



SEPTEMBER 2022

Mastercard's Sustainability Bond Report

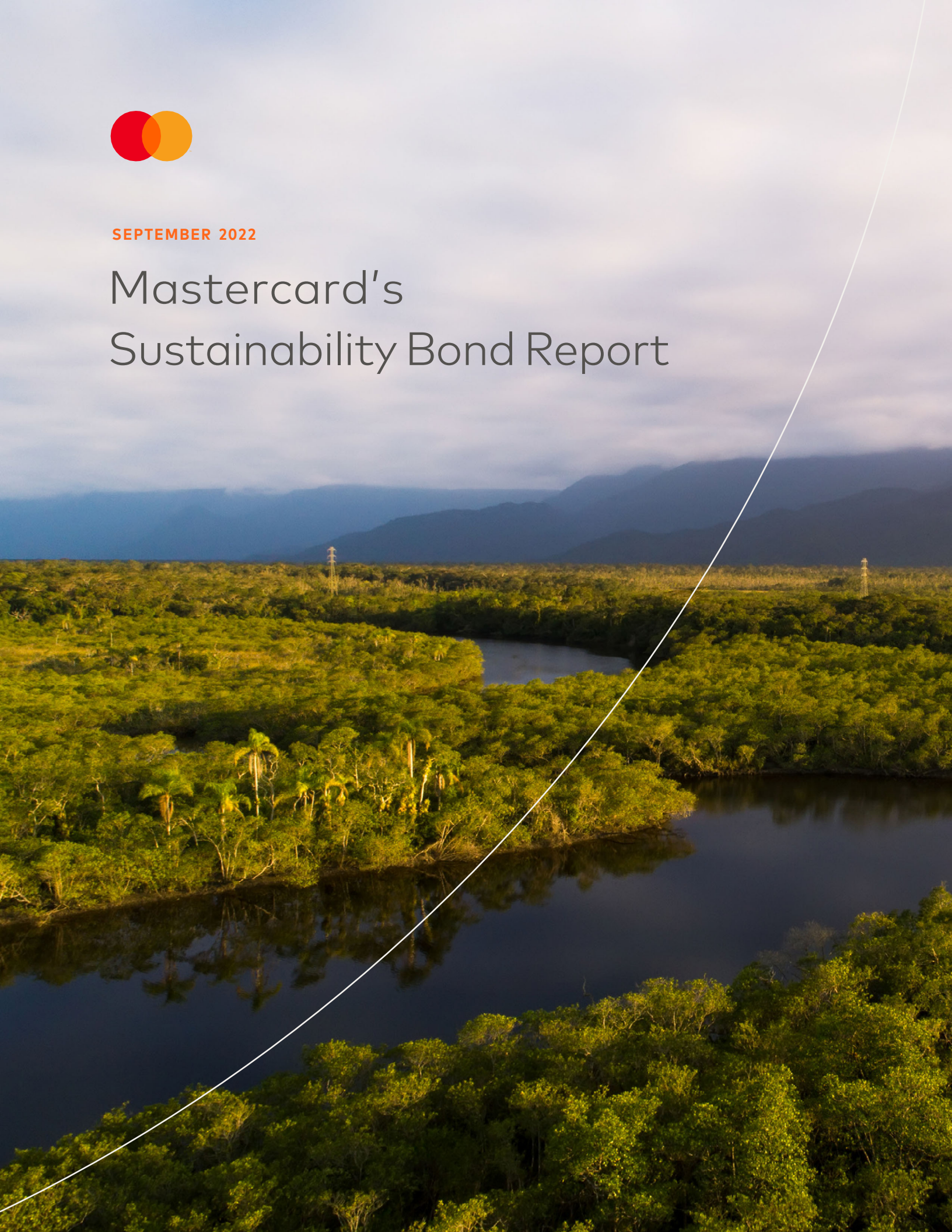


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01 Sustainability at Mastercard

BACKGROUND

At Mastercard, we are focused on building an inclusive, sustainable digital economy, where everyone has an opportunity to reach their potential. We see first-hand how our commitment to environmental and social responsibility - and our core value of operating ethically and responsibly and with decency - is directly connected to our continuing success as a business. We recognize that Mastercard thrives when economies thrive, and a successful economy is sustainable only when it is inclusive and when prosperity is shared.

