

Everyone, Everywhere





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One area has remained constant: Visa's core vision to be the best way to pay and be paid for everyone, everywhere.

## Letter From Our CEO

While the world has changed dramatically since Visa's roots began nearly 60 years ago, one area has remained constant: Visa's core vision to be the best way to pay and be paid for everyone, everywhere. This vision inspires everyone at Visa to expand our reach and add value wherever we operate, including the 200 countries and territories we span today. At the heart of our success is an unwavering belief in our mission: to connect the world through the most innovative, reliable and secure digital payment network that enables individuals, businesses and economies to thrive.

We stand at the beginning of an exciting new chapter for our company and for digital commerce in general. Innovations, particularly mobile technology and the Internet of Things (IoT), are changing how commerce takes place and opening access to people and places formerly excluded from the financial mainstream.

Today, now more than ever, Visa is in a better position to accelerate a world free from the limitations of cash. Last year, we welcomed Europe to the Visa Inc. family. As a truly global company, we can apply our scale, resources and network to advance our vision and mission with greater purpose.

In our Corporate Responsibility Report, you will see how we are working toward fulfilling our mission in an inclusive, responsible, ethical and sustainable manner. We share how we are:

- **Transforming Commerce** by ensuring our network, products and investments in innovation are defining the future of secure and seamless digital payments
- **Expanding Access** to the two billion people worldwide who lack access to safe and affordable financial services
- **Investing in Our People** to ensure we have the best and most committed employees who share our vision and who reflect the diversity of the world we serve
- **Operating Responsibly** throughout our business, operations and supply chain
- **Strengthening Communities** through financial education, humanitarian aid and empowering employees to give back

We have much of which to be proud. We continue to lead in payment security and data privacy. We are on track to extend access to digital payments to 500 million financially

underserved people by 2020 — a first rung in the ladder of full financial inclusion. We are expanding our knowledge through the establishment of Visa University sites for employee development. We continue to ensure we operate with the highest standards of ethical behavior. Our financial literacy programs now reach millions of people in 40 countries. And in 2017 we established the Visa Foundation as part of our commitment to expand the positive impact we will have on society through our social impact initiatives. We look forward to sharing more about the Foundation's work in the near future.

Our performance and our progress are attributable to the tireless efforts of our employees worldwide. On behalf of every one of them, I invite you to read about how Visa is working to build a connected world — and a better future — for everyone, everywhere.

Sincerely,

A handwritten signature in black ink that reads "Alfred F. Kelly Jr." The signature is fluid and cursive, written in a professional style.

**Alfred F. Kelly Jr.**  
Chief Executive Officer  
Visa Inc.



# Highlights

**As Visa works to connect the world through what we believe is the most innovative, reliable and secure digital payment network, we are committed to being a responsible leader and partner of choice to our stakeholders. We are pleased to share highlights of our recent progress in 2016 and early 2017 across our areas of focus.**

## Transforming Commerce

Our commitment to deliver innovative, reliable and secure ways to pay, for everyone everywhere.

### Highlights include:

- Opened regional innovation centers in Singapore, Miami and Dubai (and London in 2017)
- Enhanced and expanded innovative offerings, including Visa Checkout, Visa Direct, mVisa, Visa B2B Connect and others
- Expanded our Visa Everywhere Initiative to more than 1,000 start-ups that have participated
- Built new partnerships supporting Internet of Things, including with IBM's Watson IoT platform and connected car partners
- Advanced adoption of EMV chip technology in U.S., reaching 1.6 million merchant locations and 373 million cards
- Accelerated the adoption of secure, digital payments by allowing third-party partners to offer Visa Token Service

**\*For more in-depth information, click on each bullet to navigate to that section.**

## Expanding Access

Our commitment to close the global gap in access to the benefits of electronic payments and other financial products.

### Highlights include:

- Continued adopting and tailoring our core business lines and establishing commercial and philanthropic partnerships to expand access
- Collaborated with partners to reach cumulative 162 million consumers with first-time payment account access since January 2015
- Empowered women entrepreneurs, including in India and Nigeria
- Built capacity of merchants, such as through our partnership in Mexico with FUNDES International
- Partnered with governments to drive financial inclusion in China, Egypt and the Dominican Republic

## Investing in Our People

Our commitment to remain an employer of choice for the best and brightest.

### Highlights include:

- Launched Visa University through physical campuses in San Francisco area and Singapore plus a new global virtual campus to support employee professional development
- Developed new leadership principles, training modules and the Visa Leadership Accelerator program
- Expanded advancement of women through our White House Equal Pay Pledge, Women Leadership Training, Ready to Return program and support of female entrepreneurs
- Enhanced our transparency and reporting on workforce demographics
- Expanded parental leave, introduced elder care leave and opened a new onsite health center

## Operating Responsibly

Our commitment to operate as an ethical, responsible and sustainable company throughout our operations and supply chain.

### Highlights include:

- Maintained 50% of Board of Directors with ethnic, gender and national diversity
- Improved Code of Conduct; named to Ethisphere World's Most Ethical Companies list for fifth year running
- Trained more than 600 participants from 17 countries through Visa School of Public Policy
- Named as top-tier Trendsetter for political disclosure and accountability through CPA-Zicklin Index
- Achieved LEED green-building certification for 57% of corporate real estate portfolio by square footage; an additional 8% is pending certification review
- Completed inaugural UK Modern Slavery Act transparency report on human rights

## Strengthening Communities

Our commitment to being a good global citizen through our initiatives to empower consumers, give back to our local communities and respond in times of need.

### Highlights include:

- Reached cumulative 40 million+ individuals via Visa's financial literacy programs, now offered in 42 markets around the world
- Volunteered 18,291 hours by employees across 78 Visa offices
- Distributed \$25 million+ worldwide to charities by Visa and our employees via the Visa Matching Gifts Program since 2008
- Provided humanitarian responses to Hurricane Matthew (Haiti, U.S.) and other natural disasters in Ecuador, Fiji, India and Japan

\*For more in-depth information, click on each bullet to navigate to that section.

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# Our Company

Visa Inc. (NYSE: V) is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments.

## **IN THIS SECTION:**

Corporate Profile

Our Approach to Corporate Responsibility



Visa's vision is to be the best way to pay and be paid for everyone everywhere.

Our mission is to connect the world through the most innovative, reliable and secure digital payment network that enables individuals, businesses and economies to thrive.

## Corporate Profile

**We operate one of the world's most advanced processing networks — VisaNet — that is capable of handling more than 65,000 transaction messages a second, with fraud protection for consumers and assured payment for merchants.**

Visa is not a bank and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, pay ahead with prepaid or pay later with credit products.

Our business primarily consists of the following:

- We provide processing services to our financial institution clients through VisaNet, a centralized and modular payments network providing three essential functions in one complete, flexible package: transaction processing services, risk management services and information services.
- We continually look at how we can use our network breadth and payment expertise to extend the value of electronic payments so more people can use Visa in more ways and in more places around the world.

- We develop payment products, which our financial institution clients use to offer consumers greater choice in how they pay.
- We own and manage the Visa brand, which provides the assurance of acceptance at merchant outlets and ATMs in countries and territories worldwide.

Although Visa's roots date back as far as 1958 with the launch of the first BankAmericard, the Visa brand itself was first created in 1976. At that time, Visa consisted of two organizations: Visa USA, which served the U.S. market, and Visa International which served the rest of world. In 2007, the company restructured to form Visa Inc., bringing the US and Canada together along with the AP, LAC and CEMEA regions. In 2008, Visa became a publicly-traded company. In 2016, Visa Inc. acquired Visa Europe, a separate entity, making it one unified company.

## Products & Services

- **Core Products:** Visa provides the network infrastructure, product support and industry knowledge to help issuers and users of debit, credit, prepaid and commercial cards to efficiently make financial transactions in person or through online or mobile channels without using cash or checks.
- **Transaction Processing Services:** We route payment information and related data to facilitate the authorization, clearing and settlement of transactions between our issuers and users.
- **Digital Products:** Our digital product platforms support expedited and secure payments, decrease fraud

through tokenization and enable efficient mobile payments in developing economies.

- **Merchant Products:** Visa's products and services, including Visa Advertising Solutions, Visa Commerce Network and CyberSource's product offerings, help merchants reduce payment fraud and improve customer engagement.
- **Risk Products & Payment Security Initiatives:** Our risk products and services, such as Visa Risk Manager, Visa Advanced Authorization, Visa Transaction Advisor and EMV chip payment technology, help clients minimize risk and enable secure commerce.

## Connecting the World: At a Glance<sup>1</sup>

### Headquarters:

San Francisco

### Global Offices:

107

### Key Hubs:

- Foster City
- Miami
- Singapore
- Dubai
- London

### Employees:

14,200

### Visa Network:

- 160 currencies transacted
- 16,800 financial institution clients
- 44 million merchant locations<sup>2,4</sup>
- 2.5 million ATMs<sup>2,5</sup>
- 3.1 billion Visa cards
- 141 billion total transactions (2016)<sup>3,5</sup>
- \$8.2 trillion total volume (12 months ending 9/30/16)<sup>3</sup>
- \$5.8 trillion payments volume (12 months ending 9/30/16)

All financial amounts in USD

1. All data as of September 30, 2016, except where noted

2. As reported by client financial institutions and therefore may be subject to change

3. Includes payments and cash transactions

4. As of June 30, 2016

5. As of December 31, 2016

## Visa's Role as Payments Network





## Power of the Visa Brand

The Visa brand is one of the most well-known and valuable brands in the world. Anchored on the notion that Visa is “everywhere you want to be,” the brand stands for acceptance, security, convenience and universality. In recognition of its strength among clients and consumers, the Visa brand is ranked highly in a number of widely recognized brand studies.

We leverage our brand strength to deliver added value to financial institutions, merchants and other clients through compelling brand expressions, expanded products and services, and innovative marketing efforts. And as a core asset of Visa and important contributor to the success of our business, the strength of our brand helps enable us to pursue initiatives such as those included in this report, including investing in innovation, reaching unbanked and underserved consumers, recruiting world-class and diverse talent and strengthening our communities.

## Value of Our Business

Every year, every month and even every day, more people around the world are participating in electronic payments and alternatives to cash and check. Visa is at the forefront of delivering value through our global network — to consumers, businesses, governments and the global economy.

- **Consumers:** Our products, delivered through issuers, and network offer consumers secure access to their funds. Increasingly through the digital economy, our electronic payment services are also providing consumers with access to a greater variety of goods and vendors to choose from. Importantly, our products and network promote greater financial inclusion for the most vulnerable by enabling those without access to the formal banking system a safe and efficient payment alternative to cash.
- **Merchants:** Merchants that accept Visa receive numerous benefits. As one of the most trusted and recognized brands in the world, Visa acceptance can help drive consumer traffic to merchants’ stores and websites and generate increased sales. Visa enables even the smallest merchants to operate in more business channels, such as online and mobile, and reach customers beyond their immediate vicinity. Merchants that accept Visa are assured payment, usually within 24 to 48 hours. Visa provides enhanced efficiencies and transparency compared to paper-based payments, improving record keeping and reporting and providing valuable insight into where company dollars are spent.
- **Governments:** Visa partners with governments around the world to transition to electronic payments that enable greater transparency and increased convenience for their employees and citizens. Electronic payments for humanitarian benefits can help ensure payment reaches the intended recipient. Electronic payments can also increase a government’s ability to collect additional tax revenue by reducing the number of unreported transactions in the gray economy.
- **Global Economy:** Collectively, the shift to electronic payments has enabled greater transparency, accountability and efficiency around the world and has demonstrably boosted global consumption and GDP.

## 2014–2016 Financial Results (GAAP, except otherwise noted)

(in millions, fiscal years ending September 30)

	2014	2015	2016
Operating revenues	\$12,702	\$13,880	\$15,082
Operating expenses (adjusted) <sup>6</sup>	\$4,555	\$4,816	\$5,060
Operating income (adjusted) <sup>7</sup>	\$8,147	\$9,064	\$10,022
Net income (adjusted) <sup>6</sup>	\$5,721	\$6,438	\$6,862
Diluted class A common stock earnings per share (adjusted) <sup>6</sup>	\$2.27	\$2.62	\$2.84

6. Figures shown on adjusted non-GAAP basis and excludes one-time, non-recurring items. For a reconciliation of our GAAP to Non-GAAP financial metrics, please refer to our annual reports on Form 10-K

7. Adjusted operating income is calculated as GAAP operating revenues less adjusted operating expenses

## Corporate Recognition

We are proud of the recognition that we receive, including the following sample:

- World’s Most Innovative Companies 2017 (Forbes)
- Top 10 Most Innovative Finance Companies 2017 (Fast Company)
- World’s Most Admired Companies 2017 (Fortune)
- World’s Most Valuable Brands 2017 (Forbes)
- World’s Most Respected Companies 2017 (Barron’s)
- LinkedIn Top Companies 2017 (LinkedIn)
- World’s Most Ethical Companies 2017 (Ethisphere)
- Inaugural List of Top Companies for Women 2016 (Bloomberg)
- Top 25 Companies for Women Technologists 2016 (Anita Borg Institute)
- FTSE4Good Index Member 2017
- 100% Corporate Equality Index (HRC)
- Top 100 Brands 2017 – #7 (BrandZ)
- Best Global Brands – #61 (Interbrand)

8. The Impact of Electronic Payments on Economic Growth.” 2016, Moody’s Analytics.



# Our Approach to Corporate Responsibility

As a trusted brand in payments, Visa has a tremendous opportunity and responsibility to use our business to connect the world — enabling economic growth and strengthening economies while also helping improve lives and create a better world.

Our financial inclusion initiatives, commitment to operating responsibly and focus on developing our people, as well as our contributions as a responsible corporate citizen, are just some of the ways we deliver on our company's strategic priorities. We describe many more in this report.

## Areas of Focus



## Materiality<sup>9</sup>

Visa regularly engages with various stakeholder groups — including shareholders, clients, third-party environmental, social and governance (ESG) research firms, interest groups and others — to execute our corporate responsibility strategy. In addition to ongoing engagement, we periodically conduct formal ESG materiality assessments to identify the topics at

the intersection of importance to Visa's business growth and success as well as to our stakeholders' expectations.

Informed by these findings, this Corporate Responsibility Report as well as our overall strategy are organized around and emphasize these topic areas and individual issues.

## Process

In late 2016/early 2017, Visa conducted an update of our 2015 materiality assessment, including the incorporation of Visa Europe, which we acquired in June 2016. Our process included the following steps:

- 1. Benchmarking:** We researched competitors and peer companies to understand the evolution of material topics in our industry since our 2015 assessment.
- 2. Identification:** Building upon our benchmarking results, we reviewed a broad set of stakeholder sources to identify ESG issues that may have evolved in the past two years.
- 3. Prioritization:** We interviewed internal and external stakeholders to understand their perspective on

the ESG issues that present risk and/or leadership opportunities for our business. We asked stakeholders to review our 2015 assessment results and provide input on which topics may have increased or decreased in importance.

Additionally, we evaluated and scored numerous stakeholder reports, international standards, questionnaires, ratings surveys, websites and other sources for applicable topics.

- 4. Validation:** In spring 2017, Visa shared the assessment results and key findings with our Corporate Responsibility Working Group. We discussed the final prioritization of topics and next steps for advancing our CR strategy.

## ESG-Related Memberships

In order to support our commitment to be a responsible, ethical and sustainable company as well as help enable the capacity of our industry peers to do the same, Visa participates in a number of membership organizations and peer networks focused on ESG topics. Memberships include but are not limited to:

- Business for Social Responsibility
- CECP
- Corporate Eco-Forum
- Corporate Responsibility Association
- Corporate Social Responsibility Council, Conference Board
- Global Reporting Initiative
- Sustainable Brands

## Results

The results of our 2016/2017 materiality assessment largely validated and reinforced the findings of our 2015 assessment as detailed in last year's Corporate Responsibility Report. Among the ESG topic areas of most importance to our business success and our stakeholders were the following:

- **Trust:** Topics related to ensuring security, privacy and legitimacy of transactions and consumer data throughout the payments ecosystem; specific topics included: payments security, consumer privacy and illicit trade.
- **Innovation:** Topics associated with Visa's ability to develop new and innovative solutions using the latest technologies in order to continue the growth of our business and remain competitive among emerging challengers.

