

WHEREAS: Mastercard states that it is “committed to doing well by doing good,”¹ a vision that inspires “everything” the company does.² This includes striving to engage in the political process and policy arena “in the most responsible and ethical way.”³

However, Mastercard’s political expenditures appear to be out of alignment with its public statements on company values, views, and operational practices.

For example, Mastercard trumpets its commitment to “mobilizing against climate change,” including adopting a net-zero by 2040 goal.⁴ Mastercard has particularly proclaimed its efforts to address its Scope 3 greenhouse gas emissions.⁵ Yet, the company funds industry associations like the Business Roundtable that opposes meaningful climate action.⁶ The Business Roundtable has “spent millions of dollars” to stop climate legislation and, in particular, has opposed efforts to require companies to disclose their Scope 3 emissions.⁷

Likewise, while Mastercard promotes environmental, social, and governance (ESG) practices, both internally and externally,⁸ it nonetheless sponsors the State Financial Officers Foundation (“SFOF”), an organization that promotes government policies punishing companies that take ESG factors into consideration in their investment decision making.⁹

Mastercard sponsors SFOF even though policies promoted by SFOF will harm Mastercard’s business. For example, while Mastercard is working to eliminate its greenhouse gas emissions,¹⁰ SFOF-promoted legislation would prohibit states from contracting with companies whose greenhouse gas reduction policies are claimed to affect fossil fuel companies.¹¹ Government contracts are a significant line of business for

¹ <https://www.mastercard.com/news/perspectives/2022/esg-goals-and-employee-compensation/>

² <https://www.mastercard.com/global/en/vision/corp-responsibility.html>

³ <https://investor.mastercard.com/corporate-governance/policies-and-reports/default.aspx>

⁴ <https://www.mastercard.com/global/en/vision/corp-responsibility/sustainability.html>

⁵ <https://normative.io/insight/mastercard/>

⁶ https://s25.q4cdn.com/479285134/files/doc_downloads/2022/10/MC-Contributions-to-Trade-Assoc-Q1-2-2022.pdf

⁷ <https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable>

⁸ <https://www.mastercard.com/news/perspectives/2022/esg-goals-and-employee-compensation/>;

<https://www.mastercardservices.com/en/solutions/environmental-social-and-governance>

⁹ <https://www.responsible-investor.com/kkr-no-longer-listed-on-sponsorship-page-of-us-anti-esg-foundation/>

¹⁰ <https://www.marketwatch.com/story/mastercard-will-let-you-track-the-climate-impact-of-your-spending-habits-11618229211>

¹¹ <https://www.nytimes.com/2022/08/05/climate/republican-treasurers-climate-change.html>



Mastercard.¹² Weighing the benefits of maintaining membership in an organization whose policies may negatively impacts its business, are likely to increase climate risk, and are out of alignment with its own climate-related policies, would benefit the Company and investors.

Other companies, such as Federated Hermes, which supported SFOF prior to its anti-ESG work, have withdrawn their membership with the organization.¹³

BE IT RESOLVED: Shareholders request the Board publish a report, at reasonable expense, analyzing the misalignment of Mastercard’s political and electioneering expenditures during the preceding year against Mastercard’s publicly stated company values and policies, listing and explaining any instances of incongruent expenditures and stating whether the Company has made, or plans to make, changes in contributions as result of identified incongruencies.

SUPPORTING STATEMENT: Shareholders recommend, at Board and management discretion, that the report include an analysis of risks to the Company brand, reputation, or shareholder value associated with expenditures in conflict with its publicly stated values.

As used in this resolution, “political and electioneering expenditures” means spending, from corporate treasury and from any associated PACs, directly or through a third party, at any time during the year, which are either direct lobbying expenditures or which are reasonably susceptible to interpretation as being in support of or in opposition to a specific candidate, piece of legislation, regulation, or political or policy agenda, including payments made pursuant to membership in trade associations or politically active nonprofits.

¹² <https://www.mastercard.us/en-us/business/governments/find-solutions.html>

¹³ <https://www.netzeroinvestor.net/news-and-views/federated-hermes-to-end-sponsorship-of-us-anti-esg-treasurers-group>