



SEPTEMBER 2023

Mastercard's Sustainability Bond Report

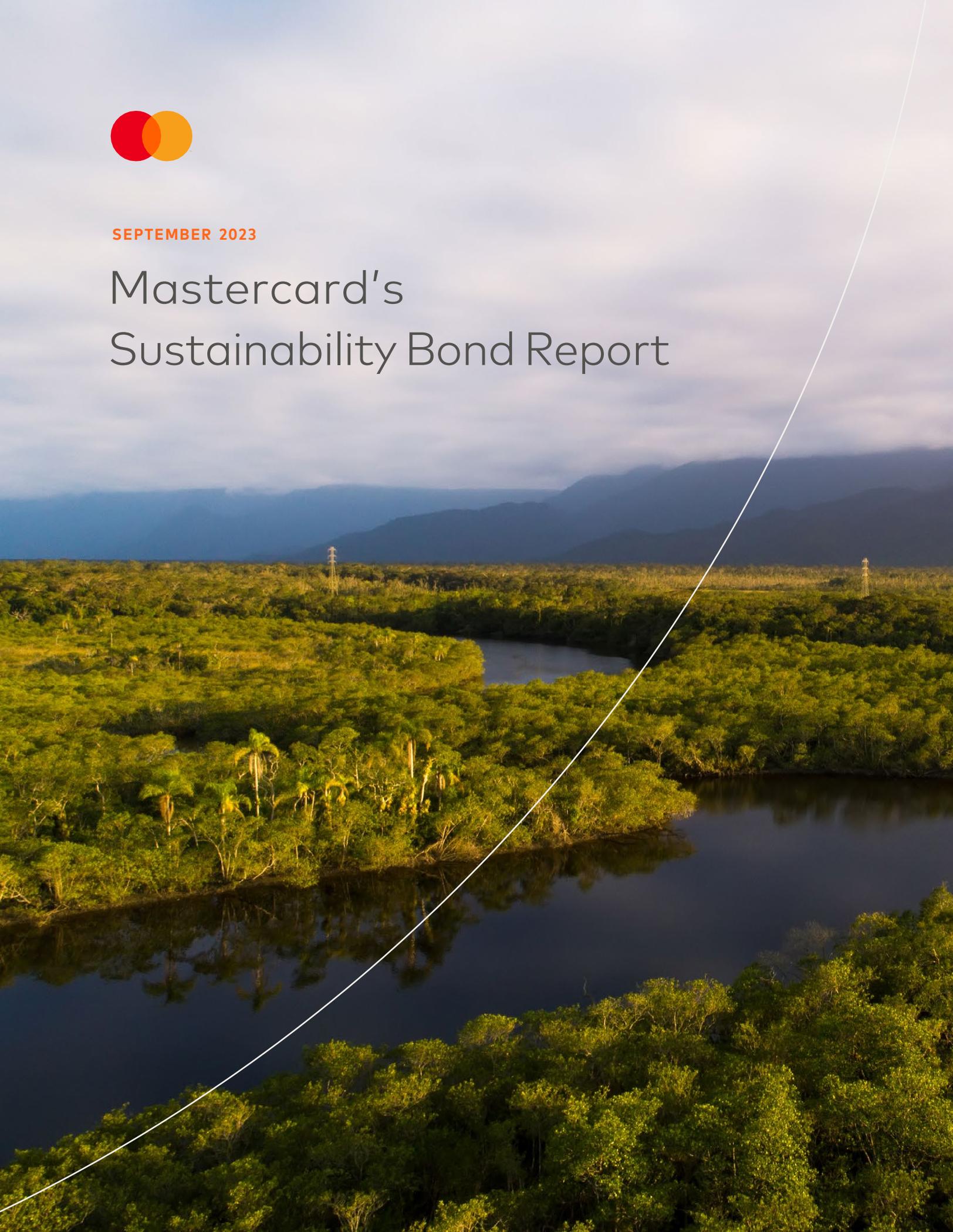


Table of contents

01	Sustainability at Mastercard	03
02	Framework and Eligible Projects	04
03	Progress Highlights: 2018-2022	05-06
04	2022 Featured Projects	07-10
05	Report of Independent Accountants	11
06	Management Assertion	12
07	Disclaimer	13



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 allocated to investments¹, 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 allocated 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, 2022, 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

¹Investments include capital expenditures.



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 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 December 31, 2022, 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
- In Solidarity

(2) Process for project evaluation and selection

Projects have been 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 was internally tracked

Full Allocation: fully allocated as of December 31, 2022

(4) Reporting

Mastercard published annual Sustainability Bond Reports regarding the use of proceeds from the bond issuance. The reports addressed:

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 reported 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 11.



03 Progress Highlights: 2018-2022

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, 2022.



Note: See page 6 for footnote descriptions.



03 Progress Highlights: 2018-2022

- ¹ For allocation of Use of Proceeds from January 1, 2018 to December 31, 2021 please refer to Mastercard's 2022 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 2022 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, 2022.



04 2022 Featured Projects

GREEN BUILDINGS

Mastercard works to ensure that all of the more than 100 facilities we operate globally are run in an environmentally responsible manner through continuous utility data analysis, audits and leasing/contract language. Mastercard's operational standards incorporate sustainable solutions such as high-efficiency heating, ventilation and air conditioning, lighting, and water-efficient fixtures.