We are building a sustainable world that unlocks priceless possibilities for all by focusing on the following key areas of impact:

- **Inclusive Growth:** Creating a more inclusive world through our products, programs and partnerships
- **Our People and Culture:** Leveraging our core values to make our company the place where the best people choose to be
- **Environmental Stewardship:** Responsibly managing our environmental footprint and creating environmentally conscious solutions
- **Ethical and Responsible Standards:** Acting responsibly and with integrity guided by the highest standards of ethical behavior

ABOUT THE SUSTAINABILITY BONDS

In March 2021, Mastercard issued its first Sustainability Bonds, a 10-year, \$600 million senior notes offering with a fixed coupon rate of 1.900% per annum ("Sustainability Bonds").

The net proceeds from this offering have been and will continue to be allocated to investments, expenditures, and contributions in Eligible Green and Social Categories (as defined in Use of Proceeds on Page 4) which further support Mastercard's efforts in Environmental Stewardship and Inclusive Growth. Mastercard expects to allocate all or substantially all of the Sustainability Bonds proceeds within three years of the date of issuance.

This report describes Mastercard's Use of Proceeds from January 1, 2018 to December 31, 2021, and the associated impact of these investments.

SUSTAINABILITY BONDS DETAILS

Issuer	Mastercard Incorporated
Issue date	March 4, 2021
Currency	USD
Maturity Date	March 15, 2031
Issued amount	\$600 million
Net proceeds	\$595.2 million
Fixed Coupon Rate	1.900%
CUSIP	57636Q AS3



02 Framework and Eligible Projects

Our Mastercard Sustainability Financing Framework dated February 2021 ("[Framework](#)") addresses the four core components of the International Capital Markets Association ("ICMA") Green Bond Principles (2018), Social Bond Principles (2020), and Sustainability Bond Guidelines (2018) and their recommendations on the use of external review and impact reporting.

(1) Use of Proceeds

We have used and will continue to use the net proceeds from the Sustainability Bonds to finance or refinance, in whole or in part, new, ongoing or completed projects, with disbursements covering project investments, expenditures, and contributions from January 1, 2018 through the maturity date of the Sustainability Bonds, that meet one or more of the eligibility criteria summarized below and set forth in the Eligibility Criteria per our Framework.

Eligible Green Categories:

- Green Buildings
- Energy Efficiency
- Renewable Energy
- Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes
- Environmentally Sustainable Management of Living Natural Resources and Land Use

Eligible Social Categories:

- Mastercard Impact Fund
- COVID-19 Response
- Commercially Sustainable Social Impact

(2) Process for project evaluation and selection

Projects have been and will continue to be assessed and evaluated by a committee comprised of sustainability, finance and legal teams to evaluate and ensure alignment with the Framework

(3) Management of proceeds

Proceeds Pending Allocation: managed in accordance with Mastercard's normal liquidity practices

Tracking: actual spend on Eligible Projects will be internally tracked

Full Allocation: expected within 3 years from issuance

(4) Reporting

Mastercard will publish an annual Sustainability Bond Report regarding the use of proceeds from the bond issuance. The report will address:

Allocation Reporting: (i) amounts allocated to Eligible Projects, by category, (ii) case studies with additional information on highlighted projects, and (iii) assertions by Mastercard management with respect to (i) above

Impact Reporting: Where feasible, Mastercard will report estimated environmental and/or social impacts as a result of these initiatives

External reviews



Second-Party Opinion:

Opinion from Sustainalytics on alignment of our Framework with ICMA's Green Bond Principles (2018), Social Bond Principles (2020), and Sustainability Bond Guidelines (2018).

