

## Mastercard Modern Slavery and Human Trafficking Statement 2020

The *Modern Slavery Act 2015 (UK)* and the *Australian Modern Slavery Act 2018 (Cth)* together require businesses to disclose information relating to their efforts to address the risks of modern slavery (including forced labour and human trafficking) in their operations and supply chains. The following statement of Mastercard Inc. and its applicable, consolidated subsidiaries [named at the end of this document] (collectively, “Mastercard” or the “Company”) responds to these requirements and outlines our efforts in this regard during the fiscal year ended December 31, 2020.

### **Our business, organizational structure and supply chains**

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart, and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments, and businesses realize their greatest potential. Our decency quotient drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

Our stock is listed on the NYSE under the symbol “MA” and our website is [www.mastercard.com](http://www.mastercard.com). Our global headquarters are in Purchase, NY, USA, and we have regional headquarters in each of Asia/Pacific, Europe, Latin America/Caribbean and Middle East and Africa.

As of December 31, 2020, we employed approximately 21,000 persons.

We do not manufacture goods, operate factories or handle raw materials or commodities. We do however source products and services from suppliers globally. Our primary supply chain categories include marketing and advertising, information technology, office services, professional services and consumer benefits. We estimate that there are more than 7,500 first tier (i.e. direct) suppliers in our supply chain.

### **Governance and policies**

The Board of Directors oversees Mastercard’s sustainability policies, including with respect to issues such as human rights. The Nominating and Corporate Governance Committee of the Board (NCG Committee) oversees the Company’s policies and programs and monitors governance trends in the following areas: corporate responsibility, environmental stewardship, human rights, inclusion and diversity, and other such matters of significance to the Company and its stockholders.

In keeping with our commitment to act with integrity in all our business dealings, many of our existing policies are relevant to ensuring that there is no slavery or human trafficking in any part of our business or our supply chains.

### ***Human Rights Statement***

Our [Human Rights Statement](#) outlines our commitment to promoting and respecting human rights along with our foundational principles, key areas of impact and governance. At Mastercard, we seek to address violations of human rights within the spheres of our work and harness the power of our network to promote human rights where we can. 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.

## *Code of Conduct*

We have a [Code of Conduct](#) for our employees, which sets out our commitment to ensuring that we all act and are treated ethically, fairly and with respect and dignity. We recognise that our employees' continuing success as individuals, colleagues and a company depends on all of us treating each other with respect and upholding the highest professional and ethical standards. In 2020, we updated the Code of Conduct, adding language regarding Mastercard's commitment to respecting and promoting human rights and our Data Responsibility Principles.

All of our employees are required to attest to the Code of Conduct on an annual basis.

## *Employment Policies*

Mastercard maintains employment and personnel policies that comply with the relevant labour laws and promote our culture of decency and respect. These policies dictate that we provide equal opportunities in employment and that employees are treated fairly, regardless of non-vocational distinctions such as age, gender (including identity or expression), marital status, civil partnership status, sexual orientation, disability, colour, nationality, race or ethnic origin or religion or belief. The Employee Relations and People & Capabilities groups (reporting to the Chief People Officer) maintain and enforce these policies along with the Global Ethics and Compliance Team (reporting to the Chief Compliance Officer), supporting our efforts to combat modern slavery across our operations.

## *Supplier Code of Conduct*

In an effort to mitigate the risk of modern slavery in our supply chain, our suppliers are contractually bound by standards of ethical conduct when dealing with workers, their suppliers, customers and other third parties, as articulated in our [Supplier Code of Conduct](#), which is embedded into our supplier agreements.

The Supplier Code of Conduct outlines the principles, guidelines and expectations for establishing and maintaining a business relationship with us. We are committed to partnerships with suppliers that share our dedication to conducting business in a legal, ethical and socially responsible manner.

For more information on our supply chain operations including our Supplier Code of Conduct, please visit our procurement website: <https://procurement.mastercard.com/>

## Human Rights / Labour and Employment Laws

Suppliers must be committed to, and have respect for, the protection and preservation of internationally recognised human rights. While it is the responsibility of each supplier to define its own policy and approach to the issue of human rights, suppliers' values and business principles must be consistent with that of Mastercard. Suppliers are expected to comply with applicable international and local legal requirements in their countries of operation.