- **Human Capital:** Topics involving our ability to attract, develop and retain the best and brightest talent in a highly competitive marketplace particularly for technology talent; specific topics included: talent attraction and retention, training and professional development, and diversity and inclusion.

- **Responsible Business:** Topics related to our ability to conduct business in a responsible manner with the highest standards for ethical behavior; specific topics included: anticorruption, corporate governance and anti-competitive behavior.

<sup>9</sup> In this report, our use of the terms "material," "materiality" and other similar terms refers to topics that reflect Visa's significant economic, social and environmental impacts or that substantially influence the assessments and decisions of a diverse set of stakeholders. We are not using these terms as they are used under the securities or other laws of the U.S. or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

## Stakeholder Engagement

Understanding the views and concerns of Visa stakeholders — including our employees, clients, partners, shareholders, consumers, policymakers, regulators and others — supports our work across our business and corporate responsibility strategic priorities. In addition to the targeted engagement we undertook in 2016 / 2017 to refresh our material topics for this report, we regularly engage our primary stakeholders in a variety of ways, including:

- **Employees:** All-staff meetings, manager/employee dialogue, employee ideas portal, employee surveys, intranet communications, digital signage, office events
- **Clients (financial institutions, merchants, non-financial institutions):** Client councils, payments forums, surveys, briefing center visits, direct engagement
- **Shareholders:** Earnings calls, SEC filings, investor conferences, direct investor engagement, ESG research firm profiles
- **Policymakers and Regulators:** Visa-hosted events, participation as panelists at political gatherings, testimony, direct engagement, Visa School of Public Policy
- **Third-Party Organizations:** Visa-hosted events, conference participation, memberships, correspondence, direct engagement

## Governance of Corporate Responsibility

At Visa, corporate responsibility is managed at a functional level across our strategic and operational areas, with responsibility rolling up to executive level oversight. Visa's Corporate Responsibility Working Group, co-chaired by our Chief Counsel – Corporate and our global head of Corporate Responsibility and with representation from more than a dozen

senior leaders, serves as the central coordinating body for our responsibility strategy, benchmarking and reporting.

In 2016, the Charter of the Nominating and Corporate Governance Committee of the Visa Board of Directors was expanded to include formal responsibility for and oversight of corporate responsibility policies, programs and reporting.

## Visa and Human Rights

At Visa, our vision is to be the best way to pay and be paid, for everyone everywhere. As a global payments network, we stand for acceptance, security, convenience and universality and recognize the importance of respecting the rights of all individuals.

Visa is committed to operating responsibly and establishing high ethical standards across our company and in our supply chain. This commitment includes the promotion of and respect for human rights as recognized in international human rights standards such as the **Universal Declaration of Human Rights (UDHR)**. Our approach includes examining our role as an employer, purchaser, e-payments enabler and partner/sponsor.

In 2016, our efforts to identify and address (if applicable) our impact on human rights included:

- Publication of Visa's inaugural UK Modern Slavery Act transparency report
- Initial development of a formal Visa position statement on human rights and a Supplier Code of Conduct
- Engagement with partners to promote the respect of human rights throughout the organizations and events of which Visa is a sponsor
- Signing of the White House Equal Pay Pledge and continued advocating for LGBT rights

In 2017, we have undergone a formal Human Rights Impact Assessment and expect to complete the Visa Human Rights Statement, due diligence system and Supplier Code of Conduct.

## Board of Directors Governance of Environmental, Social and Governance (ESG) Topics

### Visa Inc. Board of Directors

#### Audit and Risk Committee

- Risk management, including risk from ESG issues
- Ethics and compliance, Code of Business Ethics and Conduct
- Tax strategy
- Cybersecurity, information security

#### Compensation Committee

- Executive compensation
- Diversity and inclusion

#### Nominating and Corporate Governance

- Corporate governance
- Political involvement
- Corporate responsibility
- Philanthropy
- Executive talent development and succession planning

## Supporting the Sustainable Development Goals

Following the ratification of the Sustainable Development Goals (SDGs) by the United Nations and its members in September 2015, many governments, businesses and civil society organizations around the world have made commitments to and reported progress against the set of 17 global goals to end poverty, protect the planet and ensure prosperity for all by 2030.

As a global payments technology company whose core position is as a network connecting hundreds of governments, thousands of financial institutions, millions of merchants and billions of consumers to electronic payments, Visa understands the importance and benefits of expanding access to the formal economy and supporting prosperity for those traditionally left behind. Based on our analysis, we believe our core business, innovation initiatives, social impact agenda and philanthropic efforts contribute to — and can benefit from — many areas of focus within the 17 goals of the SDGs. These areas include commitments in the SDGs to address universal access to the financial system, the role of remittances, the gender gap in economic participation, agriculture value chains, the growth and success of entrepreneurs, access to livelihoods, etc. The graphic below summarizes the topics most relevant to our business and provides links to sections where we discuss our approach and contributions to these goals.

### PRIMARY



**Goal 8: Decent work and economic growth** — Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Expanding Access
- Investing in Our People



**Goal 1: No poverty** — End poverty in all its forms everywhere

- Expanding Access
- Strengthening Communities



**Goal 5: Gender equality** — Achieve gender equality and empower all women and girls

- Expanding Access
- Diversity & Inclusion



**Goal 13: Climate action** — Take urgent action to combat climate change and its impacts

- Environmental Sustainability

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**SECTION 1**

# Transforming Commerce

Connecting the world begins with our commitment to remain at the forefront of innovative, reliable and secure ways to pay, for everyone everywhere.

**IN THIS SECTION:**

Innovation & Technology

Payments Security



Our **Visa Developer Platform** transforms VisaNet into a flexible payments platform with open capabilities accessible through APIs. The Platform provides access to Visa products and services via readily consumable APIs available to create new, secure and innovative commerce experiences.

## Innovation & Technology

**The explosive growth of new commerce experiences is transforming the way we manage our money, shop, pay and get paid.**

With mobile technology unlocking a new generation of payment options, Visa is investing, innovating and collaborating to create solutions that bring the benefits of electronic payments to more people in more places.

In 2016 we expanded our strategic relationships with technology leaders and innovators across the payments ecosystem.

We opened regional innovation centers to expand development opportunities with clients and partners, launched our second annual Visa Everywhere Initiative to harness the talent of technology entrepreneurs, and advanced new digital payment solutions that embrace the possibilities of mobile technology and the Internet of Things.

### Innovating Everywhere

Visa launched three regional innovation centers in Singapore, Miami and Dubai in 2016 — our first regional ones in a global network designed to provide clients and partners with an innovative space to co-create the next generation of commerce applications with us. Built on the success of our flagship innovation center in San Francisco,

the facilities are central to our interest in fostering innovation and promoting “open commerce.” We are inviting clients, partners, start-ups and developers to these facilities to use Visa’s application program interfaces (APIs) and software developer kits (SDKs) to co-create new ways to pay.

## Visa Everywhere Initiative

The innovation centers also serve as hubs to showcase the winning prototypes of our Visa Everywhere Initiative competitions. Created to encourage the development of the “next big thing,” the Visa Everywhere Initiative invites creative solutions from start-ups and entrepreneurs across North America, Latin America, Asia and Europe that solve Visa business challenges and drive commerce. Winners of the competitions receive a monetary prize as well as mentorship from Visa experts and technologists and the opportunity to launch a pilot with Visa. Since the program began in the United States in 2015, the approximately 1,000 participating start-ups have collectively raised \$1.7 billion in funding, and 14 winners have been selected.

### Palo Alto Office

In December 2016, Visa opened the doors of its new office in Palo Alto, California — an epicenter of innovation, disruption and technology advancement.

Our presence in Palo Alto allows us to draw on the diversity of the Bay Area talent pool and to build even stronger connections with the Silicon Valley community of data scientists, engineers and entrepreneurs. The new 62,000 square foot space houses approximately 350 employees focused on data systems, technology research and merchant solutions.



## Connecting to the Future

By 2020, the number of internet-enabled devices is expected to reach **21 billion.**

From tablets to phones, appliances and wearables, the Internet of Things (IoT) is rapidly driving a more connected world. At Visa we envision a future where consumers will seamlessly wave-, scan-, tap-, insert- and click-to-pay at a point of sale that is wherever the consumer wants it to be. In fact, the future is within sight: In early 2017, Visa and IBM announced a collaboration that will help to bring the point of sale everywhere Visa is accepted. It will do this by pulling together IBM's Watson IoT platform and cognitive capabilities with Visa's global payments services that are used to enable more than 3 billion cardholders globally. Visa's network tokenization, which replaces traditional payment card account numbers with digital token information unique to each transaction, is key to this connectivity. The result is a Visa and IBM innovation collaboration that one day, perhaps, will securely support payments and commerce through virtually any of the 21 billion connected devices that are estimated to be in the global economy by 2020.





## Expanding Payments Experiences

Visa's future is deeply rooted in our core business of providing simple, safe and frictionless payment experiences. We enhance and expand our products and services to meet the needs of a continuously evolving payment ecosystem. Here, we highlight some of the products and services we brought to market in 2016.

- **Visa Checkout** was enhanced to provide expanded, mobile-focused, open platform digital payment services. By opening our platform, issuers and digital wallet providers can integrate Visa Checkout into their payment services, and merchants can provide more digital wallet options for their customers. Visa Checkout lets consumers securely save payment

information for any major credit or debit card, along with delivery coordinates, on any device for faster online payments. At the end of 2016, Visa Checkout was used by 15 million consumer accounts in 21 countries and more than 300,000 merchants.

- **Visa Direct** is a global platform that powers real-time payments and payouts. It allows merchants, governments and corporations to send fast direct payments to individuals instead of cash, check or ACH. Because transactions are not linked to personal bank accounts, Visa Direct can expand access to payments in developing countries where people may have mobile phones but lack access to banking services.

- **mVisa** is a QR-based payment service that enables people to use their mobile phones to make cashless purchases at merchant locations worldwide. Like Visa Direct, mVisa processes transactions through Visa's global network to allow consumers to use their mobile phones to transfer money from any Visa account to merchants using the merchants' QR codes, while merchants can accept the mobile payment without the need to install card acceptance hardware.
- **Visa B2B Connect** is a new platform that uses payment technology based on blockchain architecture. Introduced in late 2016, B2B Connect will give financial institutions a simple, fast and secure way to

process high-value, international, business-to-business payments on behalf of their corporate clients. A pilot program was launched in 2017.

- **Visa Advertising Solutions**, introduced in 2016, lets merchants measure consumer response to digital advertising campaigns and then use those insights to tailor their campaigns to different audiences by leveraging digital advertising data from Oracle's Data Cloud and aggregated, de-identified purchase data from Visa Advertising Solutions. The service is helping merchants connect the dots between digital advertising and offline spend behavior while also helping them improve the return on investment from their digital advertising dollars.

At the Consumer Electronics Show in early January 2017, Visa and Honda brought the Internet of Things to life by demonstrating in-vehicle payment for parking and fueling, showcasing the simplicity and convenience of payments directly from the vehicle.





As a leader in payments security, we work with our ecosystem of partners to keep payment data safe.

## Payments Security

**Visa connects the world through secure commerce. We take a holistic approach to making payments safe through adoption of smarter technologies and through collaboration.**

As the payments industry shifts from plastic to digital, and new entrants join traditional stakeholders in payments, we are intent on ensuring that every internet-connected device that is used for payments can be a secure place for commerce. Because we believe that security must be baked into innovation, we are collaborating with partners to make “security by design” part of our common language.

Our approach to security relies on multiple layers of technology, analytics and security practices — combined with collaboration with participants across the payments industry — to help protect the payment system and reduce fraud. We focus on four key areas — protecting data, devaluing data, harnessing data and empowering consumers — which we describe below.

We strengthened our systems in 2016 by:

- Integrating our Visa Europe acquisition into our payment security systems
- Advancing the adoption of EMV chip technology (chip cards) in the United States and around the world
- Collaborating to further apply token security technology to mobile payments and e-commerce
- Exploring advanced security protocols including biometrics and geolocation
- Acquiring complementary security-focused firms such as Cardinal Commerce to accelerate e-commerce authentication
- Partnering with global multi-stakeholder groups to fight cyber threats

## Protecting Data

From customers to merchants and financial institutions, the security of payments data affects everybody. Visa's compliance program is our first step in payments security. We require that all systems connected through our payments architecture are compliant with the industry standards set by the Payment Card Industry Security Standards Council (PCI SSC), which Visa helped found in 2006 and which we continue to lead, together with other global payments companies. The PCI SSC helps safeguard our industry by helping merchants, financial institutions

and intermediaries understand and implement standards for security policies, technologies and processes that enhance protection of their payment systems from breaches and theft of payment data. The PCI SSC evolves payment security standards on a regular basis with input from over 800 participating stakeholders around the world to address new technologies and security threats.

## Devaluing Data

With e-commerce and mobile payments accelerating, we are introducing technologies that devalue sensitive payment information so that data stolen during a transaction cannot be used for fraud.

September 2016 marked the one-year anniversary of the launch of the EMV chip card in the United States. In a single year, the U.S. became the largest global user of chip-enabled card security, with more than 1.6 million businesses and 373 million cards. Chip technology protects in-store payment cards by generating a unique, one-time code to help thwart replication by counterfeit

cards. The introduction of the technology resulted in a 52% decrease in counterfeit fraud in September 2016, compared to a year earlier at chip-enabled merchants.

Tokenization applies the same strategy to digital payments by replacing account information found on plastic cards with a digital alias or "token." Because tokens do not reveal account details, such as the 16-digit account number, they have less value if stolen or intercepted during a transaction. They can also be safely stored by online merchants or on mobile devices to facilitate easy e-commerce and mobile payments. In 2016, we accelerated the adoption of secure, digital payments by allowing third-party partners to be token service providers. By expanding access to the Visa Token Service to new partners, we hope to be able to more quickly and easily offer secure digital payment services on any connected device.

Counterfeit fraud at chip-enabled merchants decreased 52% in September 2016 compared to the same period in 2015.



## Harnessing Data

Visa invests in predictive analytics, intelligence and insights to identify and prevent fraud before it happens. In a split second, Visa Advanced Authorization analyzes up to 500 unique data points to create a risk score for every card transaction made and then relays the information to the cardholder's financial institution to either accept or decline the transaction.

Harnessing the power of data is essential to our efforts to secure the rapidly expanding e-commerce

marketplace. In 2016, the industry introduced **3-D Secure 2.0**, the second-generation authentication platform, to enhance security and promote better user experiences across multiple payment channels, including mobile, app and digital wallet payments. We are working to develop 3-D Secure 2.0 authentication solutions with our clients and partners.

We also continued to advance our efforts to drive the development and adoption of emerging authentication

technologies, including biometrics, location and device identification by:

- Partnering with third parties to jumpstart new solutions and accelerate adoption
- Promoting a standards-based approach
- Remaining technology- and device-agnostic
- Creating and assessing solutions, capabilities and tools for our clients and partners

## Empowering Consumers

Individual cardholders can be one of the best, and most underutilized, resources available to fight fraud. We continue to improve our cardholder tools to better equip consumers to actively protect themselves and their accounts.

- **Consumer Transaction Controls** allows consumers to direct how, where and when their credit and debit accounts can be used.
- **Transaction Alerts** provide near real-time text or email alerts to cardholders when transactions are made using their payment account, allowing them to quickly identify suspicious transactions.
- **Mobile Location Confirmation** lets consumers opt in to share the location of their mobile device when making purchases to provide one more data source to help detect fraudulent transactions.



Visa Advanced Authorization processes up to **32,500** transactions a second.

## Collaborating Across the Growing Payments Ecosystem

A paramount concern in payment security today is the growing volume, sophistication and organization of cyberattacks — particularly as more devices are connected to the Internet. Visa is committed to working with all participants in the payments industry to implement the full range of technologies that will fight cyber attacks and fraud and further protect payment data as the marketplace and threats evolve.