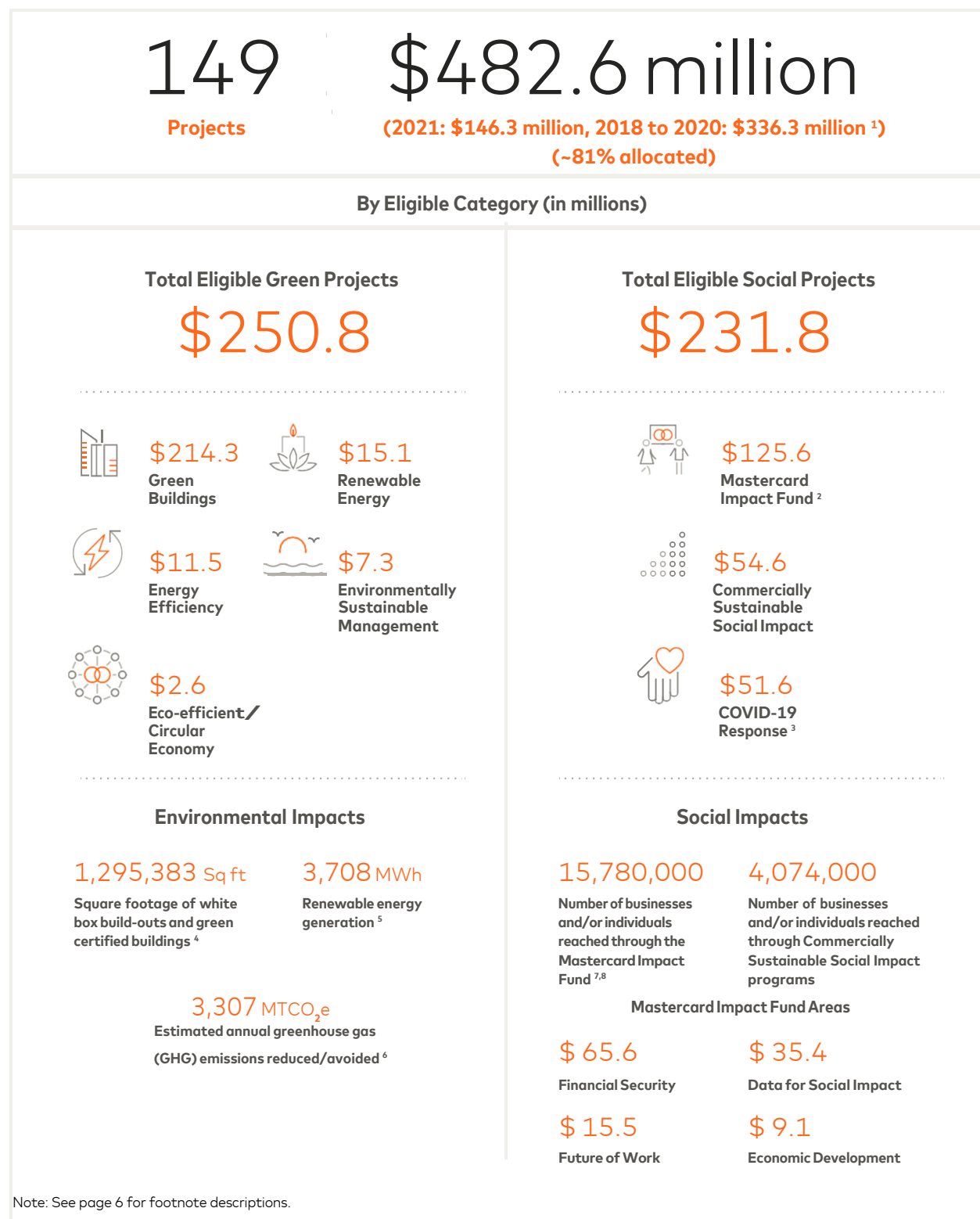
Report of Independent Accountants:

We commissioned an external third party to perform an examination over management's assertion. See the external third-party report on page 14.



03 Progress Highlights: 2018-2021

This year's report covers the allocation of Mastercard's Sustainability Bonds proceeds to Eligible Projects (as defined per our Framework) with disbursements covering project investments, expenditures, and contributions between January 1, 2018 and December 31, 2021.



Note: See page 6 for footnote descriptions.



