corporate cards, we'll have an even larger impact. We're creating environmentally sustainable solutions that can be replicated locally or scaled globally. Mastercard believes sustainability isn't just the best choice — it's the only one.

Highlights



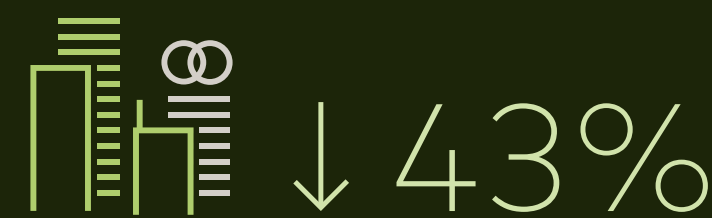
1.5°
celsius

First in the payments industry to receive approval from the Science Based Targets initiative (SBTi) for our updated emissions target, which aligns to a 1.5-degree Celsius climate trajectory.



↓ 38%

Our new target calls for a 38% absolute reduction in Scope 1 and 2 greenhouse gas emissions by 2025 from our 2016 base year, and a 20% reduction in Scope 3 emissions over the same period.



↓ 43%

At present, we have lowered Scope 1 and 2 emissions by 43% from 2016, and Scope 3 by 40%.



100%

We joined RE100, formalizing our commitment to continue using 100% renewable energy across all of our global operations.



100
million

The Priceless Planet Coalition is pledging to plant 100 million trees over five years.



Mastercard and Doconomy are collaborating to help Mastercard issuers give their customers the ability to track and understand their carbon footprint based on their purchases.



We increased our CDP climate change score to a "B" and maintained our "A" grade for Supplier Engagement Rating.

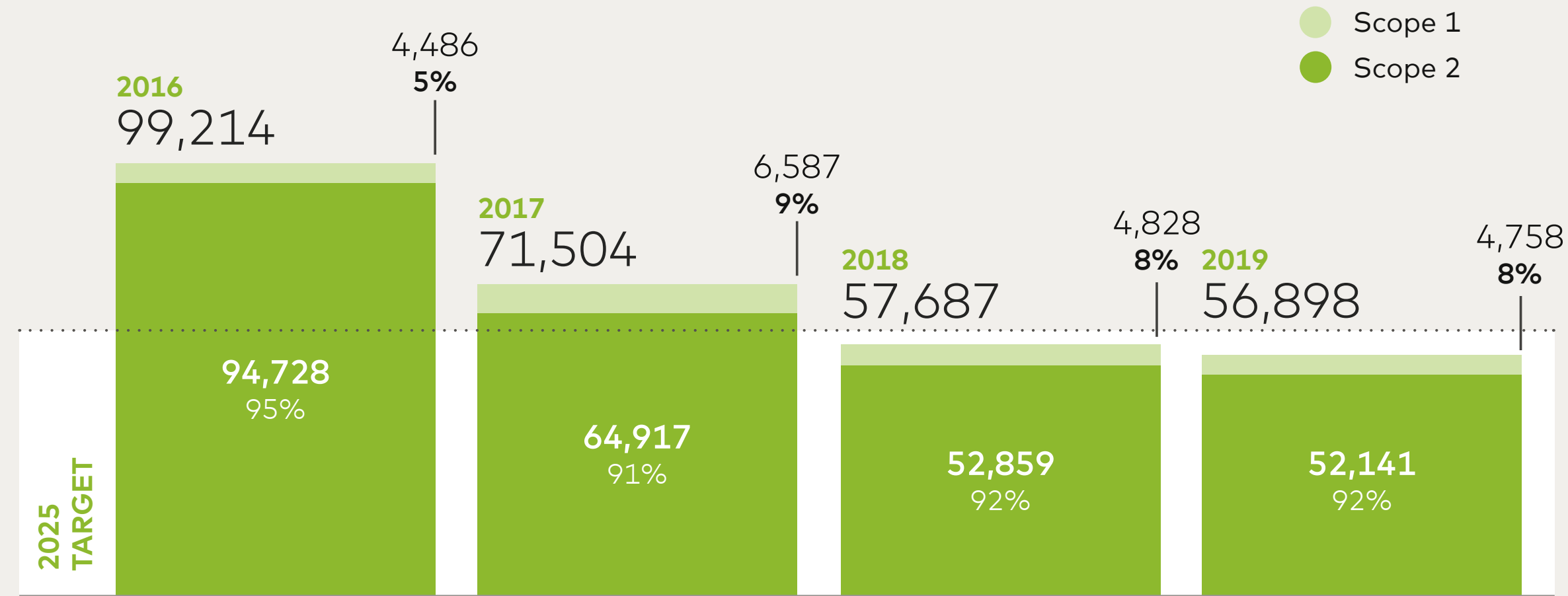
OPERATIONAL STRATEGY

In response to a United Nations guidance issued in 2019, Mastercard strengthened our commitment to reducing greenhouse gas (GHG) emissions to align with the 1.5-degree Celsius trajectory in a unified fight against climate change.

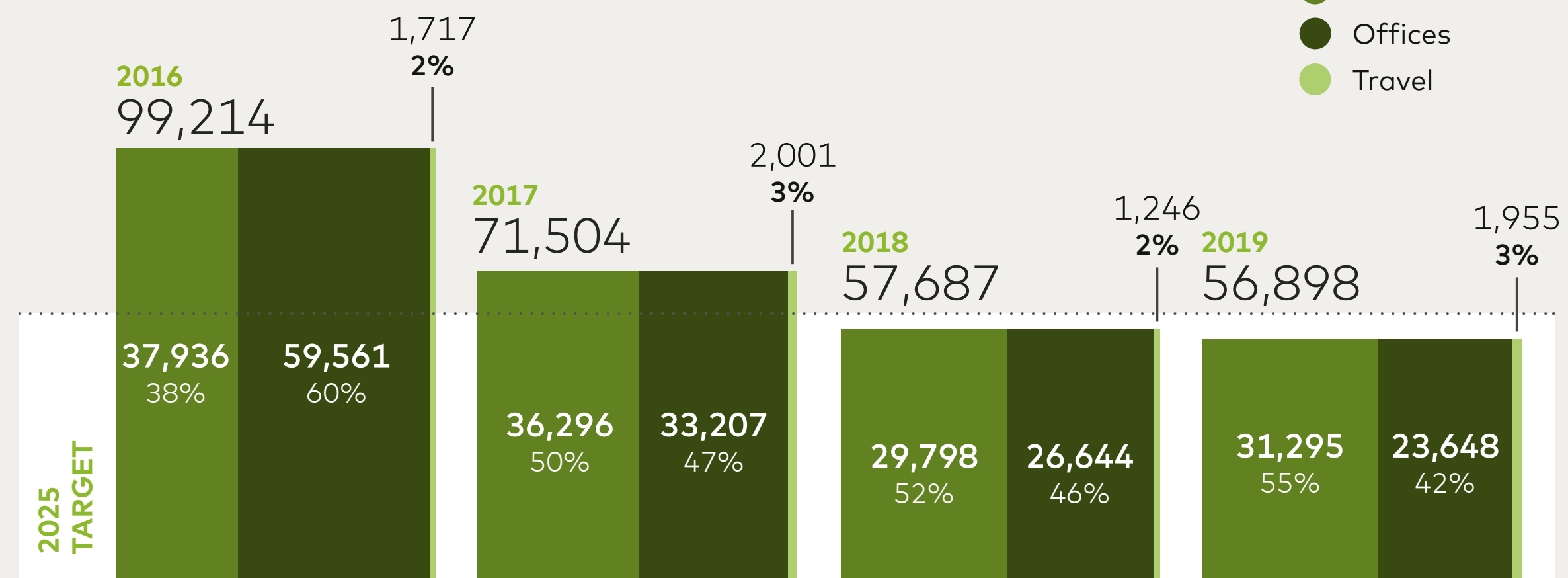
The target has been approved by the Science Based Targets initiative (SBTi), determining it meets the 1.5-degree Celsius target – the most ambitious designation recognized by SBTi.

From our 2016 baseline, we resolve to reach the 1.5-degree level by targeting a 38% absolute reduction in Scope 1 and Scope 2 GHG emissions and a 20% absolute reduction in Scope 3 emissions by 2025.

SCOPE 1 AND 2 EMISSIONS 2016-2019 MTCO₂e



SCOPE 1 AND 2 BREAKDOWN 2016-2019 MTCO₂e



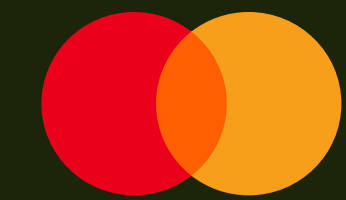
Our GHG inventory is subject to updates, per our Inventory Management Plan.
** 2025 Target indicator was corrected for visual accuracy on both Scope 1 & 2 graphs.

SCOPE 1 DIRECT



Company facilities

Company vehicles



Electricity

Steam

Heating and cooling

SCOPE 2 INDIRECT

Renewable energy

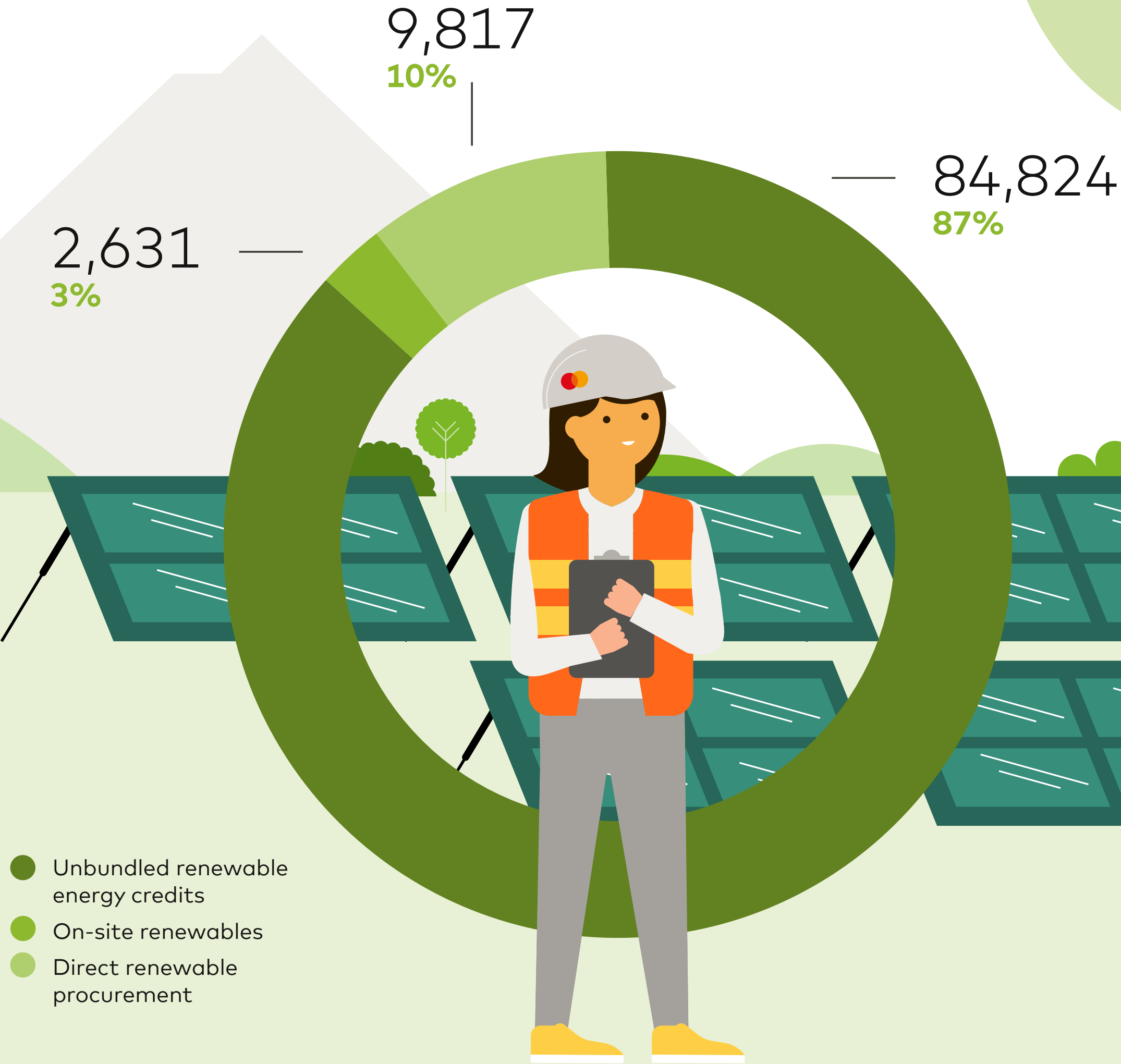
In April 2020, Mastercard joined RE100, a coalition of leading businesses working toward zero carbon emissions.

In support of this effort, led by The Climate Group and CDP, we have extended our commitment to purchasing 100% renewable electricity for all our global operations.

In the coming years, we will lessen our dependence on unbundled renewable energy credits by investing in new renewables projects that bring more power onto the grid.

We're making powerful strides toward that goal by expanding our onsite solar footprint at our owned and operated data centers. In 2019, Mastercard generated over 2,600 MWh of renewable energy through solar panels.