Through **Visa Developer**, we are inviting partners to use our payment technologies and services to co-create security solutions. In 2016, we expanded **Visa Ready**, which is already available to mobile device manufacturers, to provide IoT entrepreneurs access to integrated

tokenization solutions to secure the products and services in development.

Visa also works with industry partners, law enforcement, government agencies and the broader intelligence community to gather and deploy actionable information for the payments industry. We conduct summits, webinars, working groups and other educational events for industry participants throughout the world to help them stay abreast of the latest attack vectors and mitigations, adopt secure technologies, and innovate securely and responsibly.

To further promote payments security, Visa actively collaborated with the World Economic Forum to publish a white paper on cyber resilience in January 2017.

Continued engagement and cooperation with stakeholders enables us to:

- Provide cyber intelligence information to our clients to help them protect against the latest malware and exploits
- Work with law enforcement to identify and disrupt the digital infrastructure used by criminals to perpetrate attacks on the financial industry
- Help new players to innovate responsibly by creating standards and processes that enable them to demonstrate the security of their solutions

## Information Security at Visa

In addition to the leading role Visa plays in advancing security throughout the payments ecosystem, we are also committed to championing information security at Visa. Because we view information security as integral to our business and the payments ecosystem at large, this area accordingly receives significant investment and regular attention from our leadership.

The following areas are important elements of our comprehensive approach to information security at Visa:

- **Strategy:** We execute against an information security strategy approved by executive management and reviewed by the Board of Directors. The strategy unifies and drives proactive action across information security program areas to protect Visa from data breach and maintain trust in the payments ecosystem.
- **Policy:** Visa's information security policy, the Key Controls, provides a strong foundation for protection of our information assets and consumer nonpublic personal information (NPI). The Key Controls

## The Evolution of Payment Security

From static and knowledge-based security instruments that can be stolen or forged to stronger and more dynamic technologies that better prevent fraud.



also support ongoing compliance with external reviews and regulatory requirements, such as Payment Card Industry Data Security Standard (PCI DSS), Statement on Standards for Attestation Engagements (SSAE), Sarbanes-Oxley (SOX 404), the Gramm-Leach-Bliley Act (GLBA) and examination of Visa by the Federal Financial Institutions Examination Council (FFIEC).

- **Governance:** Our information security policy and posture are supported by effective and robust governance processes, risk management activity across three lines of defense (e.g., regular key risk indicator reporting, compliance testing and internal audits of information security policies and systems) as well as periodic and comprehensive risk reports to the management- and Board-level committees responsible for risk management and oversight of information security. In addition, we regularly conduct internal and external assessments to evaluate current performance and risk reduction measures against industry standards. These assessments have consistently confirmed Visa's security posture as stable and mature while helping Visa identify key risks and improvement opportunities.

- **Technical Controls:** Visa deploys state-of-the-art security technologies to protect against a wide range of data confidentiality, integrity and availability risks, placing particular emphasis on core cyber security capabilities to minimize risk exposure. In addition, we are continuously focused on enhancing our defense-in-depth security approach, which applies multiple layers of protection so as to lessen the risk of any single control failing. These measures include a formal program to devalue sensitive and/or personal data through various cryptographic means, embedded security in the software development lifecycle, identity and access management controls to protect against unauthorized access, and the development of advanced cyber detection and response capabilities. In addition, to address external risks and nontechnical aspects of security, we mandate that third parties maintain an adequate data security posture and account for the human factors that contribute to security through extensive and regular security awareness training for employees and contingent workers.
- **Response and Resilience:** Our advanced defensive capabilities — which include monitoring,

detection, response, intelligence and investigation — are complemented by internal processes and policies designed to ensure resiliency in the event of a cyber attack affecting Visa or a third party. To continually maintain and improve the effectiveness of our resiliency capabilities, we place enhanced focus on third-party resiliency and communication protocols and regularly conduct cross-functional exercises that involve multiple response and recovery teams as well as external partners and agencies.

- **Collaboration:** At the heart of Visa's information security strategy is the concept of "Cyber Fusion," a framework for collecting, analyzing and leveraging cyber threat intelligence to enhance our own detection and response capability as well as the security of the payments ecosystem. The bi-directional flow of information that comes with Visa's private and public sector partnerships is an important source of threat intelligence. These partnerships are vital to our efforts to stop cyber attacks targeting Visa and consumer payment information across the payments ecosystem (see sidebar).



## Visa Cyber Fusion Center

Opened in 2015, Visa's Cyber Fusion Center is a state-of-the-art, secure location designed to enable rapid cyber threat detection, real-time visualization and centralized command and control for Visa's cyber defense operations. The facility enables flexible and fast-acting tactics to counter those of our adversaries and represents an investment in the security of the payments ecosystem. In addition, the Cyber Fusion Center brings together innovations to enable collaboration opportunities both internally and with government and other industry partners.

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**SECTION 2**

# Expanding Access

Two billion people — more than half of the world's adult population — do not have access to financial services. Visa is committed to helping close that gap.

**IN THIS SECTION:**

Financial Inclusion

Partnerships

Solutions



# Financial Inclusion

**For 60 years, Visa has enabled people around the world to make and receive electronic payments quickly, securely and conveniently.**

Expanding access to financial services is both a responsibility and opportunity for us. For the unbanked and underserved, access can start people on a path out of poverty, foster business opportunities and fuel economic growth. For Visa, our efforts to accelerate financial inclusion are central to our vision of being the best way to pay and be paid for everyone, everywhere.

We are advancing financial inclusion by tailoring our core business lines to meet local market needs and by creating commercial and philanthropic partnerships that maximize the impact of digital financial services and the global reach of our payments network. We describe our approach to building financial inclusion in the box below and highlight several of our global initiatives and partnerships in the pages that follow.

## Our approach focuses on four main strategies:

- 1** Provide innovative solutions that help clients reach the underserved and unbanked through:

  - New products, approaches and delivery channels, such as mVisa, for regions with limited infrastructure
  - Interoperable transactions across devices and companies
  - More flexible requirements to attract more and new kinds of Visa issuers
- 2** Drive small merchant and agent acceptance to create convenience and usage by:

  - Providing education and training to help merchants make and accept digital payments
  - Advocating for government policies, such as reduced point-of-sale taxes, to motivate transition to digital payments
- 3** Partner with organizations that have relationships with the underserved to provide a springboard to inclusion by:

  - Assisting governments to convert cash, wages and other payments to digital
  - Creating networks for digital payments through products and programs with mobile network operators, fast-moving consumer goods companies and retail and supply companies
- 4** Advocate for an enabling environment that encourages investment and innovation by:

  - Partnering with global institutions that advocate for cash conversion, payments and pro-inclusion policies
  - Working with academics and researchers to develop deep policy and technical insights



## The Inclusion Gap

Around the world, more than two billion people,<sup>10</sup> mostly from lower-income communities in emerging markets, lack access to formal financial services. Without access to financial tools, the unbanked and underserved struggle to manage their everyday expenses, guard against unforeseen events and save for the future. Households, smallholder farmers, business owners and the economic security of whole communities are

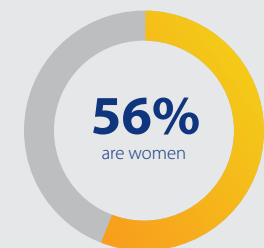
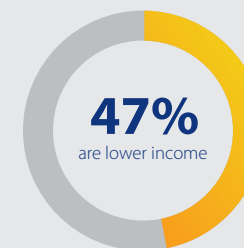
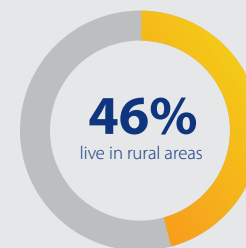
impacted. In underserved communities, traditional bank services are too far away, often requiring inefficient and costly travel to bank branches. Formal financial services can be too expensive and often have not met the needs of the underserved. Multiple issues can stand in the way of inclusion efforts, including gaps in infrastructure and policies, as well as a lack of relevant products and places for consumers to use them.

10. "The Global Findex Database 2014: Measuring Financial Inclusion around the World." 2015, World Bank.



In 2015, we committed to providing payment accounts to 500 million people over five years as part of the World Bank's ambitious goal of Universal Financial Access by 2020. In the two years since January 2015, more than 162 million consumers have received a first-time payment account via Visa.

Of these consumers:



# Partnerships

**Visa continued to engage with organizations and develop government and business partnerships around the world to reach under-served and unbanked communities. We provided governments with insights and technical knowledge to inform the continued evolution of the enabling environment and to build systems that bridge the financial inclusion gap. And as part of our core business, we expanded payment systems to reach the financially excluded and help convert cash economies to digital economies.**

## Building the Capacity of Women Entrepreneurs: India and Nigeria

Women represent a disproportionate number of people without access to financial services. We are working with our clients, policy makers (e.g., through trainings with the Alliance for Financial Inclusion) and development organizations around the world to address that imbalance.

In a new collaboration with Gap Inc., we are providing female cotton farmers in India with opportunities to become leaders in their communities. Women represent more than 70% of the cotton farming industry in India, with responsibility for planting, weeding and harvesting the crops. Yet they often lack the authority to make economic decisions for their families and frequently do not own a bank account.

Marking International Women's Day 2017, Visa contributed \$500,000 to pilot a women's advancement initiative leveraging Gap Inc.'s signature **Personal Advancement & Career Enhancement (P.A.C.E.)** program. By pairing P.A.C.E.'s education and training with Visa's expertise in safe and reliable financial tools, our partnership aims to equip women with career and life skills, access to savings accounts and investment services to improve their incomes.

In Nigeria, working with our NGO partner, the **Cherie Blair Foundation for Women**, we capitalized on the country's more than 150 million mobile phone subscriptions — nearly double the country's adult population — to develop women bankers. With training

on mobile banking products from **First Bank Nigeria**, a leading financial services provider in the country, and on entrepreneurship from **Youth for Technology Foundation**, an NGO, more than 1,200 women across 10 states have been trained as agents in the bank's retail network. As entrepreneurs in the country's rapidly growing mobile money sector, the agents are reaching thousands of additional women in rural and underserved areas with mobile financial services.



Visa contributed  
**\$500,000**  
 to pilot a women's advancement initiative leveraging Gap Inc.'s signature Personal Advancement & Career Enhancement (P.A.C.E.) program.

## Building Merchant Capacity: Mexico

Every year, 180 million micro and small merchants<sup>11</sup> across the developing world manage \$6.5 trillion in transactions, most of it cash-based. Replacing cash with digital payments can benefit merchants by reducing theft and increasing revenue-producing services. Yet, many store owners remain in the cash economy. According to a 2016 study commissioned by Visa, small merchants don't readily see the full value of digital, citing start-up, cost and processing challenges, while underestimating the high real cost of cash.

To help address these challenges, Visa is partnering to design tailored financial services and market approaches;

promote government incentives, such as tax credits for digital payments; and educate merchants. In Mexico, we are working with an NGO, **FUNDES International** to provide a technology-based curriculum and tools to enhance the business, financial and inter-personal skills of micro and small merchants as well as facilitate their efficient integration into the business and formal financial ecosystems. In 2017, we will test the curriculum with 3,000 small and micro merchants in Mexico. Our goal is to use the results from the pilot, available in late 2017, to adapt and roll out the initiative in other global markets.

11. "Small Merchants, Big Opportunity: The Forgotten Path to Financial Inclusion." 2016, Global Development Incubator, Dalberg Global Development Advisors.

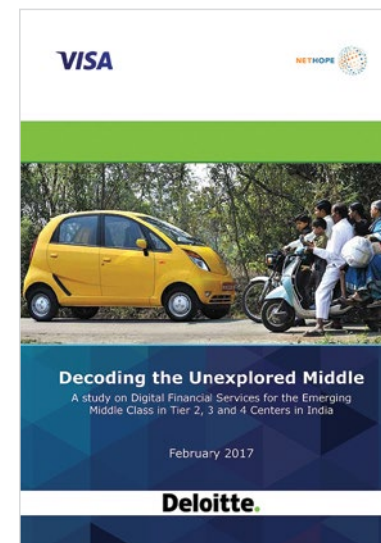
*Decoding the Unexplored Middle: A Study on Digital Financial Services for the Emerging Middle Class in Tier 2, 3 and 4 Centers in India* was published in 2017 by NetHope with funding from Visa.

## Connecting the Emerging Middle Class: India

India's economy has expanded rapidly in the last two decades and, along with it, a burgeoning middle class. While digital financial services are growing to meet demand in the country's urban centers, a new study by NetHope and Visa suggests a need — and an opportunity — to accelerate the financial inclusion of the emerging middle class (EMC). The EMC represents a unique group of India's middle class who tend to have lower household incomes and live just outside the major cities.

In response, Visa is partnering with NetHope, a consortium of 50-plus global nonprofits, to launch the **India Accelerator for Consumer Capacity in Electronic Payment Transactions (ACCEPT)** program. ACCEPT aims to jumpstart the commercial delivery of digital financial services across micro and small merchant locations to reach the EMC population.

The \$1,000,000 project will fund and provide strategic guidance to support the extension of services by digital financial service providers to increase digital finance acceptance points of micro, small and medium merchants. This may include targeted market research, consumer outreach, use case identification, distribution models, partnership development and marketing support. NetHope began accepting project proposals from digital providers in December 2016 and anticipates the first solutions will roll out in 2017.



## Reaching the Underserved: China

China launched a national financial inclusion strategy in 2016, recognizing the important role of financial products in its commitment to drive toward poverty alleviation. A growing financial services sector provides increasing access to bank branches and diverse digital payment options, resulting in a high rate of overall inclusion. Still, 250 million Chinese, including poor rural residents, farmers, migrant workers and small business owners, are unbanked or do not know how to use the available financial services.

In 2016, Visa partnered with the government, financial service providers, academics and NGOs to launch a five-year initiative to increase financial inclusion among 10 million underserved Chinese by 2020. In a newly created Financial Inclusion International Demonstration Zone, located in Northeast China, the partners will support research, capacity development and education, and product innovation to accelerate scalable financial service product design and delivery. In 2016, Visa kicked off two initiatives:

- A three-year partnership with **China Foundation for the Development of Financial Education (CFDFE)**, under the administration of the People's Bank of China, to benefit five million low-income rural residents in 33 counties within Great Xing'an Mountain Poverty Alleviation Area. Building on an existing Visa partnership with CFDFE, the project will focus on financial inclusion research, capacity building and financial education.
- A three-year, mobile phone-based pilot program to deliver financial education and targeted poverty alleviation with **China Foundation for Poverty Alleviation**, reaching 40,000 rural residents and herdsmen in eight counties within Inner Mongolia.

Visa is also a founding supporter of the new **Chinese Academy of Financial Inclusion (CAFI)** at Renmin University, an action-oriented think tank, research center, hub for best practices and incubator of financial inclusion indicators and data.

## Modernizing Financial Systems: Egypt

For several years, Visa has worked with Egypt's government to help increase the efficiency of the country's financial system and start to build an inclusive economy. In our continuing efforts to advance financial inclusion, we initiated a study with the government in 2016 to explore ways to modernize the country's food and bread subsidy program through digital payments. About 22 million families — 80% of the population — receive subsidies, and 50,000 merchants support the program. The study assessed the current system and recommended solutions that deliver safe and efficient

payment innovations and global standards in risk management as well as improve the consumer and merchant experience to help drive financial inclusion. Our approach builds on a project that began in 2015 to convert the payment of government salaries from cash to digital payment cards to increase efficiency and reduce costs. Additionally, we are promoting acceptance through partnerships with the Egypt Post, Federation of Egyptian Chambers of Commerce and the Information Technology Industry Development Agency.

## Collaborating Globally

Visa is a founding supporter of **The Better Than Cash Alliance (BTCA)**, a UN-based global partnership created to accelerate the transition from cash to digital payments to reduce poverty and advance inclusive growth. To date, 60 BTCA members, including 27 governments, have made concrete commitments to digitize payments. BTCA's advocacy and research on the benefits of digitization have accelerated country action. In particular, BTCA has focused on the delivery of context-specific support (i.e., catalytic funding, strategic and technical support) to governments with the goal of developing an inclusive digital payments eco-system to overcome barriers to and find solutions for digitization.