03 Progress Highlights: 2018-2021

- ¹ For allocation of Use of Proceeds from January 1, 2018 to December 31, 2020 please refer to Mastercard's 2021 Sustainability Bond Report located on Mastercard's website.
- ² Allocation of Use of Proceeds out of the Mastercard Impact Fund is on a committed grant basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).
- ³ Includes COVID-19 relief funds granted by the Mastercard Impact Fund that are not captured in one of the four inclusive growth areas of the Mastercard Impact Fund.
- ⁴ Includes square footage of white box build-outs of newly leased space with energy intensity of less than 10 KWh/Sqft per year and ongoing or completed projects that are expected to or have received eligible third party verified "green building" certifications.
- ⁵ Actual renewable energy generated in 2021 for green projects included in the Energy Efficiency category.
- ⁶ Based on average annual emission reductions over the green projects as calculated by estimated KWh saved, converted using a relevant emission factor.
- ⁷ Mastercard has engaged an external monitoring and evaluation firm to implement a standardized methodology for measuring priority outcomes, where feasible, and to conduct data validation on a quarterly basis.
- ⁸ Consists predominantly of programs in Financial Security and Future of Work initiatives, which serve individuals and micro, small and medium enterprises. It reflects the number of unique individuals or businesses that receive an intervention, resource, or service as a result of Mastercard support as of December 31, 2021. For on-going and multi-year initiatives, Mastercard will continue to monitor progress and track outcomes.



04 2021 Featured Projects

GREEN BUILDINGS

Mastercard operates 116 facilities around the world, and we are committed to ensuring that all of them are run in an environmentally responsible manner, including those that are leased. When securing new leases, Mastercard prioritizes locations with green certifications and includes requirements for renewable energy and other sustainability measures in all lease renewals. Almost 90% of all our global workspace meets regional or international green certification standards.

Following a three-year renovation, Mastercard opened the Tech Hub in Manhattan in 2021, one of several tech hubs that have been opened around the world. More than 216,000 square feet were renovated. During the design and construction, the team collected and accounted for the embodied carbon from materials used and purchased for the new build-out. That data will help us refine operations, modify purchasing decisions and meet our emission reduction goals. To connect our clients and employees to nature while in the building, we added elements like a living moss wall and outdoor rooftop access. In addition to attaining LEED Gold certification, the Tech Hub also achieved Mastercard's first Fitwel certification, showcasing wellness within the design, development and building operations.



04 2021 Featured Projects

ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE

Priceless Planet Coalition

Reforestation is widely acknowledged as one of the most impactful and cost-effective ways to positively address climate change – one of the most pressing issues of our time. To help address this challenge, Mastercard launched the Priceless Planet Coalition uniting companies, communities, and consumers in the restoration of 100 million trees by 2025. We have committed to this goal with restoration partners Conservation International and the World Resources Institute, who use proven science to guide investments and re-grow forests in places with the greatest need and the most potential to have positive impact on climate, community, and biodiversity goals.

In 2021, we initiated three projects in Australia, Brazil and Kenya, as the inaugural restoration programs of the Priceless Planet Coalition. Through the generous support of our Coalition partners, work has continued at these sites through 2022.



04 2021 Featured Projects

COMMERCIALLY SUSTAINABLE SOCIAL IMPACT

Mastercard has developed products, tools and educational programs designed to solve problems for underbanked and marginalized individuals and communities.

Community Pass

Mastercard's Community Pass is a digital platform designed to connect underserved communities to essential life services and fuel inclusive growth. Community Pass connects users and small and micro businesses to the digital economy, and helps them better access education, health care, humanitarian aid, agricultural marketplaces and micro-commerce. Eliminating manual, paper-based processes reduces the potential for errors and fraud, while improving data and visibility for service providers. Over 1 million individuals were registered on this secure platform as of December 2021.

Example Solutions on Community Pass:

Farm Pass (previously Mastercard Farmer Network or "MFN") is the agricultural solution sitting on the Community Pass platform. Farm Pass brings together various agri-sector stakeholders from the supply and demand sides, in one agriculture marketplace. Smallholder farmers can sell their produce at a better price, access quality inputs and farming information, get paid and pay digitally, and develop a financial profile that can unlock financing opportunities for working capital and inputs. As of December 2021, Farm Pass has connected over 640,000 farmers to buyers in India, Kenya, Tanzania and Uganda.