RENEWABLE LOAD BREAKDOWN 2019 MWh



- Unbundled renewable energy credits
- On-site renewables
- Direct renewable procurement



Green buildings

While Mastercard owns only a few of our 139 global facilities, we've continued our work to make every building sustainable.

We certify every project that is eligible. All our owned campuses and owned data centers are certified by Leadership in Energy and Environmental Design (LEED). LEED is a globally recognized symbol of achievement in sustainability. Outside the U.S., all of our eligible building projects achieve national green certifications for the countries in which they're located. Collaboration with our planners, developers and utilities around the world helps us find the best efficiency solutions everywhere we work.

**TODAY, NEARLY 85% OF
OUR GLOBAL WORKSPACE
MEETS REGIONAL OR
INTERNATIONAL GREEN
CERTIFICATION STANDARDS**

New construction follows our Global Workplace Design Standards, with sustainability built into the process from start to finish. Every project is built with its environmental performance in mind to receive green building certification, including incorporating renewable energy sources and improving water efficiency. Older buildings are retrofitted to run as efficiently and sustainably as possible. For example, we're using new LEED v4.1 guidelines to certify offices in the U.S. and Latin America.

We also recognize the enormous opportunity to extend our sustainability initiatives to the leased properties we occupy. All renewing leases for Mastercard workplaces are reviewed to include requirements for renewable energy and other sustainability measures. For new leases, we prioritize locations with green certifications. In 2019, we set energy intensity unit requirements (EIU, which measures kWh consumption per square foot) for every new project, empowering our planners, builders and contractors to work together for creative efficiency solutions adapted to every locale. We've also begun to implement those same standards at existing properties.



Additionally, we installed sub-metering technology in many of our offices to identify energy-saving opportunities to help reach our science-based emissions goals. We continue to expand that to our leased office space. We've installed advanced lighting controls that monitor natural light levels and office occupancy to optimize use, and we've partnered with utilities to further assess and identify other energy-saving opportunities.

Our commitment to sustainable leasing was nationally recognized in 2020 when the U.S. Department of Energy and the Institute for Market Transformation named Mastercard a 2020 Gold-level Green Lease Leader through the Better Buildings Initiative. The award recognizes our strong commitment to high performance and sustainability in leased buildings, specifically at our future Dublin facility. Our best-practice lease agreement there outlines equipment and lighting efficiency, energy management tracking, and purchase of onsite and offsite renewable energy, among other measures.

In Sydney, we worked with the Green Building Council of Australia on a pilot program to reach three-star Green Star certification in the country. The review process assessed the sustainability attributes of our Sydney project in nine broad categories, including management, land use, ecology and innovation. Mastercard's partnership in this pilot program produced a custom framework and set of guidelines that the Council will ultimately formalize into a set of official national standards for all of Australia. The insights we gained through this collaborative process will help refine sustainability practices in Mastercard properties worldwide.



Data centers



Data centers account for 55% of Mastercard's total energy use across the board. That percentage explains why we place such a high priority on their efficiency. We operate five data centers, and through continual upgrades and energy-saving projects, we practice the same GHG reduction measures in our data centers as we do in our offices.



We're proud to report that this year one of our data centers has been recertified Gold under LEED-Operations + Maintenance, achieving power-use effectiveness of 1.39 in 2019. An air handler recirculation project supported this success by saving 401,232 kWh at the site. Continual improvements like that help us meet and exceed our targets in all our owned spaces.

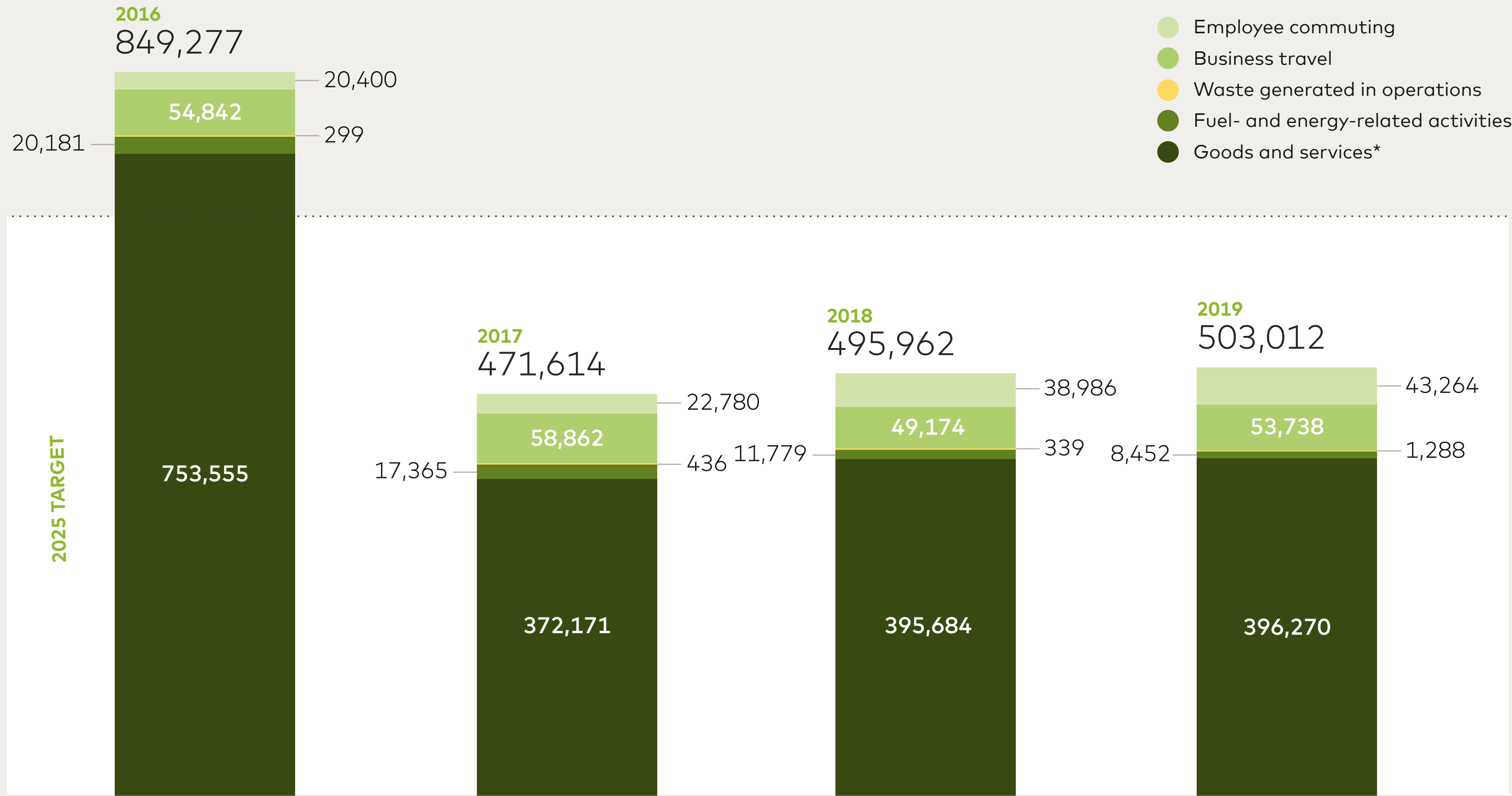


Across the globe, Mastercard has co-located data centers, which are facilities in which Mastercard rents space for services and other computing hardware but does not manage the operations. We include sustainability requirements in our data center RFPs and ensure we choose the most efficient sites that also meet our security requirements and data needs. We also strive to choose co-located data centers that take environmental sustainability into consideration.

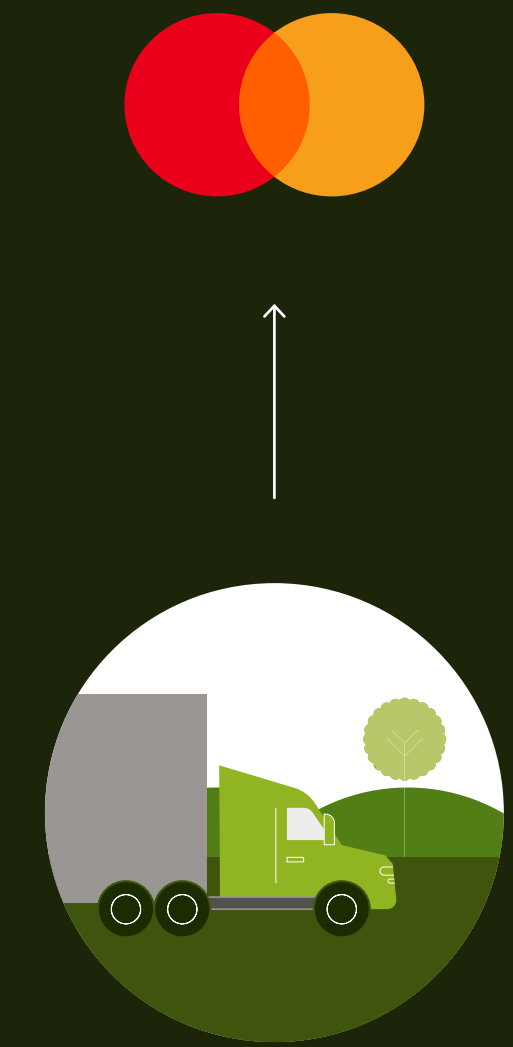


We have been monitoring power use effectiveness (PUE) levels for our operated data centers and have begun monitoring it at co-locations in 2020.

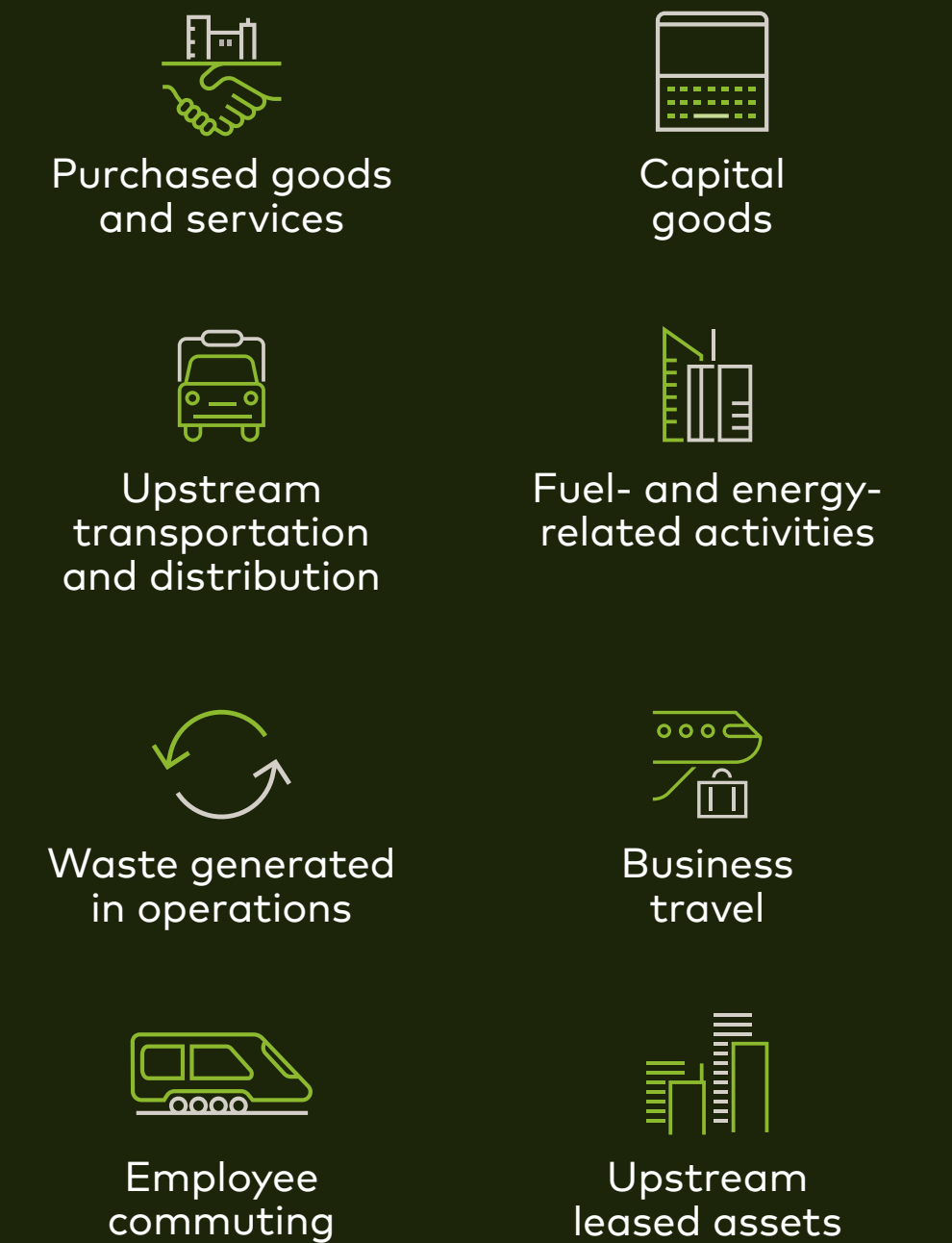
SCOPE 3 EMISSIONS
2016-2019
 MTCO₂e



- Employee commuting
- Business travel
- Waste generated in operations
- Fuel- and energy-related activities
- Goods and services*



**SCOPE 3
INDIRECT**

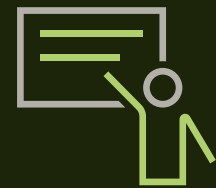


Our GHG inventory is subject to updates, per our Inventory Management Plan.
 *Includes purchased goods and services, capital goods and upstream transportation and distribution.