# Solutions

**Digital payments, whether on a mobile phone, prepaid card or debit card, provide a springboard to formal financial systems for households, business owners and communities. Visa leverages these and other technologies to help deliver financial inclusion solutions around the world. In Africa, Visa is accelerating inclusion using mobile technology to provide convenient and cost-effective financial services in regions where traditional services are not available or are inconvenient. In the United States and Canada, low-income households — especially minority households — are twice as likely as other populations to be underserved. We work with a variety of partners to provide access to the financial tools and resources that can help these communities save for the future, weather shocks and build assets.**

## Enabling Financial Inclusion with mVisa

In early 2017, Visa announced the expansion of mVisa, our mobile payment service, to deliver the benefits of secure digital commerce to financial institutions, merchants and consumers in Egypt, Ghana, Indonesia, Kazakhstan, Nigeria, Pakistan and Vietnam. First rolled out in India, Kenya and Rwanda, mVisa lets people and merchants make and receive payments directly from their mobile phones, bringing financial services to regions with limited infrastructure and banks. mVisa transactions are processed via Visa's global network, VisaNet, applying the scale, security and reliability of Visa to mobile payments in emerging markets.

## Digitizing Informal Savings and Lending Groups: Africa

Millions of Africans participate in informal savings and lending groups that build on relationships among friends and family to act as community banks. Through the groups, members pool their money and borrow for expenses such as school fees, medical bills or to invest in their businesses. The groups help members, particularly women who are more likely to lack access to banking services, to develop financial management skills and strengthen their position within the community. The groups also have limitations, including the risks of handling cash and the inability for members to build formal credit histories.

Since 2014, Visa has partnered with NGOs, banks, mobile network operators and technology companies to extend formal financial services to these savings and lending groups. Beginning in Ghana, Kenya and Uganda, we have developed mobile banking programs that deliver greater security and convenience while preserving the integrity of the informal organizations and meeting the unique needs of each.

These efforts have necessitated creating innovative solutions to meet identification requirements, solve access challenges and address security concerns. In Uganda, for example, safeguarding pooled funds in informal

groups is a shared responsibility, with three elected officers required to make a transaction. Our financial partner, the **Opportunity Bank of Uganda (OBUL)**, understood the need to help members manage their money with confidence, mimicked the informal approach and developed a 3-PIN protocol to secure access to the groups' formal bank account.

Since we began our partnership, more than 750 informal savings and lending groups in Uganda and Ghana have been linked to formal financial services, and 1,000 have received financial literacy education. We are building on our success with plans to implement the program elsewhere in Africa and beyond.

## Financial Services for Minority Households: United States and Canada

Providing underserved minorities with formal financial products designed to meet their unique needs is essential to ensuring their financial inclusion. Visa and the Filene Research Institute, a U.S.-based nonprofit, launched the **Reaching Minority Households Incubator** in 2015 to measure the usefulness of financial products tailored for this underserved segment. Working with more than 35 U.S. and Canadian credit unions and community banks, we are testing five credit products,

such as microloans and payday loan consolidations, which have had success in local markets. Each institution is testing one or more of the products to help us assess its desirability, scalability, sustainability and consumer impact in the broader marketplace. The incubator program will provide compelling examples that credit unions and other financial institutions can adopt to address the financial gaps among minority households and to tap into this market opportunity.

The underserved in the U.S. pay more to borrow — amounting to \$63 billion annually<sup>12</sup> in interest and fees — for short-term credit provided by non-bank services like payday loans.

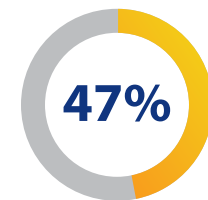


## Secured Credit Innovation

Forty-five million U.S. consumers<sup>13</sup> have no credit record or lack sufficient information to get a credit score. Without a score, they are shut out of traditional credit products. Secured credit cards, which are backed by money in an account, offer a solution that can help new-to-credit consumers establish or improve their credit scores while also helping users develop good savings habits. We are working with the **Center for Financial Services Innovation**, a U.S. nonprofit, to study why this credit-building tool is underutilized and identify strategies to educate the underserved about its value. Results of our work are due out at the end of 2017.



of U.S. adults have no credit score and cannot access affordable credit products.



of U.S. adults are unable to cover a \$400 emergency without borrowing or selling possessions.

12. "2016 Financially Underserved Market Size Study," 2016, CFSI: Center for Financial Services Innovation, Core Innovation Capital.

13. "Data Point: Credit Invisibles," 2015, Consumer Financial Protection Bureau.

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### SECTION 3

# Investing in Our People

Visa's global mission to connect the world is fueled by the talent, diversity and dedication of our employees. We are investing in our employees to ensure we remain the employer of choice for the best and the brightest in payments.

#### **IN THIS SECTION:**

Employee Development & Engagement

Diversity & Inclusion

Employee Benefits



## Employee Development & Engagement

**We are committed to providing best-in-class educational opportunities for employees in every role and at every level, wherever they work. In 2016, Visa made significant investments in our learning and leadership culture, most notably through the debut of Visa University campuses and digital platform.**

### Investing in a Learning Culture

As the payments industry rapidly evolves, we must keep pace with innovation and ensure our employees are prepared with the right knowledge and skillsets to maintain our digital commerce leadership position. In 2016, we launched our **Visa University** physical campuses in Foster City and Singapore as well as our supplementary digital campus as the centerpieces of this effort.

Visa University brings more than 25,000 curated learning resources under one virtual roof, with the majority developed at Visa and complemented by external sources such as Harvard ManageMentor and Lynda.com. Through structured online and live curricula, we are extending the reach of our learning programs across the company.

Several Visa leaders have set the stage for learning by contributing “learning paths” that help point employees in a direction that matches their professional development needs. Specialized learning opportunities also are being created and delivered through the curricula of Visa University “colleges,” such as Technology College and Sales College, led by learning leaders in our major functions. Employees early in their career can choose from a wide array of practical subjects, such as presentation skills and time management, to set a foundation for their long-term success. In addition, Visa University houses our new Leadership College, launched in 2017 to advance leadership acumen across the company (see Leadership and Accountability). Early in 2017,



## Leadership and Accountability

we also began to develop a curriculum for a new payments learning track, which is expected to launch in 2018.

As a testament to their commitment to employee growth and development, the Visa leadership team regularly serves as guest lecturers in Visa University classrooms, sharing their domain expertise and insights and actively supporting continued learning inside and outside the company.

We believe everyone at Visa is a leader, and how our leaders achieve results is as important as the results themselves.

With the intention of building a culture of leadership, early in 2017 we launched a new set of leadership principles and began rolling out training modules in Visa University mapped to the principles to help employees build proficiency. The curriculum of these training modules also incorporates intensive hands-on business simulations and

seminars in our Visa Leadership Accelerator program, which is designed to advance the careers of high-performing leaders for promotion to senior levels across our global offices.

Beginning in fiscal year 2018, employees' performance assessment will not only take into account the progress against goals but also their results in the context of the leadership principles.

In 2016, our 360-degree development tool was rolled out to all employees to assess and advance their leadership skills through colleague feedback.



### Visa Leadership Principles

- We lead by example
- We communicate openly
- We enable and inspire
- We excel with partners
- We act decisively
- We collaborate

### Recruiting the Next Generation of Talent

In 2016, we continued to evolve our recruitment programs to reach top talent through new channels and with a clear articulation of how Visa is shaping the digital technology payments revolution. Our efforts included hiring a diverse pool of 284 interns globally to gain real-world experience through Visa placements, and adding 24 recruits in our New Graduate Development Program. Designed to give new graduates a foundation for a career at Visa, the 24-month program places participants in four six-month rotational assignments to gain hands-on experience, mentorship, networking and exposure to leadership across different functional areas.

## Employee Engagement

Visa's success is powered by our employees. Engaged employees are focused, motivated and inspired to do their best work. Engaged employees also are our best ambassadors, sharing their experience in working at Visa through LinkedIn Elevate, social posts with [#LifeatVisa](#) and imagery via the new [@lifeatvisa](#) Instagram channels.

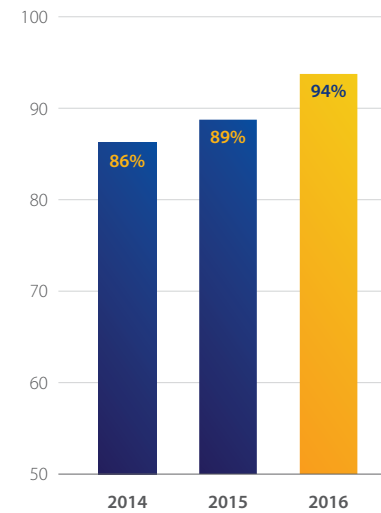
We communicate with our employees in a variety of ways, including the company intranet editorial content, digital signage, live events in regional offices and quarterly all-staff meetings. Employees also have access to our enterprise social platform and our [Go Beyond](#) employee recognition program, which encourages employee-to-employee recognition and provides greater visibility for those being recognized.

One formal way we gather input is through an annual employee survey. In 2016, we refined our survey structure and content to help our leaders more readily identify areas of improvement, and we developed a user-friendly reporting tool to encourage managers to share the survey findings with their employees to drive improvements. We also added new questions to give us

additional insight into specific areas. For example, we expanded a section dedicated to tools and processes to follow up on specific employee concerns in this area.

Our 2016 survey revealed that employees understand and are aligned with our strategy and ethical standards and appreciate Visa's collaborative culture. While employees responded favorably to the work we undertook in improving our tools and processes, this remains an area of opportunity along with rewards and recognition. After the survey results were analyzed, we prioritized enhancements in both areas.

Annual Employee Survey Response Rate  
2014–2016



Annual employee survey responses informed our improvements to tools and processes as well as rewards and recognition.





# Diversity & Inclusion

**Visa believes in a diverse and inclusive workplace where everyone belongs. We are creating a culture in which individual differences, experiences and capabilities are valued and contribute to our business success.**

Fostering a culture of inclusion is a strategic imperative at Visa. By leveraging the diverse backgrounds and perspectives of our worldwide teams, we are able to achieve better solutions for our clients and create a connected workplace to attract and retain top talent.

In the last few years, we have made progress in upgrading our understanding, strategies and approach to diversity and

inclusion. We introduced diversity and inclusion training, ensured leadership accountability, publicly disclosed gender and ethnicity data for our U.S. workforce for the first time and signed the White House Equal Pay Pledge to affirm our commitment to close the gender wage gap. We describe a number of our initiatives in the following pages.

## Diversity & Inclusion Strategy

Our strategy focuses on four key areas:



### People

Attract, develop and retain a workforce that is reflective of the global business and communities we support and contributes a diversity of thought, experience and background.



### Environment

Foster an inclusive organizational environment that celebrates difference and encourages unique perspectives.



### Leaders

Promote cultural agility among Visa leaders to maximize workforce engagement and ensure a robust talent pipeline and leadership alignment.



### Business

Harness the innovative potential of a diverse workforce to drive business initiatives and increase the reputation of Visa's brand and our commitment to be an employer of choice.

## Leadership & Accountability

Our Executive Committee is responsible for overseeing our diversity and inclusion efforts together with our CEO and Chief Diversity Officer.

The Committee meets to review, recommend and develop opportunities to enhance our D&I initiatives, model diverse and inclusive behaviors and drive accountability for our program and results.

## Unconscious Bias Training

We aim to identify the root causes that may impede our goal of creating a welcoming and supportive environment for all, including the personal biases we inevitably bring into the workplace. To support this objective, we instituted an in-person, half-day Unconscious Bias training program for senior leaders across Visa

globally to help identify and eliminate hidden stereotypes and biases. This awareness helps create an environment in which individual differences are valued and contribute to the success of the business. We are also implementing diversity and inclusion leadership training as part of our Visa University curriculum.

We foster a culture of intentional inclusion to create a feeling of connectedness in the workplace and support diversity of thought, culture and lifestyle.



## Creating an Inclusive Culture for Women

We are committed to creating an inclusive culture for women at Visa, and we champion women in the workforce through a number of initiatives.

- **Closing the Gender Gap:** In addition to signing the White House Equal Pay Pledge, Visa is a founding member of Employers for Pay Equity, a business-to-business organization launched in August 2016 to leverage the group's collective expertise to eliminate leadership and pay gaps for women and ethnic minorities in the U.S.
- **Women Leadership Training Programs:** We developed Executive Edge, in partnership with University of California – Berkeley's Haas School of Business, to target the development of Visa senior female leaders. The program includes self-assessment and strengths discovery, leadership coaching and presentations, exposure to senior leaders as well as action learning during which participants work together to solve critical business issues facing Visa. We also offer Talking Cranes, customized training that equips women in leadership to take charge of their professional development.

- **Ready to Return:** New in 2016, Ready to Return provides opportunities for people who want to return to the workforce after an extended time away addressing family needs. In 2016, 90 participants took part in the pilot, which offered skills sessions, coaching and networking. At the end of the two-day workshop, some of the returnees joined the Visa team, while several others found employment at other companies.
- **Encouraging Entrepreneurship:** As part of our International Women's Day celebrations (read more on page 24) in March 2017, we announced a sponsorship of Girl Starter, an initiative to amplify young women in entrepreneurship and business leadership. Visa sponsored an episode of the new network reality series that documents women aged 18–24 as they compete for \$100,000 in seed-round funding for their new business ventures.

Visa was named to the  
**2016 Top 100**  
 Best Companies for  
 Women in India to Work<sup>14</sup>

14. 2016 study conducted by AVTAR Group – India and Working Mother India



## Recruiting Women Engineers

In November 2016, we held CODE UR WAY, a one-of-a-kind recruiting event to attract the top female engineering students in India. Participants from 50 of India's top colleges simultaneously logged onto our coding platform to solve a common set of four questions during the four-hour live challenge. Winners were identified based on the efficiency of their code and the time taken to submit their responses. Of the more than 700 women who took part, 55 were invited to interviews in Bangalore and 29 were offered positions — 18 in the New College Graduate program and 11 as interns.

## Building Capacity in Ethnically Diverse Populations

We know that we are stronger as a company when our people reflect the communities in which we operate, work and live. Our programs aim to increase the presence of people of color at every level of our organization.

- **Our Elevate Summit:** This two-day annual summit is designed to promote Black/African American talent at Visa by providing career advancement strategies and exposure to senior leaders. In 2017, we will expand this Summit to include our Hispanic/Latino talent and offer a dedicated program for Asian talent in our Asia Pacific Region.
- **Technology Innovation Summit:** We partnered with the United Negro College Fund and other Silicon Valley companies to host 53 students and

19 faculty representing 30 Historically Black Colleges and Universities (HBCUs) at a four-day technology summit in November 2016. The goal of the program was to empower African American students, most of whom were computer science, engineering and information technology majors, to chart their career paths within the science, technology, engineering and math (STEM) fields.

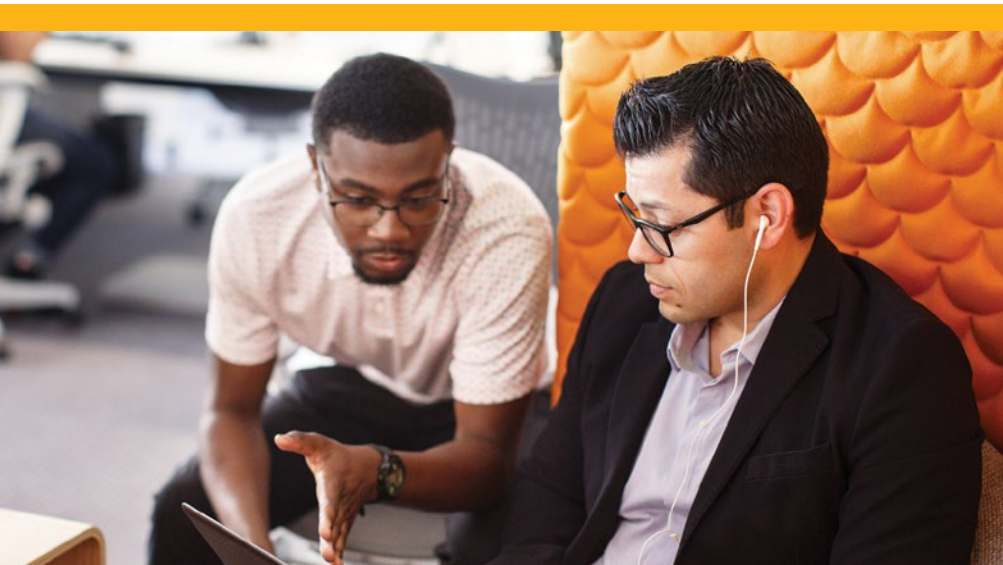
- **Springboard:** Visa is a founding corporate sponsor and pilot employer of the Springboard Initiative, a San Francisco-based nonprofit that aims to train and place 100,000 high school students from underserved communities in

high-tech jobs by 2025. Participants receive a nine-month, full-time free training program including technical, workforce, social and leadership skills; a curriculum defined and created in collaboration with potential employers to meet specified job requirements; corporate “companions” to buddy with Springboard trainees throughout the process; and the potential for employment upon completion of study.