Our Dublin, Ireland office, located at 1 South County, achieved LEED Platinum certification in March 2022 with a score of 87 points out of 110 possible points. Features of this location include enhanced commissioning, metering and energy performance, a construction waste management plan and a strategic location with access to public transportation as well as incorporating storage for bicycles. This site also utilizes 100% renewable power through a contract with the local utility provider.

RENEWABLE ENERGY

In 2022, for the sixth consecutive year, Mastercard used 100% renewable energy for our operations. In 2022, as part of our efforts to increase production of renewable energy, we completed the third phase of the solar array at our O'Fallon, Missouri, campus. This three-phase project began in 2019 and encompasses almost 10,000 solar panels. The installation is comprised of 100% canopy style solar. This installation style has provided covered parking for over 1,200 spaces and incorporates EV charging for employees who use electric vehicles for commuting. The full array is now capable of offsetting 6% of our total Scope 2 emissions by generating 4.2 MWh annually and is the largest privately owned solar array in the power utility's territory.



04 2022 Featured Projects

ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE

Priceless Planet Coalition

Through our Priceless Planet Coalition, we have engaged more than 130 corporate partners globally to support forest restoration projects that mitigate global GHG emissions, promote planet biodiversity and benefit the communities that live in or near reforested landscapes. In 2022, we helped our coalition partners launch more than 150 cause-related campaigns to raise funds for restoring trees and forests. The Priceless Planet Coalition employs a forest restoration model dedicated to regrowing forests in locations that represent the greatest global need.

The global environmental organizations Conservation International and World Resources Institute lead the Priceless Planet Coalition's mobilization and coordination of restoration efforts, collaborating with local communities and stakeholders for long-term forest stewardship and employing science-based best practices for the selection, implementation, and long-term monitoring of restoration efforts.

In 2022, we continued work in the program's three initial restoration project areas and added 15 new restoration projects, bringing the total to 18 projects across 19 countries. Information on the individual projects can be found at www.mastercard.com/priceless-planet.



04 2022 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

Through our Community Pass solution Mastercard provides a way to serve people in the most remote communities, many of whom lack data records, formal identification and/ or connectivity.

For example, in Uganda, a digital platform called YoPay Agric, which is powered by Mastercard's Community Pass platform, is linking remote farmers to different partners in the agricultural sector. This technology helps farmers access more markets digitally, even without reliable connectivity. Farmers can send harvest yield information quickly and accurately to sellers, negotiate fair prices with buyers and take advantage of secure digital payments. At the same time, the technology creates a digital transaction record to automatically build a credible financial history.

In 2022, Community Pass expanded within six countries: India, Kenya, Tanzania, Uganda, Mauritania and Mozambique.



04 2022 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 in part 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 charitable purpose is to promote sustainable and equitable economic growth and financial inclusion.

Strive

Strive is Mastercard's global initiative to support the growth and resilience of small businesses. Since launching in 2021 and through 2022, Strive programs have helped to build capacity, unlock access to capital and drive adoption of digital tools for 4 million micro and small enterprises in 16 markets across Europe, North America, Latin America, Africa, and Asia-Pacific, including U.K., Czechia, and the U.S.

In 2022, the Strive Innovation Fund awarded \$1 million in grants to eight organizations — from more than 650 applicants — to develop innovative, scalable solutions to strengthen small businesses' digital capabilities. One recipient is using Internet of Things-enabled vending machines to grow retailer revenue in Kenya by reducing stock outs and eliminating single-use plastic. Another is testing the viability of using financial literacy education data to de-risk and expand small business credit in Cambodia. Another awardee is trialing the efficacy of virtual reality to upskill entrepreneurs in Brazilian favelas.



05 Report of Independent Accountants



Report of Independent Accountants

To the Management of Mastercard Incorporated

We have examined the accompanying management assertion of Mastercard Incorporated (Mastercard) that 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 or refinance, in whole or in part, new, ongoing or completed Eligible Projects, with disbursements covering project investments, expenditures, and contributions from January 1, 2018 to December 31, 2022 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 dollar amounts 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 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 or refinance, in whole or in part, new, ongoing or completed Eligible Projects, with disbursements covering project investments, expenditures, and contributions from January 1, 2018 to December 31, 2022 as defined in management's assertion is fairly stated, in all material respects.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP", is written over a light blue horizontal line.

New York, New York
September 26, 2023



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, 2022 as described under Use of Proceeds on Page 4 and dollar amounts as presented under Projects, Total Eligible Green Projects and Total Eligible Social Projects on Page 5. Mastercard asserts that the net proceeds of \$595.2 million from the Sustainability Bonds were allocated to Eligible Projects during the period of January 1, 2018 to December 31, 2022 (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	Capital expenditures, which included costs for upgrades and/or renovations/retrofits of existing owned and leased buildings, such as replacements of chillers, HVAC, and other efficiency improvements, 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.
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	Expenditures related to eco-efficient and circular economy products and processes which included technical development to support delivery of: <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. Integration of 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, which included forestation and tree planting initiatives.
Mastercard Impact Fund	Contributions to the Mastercard Impact Fund, which invests in technology, training, and other solutions in one or more of the following inclusive growth areas: <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	Expenditures related to COVID-19 relief, which included front-line responder support, vaccine access, hunger and shelter crises assistance and health care services access.
Commercially Sustainable Social Impact	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, which included: <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
In Solidarity	Expenditures related to advertising platforms that elevate the visibility of Black women-owned small businesses with the aim to combat discrimination and racism and to advance inclusion and equality.

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.