**ENVIRONMENTAL
SUSTAINABILITY
SUPPLIER-ENGAGEMENT
MODEL**



INVITE TO DISCLOSE



EDUCATE AND DEVELOP



MEASURE AND SCORE



**COMMUNICATE AND
COLLABORATE**

Supplier engagement

Mastercard is especially proud of our innovative and collaborative approach to supplier sustainability, which earned leadership recognition. We received an "A" rating for Supplier Engagement from CDP, a global environmental disclosure system whose members measure, manage and disclose their risks and successes on climate change.

We don't manufacture physical goods, but the sustainability of each of our suppliers affects Mastercard's emissions score. Our top-emitting supplier categories are advertising and related services, telecommunications and electronic computer manufacturing. In total, our supply chain contributes more than 70% of our total carbon footprint, so we're working to help our suppliers become more environmentally conscious.

This begins with our clear message that sustainability is crucial to how Mastercard does business. We've added a sustainability element to our supplier-onboarding process, which serves a dual purpose. It acknowledges sustainability leaders among our potential partners and reinforces their positive impact. It also enables us to engage suppliers that are eager to learn and improve; our expertise and guidance can empower their meaningful progress.

Beyond onboarding, we've added sustainability requirements to our requests for proposals and contractual language to our master supplier agreements.

We have upgraded our level of hands-on supplier interaction with programs including Mastercard's Environmental Development Initiative, which is designed to help big and small companies improve their environmental sustainability. This initiative includes not only resource materials and best practices but also direct dialogue between our Environmental Sustainability Team and supply chain partners. This level of personal engagement has helped improve the quality of data and responses from suppliers on their environmental impact, and how much it contributed to our footprint. That, in turn, has helped to reduce their emissions, which is something we will continue to track and report.

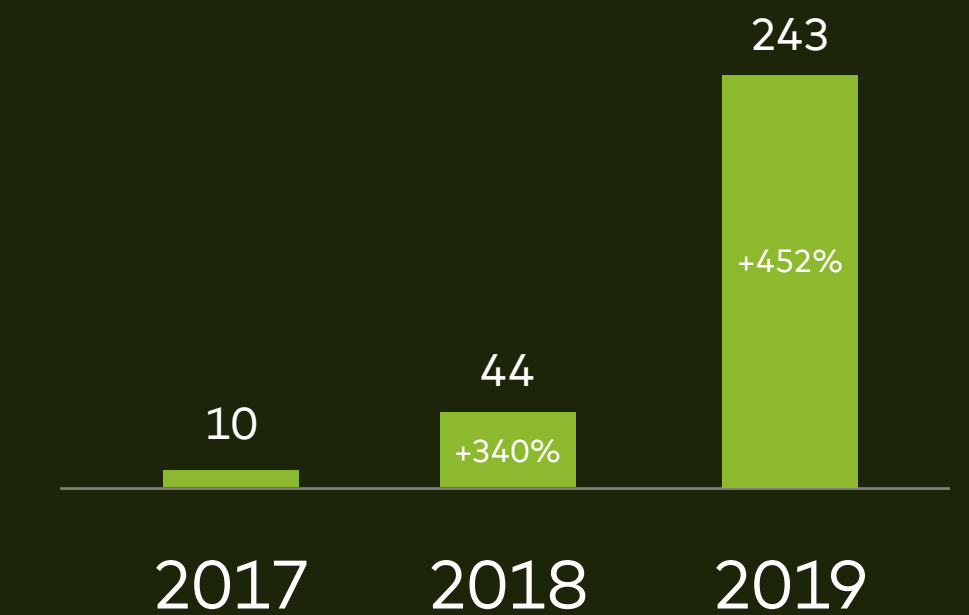
Business travel

We've implemented new systems to make tele-connecting easier to reduce internal business travel.

When traveling is necessary, we encourage direct flights and staying at green hotels. We also buy offsets for all business travel so that when we do travel, we're doing it in an environmentally conscious way.

Supplier response to CDP supply chain questionnaire

Invited suppliers
(% increase, year-on-year)



85% of our global procurement spend invited

50% responded

49% have approved science-based targets

80% reported Scope 1 and 2 emissions

33% reported Scope 3 emissions

40% allocated emissions to Mastercard

20% identified opportunities to collaborate

Employee engagement

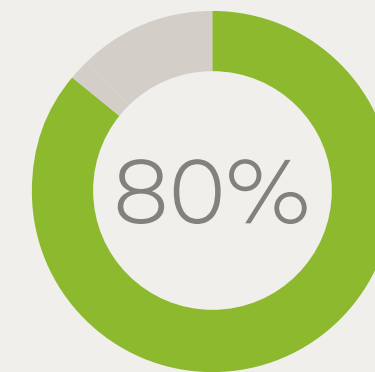
Mastercard engages our 18,600 global employees in our continual efforts to be a more sustainable company.

We acknowledge a balance must exist between our environmental commitment and ongoing health and personal well-being best practices. That is why we took concrete steps to eliminate damaging plastic waste and cut back on our employee carbon footprint by swapping single-use plastic for sustainable options in our cafeterias, kitchens and pantries. We provide reusable cups and have added hydration stations where employees can enjoy a variety of plain, flavored and sparkling waters without single-use bottles. We replaced one-time-use coffeemaker cups — a staggering contributor of plastic waste in recent years — with fresh-ground coffee beans. We even updated all our signs to help drive home our sustainability mindset. The result has been a better-educated workforce that's empowered to make more informed, sustainable choices.

For the second year, we increased and met our goal for waste diversion, achieving an average of 80% across our owned sites in 2019. We've increased that goal to 85% waste diversion in 2020, with an eventual goal of zero waste in our owned facilities in the U.S. We got there by educating our employees, expanding and improving

our composting efforts and adding new signs. We achieved 100% recycling for our electronic waste. We also have hosted efforts to divert waste from landfills by encouraging employees to bring in discarded candy wrappers from Halloween, waste from the holidays and e-waste from their homes.

WASTE DIVERSION



of global waste diverted from landfills

Mastercard provides our people with multiple opportunities throughout the year to learn about sustainability in a casual and engaging environment. Our onsite community gardens allow employees to grow whatever they like. We also have our own honey-producing beehives.

This year, we sponsored electric-vehicle demonstrations at several sites, allowing local staff to test-drive different electric vehicles and learn more about them. We encourage employee use of EVs by giving those who drive them preferential parking in lots closer to the building, along with free charging.





ENVIRONMENTALLY CONSCIOUS SOLUTIONS

We have increased our commitment to environmental sustainability, because economic growth cannot come at the expense of the planet.

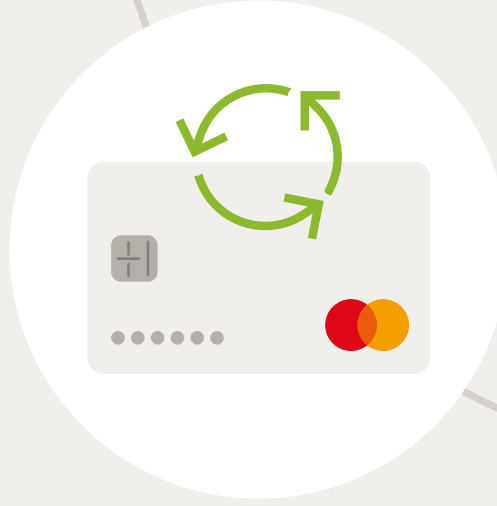
We seek committed partners around the world to share new ideas and to create solutions that can inspire consumers, merchants and businesses in every industry to effect real change.

Supported by the Priceless Planet Coalition and augmented by the availability of sustainable payment-card materials, as well as our partnership with Doconomy, we see a clear opportunity to create and scale sustainable consumer solutions that educate consumers on mindful spending, while providing them with ways to take actions for meaningful climate change. By interconnecting our assets and accelerating industrywide innovations, we will magnify our response to climate change.

Educating consumers on their personal impact on the environment



Encouraging consumers to make mindful spending choices



Equipping consumers with environmentally friendly card materials



Empowering consumers to contribute to nature-based solutions

Educating and inspiring action

Most consumers would like to take action against climate change, but they often don't know how — so Mastercard identified the right partners to help achieve that. Our issuers can offer tools for cardholders to track the environmental impact of their purchases.

In partnership with the Swedish fintech company Doconomy, Mastercard is making available the Åland Index Solution as a means of giving consumers insight into their carbon footprint. Drawing on a broad base of leading financial data, the Åland index connects each transaction category to its impact on the planet. The solution offers a proven, independent benchmark climate index and has been improved with data through a newly formed partnership with Trucost, a part of S&P Global.

In 2018, Mastercard and Doconomy announced a card product designed to provide consumers with tools for climate action — carbon-footprint calculations provided by the Åland index, the ability to offset impacts through donations to U.N.-certified climate projects, and an environmentally friendly payment card produced with biodegradable materials and printed with Air-Ink using recycled pollutants.

To support our ongoing commitment to improving consumers' visibility and awareness of their environmental impact, we've made an equity investment in Doconomy to further scale the expansion of carbon tracking and other sustainable product solutions to additional markets.

**MASTERCARD AND DOCONOMY
ANNOUNCED A CARD PRODUCT
DESIGNED TO PROVIDE CONSUMERS
WITH TOOLS FOR CLIMATE ACTION**



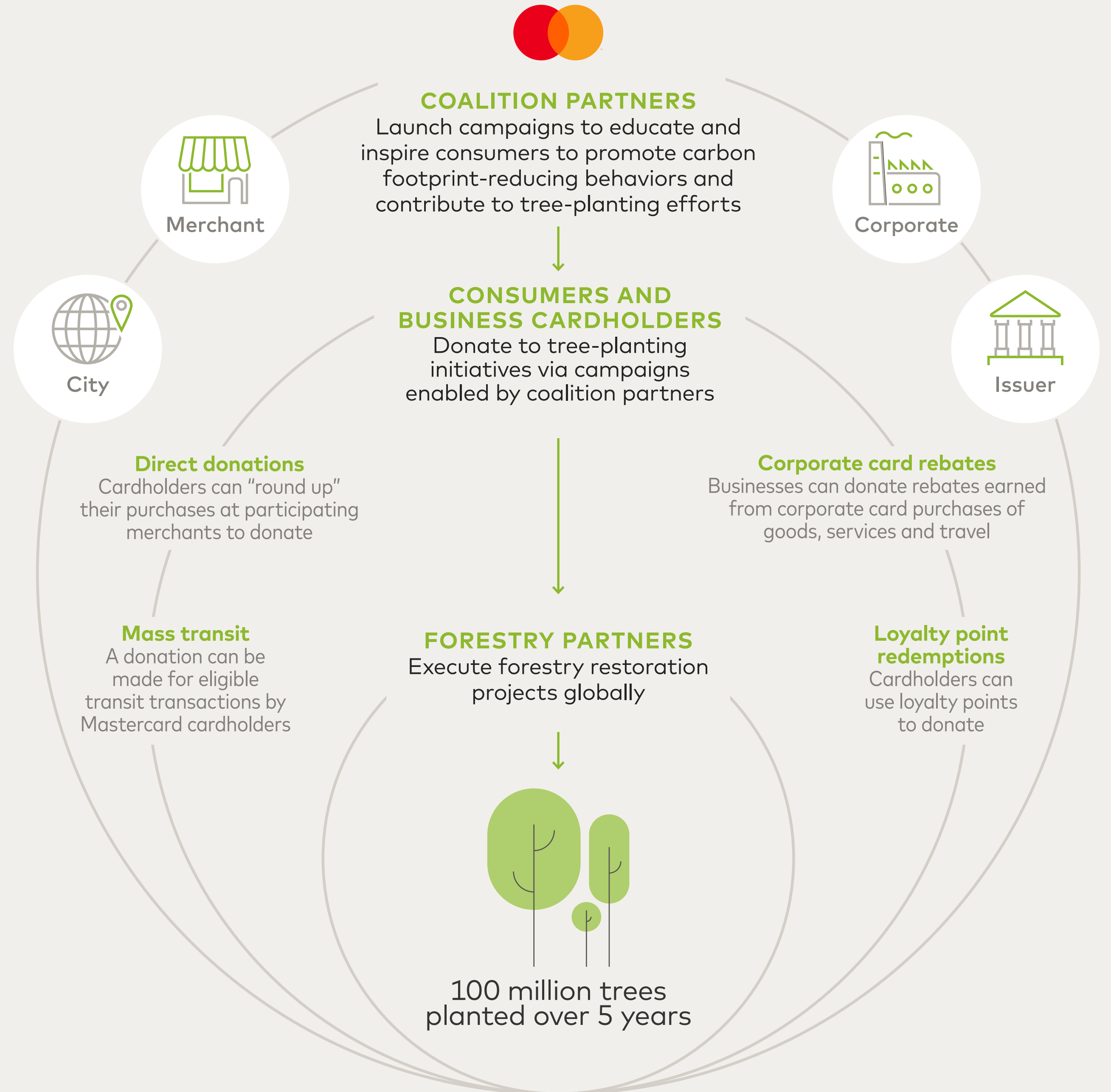
Priceless Planet Coalition

In January 2020, Mastercard launched the Priceless Planet Coalition to unite corporate sustainability efforts and preserve the environment through the restoration of 100 million trees. Mastercard believes that by working with our partners in the private sector we can have a real impact by combining efforts and engaging businesses and consumers to take action.