- **Kids’ Vision:** Visa has partnered with Kids’ Vision to empower elementary and middle school Hispanic/Latina girls by increasing their interest and knowledge of science, technology, engineering and math (STEM).

In 2016, Visa hosted a two-day program during which girls in the Kids’ Vision program learned how STEM is applied at Visa. Visa employees, including executive women leaders in technology, act as mentors and role models for the girls.

- **HISPA:** Visa joined with Hispanics Inspiring Students’ Performance and Achievement (HISPA) in its mission to mobilize Latino professionals to serve as active role models for young individuals in educational programs within their communities. As a result of this initiative, Visa employees and their families have become HISPA role models in their local communities throughout Miami.



We will remain focused on ensuring that Visa is a diverse and inclusive environment where different perspectives are valued, and all of our employees are motivated to come to work every day to do their best.

– Alfred F. Kelly, Jr., CEO

## Employee Resource Groups

Visa supports 12 Employee Resource Groups, including Lean In Circles. We also have 10 Diversity and Inclusion chapters around the world.

- Visa Asian Network
- Visa Black Employees
- Visa Employees with Disabilities
- Visa Generations Engagement Network
- Visa Hispanic and Latino Employees
- Visa Indian Alliance
- Visa Middle Eastern Alliance
- Visa Military
- Visa Pride (LGBTQ+)
- Visa Young Professionals
- Visa Women's Network
- Lean In Circles

## Partnerships

- BerkeleyHaas
- National Society of Black Engineers (NSBE)
- Grace Hopper Academy
- Out & Equal Workplace Advocates
- Hispanic IT Executive Council (HITEC)
- Catalyst

## Recognition for D&I

- Top 25 Companies for Women Technologists (Anita Borg Institute)
- 100% HRC Equality Index & Best Place to Work for LGBT Equality
- Inaugural List of Top Companies for Women (Bloomberg)
- Best Companies in India for Women to Work (WM)

## Workforce Demographics<sup>15</sup>

Visa tracks, measures and evaluates our workforce representation and impact as part of our strategic business imperative to build a diverse and inclusive organization. We are committed to reporting our workforce demographics annually.

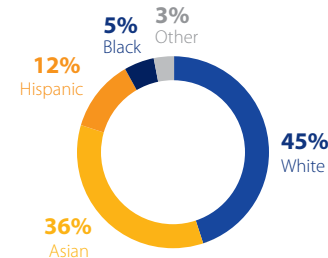
Gender in U.S. Workforce



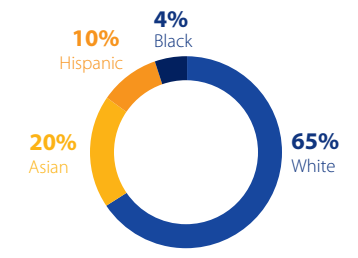
Gender in U.S. Leadership<sup>16</sup>



Ethnicities in U.S. Workforce<sup>17</sup>



Ethnicities in U.S. Leadership<sup>16</sup>



15. Data as of September 30, 2016

16. Leadership is defined as VP, SVP and EVP

17. Others: American Indian, Native Hawaiian and two-plus races.

Ethnicity data does not include undeclared and blanks.



## Committed to Equality for All

In 2016, for the third consecutive year, Visa received a perfect score of 100 on the Corporate Equality Index, a U.S. benchmarking survey of corporate lesbian, gay, bisexual and transgender (LGBT) workplace policies and practices administered by the Human Rights Campaign Foundation. We continued to support Out & Equal Workplace Advocates, a nonprofit dedicated to ending LGBT workplace discrimination. In March 2016, we joined 160 other leading businesses to urge North Carolina to repeal its "bathroom bill" legislation (which was revised in March 2017) and are working with groups in Texas who stand opposed to similar proposed legislation in that state.



In 2016, enhancements such as expanded parental leave and new elder care leave in the United States helped employees better meet their needs at various life stages.

## Employee Benefits

**As Visa's business transforms, we are innovating and evolving our benefits programs to meet the needs of our changing workforce through our health care coverage, financial benefits and work/life programs.**

While benefits vary by country, the following comprise our core benefits:

- Health care coverage
- Life insurance and disability coverage
- Retirement/savings plans
- Paid time off
- Leaves of absence

In addition, we offer a variety of other benefits, such as an Employee Assistance Program, adoption support, education assistance, commuter assistance and discounted legal planning.

In the United States, employees can take advantage of pre-tax flexible spending accounts, pre-tax health savings accounts and a 401(k) plan that offers immediate vesting and a match of up to 6% of base pay.

### Investing in Our Benefits

In 2016, we further invested in our benefits to provide a comprehensive package that better meets the needs of our employees at various stages of their lives.

In the United States, we expanded parental leave, with birth mothers now receiving 16 weeks of paid time off for the birth of a child (increased from

nine weeks). Fathers, non-birth mothers and adoptive parents now receive 10 weeks of paid time off (up from three weeks). We also introduced elder care, offering up to two weeks of paid time off for employees who need time away to address an urgent elder care need, such as a medical emergency or helping an aging parent relocate to assisted living.



Health benefits introduced in the U.S. in 2016 included a virtual plan comparison tool to help employees choose the health plans that are right for them based on their personal situations, 24/7 access to care through a telemedicine program, a doubling of the basic life and accident insurance provided by Visa, and expanded genetic testing to assess an individual's risk for significant cancers.

We also announced new lifestyle benefits, to be launched later in 2017, including

new resources to find back-up child and elder care providers and personalized, consultative support to assist employees in selecting ongoing care for children and/or aging adults.

Our benefit programs globally also are influenced by statutory requirements. In India, for example, our maternity leave benefit increased to 26 weeks from 12 weeks, and we are adding subsidized child care in accordance with government regulations.

## Wellness at Visa

We know it can be challenging for employees to keep on top of preventive care and routine treatments, so Visa makes it convenient for our employees to prioritize their health by providing a variety of tools, including:

- Wellness portals providing regionally focused resources
- Onsite gyms, group exercise classes and gym membership discounts (in certain locations)

- Lunchtime seminars introducing exercise, nutrition and stress reduction topics
- Online ergonomic assessment and evaluation tools and access to an ergonomics consultant
- Free annual flu shots

## Providing Convenient, Quality Health Care

Early in 2017, we affirmed our commitment to health and wellness with the opening of a new 4,000-square-foot health center for our employees in Foster City.

The state-of-the-art center offers U.S. employees comprehensive care, including preventive and primary care, physical therapy, acupuncture and other wellness services provided by a physician-led team of providers. The center is available to all Visa employees participating in a Visa U.S. medical plan.

Services include:

- Preventive care such as routine physicals, wellness exams, flu shots and annual health plan development
- Primary care for everyday needs such as colds, allergies, minor infections and management of chronic conditions
- Chiropractic care and acupuncture to alleviate pain and strengthen posture and for treatment of ailments such as back pain and headaches
- Basic lab and medication services or referral to an outside lab or pharmacy for more specialized needs
- Physical therapy for recovering from an injury or procedure and to help improve core stability and mobility
- Health coaching to help achieve personal goals, such as losing weight or stopping smoking



## Total Rewards, Visa's Compensation Plan

Total Rewards refers to all forms of financial payments, benefits and services provided by Visa as part of our employment. In addition to base salary, Total Rewards may include:

- **Incentives:** Short-term incentive plans (bonuses) such as the Visa Incentive Plan (VIP) to help drive performance toward the achievement of company and individual goals
- **Equity:** Long-term incentive plans that emphasize our pay-for-performance philosophy and create retention value by rewarding performance over time including equity grants for eligible employees and an employee stock purchase plan for broader equity participation
- **Benefits:** The value of the health care, insurance, retirement and other benefits programs that employees receive through Visa

## Employee Safety

Visa's Global Security and Safety (GSS) team is responsible for protecting Visa staff and safeguarding company facilities. Visa assesses and manages risk to ensure the delivery of global security, emergency response and safety management in support of our employees wherever they work.

Our GSS team monitors:

- Emerging security threats such as natural disasters, civil unrest and terrorist attacks via security, government and media sources
- Visa personnel on business travel and employees who are working outside their home countries
- Visa assets including facilities, sponsorship events, and strategic third-party sites

The GSS team is able to swiftly assess and respond to threats, prioritize the safety of potentially affected employees and engage appropriate senior executives to enable response mechanisms.

Visa is transforming our physical work environment with sit-stand workstations and informal, open and collaborative workspaces that encourage social interaction and mobility.



## Gold Award for RoSPA

In 2016, for the second consecutive year, Visa Europe (now part of Visa Inc.) was awarded the Gold Award for Occupational Safety and Health by the U.K.'s Royal Society for the Prevention of Accidents (RoSPA). The award demonstrates continuous improvement in standards and employee participation in health and safety.

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#### SECTION 4

# Operating Responsibly

Visa's responsible business practices are fundamental to our success. They underpin our efforts to propel an expanding world of connected opportunities.

#### **IN THIS SECTION:**

Corporate Governance

Ethics & Compliance

Engaging with Government

Consumer Privacy

Environmental Sustainability

Responsible Sourcing



# Corporate Governance

**Visa is committed to corporate governance practices that promote long-term value and strengthen board and management accountability to our stakeholders. Our Board of Directors monitors and responds to important governance trends and issues. These include board independence, composition and refreshment, as well as succession planning at the board and senior executive levels.**

## Board and Committee Structure

Visa's Board of Directors consists of 10 members (as of May 2017). Other than our Chief Executive Officer, all directors on our Board are independent, including the Chairman.

Our Board has three standing committees — Audit and Risk, Compensation, and Nominating and Corporate Governance — all of which are 100% independent. In 2016, the Board reviewed and refreshed the Committee Charters, including an expansion of the mandate of the Nominating and Corporate Governance Committee to include oversight of corporate responsibility policies and programs.

An important function of the Board is succession planning and board refreshment. The Board focuses on the current Board composition and future

direction of the business to ensure a mix of skills, experience, tenure, and diversity that promote and support Visa's long-term strategy. In doing so, the Nominating and Corporate Governance Committee takes into consideration the overall needs, composition and size of the Board, as well as the criteria adopted by the Board regarding director candidate qualifications, which were revised in 2016 and reviewed periodically.

The Committee also addresses succession planning for executive management and talent development for the next generation of executive leaders on a quarterly basis. In October 2016, Alfred F. Kelly, Jr., a Board member at the time, was appointed Chief Executive Officer, replacing Charles W. Scharf, who resigned his role after serving four years in the position.

## Executive and Board Compensation

We provide our named executive officers (NEOs) with short- and long-term compensation opportunities that encourage improving performance to enhance shareholders' value while avoiding excessive risk-taking.

The principles of our compensation programs include:

- **Alignment with Shareholders' Interests**, rewarding performance that meets or exceeds the performance goals that the Compensation Committee establishes with the objective of increasing shareholder value

- **Variable Pay Opportunities Based on Performance over fixed pay**, so that the total compensation received by our NEOs varies based on corporate and individual performance measured against annual and long-term goals
- **Pay for Performance**, the key principle of our compensation philosophy

We maintain compensation plans that tie a substantial portion of our NEOs' overall target annual compensation to the achievement of the company's corporate performance goals. The Compensation Committee employs multiple performance measures and strives to award an appropriate mix of

annual and long-term equity incentives to avoid overweighting short-term objectives.

Our non-employee directors receive a combination of cash and equity compensation for their service on our board, reflecting their significant commitment of time and the skill level required of members of our board. Our Compensation Committee structures this compensation with the goal of attracting and retaining a high caliber of directors and aligning their interests with those of our stockholders.

A detailed review of executive and board compensation is provided in our [proxy statement](#).

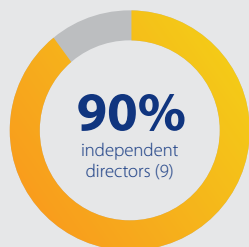
## Highlights of our corporate governance practices include:

- Other than our CEO, all directors on our Board are independent, including the Chairman
- 100% independent Board committees
- Separate Chairman and CEO
- Greater than 75% director attendance at meetings
- Annual election of directors
- Majority voting for directors
- Proxy access adopted
- Commitment to Board refreshment
- Annual Board, committee and director evaluations
- Regular focus on director succession planning
- Regular executive sessions of independent directors
- Risk oversight by committees and full Board
- Shareholder outreach/engagement program
- Stock ownership requirements for directors and executive officers

## Snapshot of 2017 Directors

Our directors provide an effective mix of diversity, experience and perspective.

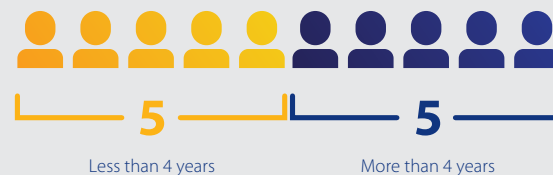
Strong independent leadership



Commitment to board diversity



Balance of fresh perspectives and institutional knowledge



Average independent director tenure = 6 years

## Risk Oversight

The Board recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities to Visa and our shareholders. While our senior leadership team is responsible for the day-to-day management of risk, our Board is responsible for ensuring that an appropriate culture of risk management exists within the Company, for setting the right “tone at the top,” and for overseeing our aggregate risk profile and monitoring how we address top and strategic risks.

The Board exercises its oversight responsibility for risk both directly and through its three standing committees. Throughout the year, the Board and each committee spend a portion of their time reviewing and discussing specific risk topics, such as cyber security, regulation and strategic risks. On an annual basis, members of senior management review with the Board enterprise risk management, the top risks we face and the steps that have been taken or will be taken to mitigate them.

More information on the oversight of risk by the Board and its committees can be found in [Visa’s 2017 Proxy Statement](#).

## Shareholder Engagement

Our Board and management team value the opinions and feedback of our shareholders, and we are committed to ongoing engagement with them throughout the year. In 2016, in addition to regular interaction of our CEO, CFO and Investor Relations team with investors, we reached out to our top 50 investors, representing more than 50% of our outstanding Class A common stock, to discuss corporate governance matters. Some of the topics discussed during our engagement included board composition and refreshment, our executive compensation program

and philosophy, proxy access, our acquisition of Visa Europe and corporate responsibility. A summary of the feedback we received was provided to the Board for review and consideration. In 2016, in response in part to our dialog with shareholders, Visa enhanced our disclosures around our commitment to diversity and inclusion.

For more information on these and other governance issues, please see the 2016 [proxy statement](#) and visit the [Investor Relations page](#) of our website.



Visa is proud to receive the 2016 Award for Governance Team of the Year (large cap category) from *Corporate Secretary* magazine, a testament to our ongoing commitment to corporate governance excellence.



We believe the trust of investors, consumers, merchants and financial institutions needs to be earned. That's why we are committed to the highest standards of ethical conduct.

## Ethics & Compliance

**At Visa, we hold ourselves to the highest ethical standards and promote a culture that values transparency, honesty and integrity.**

We cultivate the trust that is essential to our success by investing in our award-winning ethics and compliance program — to continuously strengthen

our Code of Business Conduct and Ethics, our policies, procedures, training and controls, as well as Board leadership and oversight.

### Code of Business Conduct and Ethics

Visa's Code of Business Conduct and Ethics reflects who we are as a company and applies to everyone working with or on behalf of Visa. This includes our employees, contingent staff and Board of Directors. The Code underlines our shared obligation to champion our ethical culture and protect our reputation.