## Child Labour

Suppliers will not use child labour. Suppliers are required to comply with applicable child labour laws and employ only workers who meet the applicable minimum legal age requirement in their countries of operation.

### Compensation and Working Hours & Conditions

Suppliers are required to comply with all applicable wage and hour labour laws and regulations governing employee compensation and working hours in their countries of operation. Suppliers must have a disaster recovery plan for emergencies. Suppliers must ensure that their facilities meet appropriate safety standards.

### Discrimination

Suppliers are required to provide an inclusive and nondiscriminatory working environment in which all their employees are valued and treated fairly. Discrimination, retaliation or attempted retaliation on the basis of sex, gender, gender identity, creed, ethnicity, race, color, national origin, age, religion, citizenship, familial status, marital status, veteran status, alienage, sexual orientation or disability or any other status protected under any applicable law is prohibited. Unlawful discrimination or harassment in the workplace is not tolerated. Suppliers are required to comply with all applicable laws concerning discrimination in hiring and employment practices.

### *Mastercard Ethics Helpline*

Our Mastercard Ethics Helpline offers all employees, contingent workers, third parties and the public at large a confidential, around-the-clock service to report suspected violations of the 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, thoroughly and objectively 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 select 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 asks a question, raises a concern or provides good-faith information about potential legal or policy violations. Anyone found in breach of the Non-Retaliation Policy will be subject to disciplinary action, up to and including termination of employment.

### **Training and awareness**

In order to maintain our ethical and responsible standards, every Mastercard employee participates in a mandatory, in-depth curriculum of online compliance training. The training curriculum consists of a two-year rotation of more than 15 training courses, including topics such as our Code of Conduct, anti-money laundering, trade sanctions, data privacy, information security, preventing insider trading and workplace conduct (including harassment and discrimination).

Every contractor participates in training courses such as data privacy, security awareness, preventing insider trading, records management, and workplace conducts. Based on roles and responsibilities, some contractors may be required to participate in training sources such as anti-money laundering, sanctions and export controls. We also have number of learning assets from articles to videos that discuss modern slavery and human trafficking available for employees.

Employees are annually trained on the Supplier Engagement Policy which outlines the standards Mastercard expects and requires our employees to meet when dealing with all business partners, and specifically with our suppliers.

### **Risk assessment and due diligence processes**

Due to the nature of our business (including our status as a regulated provider of payment services), and our existing policies and procedures concerning employment screening (including work eligibility checks) and employment conditions, we consider there to be a low risk of modern slavery within our business.

In 2019, we undertook an impact assessment to help us identify and prioritize the human rights most correlated to our business, where we have the greatest leverage and to which we can contribute the greatest value. The key areas of impact that were identified from this assessment include the following: our approach to data, our network, our workforce and our supply chain. We will update our human rights approach based on periodic assessments, as well as ongoing due diligence and monitoring.

Notwithstanding the relatively low risk within our own business, we recognize that there is the potential for risks relating to modern slavery to exist within our supply chain and are committed to ensuring that we put in place appropriate processes and policies designed to assure that modern slavery is not taking place in our business or our supply chains.

With respect to our enterprise risk, we have existing processes and policies in place to ensure Mastercard can further mitigate such risk:

- The Third Party Risk Management program follows a comprehensive risk assessment, identification, remediation and mitigation approach designed to ensure all applicable risks are identified, and where appropriate, remediated. The program covers a wide variety of risk domains including general organization, legal and regulatory, information security and data privacy, reputational and operational risk.
- For suppliers identified as high risk or critical to Mastercard, comprehensive reviews are conducted on a routine basis to ensure full compliance with Mastercard's standards and policies across all relevant risk domains. Comprehensive reviews may involve a review of all documentation, onsite reviews and a more granular review of their control environments and how they meet our standards.
- We established a core group comprised of representatives from legal/compliance, procurement and sustainability who are responsible for addressing risks in the area of modern slavery and ensuring that appropriate measures are applied to assess, manage and minimize risk.