Founding partners in the Coalition include American Airlines, bunq, Citibank, IHS Markit, L.L. Bean, Saks Fifth Avenue, Santander UK and the urban-transit institutions New York Metropolitan Transportation Authority and Transport for London. All Coalition partners will launch campaigns to engage consumers to contribute to the tree-planting program. Mastercard's global payment infrastructure will provide additional ways for cardholders to contribute, including "round-up" campaigns at a range of leading retailers that allow consumers to add a tree-planting donation at the point-of-sale. Our corporate customers can also contribute to this effort every time employees use their cards for travel, goods or services by contributing rebates they receive from their banks to tree-planting projects.

Large-scale restoration programs need to be executed deliberately, with consideration given to several factors. Mastercard has selected the global environmental organizations Conservation International and World Resources Institute as our forestry partners to lead the mobilization and coordination of tree-planting efforts, based on their science-based and holistic approaches to restoration and successful track records in global conservation.

With the help of these organizations, Mastercard is developing a global portfolio of high-quality restoration projects, emphasizing those with the most potential for positive impacts on climate, community and biodiversity. All restoration efforts under the Priceless Planet Coalition will adopt and adhere to rigorous science-based best practices for project selection, implementation and monitoring. Importantly, an independent advisory committee will provide oversight for the Priceless Planet Coalition to keep our effort on track. This group of experts considers the latest scientific data and insights to ensure that our commitments achieve the most good for the environment.



"While our own footprint on greenhouse gases is relatively small, where we can really make a difference at scale is by using our network effect to reach our customers and their clients."

Ajay Banga
CEO, Mastercard

Greener Payments Partnership

Many consumers are consciously limiting their use of single-use plastics, such as shopping bags and drinking straws, and are challenging businesses to take similar action in reducing plastic waste.

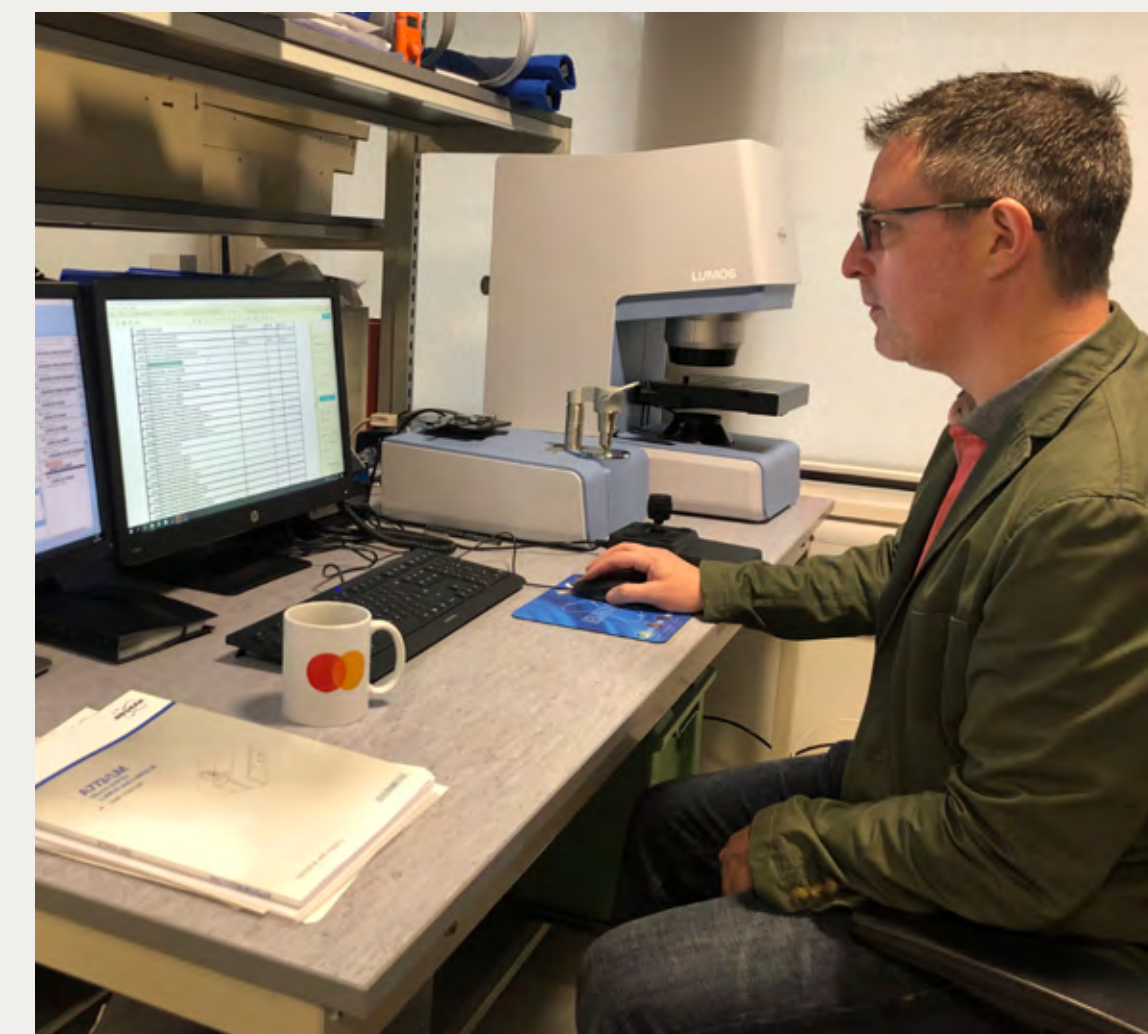
To support this movement in alignment with growing consumer sentiment, Mastercard established the Greener Payments Partnership (GPP) with key industry partners Giesecke & Devrient, IDEMIA and Thales. Early in 2020, we welcomed our newest member, CPI Card Group. The GPP is a cross-industry initiative of card manufacturers seeking to further the goal of reducing the use of new polyvinyl chloride (commonly known as PVC) in all plastic payment cards. With payment-card shipments accounting for 33,000 tons of plastic annually, according to the Nilson Report, the impact might be limited, but we're committed to doing our part in an area where we have major influence.

To that end, the GPP published a shortlist of over 25 products and suppliers that provide an alternative to first-use PVC traditionally used in payment cards. The effort is the first milestone of a long-term effort to identify alternative, sustainable materials — ethically, bio- and ocean-sourced, and chlorine-free — in everyday products. The list offers financial institutions a resource to learn more about those alternatives, connect them to card manufacturers and ultimately augment their own sustainability initiatives with a systemic change to their supply chains.

To further our efforts and capabilities in plastics analysis and research, Mastercard has invested in the innovative Bruker Fourier Transform Infrared (FTIR) spectrometer, a Zeiss Scanning electron microscope and a Zeiss SmartProof confocal microscope.

FTIR spectroscopy enables independent analysis of a card's material makeup so we can assess and validate our vendors' environmental claims. By examining cards at a molecular level, we can identify the plastics and adhesives in each layer. Our scanning electron microscopes scale down further, to the nanometer range, to identify card constructs and potential contaminants. Mastercard can leverage these insights with vendors and issuers for quality control and sustainable benefit. We can also apply this data to new product development and design.

Those high-technology investments ensure that we are making an active contribution to the GPP and help us deliver new insights to the global market.



THESE HIGH-TECHNOLOGY INVESTMENTS ENSURE THAT WE ARE MAKING AN ACTIVE CONTRIBUTION TO THE GPP AND HELP US DELIVER NEW INSIGHTS TO THE GLOBAL MARKET



Test & Learn®

Mastercard's **Test & Learn®** platform gives retailers the freedom to experiment and fine-tune their ideas before their broad release, and some of our customers are using our capabilities in this area to test environmentally conscious products and operations.

In 2019, we saw an uptick in retailers experimenting with key areas of sustainability, including their stores' energy efficiency and new food-focused technologies to preserve freshness and prolong shelf life, reducing spoilage and cutting food waste.

Food spoilage is an immense problem globally, and a critical one to solve. Experts estimate that 1.3 billion tons of food go to waste each year¹—enough to feed the world's 815 million hungry people four times over.² It's also a major business problem: Wasted food accounts for roughly \$680 billion in annual losses for industrial countries and \$310 billion in the developing world.³

To address these challenges, Test & Learn® has helped participating companies assess their menus to evaluate premade items most prone to spoilage. Our insights showed differing outcomes based on the customers' busiest times of day. We've helped a grocery chain evaluate new technologies to maintain the freshness of produce and implement it thoughtfully, in the locations that would benefit the most. Other food retailers discovered that adding doors to their open coolers and switching to dimmer, more efficient lighting would not harm traffic or sales.

Solar energy

In October, we celebrated our first year since launch in Uganda with our Pay on Demand solar initiative.

In partnership with M-KOPA Solar and Centenary Bank, this pilot program unlocks pay-per-use philosophy to make energy affordable. The technology allows Ugandans to make installment payments for solar panels through mobile phones with a simple scan of a quick response (QR) code or text message. Early results show steps to make a consumer payment for connected solar panels were cut in half.

To connect to M-KOPA and start to build their credit histories, customers pay a deposit and then small, daily payments toward electricity. The cost is typically less than what they would have spent on kerosene, candles and batteries. Additionally, bank customers can use our integrated Pay on Demand API to buy M-KOPA electronics through loans with the same micropayment structure.

After a successful pilot, we launched in seven more branches in late December. We believe this model could be applied to other use cases, including provision of water, access to smartphones, and other assets.



^{1,3} United Nations Environment – Worldwide Food Waste.

² The State of Food Security and Nutrition in the World (2019).

5 ETHICAL AND RESPONSIBLE STANDARDS

OUR APPROACH

Our work is driven by the belief that upholding the highest standards of ethics and responsibility is not an option — it is the only way to succeed in business in today's world.



Our deep commitment to ethical operations and legal compliance shapes every interaction with our employees, stakeholders and customers. We build our operations around decency, integrity and respect.



Award highlights and partnerships

Mastercard earned a number of awards for our efforts to treat people with decency and to earn and maintain our customers' trust.



Diversity Inc

No. 6 of Top 50 companies in 2020

Global CSR RepTrak list of 100 companies

Third consecutive year

World's Most Ethical Companies

Fifth consecutive year in 2020

In addition, we maintain professional partnerships with the Business Ethics Leadership Alliance and other organizations dedicated to promoting the integrity of business. Our participation in these groups allows us to share Mastercard's best practices and learn from our peers' successes and challenges.



ETHICS AND COMPLIANCE

Our approach to ethical operations starts with our Code of Conduct. It is the cornerstone of our Ethics and Compliance system and is central to our culture of decency.

We offer the Code in multiple languages to help all our employees make the right decisions, including detailing managers' responsibilities, avoiding conflicts of interest, honoring our policies and ensuring privacy and data protection.

We also require that our CEO and other senior officers abide by a Supplemental Code of Ethics that reflects our heightened expectations for them to lead by example, particularly in avoiding conflicts of interest.

Working to ensure compliance

Our Chief Compliance Officer (CCO) leads and oversees our Ethics and Compliance system, which encompasses a broad set of integrated programs.

The CCO also chairs Mastercard's Ethics and Compliance Operating Council, a network of Compliance Liaisons that spans our business lines and regions and helps drive organizational engagement, alignment and accountability within our Ethics and Compliance system. The CCO reports functionally to the Audit Committee of the Board of Directors and administratively to the General Counsel. The CCO provides updates to the Audit Committee quarterly or more frequently, as needed. Reports cover performance matters such as status of investigations, new initiatives, training programs and results of assurance activities.

Every Mastercard employee is enrolled in a mandatory, in-depth curriculum of online compliance training, which includes more than a dozen training courses on subjects such as Code of Conduct, anti-money laundering, trade sanctions, privacy compliance, information security, preventing insider trading, and workplace conduct, including sexual harassment and discrimination.

Our Mastercard Ethics Helpline offers all employees, contingent workers, third parties and the public a confidential around-the-clock service to report suspected violations of law, our Code of Conduct or any other company policy.

The Helpline is hosted by an independent third party, and anonymous reports can be made where permitted by local law. We promptly investigate all concerns with our relevant internal investigative functions, and we bring in external support such as outside counsel as needed. To increase transparency regarding our investigative process and associated outcomes, twice a year we provide our employees with a Summary of Investigative Activity that contains investigative metrics and selected anonymized case profiles.