In 2016, our Code was improved as part of our continued effort to enhance its usefulness and provide direction and resources on relevant topics.

The improved Code includes guidance on:

- Managers' compliance responsibilities
- Working with government
- EU regulation requiring separation of scheme and processing
- Speaking on behalf of Visa and using social media
- Visa's corporate citizenship and charitable activities
- Protecting employee privacy

The Code, which is available on our [website](#), also continues to provide improved direction to employees and people external to Visa on how to raise concerns of non-compliance using our Confidential Compliance Hotline. Available in multiple languages, the hotline is operated by a third party and is available

## Compliance Program

The Office of the Chief Compliance Officer (CCO) is responsible for Visa's global compliance and ethics program. The program includes mandatory annual training for employees and contingent staff. Visa staff is required to complete a **Compliance Training** curriculum, which is delivered as a series of online learning modules. New hires are required to complete the curriculum within their first 45 days at Visa. Thereafter, Visa employees receive online training annually, with additional live training sessions in some cases. In addition to annual Code of Conduct training, required Compliance Training courses include: Anti-Bribery, Anti-Money Laundering, Antitrust and Competition Law, Data Privacy, Key Controls, Political Participation, Lobbying and Contributions, Prevention of Insider Trading, Records Management and Workplace Harassment and Discrimination.

online or by phone, 24 hours a day, seven days a week. All issues raised are promptly reviewed for investigation and, if supported by the findings, disciplinary or corrective action is taken. Visa does not tolerate retaliation against anyone who participates in an investigation or raises a concern in good faith.

The CCO's responsibilities also encompass implementation and monitoring of compliance policies and procedures, internal controls and communications to prevent and detect unethical behavior, as well as the investigation of and follow-up on non-compliance incidents. Visa regularly measures the effectiveness of our compliance programs by conducting risk assessments of the program areas as well as validations of our controls.

The CCO works closely with the General Counsel and the Legal department and reports to the Board's Audit and Risk Committee on a quarterly basis (or more frequently as needed) as well as to the Board of Directors. Reports to the Board provide program performance results, compliance hotline metrics, employee training data, and new program and communications initiatives, as well as updates on global regulatory developments.



To underscore the importance of compliance with legal and regulatory requirements, all Visa employees and contingent workers are required to take annual compliance training. **100%** of Visa employees have completed required compliance training.



Visa's **Ethics and Compliance Working Group (ECWG)**, a cross-functional group chaired by the CCO, informs Visa management and key stakeholders of Compliance-related issues and priorities. The ECWG also assists with strengthening Compliance ownership in the business, promoting Visa's culture of Compliance, communicating changes to Compliance program areas and updates to policies, coordinating and aligning with other controls functions, and reinforcing the responsibility of each individual Visa employee to manage risk and maintain appropriate controls.



## Ethisphere Award

Early in 2017, for the fifth consecutive year, Visa was recognized as a World's Most Ethical Company by Ethisphere Institute. The award honors companies that leverage values and a culture of integrity as the underpinnings to the decisions they make each day. Key drivers for this continued recognition included Visa's 2016 revamp of our Code of Business Conduct & Ethics as well as the publication of our inaugural Visa Corporate Responsibility Report.

Visa is a member of the Compliance and Ethics Leadership Council, a leading provider of best practices research, executive education, and decision-support services to Chief Compliance Officers. Visa also continuously benchmarks and scans for compliance-related best practices as a member of the Business Ethics Leadership Alliance, High Technology Working Group, and Bay Area Ethics and Compliance Association.

## Operating Within the Law

At Visa, we are committed to complying with applicable laws in every decision we make and action we take. We all share a responsibility to follow our Code and work with integrity. The Code provides our employees with guidance and links to resources such as policies that promote compliance with important laws and regulations. We highlight our commitment to three such policies here:

- Anti-Money Laundering, Anti-Terrorist Financing, and Sanctions:** Visa is committed to complying with all applicable anti-money laundering, counter-terrorism financing and sanctions laws and regulations. We conduct our business in compliance with the economic sanctions and trade embargo laws of the United States. Our decision to do business with various partners is guided by applicable law and protecting our clients and reputation.
- Anti-Bribery:** We are committed to winning business through fair and honest competition in the marketplace. Offering, promising or paying anything of value to someone with the intention of improperly influencing an official action or business decision to secure a business advantage is strictly prohibited. Visa is subject to the U.S. Foreign Corrupt Practices Act (FCPA), as well as the anti-corruption laws of the other countries in which we operate.
- Antitrust and Competition Law Compliance:** At Visa, we want to outperform our competition based on the merits of our products and services, not because of unfair business practices. We comply with antitrust and competition laws and do our part to promote a fair, competitive marketplace. We have an Antitrust and Competition Law Compliance Policy which explains the purposes of competition laws and guides employees on compliance with such laws. We have also developed robust, customized training courses to raise awareness regarding competition laws and to reinforce our policy requirements. In addition, the Legal function within Visa includes competition law specialists who help ensure that we monitor changes and developments in competition laws and maintain up-to-date controls, policies and procedures for compliance with these laws.



We were honored that our disclosure leadership was recognized by the **2016 CPA-Zicklin Index of Corporate Political Disclosure & Accountability**, as one of 35 S&P 500 companies to earn the designation of Trendsetter by achieving a top-five ranking.

## Engaging with Governments

**For Visa and our clients, governments are important constituents — as policymakers, regulators and partners.**

As public sector decisions have the potential to significantly affect Visa's business, direction and growth, Visa is committed to engaging with governments and their representatives in order to contribute our expertise on issues facing the global electronic

payments sector. Through Visa's engagement with governments we seek to identify areas of shared value, where we can assist the public sector in achieving its goals. As we do so, we are committed to acting ethically and transparently.

### Informing Public Policy Discussions

Visa is committed to being an active, constructive and leading participant in global public policy issues. We aim to serve as a thought leader on global payments issues and also more broadly on the economy, growth, inclusion and development. We seek to proactively align our business initiatives with policy trends and public policy objectives, finding shared value between public sector goals and the expansion of electronic payments.

Our **Global Public Policy Team** authors and commissions research, including white papers and thought leadership on areas of interest to policymakers at all levels of government, as well

as to our clients, industry groups, academics, think tanks and other policy professionals. We develop platforms through which policymakers can exchange expertise, connect with Visa thought leaders and drive forward important global policy issues. Through such platforms Visa convenes stakeholders to facilitate dialogue, focusing on the intersection of public policy trends and the retail payments industry. Examples include the range of Visa's academic and think tank partnerships and our active involvement in forums such as the World Economic Forum and the Alliance for Financial Inclusion.

## Engaging with Policymakers

We aim to maintain healthy and transparent relationships with governments around the world by communicating our views and concerns to elected officials and policymakers. As an industry leader, we believe we have a role to play in sharing our knowledge and understanding of the value created through global payment networks — for our shareholders and customers and also to governments, citizens and the economy across the globe.

In 2016, we engaged officials and policymakers at the federal, state and local levels in the United States and internationally, providing them with information on our business model, commitment to maintaining best-in-class data and cyber security and the innovations that enable access to financial services around the world.

## Political Participation

Visa makes political contributions to support our interests and further our public policy objectives. Our Board of Directors, as well as our Government Relations team, monitors global trends in political participation with the aim of evolving our approach to ensure our practices are best in class. We disclose all political contributions made. All corporate funds used for political contributions are pre-approved by the Nominating and Corporate Governance Committee. The Committee also reviews the company's Annual Contributions Report, which provides details of the prior year's political contributions, including the portion of the annual trade

association membership dues (where membership exceeds \$25,000) that are used for political contributions as well as the support we provide, if applicable, to U.S. tax-exempt organizations that draft model legislation. The Annual Contributions Report is available on our [website](#).

In 2016, the Board's Nominating and Corporate Governance Committee updated our Political Participation, Lobbying and Contributions Policy to provide greater transparency to our stakeholders and facilitate enhanced Board oversight of our activities.

## Visa Political Action Committee

In the United States, Visa's federal Political Action Committee (PAC), Visa PAC, enables eligible employees to voluntarily pool their financial resources to support federal political candidates and organizations. Visa publicly discloses [Visa PAC contributions](#).

## Educating on Electronic Payments Issues

Since 2010, Visa has provided training and outreach programs to governments and policymakers around the world. Through the [Visa School of Public Policy](#), a core Visa platform, we support governments and regulators in realizing common goals such as ensuring payments system security, achieving greater financial inclusion, bringing more transactions into the formal economy and generally growing acceptance of electronic payments. In 2016 alone, the School trained more than 600 participants from 17 countries while also launching a public website to provide information on the School's curriculum and workshops, as well as a video library of short educational films on payments-related topics. In 2017, the School will enhance its online offerings with the introduction of e-learning programs on payments issues of interest to governments and policymakers.





# Consumer Privacy

**Privacy is a cornerstone of trust, and our business depends on our ability to protect the confidentiality of sensitive data. Visa monitors the evolution of privacy laws around the world to ensure we understand the shifting nature of global requirements and are prepared to adapt to them.**

## Respecting Privacy

We conduct our business in accordance with the widely accepted information privacy protection safeguards known as the Fair Information Practice Principles developed by the Organization for Economic Cooperation and Development (OECD). The Principles frame our commitment to properly collect, use and safeguard personal information. While Visa does not generally collect consumer data, when Visa does so to provide services directly to consumers, we are committed to:

- **Protecting information:** Security is a top priority, and Visa has robust systems in place to protect the personal information entrusted to us by our cardholders
- **Providing clear notice:** We provide consumers with clear, easy-to-understand information about the type of information we collect, how it may be used, whether it will be shared with third parties,

and the choices consumers have related to its use or dissemination to third parties

- **Offering choice:** We provide consumers choice on whether to participate in Visa consumer-facing programs, such as Visa-provided offer programs
- **Enabling access:** We provide consumers with mechanisms to access, correct and update the personal information they provide about themselves in connection with our consumer-facing programs

In 2016, with the acquisition of Visa Europe, we aligned our global training initiatives to enhance our privacy programs. In our aligned program, all Visa employees receive annual training on our Personal Information Policy. In addition, we provide customized training to employees in functions

such as human resources or consumer services who have a greater level of interaction with privacy-related data.



## Protecting Consumer Privacy

Visa uses security technologies to help protect the personal information we collect online. We maintain physical, electronic and procedural safeguards to protect personal information, including risk assessments for vendors and new business initiatives and incident response programs that ensure ongoing monitoring across our platforms.



At Visa, we aim to understand and take action on our material environmental impacts, risks and opportunities.

## Environmental Sustainability

**As we use our electronic payments network to connect cardholders, financial institutions, merchants and governments around the world, we recognize the importance of understanding and minimizing the environmental footprint of our payments ecosystem.**

In 2016, we continued our systematic approach through our commitment to measure our global impact, implement mitigation and reduction initiatives and report on our progress through formal and informal channels. With our acquisition of Visa Europe in 2016,

we also began our work to integrate our approaches to environmental sustainability, including through measuring and incorporating the full 2016 footprint of the European operations into our reporting.

### Measuring and Reporting

As of this report, Visa has completed nine global environmental impact audits, a process dating back to 2008 — the year of Visa's initial public offering. Conducted with oversight by a leading third-party environmental firm, the annual process measures our global energy usage, water usage, waste production, landfill diversion and greenhouse gas (GHG) emissions. As an electronic payments technology company, our direct environmental impact in these topic areas primarily emanates from our data centers, business offices and corporate travel activities.

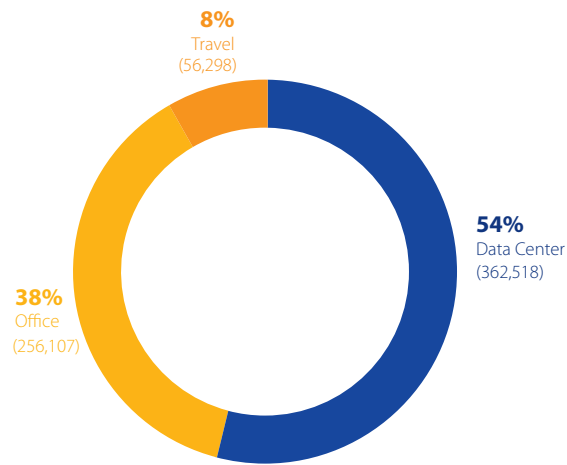
Our ninth global environmental assessment, capturing calendar year 2016, continued our progress toward greater data collection to understand our global impact. In addition to expanding to include the 2016 operations and footprint of Visa Europe, we also continued our progress in collecting actual data around the world across our areas of impact, reducing our need to estimate our data.

In 2016, we once again provided a quantitative and qualitative public response to the CDP Climate Change questionnaire. We provided additional

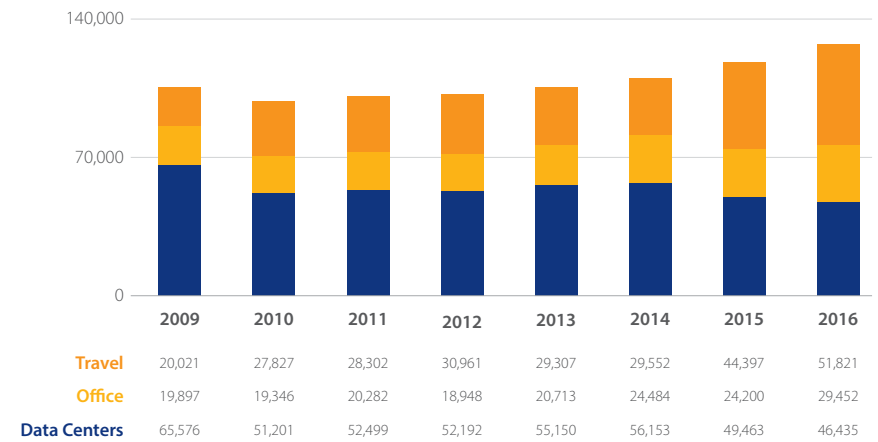
## Visa Environmental Impact: At a Glance

Note: 2016 data shown includes the full year addition of our European operations acquired in 2016.

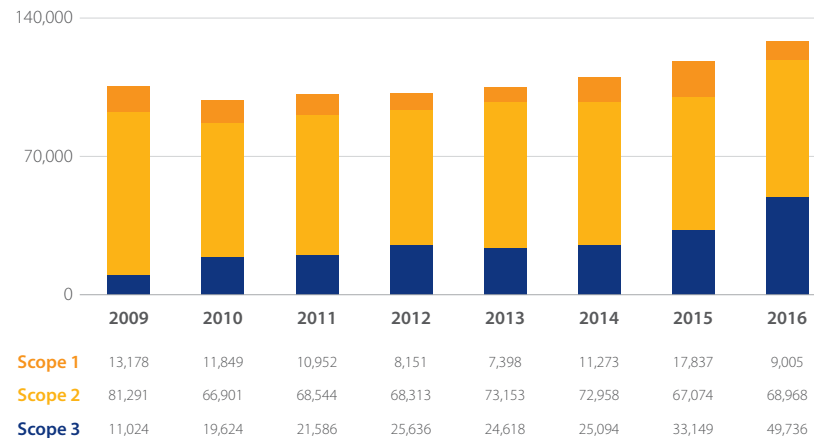
Energy Consumption by Business Source (GJ)  
2009–2016



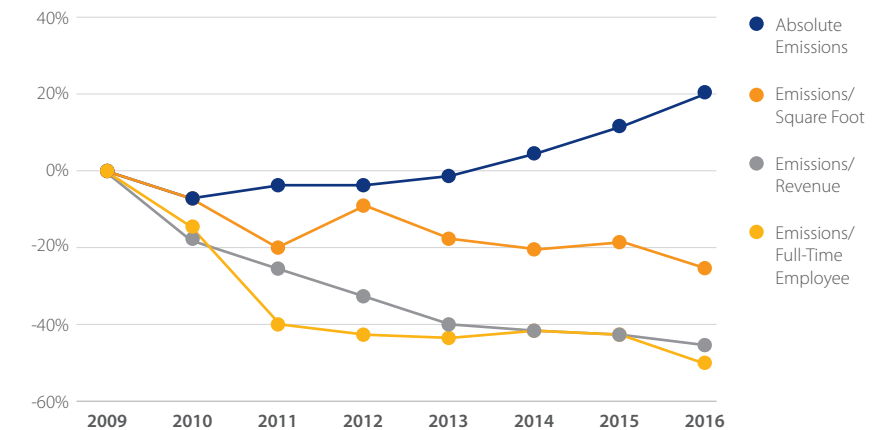
Emissions by Business Source (MTCO<sub>2</sub>e)  
2009–2016



Emissions by Scope (MTCO<sub>2</sub>e)  
2009–2016



Change in Emissions  
Relative to 2009



## Energy and Climate

environmental impact data in our inaugural Visa Corporate Responsibility Report, and we validated our approach to measuring and reporting by seeking and attaining our first independent verification of our data, focused on our 2015 GHG emissions reporting. The 2016 GHG emissions data included in this report also has been independently verified.