Commerce Pass (previously Community Commerce) also sits on the Community Pass platform. Commerce Pass digitizes low-value transactions, offering a safe and secure way for consumers and micro-enterprises to receive, store and spend funds digitally, including in remote and offline communities. By creating a digital transaction record, Commerce Pass facilitates access to credit. More than 200,000 individuals and 990 micro-merchants used Commerce Pass in 2021.



04 2021 Featured Projects

COMMERCIALLY SUSTAINABLE SOCIAL IMPACT

Community Pass (continued)

Another component of the Community Pass platform is Wellness Pass, developed in collaboration with Gavi, the Global Vaccine Alliance. Wellness Pass digitizes paper-based immunization records via a secure chip card. In 2021, Wellness Pass launched in Mauritania to digitize the delivery of childhood immunizations, enabling record portability and continuity of care, even in offline health centers. Wellness Pass includes electronic notifications, allowing service providers to help more children in marginalized communities stay current with their immunizations. In 2021, we also adapted Wellness Pass to include pandemic intelligence and COVID-19 vaccination verification.

Inclusive Identity is also a component of the Community Pass portfolio. Nearly half of the world's population lacks a digital identity, including one billion people without any form of viable identification, creating a significant barrier to participation in the modern economy. Mastercard has pioneered a secure, privacy-first, and cost-effective biometric identity verification service. With Inclusive Identity, innovative tokenization technology enables individuals to prove that 'they are who they are' while remaining in control of their data. Instead of storing sensitive personal data, Mastercard creates safe biometric tokens that are irreversible and unusable without the individual's presence and permission. Inclusive Identity works in both online and offline environments via touchless capture that reduces health risks related to close proximity and re-use of contact biometric scanners. In 2021, Mastercard partnered with the African FinTech Paycode with a goal to enable 30 million individuals living in remote, unconnected areas to access financial services and government assistance over the next three years.



04 2021 Featured Projects

MASTERCARD IMPACT FUND

In 2018, Mastercard pledged to dedicate \$500 million of the savings generated by U.S. and European tax reforms to inclusive growth, which led to the creation of the Mastercard Impact Fund. The Mastercard Impact Fund is an independent not-for-profit entity. Administered by the Mastercard Center for Inclusive Growth, the Impact Fund's mission is to provide funding for a broad range of worthy causes in two priority areas related to inclusive growth:

- Sustainable and equitable economic growth, and
- Financial inclusion

Strive

In September 2021, the Mastercard Center for Inclusive Growth launched Strive, a global small business initiative to accelerate economic recovery. With an initial Mastercard Impact Fund commitment of \$25 million in philanthropic funding, Strive aims to strengthen the financial resilience and support the growth of millions of small business owners globally.

Strive Community – the first program to launch under Strive – is being managed by Caribou Digital, a research and advisory firm focused on aiding the development of inclusive and ethical digital economies. Strive Community will help 5 million micro, small and medium enterprises digitize their operations, streamline financial and back-office services and improve market access, to ensure they succeed in our modern economy.

A program focusing specifically on entrepreneurs in the United Kingdom was also launched under Strive at the same time. Over the next three years, Strive UK will empower 650,000 British micro and small enterprises, including those that are women-owned or led, by connecting them with the tools and resources they need to thrive in the digital economy.



04 2021 Featured Projects

MASTERCARD IMPACT FUND

In Solidarity

In 2020, Mastercard launched In Solidarity, a five-year initiative to stand against racism and create equal opportunities for all. It includes a \$500 million commitment toward closing the racial wealth and opportunity gap and a concrete set of actions across three pillars: people, market and society. One focused action is centered around deepening relationships with historically Black colleges and universities (HBCUs), and we've committed \$10 million to HBCUs, including Howard University, Spelman College and Morehouse College, to create programs that educate the next generation of Black entrepreneurs and address racial bias in financial services.