To encourage the use of the Helpline and other avenues for raising ethical or legal concerns, we have a Non-Retaliation Policy that forbids retaliation against anyone who raises a concern based on a reasonable belief of a violation of applicable laws or regulations, the Code of Conduct or one of Mastercard's other policies. Anyone found in breach of the Non-Retaliation Policy will be subject to disciplinary action, up to and including termination of employment.



We have made innovative advancements to continue to prevent our products, services and technologies from being used for laundering money, financing terrorist operations or evading economic sanctions. We comply with applicable laws and regulations and implement risk-based anti-money laundering policies, procedures and controls. These include Know Your Customer — or KYC — processes, which are applied to all customers before and during the business relationship. Our risk-based sanctions compliance program includes policies, procedures and controls that are designed to prevent us from having business dealings with prohibited countries, regions, individuals and entities.

We comply with anti-corruption laws around the world, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Our Code of Conduct and related policies prohibit offering payments or anything of value to improperly influence a business decision or gain an advantage unfairly, and we have implemented training and controls to proactively manage corruption risks, wherever they arise. We have developed an innovative compliance platform to allow us to regularly monitor compliance with anti-corruption procedures across our global operations, and each year we conduct a comprehensive anti-corruption risk assessment.



Political activity and public policy

Mastercard is committed to appropriate engagement in the political process and policy arena in a way that informs and advances the discussion of issues critical to the payments industry, including, but not limited to, payment system innovation, data privacy, the regulation of digital transactions, taxation and other issues disclosed in the company's public filings.

Mastercard maintains internal procedures to ensure that the company's political and public policy activities fully comply with all laws, regulations and company policies, without regard to the political preferences of its officers and/or executives. The Nominating and Corporate Governance Committee of the Board of Directors is responsible for overseeing Mastercard's public policy activities, and at least once a year reviews political contributions, trade association dues used for political purposes, corporate political expenditures, the company's political activity policies and the [Political Activity and Public Policy Statement](#). Mastercard semiannually discloses any political contributions and independent expenditures on its website. Mastercard was recognized as a trendsetter in the [2019 CPA-Zicklin Index of Corporate Political Disclosure and Accountability](#).

Regulatory compliance

Mastercard is committed to complying with all applicable laws and regulations. We are subject to an increasingly rigorous landscape of regulatory oversight and compliance that is further affected by diversification of our products and services.

Mastercard takes reasonable steps to implement policies, procedures and programs designed to promote compliance with applicable laws and regulatory obligations. We coordinate globally while acting locally and leverage our expertise and relationships to manage the effects of regulation on Mastercard.

Antitrust and competition law

Mastercard is committed to a fully competitive marketplace, encouraging open and dynamic markets that drive innovation and value for our company and our customers. We are focused on creating innovative products and services that are attractive to our customers.

Mastercard's Antitrust and Competition Law Compliance program, overseen by a dedicated compliance officer, is specifically tailored to the company's profile. For example, Mastercard's Global Antitrust and Competition Law Policy also is incorporated into its Code of Conduct, which is reviewed annually and attested to by every employee. This policy is designed to ensure that every employee is aware of and sensitive to legal principles regarding competition and knows how to raise questions and voice concerns. In addition, Mastercard has developed Competitive Intelligence Guidelines that set guardrails on the appropriate gathering of market intelligence. An online antitrust training course incorporates the key principles and guidance. Regional counsel also provides in-person training for relevant business units, where needed.

RESPONSIBLE RISK MANAGEMENT

Our comprehensive risk-mitigation strategy includes policies, procedures, controls and employee education to ensure that we thoughtfully manage the risks to our business while maintaining the flexibility needed to grow, diversify and build, and meet our commitments and obligations to stakeholders.

We continue to implement the latest technologies and dynamic, data-driven controls — including artificial intelligence — to help us identify, assess and mitigate risk.

The purpose of risk management is not to eliminate risk from the business model but to ensure that the business maximizes its value by making the right risk-reward trade-offs. We recognize the inherent tension between risk and reward, and encourage our leaders, and all employees, to take thoughtful risks to ensure that Mastercard sustains a strong innovation culture and delivers long-term value for stakeholders.

Our Board of Directors, which oversees our risk-management framework, promotes a risk-aware culture by encouraging thoughtful risk-taking to serve our business objectives. The Board exercises this oversight directly and indirectly through its three standing committees. More information about these committees is available in our [2020 Proxy Statement](#).

The Board's risk oversight and management's ownership of risk are foundational components of our Enterprise Risk Management (ERM) program. We developed our ERM program to support comprehensive,

integrated oversight and management of existing and emerging risks. It also informs transparent risk identification and risk reporting to senior management and the Board. All employees are expected to understand, monitor and escalate risk related to their roles, while recommending and implementing controls where appropriate.

The Risk Management Committee (RMC), composed of senior executives, is responsible for guiding our ERM program. Several members report regularly to the Board to help establish the appropriate risk culture and align risk management with Mastercard's strategy.

Another important element of our risk-management framework includes embedding risk champions and risk program leads in the business, establishing Business Risk and Control Committees (BRCCs) to help drive these activities and better prepare the company to respond to new and emerging risks, including environmental changes and human rights.

We continue to evaluate our risks against our Board-approved Risk Appetite Statement to align Board and management expectations while balancing the need for stability and reliability against agility, innovation and entrepreneurial risk-taking.





PRIVACY AND DATA MANAGEMENT

The idea that payments should be safe, simple and smart guides our efforts today to help deliver a world beyond cash.

That vision extends to how we handle the personal information of our employees, customers, cardholders and users. This long-standing commitment to data and privacy ethics has earned our partners' trust — and helps us maintain it.

That's why privacy, security and data protection are at the heart of how we do business.

Privacy and data governance

Several of Mastercard's senior executives are entrusted with the responsibility of upholding our company-wide commitment to best practices in privacy, data governance and data security.

Chief Data Officer

Oversees Mastercard's efforts to maintain a responsible, ethical enterprise data program that adheres to our high standards for data quality, curation and governance. The officer reports to the president of our Data & Services business, but it's an enterprise-wide position. The Chief Data Officer provides updates, as needed, to senior management and the Board of Directors on our data practices, including an assessment of our data risk and progress related to the use of information as part of our innovation strategy.

Chief Privacy Officer

Leads our compliance with worldwide laws and regulations regarding how we collect, use, share, store and transfer data, and manages our relevant engagements with regulators and policymakers. The CPO reports directly to Mastercard's General Counsel. Annually, or more frequently if needed, the Chief Privacy Officer provides a comprehensive assessment of the program and related privacy and data protection risks to the Audit Committee.

Twice a year, Mastercard's security, privacy and information practices are reviewed by United States financial regulators for compliance with the requirements of U.S. financial privacy laws.

Data Protection Officer

Leads our Global Privacy Compliance Assurance program to ensure that Mastercard continues to adhere to global General Data Protection Regulation (GDPR) standards and local privacy requirements. Additionally, the DPO oversees the protection of personal data in the European Economic Area (EEA), including the handling of privacy requests from individuals to exercise their new rights. Reports to the Chief Privacy Officer.

Chief Security Officer

Develops and oversees the programs, policies and controls we have implemented to reduce and prevent logical and physical risks to our people, intellectual assets and tangible property. Annually, and more frequently as needed, the Chief Security Officer (CSO) provides a comprehensive assessment of the program and related risks and vulnerabilities to the Audit Committee. Additionally, the CSO periodically conducts briefings for the Chief Executive Officer, or a designee, on security initiatives and emerging threats, trends and tactics that could impact the organization. Reports to the President of Operations and Technology and the General Counsel.

Data responsibility

Strong data protection is core to our business, and is a vital responsibility to our customers, account holders and employees. We believe an organization's data practices must be guided by the rights of individuals.

This core commitment permeates the company, and we train every employee to handle data with the utmost care, in compliance with all applicable laws and regulations and in line with our culture of decency.

Building on our world-class security and privacy practices, in 2019, Mastercard launched the Global Data Responsibility Imperative — a public commitment to ethical and responsible data practices that enable data innovation while honoring individuals, their data rights and the trust they place in Mastercard. For individuals, this means an increased understanding of their ownership, control, security and privacy and, ultimately, how their lives are made better by our use of their data.

Mastercard has developed principles to guide our product innovation practices and ensure the ethical and responsible use of data, including:

A commitment to best-in-class **security and privacy**.

Ensuring **accountability** in data practices, including a commitment to accuracy and quality.

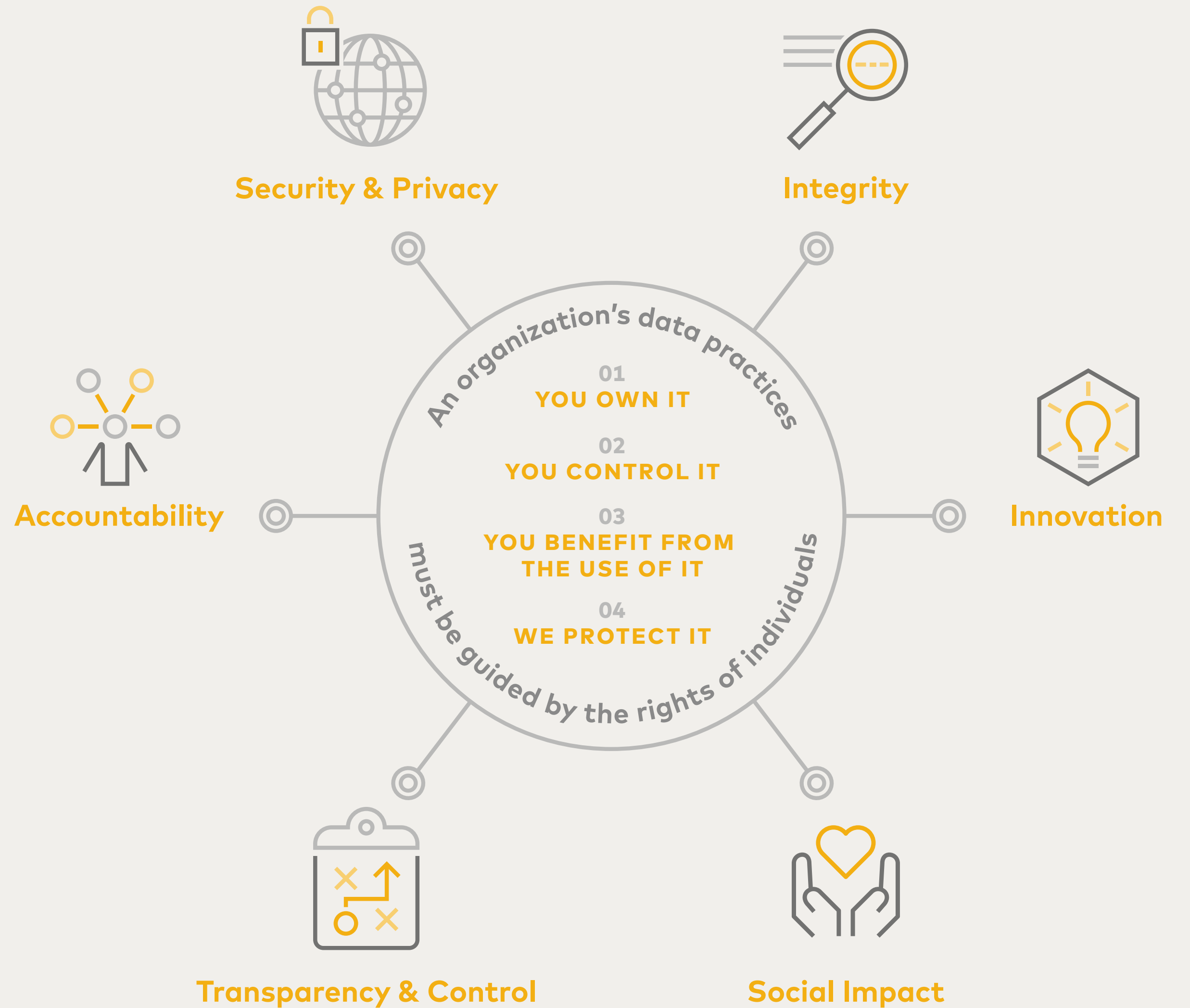
Providing **transparency and control** so individuals understand how their data is being used.

Ensuring **integrity** for our analytics, including a deliberate minimization of bias.

A commitment to **innovation** that continually improves our products.

A promise to use data for positive **social impact**.

This also means responsibly sourcing, curating, managing and applying strong data governance to increasingly large and diverse data stores to enable opportunities for data innovation. Together these principles underscore Mastercard's belief that responsible data practices are sustainable business practices.



Privacy by Design

Privacy by Design is always at the heart of Mastercard's commitment to responsible innovation. We build privacy and data protection into every one of our products and services. It starts in the design process at ideation and moves through development and delivery.

Much of our work in this space involves business insights using information that has been scrubbed and aggregated to remove details that could be linked to an individual. These services don't involve the sharing or exchange of the transaction data itself. We use personal information only in a legitimate, fair and inclusive manner, with full respect for the choices made by individuals. Everything we do respects the choices that the individual has made. Mastercard is constantly innovating to improve privacy and security. We use privacy-

enhancing techniques such as world-class anonymization to further protect personal information. We've pioneered solutions like [Trūata](#) to support these efforts and anonymize data so we are able to identify trends and insights to help businesses, governments, the public sector and individuals better understand the world and support urban planning and economic analysis, all while protecting people's privacy.