We are pleased to share highlights of our environmental impact across the following areas:

- Energy and climate
- Water
- Transportation
- Waste

### Actual Data Collection Rate

2014–2016 (as percentage of global square footage, 2016 includes addition of European operations)

	2014	2015	2016
Electricity data	83%	89%	87%
Natural gas data	36%	60%	68%
Water data	74%	73%	75%
Waste data	42%	50%	66%

With the continued global spotlight on the critical issue of climate change, Visa sustained our focus on measuring and addressing the area in which we have the greatest impact — our use of energy. While our footprint is smaller compared to other resource-intensive industries, we are committed to continue identifying opportunities to increase our energy efficiency.

In calendar year 2016, we used an estimated 674,922 gigajoules (GJ) of energy from Scope 1 and 2 sources, including electricity, natural gas and other fuels. This represents a decrease of 3% compared to 2015. The small year-over-year decrease from 2015 to 2016 is primarily the result of revisions to our air travel methodology that counterbalanced increases in energy use associated with our newly acquired European operations. Our data centers once again represented our largest users of electricity (54% of total).

Since 2009, we have used international standards — such as the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development — to calculate and report the GHG emissions associated primarily with our energy usage. In 2016, our GHG emissions,

measured in absolute terms with a market-based approach, were 127,708 metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e). This represents an 8% increase year-over-year from 2015 and a 21% increase from our 2009 baseline year, largely driven by growth in Visa's office location portfolio as well as increases in corporate travel. Of our total emissions, only 7% were from Scope 1 sources, with 54% from Scope 2 (primarily purchased electricity) and 39% from Scope 3 (mainly employee commercial air travel).

In that same time period from our 2009 baseline, and inclusive of the 2016 addition of our European operations, our global office square footage has increased by 62%, and our global employee population has grown by 138%. As a result, our intensity calculations have remained flat or decreased as we have become more

efficient while growing our business. Specifically:

- Emissions per employee: decreased 13% vs. 2015; decreased 49% vs. 2009 baseline
- Emissions per square foot of space: decreased 8% vs. 2015; decreased 25% vs. 2009 baseline
- Emissions per dollar revenue: decreased 5% vs. 2015; decreased 46% vs. 2009 baseline

With our greatest source of energy usage and GHG emissions originating from purchased electricity at our offices and data centers, we continue to invest in energy efficiency efforts at those types of facilities. In 2016, we also began a global study of the feasibility and availability of renewable energy sources mapped to our key business offices and data center locations.



In offices around the world, we are investing in energy efficiency measures, including LEED-based building design and operations, lighting upgrades and motion sensors, and an efficient electronics policy that mandates at least 90% of new electronics in our largest corporate campus offices meet either ENERGY STAR or EPACT certification standards. As a result of these and other measures, as of the end of 2016, 57% of Visa's owned or leased square footage and occupied by 54% of our employees had achieved LEED (Leadership in Energy and Environmental Design) or other green-building certification. An additional 8% of square footage is pending certification approval. (see sidebar, "Green Buildings").

In our data centers, we focus on being intelligent users of power. We continue to address energy efficiency, innovate our mechanical cooling approach, reduce refrigerants use and decommission underutilized servers through our award-winning efforts. Our largest data center — one of the largest in the United States — was certified LEED Silver in 2010. It incorporates a reflective roofing material, reclaimed water system and an advanced indoor air quality system.

## Green Buildings: Environmental Certification of Visa Owned and Leased Facilities

### LEED Platinum

- Manila Zuellig Building

### LEED Gold

- Miami, FL (2016)
- Foster City, CA (2012/2016) — four buildings
- San Francisco, CA (2014)
- Denver, CO Administration Building (2013)
- Virginia Administration Building (2010)
- Mumbai, The Capital Building (2016)
- Bangalore, Bagmane WTC (2012)

### LEED Silver

- East Coast (U.S.) Data Center (2009)
- New York, NY (2013)

### GreenMark Platinum

- Singapore — SingPost 11 (2013)

### GreenMark Gold

- Singapore SingPost 9 Gold Plus (2015)
- Singapore — Robinson Road (2011/2014)
- Singapore SingPost 7 & 10 (2013)

### 4 Star NABERS Energy Rating

- Sydney AMO Center (2012)

### BREEAM Very Good

- UK Data Center (2013)

## Formula E's Project Icecap

To raise awareness of the impacts of climate change, in 2016 Visa helped sponsor Formula E's Project Icecap. As part of this effort, Formula E — an organization focused on driving change toward an electric vehicle future — brought one of its electric race cars to drive on the Arctic ice cap, an effort captured in a short film and longer documentary in order to raise public awareness.





## Water

At Visa, we recognize the growing importance of water as an environmental sustainability topic. As a user of water primarily in our business offices and data centers, we continue to focus on understanding, measuring and reducing our water usage.

To support our understanding, our data collection continues to improve. Actual 2016 water usage data collected represented 75% of our global office square footage, a 2% increase from 2015 achieved even with the addition of 30+ offices from the Visa Europe footprint.

Our 2016 measurements have allowed us to identify major sources of water use to inform our efficiency and reduction efforts. Globally, we measured using

75,210,708 gallons of water in 2016, with 89% occurring in the United States, 8% in the United Kingdom and the remainder in the Philippines, Singapore and elsewhere. By business source, 57% of water usage originated in our business offices and 43% in our data centers. Our largest water user was one of our data centers, using 21.4 million gallons of water, or 28% of our total measured usage.

Informed by our understanding and measurement, Visa is able to identify and prioritize investments in water efficiency. Our initiatives include waterless cooling, the use of gray water and innovations in heat rejection in our data centers as well as sensors on water fixtures and low-flow toilets in our business offices.

## Travel and Transportation

With employee business travel representing the third largest source of our GHG emissions, Visa continues to identify, enable and encourage more sustainable travel and commuting behavior among employees. For example:

- **Shuttles:** Offering employee shuttles between nearby public transit hubs and other offices
- **Public transit:** Encouraging employees to use public transportation by offering transit subsidies
- **Virtual meetings:** Providing and encouraging use of video conferencing technology; implementation of state-of-the-art TelePresence facilities at nine offices worldwide to reduce the need for business travel, especially international travel

## Welcoming Europe

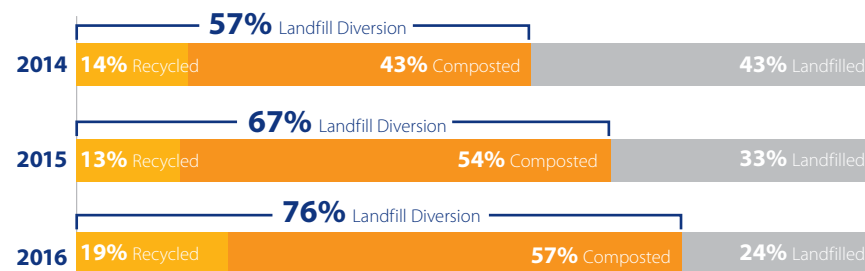
In 2016, Visa joined with Visa Europe to become a single global company. As we have worked to integrate our operations, we have had opportunities to learn from and leverage the expertise of our European colleagues — including in the environmental sustainability area.

Highlights from the initiatives in Europe have included:

- ISO14001 accreditation for the main U.K. offices
- Statement of Environmental Principles in place
- U.K. Government's Carbon Reduction Commitment (CRC) program registered participant
- Recycling rates at 75%
- Additional initiatives: LED lamps, improved data center air cooling, more efficient boilers

### Waste Landfill Diversion Rate

2014-2016 (based on reported data representing 66% of global square footage)



## Waste Reduction and Diversion

Through efforts to reduce overall waste and encourage recycling and composting, Visa is working to reduce the amount of office waste that is disposed of in landfills. While not a major producer of solid waste, we are proud of our continued progress. Through our efforts, we have increased our landfill diversion rate from 57% in 2014 to 67% in 2015 and 76% in 2016.



## Responsible Sourcing

**Visa believes that our commitment to corporate responsibility extends beyond our own internal operations and outward to our suppliers and business partners. We hold our suppliers to standards of ethics, and we encourage sustainable and socially responsible procurement practices wherever possible.**

### Supplier Expectations and Accountability

To date, our core approach to outlining our expectations to suppliers has been the **Visa Standards of Conduct**, which addresses topics such as nondiscrimination, employee safety and conflicts of interest. In 2017, we are developing a fortified **Supplier Code of Conduct**. Aligned with Visa's values, the Code will go beyond our mandatory requirement of compliance with laws and regulations to outline the

principles and expectations Visa has of its suppliers and sub-contractors across other dimensions of conduct such as human rights, ethical business practices, environmental impact and other areas. We will use the Supplier Code of Conduct and accompanying process for implementation and accountability as a component in identifying and measuring supplier value to Visa.

Responsible sourcing executes on our procurement strategy and supports our four strategic pillars of procurement:

1

Enable profitable growth

2

Make procurement simple, fast and easy

3

Keep Visa safe and sound

4

Develop new capabilities

## Supplier Diversity

As an extension of our broader commitment to diversity and inclusion, Visa recognizes the value of a supply chain that includes diverse suppliers. We believe that a diverse supplier base provides us with a significant position of strength to support our clients and perform in the markets we serve. Supplier diversity adds value to our brand, provides a competitive advantage and reflects our customer base.

We are continuing to ensure that working with diverse suppliers is an integral part of our strategic sourcing and procurement processes. Visa is committed to promoting relationships with diverse suppliers, including those that are minority-owned, woman-owned, disabled veteran-owned, disabled-owned, lesbian-, gay-, bisexual-, and transgender (LGBT) owned, small business enterprises or enterprises located in historically underutilized business zones (HUB Zone). Today, we track our spend with diverse suppliers and share our performance with issuer clients and other stakeholders.

We recognize we can do more and are committed to advancing the supplier diversity initiative by:

- Appointing a leadership role to accelerate our supplier diversity initiatives
- Integrating supplier diversity further into our sourcing and category management processes
- Working with our internal business owners to put more focus on diverse suppliers during supplier selection
- Encouraging our preferred suppliers to use diverse suppliers themselves and track for reporting purposes, in the form of tier two reports
- Incorporating supplier diversity into the measurement of supplier value and partnership to Visa

## Our Supplier Diversity Program is founded on four basic operating principles:



Promoting diverse businesses and ensuring they have fair access to bid and contract opportunities



Growing the amount of quality products and services we procure directly from diverse suppliers or indirectly through companies who share our commitment to diversity



Communicating the value of supplier diversity, both internally and externally



Recognizing unique competitive price and service offerings from small, diverse and underutilized service providers



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## SECTION 5

# Strengthening Communities

We are committed to using the time, talent and assets of Visa to empower consumers, strengthen our local communities and respond in times of need. Our approach leverages our grantmaking, educational programs and the passion of our employees to ensure we are a good global citizen.

### **IN THIS SECTION:**

Financial Literacy

Employee Involvement

Community Giving



# Financial Literacy

For more than 20 years, Visa has been a leader in advancing financial literacy, helping people learn how to budget, save and spend responsibly. We deliver innovative financial education to individuals and their communities around the world, and we engage with governments, banks, merchants, schools and NGOs to improve the global awareness and impact of our programs. At the end of 2016, Visa's financial literacy programs had reached more than 40 million individuals in recent years.

## Fostering Financial Literacy for Everyone, Everywhere

Our free award-winning program, **Practical Money Skills**, helps parents, teachers, students and consumers learn how to manage their money through all stages of their lives. The program provides:

- **Educational video games and mobile apps**, including Financial Football, Financial Soccer and Peter Pig's Money Counter, to engage students

- **Classroom curriculum**, with grade-specific teacher's guides, lesson plans and student activities
- **Events and roadshows**, to advance thought leadership and bring financial literacy education directly to people
- **Tools and materials**, such as online calculators to help consumers assess and plan their finances, and

educational comic books that teach basic money management to readers of all ages

With a comprehensive redesign and updated web presence in 2017, Practical Money Skills has been adapted to meet local needs in 42 markets, 16 languages and across 17 websites. The program's websites receive more than 125 million page views and nearly 4 million unique visitors annually.

## Global Reach



# 40 million

Individuals reached in recent years



# 378+

Financial institutions using educational materials



# 42

Markets reached



# 16

Languages for materials

## Partnering to Accelerate Financial Literacy

Since 2007, Visa has co-hosted our annual Financial Literacy Summit in partnership with the Federal Reserve Bank of Chicago. The thought-leadership forum brings together international leaders from major government agencies, financial services

companies, NGOs and academia to discuss how new technologies can accelerate financial literacy globally. Each year, more than 2,500 people attend in person or via a live webcast. Having celebrated the tenth annual event in 2016, the Summit now has

convened 70 speakers and 18,000 attendees from 62 countries to encourage the improvement of the financial literacy of people of all ages in both developing and developed countries.

## Snapshot: Financial Literacy Around the World

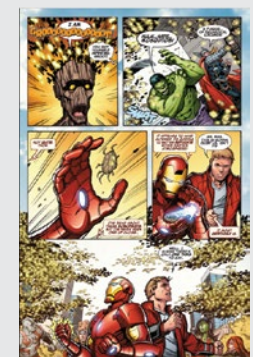
- United States:** In 2016, Visa teamed up with the Association for Financial Counseling & Planning Education (AFCPE) to launch the **Visa Veterans Financial Outreach Program**. Over the 18-month long program, we aim to connect 1,500 U.S. veterans with free, professional financial management advice through face-to-face and virtual financial counseling sessions.
  - Vietnam:** In 2016, Visa and the Central Committee of Vietnam Students' Association (CCVSA) celebrated the fifth year of their joint effort to promote financial literacy in Vietnam. This year's program was a nationwide **"Practical Money Skills"** competition designed to foster peer-to-peer financial education by encouraging university students to create online memes and artwork to promote financial literacy concepts to their peers. The 2016 program received more than 800 entries from nearly 90 universities in cities across Vietnam.
  - Turkey:** Now in its eighth year, **I Can Manage My Money** is a financial education program targeting 15- to 30-year-olds that was developed in partnership with the UN Development Program, Habitat Association and
- Turkish banks. In 2016, the program reached a cumulative 235,000 beneficiaries, with 1,000 volunteer trainers working across 81 cities.
- Canada:** Visa partnered with the Toronto Public Library (TPL) to launch the new Marvel comic book, **Guardians of the Galaxy: Rocket's Powerful Plan**. At the kickoff event, Toronto Raptors' DeMarre Carroll spoke with the TPL's Youth Hub students about the importance of personal financial literacy. Guardians of the Galaxy: Rocket's Powerful Plan is being distributed for free in more than 100 TPL branches across Toronto.
  - Dominican Republic:** In 2016, Visa expanded our financial literacy program reach to the Dominican Republic with the **"Professor Q: Discover the Magic Behind Your Financial Power"** theater program. First developed in Mexico, the program mixes the appeal of live performances with humor and instruction to create a powerful medium for engaging people — especially children — in the topic of personal finance. To date, more than 350 Professor Q performances have reached 60,000 youth in Mexico and 1,000 youth in the Dominican Republic.