Mastercard is working to address historic inequities in the financial system through partnerships like the one forged with Howard University. The school's new Center for Applied Data Science and Analytics (CADSA), funded in part through a \$5 million grant awarded by Mastercard in 2021, will train the next generation of data scientists on how to eliminate biases in AI. The center's new graduate data science program, which launched in February 2022, teaches students to address data equity issues and helps to expand its research and instructional footprint in the areas of Black health and health disparities, social justice, environmental justice and economic empowerment. Housed on Howard's campus, CADSA will lead collaboration with other HBCUs to share best practices, curricula and research. It also will partner with industry leaders, like data.org, to advance talent development and diversity in the field of data science for social impact.



04 2021 Featured Projects

COVID-19

As of 2021, through the Mastercard Impact Fund, Mastercard committed \$51.6 million in philanthropic grants to address the health, financial and equity impacts of the COVID-19 pandemic. In 2021, we expanded our approach to COVID response and recovery to meet global needs, including front-line responder support, vaccine access, hunger and shelter crises, health care services access, worker resilience, and equity and inclusion. For small businesses, funding in 2021 was highly focused on targeted areas, including skill development, digitalization and access to capital.

As India struggled to cope with a wave of COVID in 2021, Mastercard responded with \$9.3 million in charitable contributions. These contributions were pledged to directly address critical needs, including access to hospital resources and oxygen supplies across the country. The investment supported the addition of 2,000 beds at portable hospitals, as well as 860 oxygen generators, and helped 2.5 million Indians gain access to health care. In France, a grant was awarded to the Red Cross in June 2021 to raise awareness among 100,000 people not receiving health support and to provide vaccinations for up to 25,000 people through the deployment of at least 50 mobile vaccination units through March 2022.

In partnership with World Vision and the World Food Programme, in 2021 Mastercard committed to providing at least 18 million meals to children and families in Brazil to support people living in vulnerable communities impacted by COVID-19.

With vaccines more readily available but access to supply not being equal, Mastercard supported efforts to reach the most vulnerable globally with more than \$15 million in donations, plus contributions mobilized with customers, consumers and partners in the framework of cause initiatives and matching efforts. These supported Gavi, the Global Vaccine Alliance in its public-private approach to bringing vaccines to lower-income countries. Mastercard, one of multiple funders, supported the shipment of 600 million vaccine doses to low- and middle-income countries and the launch of a platform to track the supply and delivery of vaccines and to monitor progress and barriers to access. Additionally, in the U.S., Mastercard partnered with the Ad Council and the National Urban League to support community grassroots vaccine education campaigns and outreach efforts to address vaccine hesitancy.



05 Report of Independent Accountants



Report of Independent Accountants

To the Management of Mastercard Incorporated

We have examined the management assertion of Mastercard Incorporated (“Mastercard”) that an aggregate of \$482.6 million of the net proceeds of \$595.2 million from the March 4, 2021 issuance of Mastercard’s 1.900% Notes due 2031 were allocated to finance Eligible Projects with disbursements covering investments, expenditures, and contributions from January 1, 2018 to December 31, 2021 as defined in management’s assertion. Mastercard’s management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information described in the “Use of Proceeds” on page 4 and as presented in the “Projects”, “Total Eligible Green Projects” and “Total Eligible Social Projects” on page 5 of this Sustainability Bond Report is part of our examination engagement. The other information included in the Sustainability Bond Report has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management’s assertion that an aggregate of \$482.6 million of the net proceeds of \$595.2 million from the March 4, 2021 issuance of Mastercard’s 1.900% Notes due 2031 were allocated to finance Eligible Projects with disbursements covering investments, expenditures, and contributions from January 1, 2018 to December 31, 2021 as defined in management’s assertion is fairly stated, in all material respects.

A handwritten signature in grey ink that reads "PricewaterhouseCoopers LLP".