Anytime we use personal information in a new way — such as in creating new digital identity tools — we conduct a privacy and data protection impact assessment to ensure that we are aware of, and can minimize, any risks to people's privacy and security. Combined with our strong commitment to data ethics, this contributes to effective outcomes while respecting people's privacy and human rights.

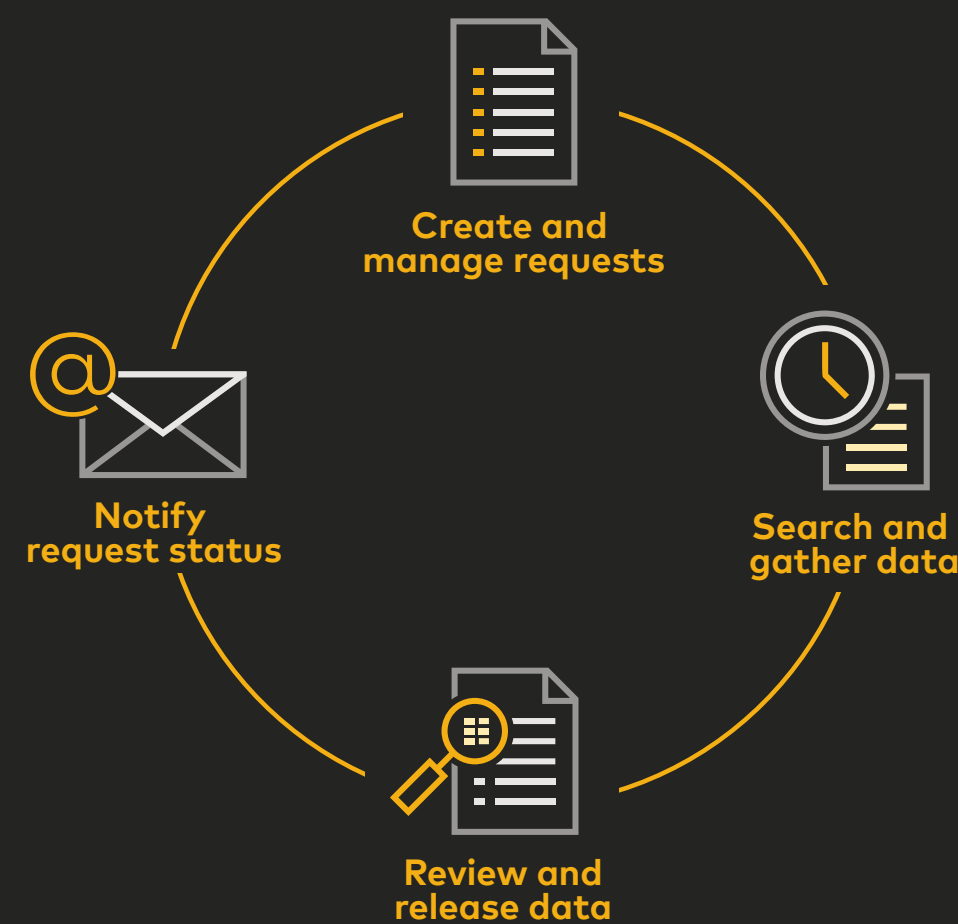
**WE BUILD PRIVACY AND DATA
PROTECTION INTO EVERY ONE
OF OUR PRODUCTS AND SERVICES**



My Data portal

Our My Data website helps individuals exercise their rights to access, correct, modify or remove their personal information.

The site is accessible worldwide and supported in over 25 languages. The site is compliant with the EU's GDPR and with the California Consumer Privacy Act. The site will soon be compliant with Brazil's GDPA and will continue to increase in scope across other global jurisdictions.



Accountability

We hold ourselves accountable to the highest standards of global privacy and to data protection laws.

We expanded our commitment to ethical data practices by making the core consumer protections of the GDPR available to individuals in other jurisdictions, including the right of individuals to understand the personal information Mastercard has collected about them, the right to obtain a copy of the data, and the right to have the data corrected, deleted or both.

Our Data Protection Officer ensures our ongoing compliance with the GDPR, as well as overseeing our Global Privacy Compliance Assurance program, ensuring worldwide compliance with privacy laws and local privacy requirements.

Individual rights

Under the GDPR and many privacy laws, individuals have a right to understand how Mastercard handles their data.

We updated our Global Privacy Notice and our service-specific privacy notices to ensure that we are providing a clear and simple explanation of how we handle someone's personal information. We also regularly review and update our comprehensive incident-response process to investigate and remedy any data incident and inform people whether the incident might have put their privacy at risk. We regularly conduct data-breach exercises to test and continuously improve the effectiveness of our process.

Partnering for privacy

When we work with partners and vendors, we contractually obligate them to implement strict privacy and security controls, including compliance with our Privacy by Design principles and other rigorous standards and practices to ensure the safety and security of data.

In addition, we apply thorough due diligence and manage our ongoing relationships with partners to ensure compliance with how the data is being used.

Privacy recognitions and leadership

In 2019, Mastercard received certifications under the Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules System and the Privacy Recognition for Processors system.

Our Binding Corporate Rules (BCRs) were approved by the European Economic Area's Data Protection Authorities and allow us to transfer personal information from our cardholders, customers, partners and employees to all Mastercard entities globally.

In addition, we actively participate in privacy thought-leadership groups and regulatory expert groups around the globe, including the EU B2G data-sharing expert group, the OECD Privacy Expert Group, and the ENISA Working Group on Artificial Intelligence and Cybersecurity.

SAFETY AND SECURITY SOLUTIONS

Increased access to goods and information brings more exposure to risk. Cybersecurity is a top global priority for Mastercard. Safety and security are foundational principles for every part of our business and the innovative technology platforms and services we enable.

That does not mean, however, that there should be a trade-off between security and convenience.

Mastercard is focused on securing the entire digital ecosystem. We start with Security by Design, marrying globally accepted standards with leading-edge technology like artificial intelligence, biometrics and analytic insights. This is how we engender the trust of customers and consumers. We protect our network against threats of every type.

Our broad range of security products and services is designed to help our clients do the same: prevent and detect fraud attacks that place account holders and customers at risk. This approach allows us to be a leader, enabling breakthrough security solutions and advancing the successful deployment of our multilayered strategy to protect the ecosystem for payments and more.

Protecting the digital payment transaction

Our multilayered security strategy goes far beyond payments, protecting infrastructure, devices and data.

EMV Chip and Contactless Technology EMV and contactless technology are the industry standards for secure, face-to-face payments.

They've become more vital than ever as we strive to keep our transactions — and ourselves — safe and secure during the COVID-19 pandemic. Over the past 20 years, consumers and merchants around the world have embraced the security improvements and optimized payment experiences that these technologies bring. Today, 90% of all transactions using Mastercard cards are enabled with EMV chip technology, providing superior protection from counterfeit fraud and other attacks. Our EMV platform continues to evolve to deliver robust security in areas such as tokenization, SRC and 3DS and will serve as the backbone for future payment technologies by enabling safer, smarter and more secure transactions.

Contactless technology provides the simplicity of a "tap and go" experience along with a platform for safe digital payments on smartphones and other enabled devices. Usage in smart cities and transit systems has

sparked change in consumer behavior to foster mass adoption of contactless functionality. Contactless enablement in transit started in London's transit system and has rapidly spread to many cities around the world, including Singapore, Sydney, Moscow, Kaohsiung, Taiwan, Portland and New York. The transportation sector has benefitted from high-grade security, sophisticated transaction risk management and a simpler user experience. Transit is now fueling increased demand for adjacent use cases in parking, tolls, and bike-share and ride-share services.

In response to COVID-19, we have introduced higher contactless no-PIN limits globally to support increased use of the safest way to pay. Mastercard has focused on ensuring that the contactless payment experience becomes a cleaner and more "touchless" experience. We have worked hard with regional authorities to quickly introduce higher limits on contactless purchases in over 75 markets, as of June 2020, so that cardholders and shopkeepers can make and receive more of their payments quickly and securely, without the need to enter a PIN or use cash. Additionally, we've developed guidance to ensure the best support for merchants, including tips to ensure a clean payment experience. Worldwide, contactless transactions grew twice as fast as non-contactless transactions in the grocery and drug store categories between February and March 2020.

Tokenization

We created Mastercard Digital Enablement Services (MDES), our tokenization platform, in 2013 to bring the same strong cryptographic protection to digital transactions that EMV chip devices provide in-store.

In 2019, we processed 3.96 billion transactions through MDES, which is three times more than in 2018. This increase was achieved by expanding our tokenization services to a total of more than 2,500 issuers in 65 markets.

Mastercard has also continued to scale MDES for Merchants, which uses the same technologies to unburden merchants of sensitive account data storage, make online transactions more user-friendly and reduce payment declines. This advance has made online payments more convenient and reduced declined transactions. Since its launch in 2018, MDES for Merchants has accounted for 93 million payment authorizations at the end of 2019.

Click to Pay

Mastercard launched Click to Pay — a faster, more secure online checkout based on the EMV® Secure Remote Commerce (SRC) industry standard — to our U.S. customers.

This technology simplified card payment processing across desktop and mobile sites, mobile apps and connected devices. Like a single in-store point-of-sale, Click to Pay provides a consistent digital checkout experience. When paired with our token and authorization standards, it delivers the simple, convenient and transparent checkout experience consumers demand and deserve.

AT THE HEART OF THE MODEL ARE OUR 10 PRINCIPLES OF DIGITAL IDENTITY, WHICH FOCUS ON DATA RIGHTS, OWNERSHIP, CONFIDENTIALITY, CONSENT, TRANSPARENCY, SIMPLICITY, FAIR USE, CHOICE, SECURITY AND INCLUSION.

Digital Identity

Our strategy also protects digital identities, helping banks and merchants identify genuine consumers to stop fraud.

Digital interactions have evolved rapidly with the current pace of technological change. This has inevitably challenged the notions of identity, trust and privacy with which we traditionally anchor ourselves in the physical world.

In March 2019, we announced our model for digital identity that is global in scope, sensitive to local needs, and interoperable between institutions and sectors, and ensures that people are the guardians of their identity data. At the heart of the model are our 10 Principles of Digital Identity, which focus on data rights, ownership, confidentiality, consent, transparency, simplicity, fair use, choice, security and inclusion. They amount to fundamental individual rights: "I own my identity and I control my identity data."

Our model securely binds a person's identity to their smartphone or other device, drawing on biometrics that recognize the user's face, thumbprint or voice. Digital identity has the potential to unlock new and improved experiences for people as they interact online with businesses, service providers, governments and their communities. It also will reduce the risk of fraud and identity theft.

We have built an exceptional roster of partners, including Microsoft and Samsung, and have begun to preview real-world tests of our digital identity solution in Australia, North Macedonia and other locations.





Safeguarding interactions

The explosion in the number of digital players, applications and devices creates connections and vulnerabilities.

Fraudsters are exploiting the weak links in new internet of Things devices, applications and providers that neglect to use stringent network, regulatory and security standards and protocols. As a result, all stakeholders are at risk of attack — even those with strong individual fraud protections. Mastercard continually invests in cyber and network protection to address evolving widespread threats to the ecosystem.

Connected Intelligence
We developed Connected Intelligence as a comprehensive approach to end-to-end online payment security.

By linking insights across the customer journey, we can cut fraud and provide a more frictionless experience. Connected Intelligence unites a range of capabilities such as bot detection, biometrics, device intelligence and behavioral analytics. Each of these tools individually is necessary for any payment security strategy, but by linking the insights across each layer and applying machine learning and AI, we enable a smarter fraud prevention strategy. This provides both improved security and a superior experience from the beginning of the consumer journey through to authorization and dispute resolution at the other end.

NuDetect behavioral biometrics

NuDetect uses biometrics and analytics to distinguish authentic users from potential fraudsters, based on their online, mobile app and smartphone interactions.

These device-level insights enable merchants and financial institutions worldwide to improve their authorization decisions by mitigating fraud before a purchase is processed. In 2019, we monitored over 650 billion events worldwide, 34% of which we identified as high-risk and flagged for action to the merchants and financial institutions involved. In addition, we analyzed global login data to reveal that 52% of all login attempts across all industries are at high risk of fraud.

Ethoca

In April 2019 we acquired Ethoca, an award-winning provider of collaboration-based intelligence and technology solutions that help businesses around the world fight fraud, prevent disputes and improve the customer experience.

Our solutions provide rich intelligence throughout the customer purchase journey and bring together real-time fraud, customer dispute and purchase insights to close costly communication gaps between all stakeholders in the payment ecosystem.

Decision Intelligence

A key challenge in combating digital payments fraud is rapidly and accurately distinguishing genuine transactions from fraud attempts with minimal friction for the consumer.

Our Decision Intelligence platform analyzes our network through artificial intelligence to make authorization recommendations in real time. The platform's sophisticated modeling distills thousands of data points into a single decision score that helps issuers fine-tune their authorization decisions to approve more legitimate transactions without increasing risk. For each transaction:

- We look at transaction fraud models and profiles against current, widespread fraud monitoring activity.
- We assess these attributes based on consumer account and device information.
- Insights from account spending help define the value and engagement of the consumer/issuer relationship.