### **Grievances and Remediation Processes**

We are committed to the protection and respect of human rights across our business and supply chain. If we became aware of an incident of modern slavery in any of our supply chains, we would immediately investigate and, together with the relevant supplier, develop corrective action plans to resolve detected issues.

We have established reporting procedures and mechanisms where employees and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery or human trafficking. Employees can report to their manager, or if they wish to remain anonymous,

employees and third parties are able to report conduct that could be viewed as dishonest, unethical or unlawful through our independently operated Whistleblower system, via phone, email or an online portal and we have policies prohibiting retaliation for raising such concerns.

Where issues are investigated and substantiated, we take appropriate action. Further information regarding the investigation process are available in the Whistleblower Policy, and on our corporate site. We have established internal grievance resolution guidelines which outline procedures and resolution options for our employees.

In future reporting periods, we will continue to evolve our approach to deal with such issues, including development of external grievance procedures for third parties, which we will make available to our suppliers and business partners.

### **Measuring effectiveness**

Mastercard regularly reviews its processes and procedures to meet changing business needs and risks. As part of those reviews Mastercard obtains feedback from various sources as to the effectiveness of those processes and procedures. In future reporting periods, we will work to refine these review processes to help us measure the effectiveness of the actions we take, particularly to address the risks of modern slavery.

### **Stakeholder engagement**

Mastercard is not just a company that serves society, it is also a member of society. We have a responsibility to benefit people and partners, shareholders and customers alike. In order to deliver on this responsibility in a way that maximizes positive impact for all parties, it is our job to listen, make connections and develop solutions that are relevant and sustainable. We welcome the views of diverse stakeholders, internal and external, who serve as key partners in identifying the human rights issues most salient to our business and help us achieve the biggest impacts. Through these engagements with multiple stakeholders, we diversify our perspective and better understand how to address broader social issues in a constructive way.

In addition to our broad community of stakeholders, Mastercard is an active participant in several sustainability membership organizations. Our membership in these groups allows us to learn from other companies' efforts and share our own best practices with our peers. Other partnership efforts approach financial inclusion through financial innovation, policymaker and key-stakeholder engagement, financial education, philanthropy and academic partnerships.

We also work with law enforcement and non-governmental organizations and actively participate in various forums, including:

- Child Exploitation: Internet Watch Foundation (IWF) and the National and International Centers for Missing and Exploited Children (NCMEC)
- Intellectual Property: International Anti-Counterfeiting Coalition (IACC)
- Pharmaceuticals: Center for Safe Internet Pharmacies (CSIP)
- Sports Integrity Global Alliance (SIGA)

## **Looking forward**

Over the coming year and beyond, we plan to focus on the following:

- Undertaking a review of potential risk of modern slavery practices across our operations and supply chains considering Tier 1 supplier's service or goods category, geographical location and spend for the current reporting period
- Adopting enhanced due diligence and review processes for our supplier on-boarding procedures
- Reviewing and updating our Master Supplier Agreements and Supplier Code of Conduct
- Developing online training module on the indicators of modern slavery and human trafficking for all Mastercard employees and
- Continuing to evolve our antislavery approach, and leverage guidance from available best practice and experts where possible and appropriate

## **Conclusion**

We strive to be an ethical company which believes in doing well by doing good for society. We endorse the principles of the UK and Australian Acts and are committed to continue and improve our efforts to identify and mitigate the risks of modern slavery and human trafficking from our business and supply chains.

Our consultation process included engagement with representatives from our global Sustainability, Ethics and Compliance, Legal, Risk Management, Franchise, People & Capabilities, Finance, Corporate Governance and Procurement teams. This Statement was reviewed and approved by our Executive Vice President of Financial Operations and our Executive Vice President of Total Rewards. The Boards of the below entities we own and control have reviewed and approved the Statement.

Mastercard Asia/Pacific (Australia) Pty Limited

Mastercard Europe Services Limited

Mastercard Loyalty Solutions Australia Pty Limited

Mastercard Payment Gateway Services Limited

Mastercard UK Management Services Limited

Vocalink Limited

Approved on behalf of  
Mastercard Asia/Pacific (Australia) Pty Limited



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Richard Wormald  
Position: Director