New York, New York
September 27, 2022



06 Management Assertion

Mastercard is responsible for the accuracy and validity of the allocation of the Sustainability Bonds proceeds to Eligible Projects as of December 31, 2021 as described under Use of Proceeds on Page 4 and as presented under Projects, Total Eligible Green Projects and Total Eligible Social Projects on Page 5. Mastercard asserts that an aggregate of \$482.6 million of the net proceeds of \$595.2 million from the Sustainability Bonds proceeds were allocated to Eligible Projects during the period of January 1, 2018 to December 31, 2021 (the "Period") based on the Eligibility Criteria set forth below:

Green Buildings	<ol style="list-style-type: none"> 1. "White box" build-outs of newly leased space with energy intensity of less than 10 KWh/ Sqft per year. 2. The renovations/ retrofits of existing owned and leased buildings, where in all instances such buildings and projects have 1) received third party verified "green building" certification during the Period or 2) reached substantial completion and certification with the third party is "In Progress of Certification". Below are third party verified "green building" certifications received during the Period: <ol style="list-style-type: none"> a. LEED: Gold or better b. BREEAM: Excellent or better c. LOTUS: Gold d. SKA: Gold 3. Revamping Mastercard offices in Waterloo, Belgium which achieved BREEAM Very Good certification during the Period.
Energy Efficiency	Expenditures related to energy efficiency projects with energy savings of 20% or greater based on actual analysis of current units or technical specifications of installed units, including costs for upgrades and/or renovations/retrofits of existing owned and leased buildings, such as replacements of chillers, HVAC, and other efficiency improvements.
Renewable Energy	Expenditures for the technologies related to acquisition or development of new on-site generating capacity in the area of Solar power.
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	<p>Expenditures related to eco-efficient and circular economy products and processes including investment in and technical development to support delivery of:</p> <ol style="list-style-type: none"> 1. Carbon footprint tracking capability to Mastercard issuers. This solution provides consumers with visibility into their personal carbon footprint as a measure of their impact on the environment, and 2. Technology solutions to enable consumers to compensate for their carbon impact by contributing to organizations that will help to reduce atmospheric CO₂ levels.
Environmentally Sustainable Management of Living Natural Resources and Land Use	Expenditures related to environmental improvement including forestation and tree planting initiatives.
Mastercard Impact Fund	<p>Contributions to the Mastercard Impact Fund, which invests in technology, training, and other solutions in one or more of the following inclusive growth areas:</p> <ul style="list-style-type: none"> • Financial Security including increased entrepreneurial productivity • Economic Development including education for entrepreneurs in depressed communities or developing countries regarding credit and access to small business loans • Future of Work including skillset training for the workforce • Data for Social Impact including data and analytics support for social sector organizations
COVID-19 Response	Investments related to COVID-19 relief for small business owners, including financial, technology, product, and insight asset programs.
Commercially Sustainable Social Impact	<p>Expenditures related to programs bringing people into the digital economy and/or helping individuals, businesses, and communities access tools – and the education to use them properly – to achieve financial security such as investments in:</p> <ul style="list-style-type: none"> • Programs using digital infrastructure and/or tools to enable access to financial services and nonfinancial services such as healthcare and education • R&D and associated operating expenses for financial inclusion via the Mastercard Lab for Financial Inclusion, Mastercard Center for Inclusive Growth, and • Mastercard financial and digital literacy education programs

Note: Refer to the "Use of Proceeds" section of the [Prospectus Supplement](#) dated March 2, 2021 filed by Mastercard for eligible projects and criteria to which the proceeds may be allocated.



07 Disclaimer

This Sustainability Bond Report ("Report") may contain statements about future events and expectations that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "expressed confidence," "forecast," "future," "goal," "guidance," "intend," "may," "objective," "outlook," "plan," "pledge," "potential," "project," "seek," "should," "strategy," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. Actual results and capital and other financial conditions, including the achievement of any of targets, goals or commitments described in this Report, may differ materially from those included in these statements due to a variety of factors, including without limitation the factors and uncertainties summarized under "Forward-Looking Statements" and "Risk Factors" in Mastercard Incorporated's ("Mastercard") most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the SEC and available on the SEC's website at www.sec.gov and available on our website at <https://investor.mastercard.com>. Any such forward-looking statements in these materials speak only as of the date of these materials and Mastercard does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