Safety Net

Cyberattacks have grown increasingly sophisticated. In response to the growing threat, Mastercard's Safety Net monitors transactions continuously at the global network level, using artificial intelligence to screen hundreds of millions of transactions daily.

By instantly isolating systemic threats and blocking fraudulent transactions, Safety Net limits the financial and reputational damage of large-scale fraud. From 2018 through 2019, Safety Net blocked over \$14 billion in potentially fraudulent authorization attempts from large-scale attacks across all transaction channels.

For issuers, Safety Net monitors transactions at the network level to identify and mitigate data breaches in issuer or processor systems. Safety Net's external layer of defense, independent from customer systems, uses selective authorization controls to block transactions according to multiple criteria. Safety Net gradually escalates its response to detected threats, allowing issuers to better manage their fraud strategies and consumer impact.

For acquirers, Safety Net's monitoring criteria and rules can evaluate transactions from an acquirer perspective, analyzing overall activity for a specified acquirer and/or cardholder across multiple ATMs and merchants globally in order to identify large-scale attacks.

Threat Scan

Threat Scan assesses issuer production authorization networks for vulnerabilities to fraud by emulating known criminal transaction behavior.

It highlights vulnerabilities to criminal attacks and provides network insights that can help issuers realize fewer fraud losses with a proactive approach to fraud prevention. Threat Scan offers a pragmatic way for issuers to identify gaps in authorization security by conducting assessments within production versus testing environments for a variety of fraud types, including counterfeit accounts, PIN manipulation, and lost and stolen cards.

ID Theft Protection

Identity theft can be financially and emotionally devastating for consumers.

ID Theft Protection places consumers in control of their identities — proactively monitoring and resolving identity-theft issues. Using a three-step process, ID Theft Protection safeguards consumers' most valuable asset.

Detect: Uncovers potential identity and credit fraud at inception by scouring the deepest corners of the internet, searching for potentially damaging use of consumers' personal and credit report information.

Alert: Provides immediate alerts if suspicious activity related to consumer identity or credit is found — allowing immediate action to be taken to minimize damage.

Resolve: Combats identity threats quickly with self-service resolution or specialist support, helping to restore consumer identities and prevent further damage.

RiskRecon

In 2019, Mastercard acquired RiskRecon in order to promote the understanding of, and strategies against, third-party cyber risk.

RiskRecon's solutions use AI-powered analytics, intelligence and workflow to deliver automated assessment and continuous monitoring capabilities for security and risk teams in order to fully capture an organization's digital footprint and exposure. It helps teams improve their cybersecurity posture and reduce risk internally and across an ever-expanding ecosystem of vendors, customers and stakeholders.

RiskRecon uses a noninvasive discovery and assessment methodology to identify current and potential cybersecurity risks across more than 40 security criteria that span thousands of security checks. With a high accuracy rate, RiskRecon delivers risk-prioritized action plans so teams can achieve dramatically better risk outcomes as they scale third-party risk management programs. Built by practitioners for practitioners, RiskRecon offers solutions for organizations of any size, in any industry, worldwide.

Setting security standards

As a company, we focus on collaborating across industries to define best practices and standards that will be the basis for ensuring cyber-trust across our franchise, expanding on existing public policy and regulatory frameworks.

Mastercard is working with other private-sector leaders to support small and medium-size businesses through the Cyber Readiness Institute. The Institute helps to reduce complexity and leverage large-enterprise insights at the start of our value chain: smaller businesses.

The Cybersecurity Talent Initiative, a public-private partnership formed in April 2019, aims to address the U.S. government's immediate deficit of qualified cybersecurity experts and train a private-sector workforce of experienced professionals, all while easing student loan debt for its participants.

We formed the CyberPeace Institute, a joint development with Microsoft and the Hewlett Foundation, to strengthen our collective efforts in promoting trust and stability and de-escalating cyber conflicts globally. The Institute focuses on three core functions: supporting the most vulnerable victims of cyberattacks, facilitating research and analysis of cyber conflict, and reinforcing positive, responsible behavior in cyberspace.



Safeguarding Mastercard

We've strengthened our core security programs through a group of strategic initiatives:

- An enterprise-wide vulnerability management program that monitors the entire Mastercard network.
- An established Security Operations Center (SOC) and Fusion Center.
- Integrated security engineering that customizes foundational security practices for various business units.
- Corporate security monitoring of interdepartmental products with a global insider threat program.
- A holistic incident-management team that drives a far-reaching, consistent threat response.
- A scalable access-management infrastructure that strengthens our physical and virtual system-access controls.

Our security program is regularly and thoroughly audited by U.S. and international agencies, including onsite assessments. We also host frequent customer assessments and penetration tests both onsite and remotely. The methodology, and our resulting annual certifications, satisfy multiple industry-recognized frameworks, including those of:

- The U.S. National Institute of Standards and Technology's (NIST) Special Publication 800-115: Technical Guide to Information Security Testing and Assessment.
- Open Web Application Security Project (OWASP) methodology.
- Payment Card Industry (PCI) standards.
- Penetration Testing Execution Standard (PTES).
- International Organization for Standardization (ISO/IEC 27000).

In addition, Mastercard created SecurIT First, an education and awareness program that fosters a security-focused mindset. SecurIT First supports behaviors that reduce security risk across the enterprise. In November 2019, SecurIT was named ISE® North America's Project of the Year in financial services in recognition of our information security executives and project teams for outstanding innovations and achievements.

Fusion Center

Mastercard has built on the success of our Fusion Center, a hub for all our cyber and physical security operations. We have improved our response times to become more effective during global events, natural disasters, and service and security incidents.

Powered by our global network, the Fusion Center monitors trends across essential transaction categories — ATMs, gas stations, grocery stores and pharmacies, restaurants and hotels, and home improvement stores — to aid crisis response. Through the Financial Services Information Sharing and Analysis Center (FS-ISAC), the Federal Emergency Management Agency uses our insights to provide locally relevant data for emergency responders, including the American Red Cross, informing their relief efforts. We're also working with the London-based National Cyber Security Centre and other intelligence groups in the London area to prevent cash-out attacks on ATMs.

Mastercard Intelligence Center

The Mastercard Intelligence Center (MCIC) continues to support many of our business units by corroborating threat intelligence.

Through MCIC's established intelligence feeds and other sources, such as public-private partnerships, Mastercard's Corporate Security teams have been able to respond quickly to a range of threats, both cyber and physical.

The Fusion Center's Crisis Management team also has meaningfully shortened analysis time by optimizing the Intelligence Center's feeds and sources. These improvements help us move proactively and resolve crisis events more quickly to minimize their impact.

MASTERCARD HAS BUILT ON THE SUCCESS OF OUR FUSION CENTER, A HUB FOR ALL OUR CYBER AND PHYSICAL SECURITY OPERATIONS

HUMAN RIGHTS

Our commitment to human rights starts at the highest level and spans the organization. As a technology company in the payments industry, we see it as our responsibility to connect individuals, businesses and organizations around the world to create opportunities for all.

This includes seeking to address violations of human rights within the spheres of our work and harnessing the power of our network to promote human rights where we can around the world. In recognizing how interconnected the world is, we expect our employees and partners of all kinds — from suppliers and customers to peer organizations — to share our commitment to respect and promote human rights.

We undertook an assessment to help identify and prioritize the human rights most related to our business, where we have the most leverage, and to which we can contribute the most value. The results of the impact assessment informed our first [Human Rights Statement](#).

The foundational principles of our Human Rights Statement include using our network to connect people to opportunity, encouraging stakeholder engagement, promoting good governance and respecting individual choice within the rule of law.

Guided by international human rights norms and informed by stakeholder engagement, this commitment is founded in our belief that we must bring human decency to everything we do: from how we use our technology to empower the digital economy to how we interact with people. So, while our network is the foundation of our business and of how we operate, it is our culture of decency that fuels our approach to human rights, which is why it is both

our business strategy and our social responsibility to ensure that Mastercard uses our network and technology to connect people to opportunity.

Mastercard's franchise standard of use for our services and brand is governed by the rule of law. Customers must not engage in illegal activity. When it comes to transactions permissible by law, we respect individuals' right to transact privately with others. We review proposals to limit acceptance of Mastercard products very carefully, so while we hold our members to high standards, if illegal activity is identified, we work with partners to act. This approach respects the varying laws in each country or locality in which we do business, the privacy and independent judgment of account holders and the role our company plays in the global economy. This respect for law creates a reliable standard for enforcement and maintains a balance between protecting people's human rights and protecting people's right to be free from government infringement.

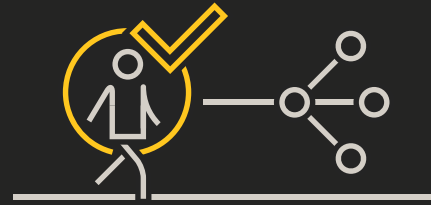


Human rights: Our key areas of impact are our approach, our network, our people and our supply chain.



Our approach to data

Responsible use of data is woven into the fabric of all our business operations. We conduct regular privacy compliance checks, as well as audits of our data and privacy practices and controls, to ensure that we can mitigate any risks to people's privacy, security and human rights. Read more about our commitment to data ethics [here](#).



Our network

We partner with others to create innovative approaches to prevent our products, services and technologies from being used in activities that might contribute to human rights abuses. With our partners, we also monitor, detect and prevent transactions that are illegal, such as abuse of intellectual property rights, child exploitation, illegal internet gambling and illicit pharmaceutical sales.



Our people

Our employees and contingent workforce deserve to be treated fairly. We are committed to providing a safe and healthy workplace that is free from discrimination, harassment and retaliation. Learn more about how we cultivate a culture of decency [here](#).



Our supply chain

Our Supplier Code of Conduct sets the expectations we have for all our suppliers to mitigate the risk of human-rights violations, including modern slavery in our supply chain. Read more about our responsible sourcing efforts [here](#).

Our memberships and partnerships with a variety of organizations allow us to diversify our perspective and address social issues in a more constructive way.

In addition to our community-level stakeholder engagement, Mastercard is an active member in several sustainability organizations.

These groups allow us and our peers to learn from one another's efforts and successes and share our own best practices. We also focus partnerships on financial inclusion through innovation, policymaker and key-stakeholder engagement, financial education, philanthropy and academics. We proudly support the U.S. Financial Coalition Against Child Sexual Exploitation (FCACSE) and work with the International Anti-Counterfeiting Coalition (IACC), the Center for Safe internet Pharmacies, and the Partnership for Drug-Free Kids.

RESPONSIBLE SOURCING AND SUPPLIER DIVERSITY

Guided by our Supplier Code of Conduct, Mastercard requires every supplier we work with to abide by labor laws and avoid all use of forced labor, whether prison labor, indentured labor, bonded labor or otherwise.

Although we expect each supplier to define its own human rights policy and approach, we require it to be consistent with our Supplier Code of Conduct.

Mastercard's full [Human Rights Statement](#) has more information on our commitment to respecting and promoting human rights. In addition, our Supplier Code of Conduct details our expectations and requirements on child labor, freedom of association, compensation and working hours and conditions, discrimination, health and safety, environmental sustainability, and much more.

In accordance with the U.K. Modern Slavery Act, we have issued a statement outlining the steps Mastercard takes to ensure that our business and supply chains are free of slavery. We are proud to champion the principles of these acts, which mirror our stance as an ethical company that believes in doing well by doing good. Our statement on modern slavery and human trafficking details the policies and provisions we have in place to eradicate modern slavery from our operations and supply chain.

Just as we value the unique contributions and perspectives of our global workforce, Mastercard strives to spread inclusion and diversity throughout our supply chain in the United States. We work hard through our Supplier Diversity program to build strong, ongoing relationships with small and diverse businesses. These connections reflect our global footprint, enrich and strengthen our communities and yield powerful, innovative products and services.

We define diverse suppliers as companies owned, operated and controlled in majority by one or more U.S. citizens who identify as an ethnic minority, woman, veteran, LGBT+ or person with a disability. In our efforts around supplier diversity, we also include small businesses that are certified by and eligible for assistance from the U.S. Small Business Administration.

We encourage our prime suppliers to establish their own diverse supply chains. Our Tier 2 reporting program requires participating prime suppliers to report information and data on their use of small and diverse suppliers. Our Tier 1 and Tier 2 spending with diverse suppliers was more than 10% of our total U.S.-based spending.



"The world has changed in unprecedented ways and we are at a reset moment for society, for the economy, and for our planet. This is a time for partnership and for collective action so we can tackle the most pressing social and economic issues together, at scale, and deliver real impact. This report reflects Mastercard's belief that the only sustainable growth is inclusive growth — that by bringing the full strength of our assets to bear we can help everyone reach their potential."

Kristina Kloberdanz
chief sustainability officer, Mastercard



ASSURANCE LETTERS



info@sciencebasedtargets.org
www.sciencebasedtargets.org



7 May 2020

Dear Mastercard,

Thank you for submitting your greenhouse gas emission reduction target(s) to the Science Based Targets initiative (SBTi) for an official validation using the voluntary ambition update process.

