

## Proposal 10: Consideration of a stockholder proposal requesting a report on the cost-benefit analysis of diversity and inclusion efforts

The following proposal has been submitted to the company for action at the Annual Meeting by Ridgeline Research, on behalf of the American Conservative Values ETF (ACVF). ACVF's shareholdings and address will be provided promptly upon receipt of a written or oral request. The text of the proposal is as follows:

### Stockholder Proposal

We view Mastercard as being organized to provide the best quality goods and services to its customers while maximizing the return to the investors who fund the Company. As with any corporate initiative, prioritizing diversity comes with a cost. It's clear that Mastercard's Diversity & Inclusion program (D&I) is a major strategic initiative and as shareholders we feel the 2021 Global Inclusion Annual Report<sup>1</sup> lacks a complete analysis of the quantified net benefit to shareholders, costs, and risks and is thus incomplete. Given the substantial resources committed to the program, as well as its visibility and importance, as shareholders we feel its net benefit should be measured and quantified using sound financial analysis. Without establishing such a full business justification, the program's benefit to shareholders, as well as its sincerity and motives are in doubt.

The quoted statements below are excerpts from Mastercard's 2021 Global Inclusion Annual Report and are included to denote the size, scope, and importance of its Global Diversity & Inclusion program.

Merit E. Janow, Board Chair "Engaging diverse perspectives is a critical way that we can address today's challenges and create tomorrow's opportunities. Our commitment to inclusion is aimed at advancing our business, engaging our people and supporting the societies we serve."

Randall Tucker, Chief Inclusion Officer "An inclusive workplace that champions positive social impact inside and outside of its walls is not a nice-to-have – it's a necessity. Diversity, equity and inclusion, if done right, can help organizations

The Board unanimously recommends that stockholders vote **AGAINST** this proposal.



fully harness the power of their greatest asset – their people – to meet and exceed business goals and customer expectations. Diversity, Equity and Inclusion, or DEI, is a refinement exercise, one that will ultimately take a good company to great."

Michael Fraccaro, Chief People Officer "A best place to work is a place where the best people choose to be. The kind of place where professionals from all backgrounds feel welcome, included and free to be themselves and fulfill their greatest potential. Where they can see our shared purpose in their work – and be inspired by that work and by each other."

**RESOLVED:** Shareholders request that Mastercard issue a public report prior to December 31, 2023, omitting confidential and privileged information and at a reasonable expense, detailing a cost vs. benefits analysis of Mastercard's Global Diversity & Inclusion efforts. A summation of this report should subsequently be included in the next annual update of Mastercard's Global Diversity & Inclusion Report.

### Supporting Statement

Shareholders recommend that the report evaluate any risks, benefits and costs to the company associated with Mastercard's Global Diversity & Inclusion program, initiatives, policies, and training, alongside a valuation of the programs corresponding implicit benefit. In its discretion, the board's analysis may include any costs or effects on employee morale and cohesion, hiring, retention, and productivity, etc. (collectively the components of "competitive advantage") Presented in an objective quantifiable manner which will allow a cost benefit analysis. The Report should be calculated with the most recent annual reporting periods data.

### The Board's Statement in Response

*The Board unanimously recommends that stockholders vote **AGAINST** this proposal for the following reasons.*

<sup>1</sup> [www.mastercard.us/content/dam/public/mastercardcom/na/global-site/documents/2021-global-inclusion-report.pdf](http://www.mastercard.us/content/dam/public/mastercardcom/na/global-site/documents/2021-global-inclusion-report.pdf)

**We believe our commitment to diversity, equity and inclusion is fundamental to Mastercard's long-term success.** Our commitment to inclusion is aimed at advancing our business, engaging our people, and supporting the societies we serve in the more than 210 countries and territories in which we conduct business. For over 15 years, we have drawn on our role in the payments ecosystem to drive financial inclusion and support the financial needs of small businesses and individuals. We drive innovation in a way that expands the middle class and helps the underserved with our goal of long-term financial security for all. These efforts open new markets for our business and create long-term customers. Our business thrives when these individuals and businesses prosper.

We continuously look for ways to innovate with inclusivity in mind. In October 2021, Mastercard introduced the Touch Card – an accessible card standard for the benefit of the 2.2 billion blind and partially sighted people around the world – enhancing access to the company's products and services while also providing the possibility of a greater sense of security, inclusivity and independence. Similarly, we have also pledged to support micro and small businesses, women entrepreneurs and Black communities.

These are just a few powerful examples of how Mastercard promotes diversity, equity and inclusion across our network, reflecting the principles we have adopted since our founding about using our network to connect people to opportunity, respecting individual customer choices and fostering a culture of decency.<sup>2</sup>

**Mastercard invests in diversity, equity and inclusion in the workplace because we believe people thrive when they feel they belong, their ideas are valued and they are treated fairly.** Mastercard is committed to creating a global corporate environment where all people are treated equally and fairly and have equal access to opportunities and advancement. For example, in 2021, our global pay equity ratio for women versus men was \$1.00 to \$1.00, and in the U.S., Black, Hispanic and Asian employees earn \$1.00 for every \$1.00 earned by white employees.

We also strive to develop a workforce and management and leadership teams that reflect the identities, experiences and perspectives of the more than 210 countries and territories we serve. Our Global Inclusion Report provides details regarding our approach to hiring. In 2021, the vast majority of our final candidate interviews in the U.S. included a person of color candidate and globally included a woman, and 51% of our new hires in the U.S. were people of color and 41% of our global new hires were women. In addition, 40% of

lateral and promotional opportunities in the U.S. were received by people of color and 42% were received by women globally.

Voluntary attrition levels at Mastercard were 7% and 5% in 2019 and 2020, respectively, and rose slightly to 11% in 2021, reflecting the broader trend of elevated employee resignations across the globe. As there continues to be an unprecedented demand for talent with engineering, technical and consulting skills, it is important that we recognize and address the changing, diverse needs of our employees and candidates. Inclusion is a core value at Mastercard, and we consider it a leadership skill that all employees are called on to foster. In the workplace, we have ongoing initiatives to remove barriers and promote accessibility, including accounting for disabilities.

We have adopted long-standing policies and procedures and train our employees to ensure that they do not discriminate against our customers or each other in the performance of their services. For example, in 2021, we launched and completed a guide and training on bias in product and data practices.

**Mastercard already provides meaningful disclosure about the value gained from our diversity, equity and inclusion efforts, and we continue to engage with stakeholders on these issues.** Our Global Inclusion Report outlines concrete actions taken to advance these commitments and articulates the benefits gained from our programs.<sup>3</sup> This report provides our stockholders with an opportunity to assess the company's programs and progress.

Mastercard's initiatives are informed by our robust stakeholder engagement efforts. In order to maximize positive impact for all parties, we welcome the views of diverse stakeholders, internal and external, to help diversify our perspective and enhance our business. In 2021, we had an employee engagement favorability rate of 88%. Our engagement efforts (both internal and external) are designed to ensure that we prioritize issues that are meaningful to our long-term business success.

Given our demonstrated commitment to diversity, equity and inclusion as part of our long-term success across our network, as well as our existing disclosure around these efforts, we do not believe the cost-benefit analysis requested by the proposal is necessary.

For all the foregoing reasons, the Board recommends that stockholders vote **AGAINST** this proposal.

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

<sup>3</sup> <https://www.mastercard.com/inclusion>