Our team has assessed your target(s) against the [SBTi criteria \(version 4\)](#) and, after careful review, we are happy to inform you that your submitted target(s) have been approved and are aligned with a 1.5°C pathway.

Basic information about your company and the approved target(s) will be listed on the [Science Based Targets website](#). The following agreed target wording will be used:

Mastercard commits to reduce absolute scope 1 and 2 GHG emissions 38% by 2025 from a 2016 base year. Mastercard also commits to reduce absolute scope 3 GHG emissions 20% over the same target period.

The SBTi plans to publish your approved target wording and temperature alignment on our website one month from this date, on June 4. Please let the communications team know if your company would like to request a different publication date. The SBTi requires approved target(s) to be published within six (6) months from the date of this official target approval letter, to ensure targets published on the website are in line with the latest SBTi criteria and recommendations.

Congratulations on your approved science-based targets and increasing your target ambition!

Kind regards,

The Science Based Targets initiative's Steering Committee



May 27, 2020

Mastercard
2000 Purchase Street
Purchase, NY

WSP has conducted an independent third party review of Mastercard's 2019 greenhouse gas inventory with the intention of providing limited assurance of its accuracy and completeness. The scope of the review includes all Scope 1 and Scope 2 emission sources, select Scope 3 emissions, including purchased goods and services (category 1), capital goods (category 2), fuel- and energy-related activities (category 3), waste generated from operations (category 5), business travel (category 6), and employee commuting (category 7). The GHG inventory applies to Mastercard's owned and leased facilities.

WSP provided a "Review Findings" report to Mastercard which lists in detail the specific review tasks completed and areas which have been flagged for clarification or improvement. Mastercard has addressed all requests for clarification and has completed all necessary corrective actions. The details of the scope of this assurance review can be found in Table 1.

Table 1: Assurance Scope

Assurance Parameter	Specification
GHG Calculation and Reporting Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Verification Standard	ISO 14064-3
Level of Assurance	Limited
Organizational Boundary	Operational control (all owned and leased facilities)
Geography	Global operations
Inventory Period and Emissions Covered	Calendar Year 2019 (January 1, 2019 to December 31, 2019)
Scope 1	4,758 metric tons CO ₂ e (all Scope 1 sources)
Scope 2 Location-Based Total	52,140 metric tons CO ₂ e (all Scope 2 sources)
Scope 2 Market-Based Total	162 metric tons CO ₂ e (all Scope 2 sources)
Scope 3	Categories 1 and 2 Purchased goods and services and Capital Goods: 396,270 mt CO ₂ e Category 3: Fuel- and energy-related activities: 8,452 mt CO ₂ e Category 5: Waste generated in operations: 1,288 mt CO ₂ e Category 6: Business Travel 53,738 mt CO ₂ e Category 7: Employee commuting 43,264 mt CO ₂ e
Supporting Documents Reviewed	Inventory files, energy purchasing data, supplier purchasing data, waste data, business travel data, employee headcount, Inventory Management Plans
Date Review Complete	May 27, 2020

Assurance Finding

Based on these review processes and procedures, WSP has no evidence that Mastercard's 2019 GHG inventory is not materially correct, is not a fair representation of the GHG data and information, or has not been prepared in accordance with the Greenhouse Gas Protocol.

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Professional Conduct

WSP has conducted this limited assurance review in its capacity as an independent third party in accordance with the ISO 14065 International Standard, *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition*. ISO 14065 specifies the principles and requirements employed by WSP to make this GHG assertion. WSP has not contributed to the compilation of Mastercard's 2019 GHG inventory and members of the Assurance Team are not working with Mastercard's 2019 GHG inventory beyond what is required of this assignment.

Sincerely,

Eric Christensen
Project Director
WSP

Anna Stephens
Lead Reviewer
WSP

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
General					
Organization name	Mastercard			102-1	
Activities, brands, products and services, and scale of the organization	Pages 8-12; 2019 10-K			102-2, 102-6, 102-7	
Location of headquarters	Purchase, New York			102-3	
Countries of operations	Global locations			102-4	
Ownership and legal form	Pages 10-11			102-5	
Direct economic value generated and distributed	2019 10-K			201-1	
Significant changes to the organization and its supply chain	Financials and SEC filings			102-10	
Statement from senior decision-maker	Page 1			102-14	
Key impacts, risks and opportunities	Pages 19-20			102-15, 102-44, 102-47	
Values, principles, standards and norms of behavior	Code of Conduct; Purpose Statement			102-16	
Stakeholder engagement	Page 21			102-12, 102-13, 102-21, 102-40, 102-42, 102-43, 102-44	
Reporting practice	Page 24			102-46, 102-47, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55	
Restatements of information	None			102-48	
Changes in reporting	None			102-49	
External assurance	Pages 24, 99			102-56	
Governance					
Governance structure	2020 Proxy Statement; Page 20			102-18, 102-23, 102-24	
Delegating authority	Page 20			102-19	
Executive-level responsibility for ESG topics	Page 20			102-20	
Composition of the highest governance and its committees	2020 Proxy Statement; Page 20			102-22, 405, 405-1	
Board of Directors	2020 Proxy Statement			405, 405-1	
Women	27%	27%	21%	405, 405-1	

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Governance					
Men	73%	73%	79%	405, 405-1	
Diverse backgrounds	53%	53%	42%	405, 405-1	
Management committee	2020 Proxy Statement			405, 405-1	
Women	20%			405, 405-1	
Men	80%			405, 405-1	
Non-U.S. citizens	47%			405, 405-1	
Internationally based	43%			405, 405-1	
Average age	53			405, 405-1	
Millennials or baby-boomers	30%			405, 405-1	
Remuneration policies and disclosure	2020 Proxy Statement			102-35, 102-36, 102-37	
Annual total compensation ratio	2020 Proxy Statement			102-38	
Risk management	Page 84			102-33	
Business continuity risks related to disruptions of operations	2019 10-K				TC-SI-550a.2
Approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Pages 85-94; Privacy and data protection report				TC-SI-230a.2
Financial implications and other risks and opportunities due to climate change	Pages 66-67, 72, 74-75			201-2	
Legal actions	Mastercard discloses all material legal proceedings in our SEC reports .			206-1	TC-SI-220a.3, TC-SI-520a.1
Privacy and data protection	Pages 85-89; Privacy and data protection report; Mastercard Binding Corporate Rules			418	TC-SI-220a.1, TC-SI-230a.1
Policies and practices relating to user privacy	Pages 85-92				TC-SI-220a.1
Data security: monitoring fraud	Pages 89-94				TC-SI-230a.1
Public policy and political contributions	Page 83; Political Activity and Public Policy Statement			415, 415-1	
Grievance mechanism	Page 82; Ethics Helpline			102-17	

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Social					
Total employees	18,600	14,800	13,400	102-7, 102-8, 405, 405-1	TC-SI-330a.3
Employees by gender (global)					
Female	39%	39%	39%		
Male	61%	61%	61%		
Senior management by gender (global)					
Female	33%	33%	30%		
Male	67%	67%	70%		
Employees by ethnicity (U.S.)					
Asian	20.6%	19.9%	17.9%		
Black or African American	5.5%	5.6%	5.4%		
Hispanic or Latino	8.3%	8.4%	8.6%		
All other people of color	2.0%	1.7%	1.6%		
White	60.6%	64.4%	65.0%		
Senior management by ethnicity (U.S.)					
Asian	14.8%	15.1%	13.1%		
Black or African American	4.2%	4.5%	4.1%		
Hispanic or Latino	11.2%	10.7%	10.0%		
All other people of color	1.8%	1.7%	1.6%		
White	67.4%	68.0%	70.1%		
Country managers by gender (global)	29%				
Equal pay	Page 50			405-2	
Women-to-men pay equity (global)	\$1.000 to \$1.000	\$0.996 to \$1.000	\$0.991 to \$1.000	405-2	

Women/men and ethnicity totals do not include unknown. Denominators include unknown. Senior management is defined as Vice President and above.

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Social					
Median pay for women (global)	92.2%			405-2	
People-of-color-to-white pay equity (U.S.)	\$1.006 to \$1.000			405-2	
Median pay for people of color (U.S.)	93%			405-2	
Employees subject to collective bargaining agreements (U.S.)	0	0	0	102-41	
Recruitment					
	<u>Pages 47-49</u>				
% of final candidate interviews that include women (global)	71%	77%			
% of final candidate interviews that include men (global)	80%				
% of final interviews that include a candidate of color (U.S.)	83%	81%			
% of final interviews that include a white candidate (U.S.)	79%				
Senior management recruitment					
	<u>Pages 47-49</u>				
% of final candidate interviews that include women (global)	67%	70%			
% of final candidate interviews that include men (global)	88%				
% of final interviews that include a candidate of color (U.S.)	82%	79%			
% of final interviews that include a white candidate (U.S.)	84%				
Hiring					
	<u>Pages 47-49</u>				
% of hires that were women (global)	40%	41%	40%		
% of hires that were men (global)	60%	59%	60%		
% of hires that were people of color (U.S.)	45%	42%	42%		
% of hires that were white (U.S.)	55%	58%	54%		
Senior management hiring					
	<u>Pages 47-49</u>				
% of hires that were women (global)	33%	38%	39%		
% of hires that were men (global)	67%	62%	61%		

Women/men and ethnicity totals do not include unknown. Denominators include unknown. Senior management is defined as Vice President and above.

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Social					
% of hires that were people of color (U.S.)	42%	37%	47%		
% of hires that were white (U.S.)	58%	63%	53%		
Career moves (laterals and promotions)					
% of career moves received by women (global)	40%	40%	39%		
% of career moves received by men (global)	60%	60%	61%		
% of career moves received by people of color (U.S.)	38%	38%	36%		
% of career moves received by whites (U.S.)	60%	61%	64%		
Senior management career moves (laterals and promotions)					
% of career moves received by women (global)	35%	35%	30%		
% of career moves received by men (global)	64%	65%	70%		
% of career moves received by people of color (U.S.)	36%	38%	33%		
% of career moves received by whites (U.S.)	61%	61%	67%		
Employee engagement	<u>Pages 57-59</u>				TC-SI-330a.2
Benefits	<u>Pages 50-53</u>			401-2, 401-3, 403-6	
Training and education	<u>Pages 54-55</u>			404, 404-2	
Employees receiving performance and career development reviews	100%	100%	100%	404-3	
Human rights	<u>Page 95; Human Rights Statement; Code of Conduct; Modern Slavery & Human Trafficking Statement</u>			408, 409, 412, 412-1, 412-2	
Inclusive growth	<u>Pages 25-43, 61-63</u>			203-2, 413	

Women/men and ethnicity totals do not include unknown. Denominators include unknown. Senior management is defined as Vice President and above.

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Environmental					
Greenhouse gas emissions management	<u>Pages 66-67</u>			305	
Science-based target	Our target calls for a 38% absolute reduction in Scope 1 and 2 greenhouse gas emissions by 2025 from our 2016 base year, and a 20% reduction in Scope 3 emissions over the same period.				
Greenhouse gas emissions by scope (MTCO₂e)	<u>Pages 67, 71</u>				
Scope 1 & 2 emissions	56,898	57,687	71,504	305-1, 305-5	
Data centers	31,295	29,798	36,296	305-2, 305-5	
Offices	23,648	26,644	33,207		
Travel	1,955	1,246	2,001		
Scope 3 emissions	503,012	495,962	471,614	305-3, 305-5	
Purchased goods and services ¹	396,270	395,684	372,171		
Fuel- and energy-related activities	8,452	11,779	17,365		
Waste generated in operations	1,288	339	436		
Business travel	53,738	49,174	58,862		
Employee commuting	43,264	38,986	22,780		
Greenhouse gas intensity (MTCO₂e/\$revenue)	0.0000034	0.000006	0.00002	305-4	
Energy management (MWh)	<u>Pages 68-70</u>			302	
Total energy consumed	109,718	114,944	144,480	302-1, 302-4	TC-SI-130a.1
Data centers	50,522	40,481	50,883		
Offices	59,196	74,463	93,597		
Percentage grid electricity	97%	98%	99.82%		TC-SI-130a.1

¹ Includes purchased goods and services, capital goods and upstream transportation and distribution.

ESG DATA TABLE

DESCRIPTION	FY 2019	FY 2018	FY 2017	GRI	SASB
Environmental					
Percentage renewable	100%	100%	100%		TC-SI-130a.1
Onsite creation	3%	2%	0.18%		
Direct procurement	10%	11%	9%		
Unbundled renewable energy credits	87%	87%	91%		
Data centers	<u>Page 70</u>				TC-SI-130a.3
Average PUE ²	1.55	1.41	1.41		TC-SI-130a.3
Waste management (lbs)	<u>Page 73</u>			306	
Waste generated	3,111,778	2,294,341	2,511,425	306-2	
Waste diverted	2,470,640	1,766,001	1,567,203	306-2	
Percentage of waste diverted	80%	77%	62%	306-2	
Water management (cubic meters)	<u>Pages 69, 73</u>			303	TC-SI-130a.2
Water consumption	130,253	128,549	156,884	303-5	

² Vocalink's PUE was included in 2019. For previous years, it was not included.