## Honing Athletes' Financial Fitness

Building on our 30-year sponsorship of the Olympic Games, Visa kicked off a new financial education program for athletes at the 2016 Rio Olympic Games in August. Practical Money Skills for Athletes was developed to help athletes access resources that can build their financial skills both during and after their athletic careers. Financial education workshops for athletes, available in four languages, focus on financial planning and decision making, goal setting, budgeting and saving, understanding banking services and basic money management. Following the August launch, the first comprehensive training was held in fall 2016.

## Making Financial Literacy Fun

In April 2016, we put financial literacy tools in the hands of superhero fans all over the world with the release of our second educational comic book, **Guardians of the Galaxy: Rocket's Powerful Plan**. Teaming up with Marvel, the comic features iconic superheroes Rocket and Ant Man in an action-packed story that introduces readers to basic money concepts. The comic is available in 16 languages and 15 countries through Visa's Practical Money Skills website. To increase the impact of this collaboration, we also partnered with others to put the new comic book in public libraries across the United States. Visa's first comic with **Marvel, Avengers: Saving the Day**, was released in 2012. More than 600,000 copies have been distributed worldwide.





# Employee Involvement

**Visa supports the passions of our employees. We engage them in giving back to our communities around the world, through their donations of time and money. We listen and respond with tools and resources to facilitate their contributions to the nonprofits they care about through our Visa Volunteer, Matching Gift and disaster relief programs.**

## Volunteering Program

Visa's global volunteer program was launched in 2008 to recognize and support our employees' passion to give back to the causes that they care about. Today, employees can participate in the program in a number of ways, including:

- **Charitable walk/runs**, with groups of employees self-organizing to volunteer at an event or participate in charity races. Visa donates up to \$50 per employee (up to \$5,000 per team) to cover registration fees
- **Team and office events**, by participating in office-wide events or organizing events for the teams they work with
- **Volunteer Time Off (VTO)** enabling full-time Visa employees to volunteer 16 hours (two days) during work hours each calendar year; see next section
- **Leadership through Volunteer Councils**, to help build participation and charitable partnerships at 10 participating offices in five countries

2016  
Volunteerism  
by Everyone,  
Everywhere



10

Volunteer councils



78

Participating offices



129

Nonprofits supported



105

Visa Volunteer Leaders



336

Events



18,291

Employee volunteer hours

## Increasing Employee Volunteerism and Deepening Impact

We value the charitable contributions of every Visa employee, and to further recognize them, we launched our **Volunteering Time Off** policy in February 2017. The new policy provides our employees the flexibility to volunteer with nonprofits of their choice during work hours, without having to take personal time off. Full-time Visa employees worldwide receive 16 hours to volunteer each calendar year. These hours are in addition to the

time given to employees to participate in service events with their teams or as an office. The new policy reaffirms Visa's commitment to supporting employee service by encouraging it year round, while also helping us attract new talent.

Also in early 2017, we rolled out a new consolidated volunteering and giving platform providing a single destination for employees around the world to easily track their charitable activities

and contributions. The platform and program enhancements let employees browse volunteer opportunities and track time donated, give to organizations outside their own country and qualify for matching donations. The platform also offers multiple language and currency options, Visa Checkout to make it easy to donate from any device and enhanced distribution of donations to nonprofits, ensuring funds are delivered quickly and securely.

## Partnering to Support Kids

Visa and the San Francisco 49ers kicked off the holiday spirit in early December when children from the Boys & Girls Club of Silicon Valley, YMCA, YWCA and a local shelter teamed up with 49ers players during our 10th annual Shop with a Player event. The kids, aged 7 through 12, were given Visa prepaid cards worth \$1,500 and shopping guidance from their favorite players to outfit their clubhouses with new sports equipment. Also on hand were 10 Visa volunteers, chosen to recognize their generous hours of volunteer service over the past year, who provided an essential assist. Celebrating a decade of working with the 49ers, the Shop with a Player event highlights the power of our partnerships, creating greater impact by combining our long-term NFL sponsorship, our valued relationship with the 49ers and the commitment of our employees to giving back to their communities.



## 2016 Volunteer Highlights



# 434

Hours volunteered at Second Harvest Food Bank: **nonprofit with most hours donated**



# 386

Participants in The Crayon Initiative: **largest service opportunity**



# 53

Events for the Rainbow Centre in Singapore: **most frequently supported nonprofit**



# 28

Charity walks and runs completed by Visa staff



## Matching Gifts Program

Visa's Matching Gifts Program provides our employees an opportunity to double the impact of the donations they make to causes they are passionate about. Since 2008, Visa has matched the personal donations made by full-time employees to eligible charitable organizations one-to-one, up to \$5,000 per employee per calendar year. For special campaigns related to humanitarian response and disaster relief, Visa matches employee contributions two-to-one. In fiscal 2016, Visa matched requests from more than 4,000 employees across 14 countries with donations totaling nearly \$1.9 million supporting 1,424 charities.

Since 2008, Visa and our employees together have contributed more than **\$25 million** to thousands of charities worldwide through the Visa Matching Gifts Program.

## Volunteers Go Back to School

In April 2016, volunteers from our operations in the United Kingdom engaged 40 high school students in a challenge to take control of and rejuvenate a fictional small business. **The Small Business Challenge** is one of several programs delivered by Young Enterprise, a U.K. charity that empowers young people to harness their personal and business skills. The challenge is designed to help students understand how business works, while helping them develop their employability skills and confidence. Visa volunteers worked with students, aged 14 and 15, to devise marketing and business plans for their new enterprise and pitch their ideas to a panel of volunteers.



Photo credit: Young Enterprise

## Special Olympics Mexico

Visa volunteers joined 15 young athletes, aged two to seven years, from Special Olympics Mexico for a half-day of support and interaction that included navigating an activity circuit and filling 60 socks with seeds to be used for rehabilitation exercises. The August 2016 event, which marked our second collaboration with Special Olympics in Mexico, received a 100% thumbs-up from the 13 Visa volunteers who gave their time.





## Community Giving

**As a complement to our global efforts to drive and enable economic empowerment through financial inclusion and financial literacy, Visa is committed to strengthening the communities where we operate and where our employees live and work. In times of emergency, we also provide humanitarian aid to support relief and recovery for those in need.**

As a global brand whose business operates in more than 200 markets, our approach includes a focus on our communities in markets around the world as well as the immediate communities around our major offices, such as our San Francisco headquarters

and our hubs in Miami, London, Singapore and Dubai, as well as our significant employee presences in Austin, Denver, Bangalore and Northern Virginia.

We highlight our work in each of our geographic regions below.

### Asia Pacific (AP)

In 2016, Visa's philanthropic contributions to our communities in the region covered 13 markets, including Australia, Hong Kong, India, Indonesia, Japan, Mainland China and the Philippines. Our support focused on local needs such as at-risk youth, underprivileged children's health care, technical literacy training, underserved girls and youth education.

Out of our regional hub office in Singapore, Visa supported community initiatives such as helping youth development with Assumption Pathway,

teacher training with Community Chest and hunger relief with Food From the Heart. Beyond our hub, addition 2016 community partners in AP included: Ozharvest and Tour de Cure (Australia), ADream Charitable Foundation (Mainland China), St. James Settlement (Hong Kong), Child Rights and You and Oxfam India (India), Yayasan Pelangi Impiam (Indonesia), Jangmiran Foundation (Korea), Heart Kids (New Zealand), Friends International (Thailand) and Ba Chieu Home (Vietnam).

## Central and Eastern Europe, Middle East and Africa (CEMEA)

In our CEMEA region, Visa contributed in 2016 to philanthropic causes in 10 markets, including Egypt, Kenya, Morocco, Russia, Rwanda, South Africa, Ukraine and the United Arab Emirates. Our efforts supported programs focused on health care, children with disabilities, food programs, education, animal rescue shelters and school renovations. In many cases, we combined philanthropic grants with employee volunteer service.

Through our regional hub office in Dubai, Visa partnered with Dubai Cares on its educational and school programs. 2016 community partners in CEMEA included: Educate Me Foundation (Egypt), Starkey Hearing Association (Kenya), SOS Children's Villages (Morocco), Solid Africa (Rwanda), DownsideUp (Russia), Kwanele Children's Center (South Africa) and Caritas Ukraine (Ukraine).

## Latin America

Concentrated in markets such as Brazil, Colombia, Dominican Republic, Ecuador, Mexico and Nicaragua, Visa's philanthropic efforts to support our communities included programs to serve vulnerable children, the environment, education and equitable access to technology.

Through our regional hub office in Miami, Visa supported programs serving youth, including Children's

Home Society of Florida and St. Jude's Children's Hospital. Our 2016 community partners in Latin American markets included: Associação de Educação Financeira do Brasil (Brazil), Fundación A la Rueda Rueda (Colombia), Blue Mission Group (Dominican Republic), Bécalos and Quiera Fundación (Mexico) and Zamora Terán Foundation (Nicaragua).

## Europe

Led primarily by Visa Europe in 2016, the efforts to strengthen communities in Europe included work in markets such as France, Greece, Romania, Turkey and the United Kingdom, as well as pan-European programs. Through these efforts, Visa contributed to supporting humanitarian responses, refugees, youth entrepreneurship, economic development and innovation in fundraising.

2016 community partners in Europe included: Save the Children and Junior Achievement Europe (pan-European), Children's Hospital (France), various libraries (Romania) and Tereza Maxova Foundation (Czech Republic), as well as numerous organizations in Greece associated with the Greek Solidarity Fund.



## North America

In North America, Visa provides philanthropic support to programs across the United States and in Canada to strengthen our local communities.

In the United States, our approach first includes our communities with significant employee presence. In 2016, we supported veterans, underserved youth and others through partners such as Hero Homes in Northern Virginia, Austin Partners in Education and JVS and Boys & Girls Clubs of San Francisco, as well as KidsTek in Denver.

Beyond our immediate local office communities, we joined with many of our clients and partners to contribute to more than 50 additional community organizations, including partners such as the Alzheimer's Association, Back on My Feet, Children's Miracle Network, Junior Achievement, National Women's Law Center, Refugees International and Share Our Strength.



## Visa helps fund new museum on African American History

In 2016, Visa became a major funding contributor to the Smithsonian's new National Museum of African American History and Culture (NMAAHC), which tells the American story through the African American lens. Opened in September 2016 on the National Mall in Washington, D.C., the NMAAHC includes nearly 37,000 artifacts dating from as far back as the late 17th century to today in order to help bring the African American narrative of U.S. history to life.

"Visa was honored to play a role in this historic moment," said Jolen Anderson, Visa Chief Diversity Officer. "It is reflective of the company's commitment to a diverse and inclusive community where individual differences, experiences and capabilities of each are not just valued but celebrated."

## Responding to Humanitarian Needs

When communities are in crisis after a disaster or other humanitarian situation, Visa and our employees respond. Our philanthropic efforts to support immediate relief as well as long-term recovery can include: corporate contributions, employee donations with Visa matching and, in certain cases, the waiving of our fees and interchange on consumer cardholder donations in consultation with our clients. This approach has resulted in millions of dollars of donations to support families in need.

In 2016, Visa and our employees responded to Hurricane Matthew to help those in the United States and in Haiti as well as to the Fort McMurray wildfires in Canada. We also provided contributions toward relief efforts after other disasters such as an earthquake in Ecuador, Cyclone Winston in Fiji, the Chennai Floods in India and the earthquake in Kumamoto, Japan.

## Responses to Major Disasters / Crises

(2010 – Present)

- Haiti earthquake, 2010
- Japan earthquake / tsunami, 2011
- U.S. Superstorm Sandy, 2012
- Philippines Typhoon Haiyan, 2013
- Nepal earthquake, 2015
- Syrian Refugee Crisis, 2015
- Hurricane Matthew, 2016

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# Closing

## **IN THIS SECTION:**

About This Report

2016 GRI G4 Index



# About This Report

## Report Scope

Visa's 2016 Corporate Responsibility Report describes our work in five priority areas:

- Transforming commerce
- Expanding access
- Investing in our people
- Operating responsibly
- Strengthening communities

The focus areas and the issues and initiatives we address are important to Visa and our stakeholders. More information on our Materiality process is available in the **How We Approach Corporate Responsibility** section of this report. Additional resources on these topics are available on [Visa.com](http://Visa.com).

This report is prepared in accordance with the Global Reporting Initiatives G4 Guidelines (Core), a set of internationally recognized reporting standards. The GRI G4 Index begins on page 69.

## Boundaries

This report focuses on Visa's global commitments and practices, except where noted. The report also incorporates information on Visa Europe, which Visa Inc. acquired in a transaction that closed in June 2016.

## Reporting Year

We report data related to Visa's fiscal year 2016 (October 1, 2015 – September 30, 2016) unless otherwise noted. In some cases, data and information related to our corporate responsibility priority areas may include programs and activities underway or introduced in the 2017 fiscal year, as noted.

Please direct questions on this report or topics related to our corporate responsibility disclosures to [responsibility@visa.com](mailto:responsibility@visa.com).

## Currency

All references to currency are in U.S. dollars unless otherwise noted.

## Reporting History

This is Visa's second Corporate Responsibility Report. Our first was published in 2016. We plan to publish a progress report annually.

# 2016 GRI G4 Index

The table below indicates where the data can be found correlating to the **Global Reporting Initiative's G4 Guidelines**. While most information is found in this report, other primary sources include: **Visa Inc. 2016 Annual Report and Form 10-K, 2017 Proxy Statement, 2016 CDP submission, Visa Inc. Code of Business Conduct and Ethics**, and our corporate website: [www.visa.com](http://www.visa.com).

## General Standard Disclosures

### Strategy & Analysis

1	CEO Letter	Page 1
2	Key impacts, risks, and opportunities	2016 Annual Report: Risk Factors (CEO Letters and page 18)

### Organizational Profile

3	Organization name	Page 4
4	Primary brands, products, and services	Pages 5–6; 2016 Annual Report (Risk Factors page 18)
5	Headquarters location	Page 6
6	Where the organization operates	Page 6; 2016 Annual Report (Business, page 4; Properties, page 30)
7	Nature of ownership and legal form	Visa Inc. is a publicly held corporation organized and existing under the laws of the State of Delaware. Also 2016 10-K (cover)
8	Markets served	Pages 5–6
9	Scale of the organization	Pages 5–7
10	Total number of employees by type	Page 6; additional data not available at this time due to confidentiality. More information on Diversity & Inclusion, pages 33–37
11	Collective bargaining agreements	No U.S.-based employees are subject to collective bargaining agreements.
12	Supply chain description	Pages 56–57; 2016 Annual Report (pages 4–5, 9–10)
13	Organizational changes during the reporting period	The acquisition of Visa Europe closed in June 2016. Our new CEO, Alfred F. Kelly, came on board in December 2016.
14	Precautionary principle	Pages 51–55 Environmental Sustainability
15	External charters, principles, or other initiatives	Pages 10–11, 24–28, 51–53
16	Membership associations	Page 9



## Material Aspects & Boundaries

17	Entities included in financial statements	2016 Annual Report: Business (page 4)
18	Process for defining report boundaries and content	Pages 8–10, 68
19	Material aspects included in the report	Pages 8–9
20	Descriptions of material aspect boundaries within the organization	Pages 8–10
21	Descriptions of material aspect boundaries outside the organization	Pages 8–10
22	Restatements	None
23	Changes from previous reports in terms of scope and/or boundaries	This report includes information on the acquisition <sup>1</sup> of Visa Europe.

## Stakeholder Engagement

24	Stakeholder groups	Page 10
25	How stakeholders were identified	Pages 9–10
26	Approach to stakeholder engagement	Pages 9–10
27	Topics raised during stakeholder engagement	Page 9

## Report Profile

28	Reporting period	Page 68
29	Date of most recent report	April 1, 2016
30	Reporting cycle	Annual
31	Report contact	Page 68
32	"In accordance" option, GRI Index and report assurance	Core, GRI Index pages 69–71; this report has not been externally assured
33	Policy regarding report assurance	We have assured the content through an internal review process, including executive oversight of subject matter reviews and validation.

## Governance

34	Governance structure of the organization	2017 Proxy Statement: Board Leadership Structure (pages 6–7)
35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	Page 11
36	High-level accountability for sustainability topics	Page 11
37	Processes for consultation between stakeholders and the board on sustainability topics	Page 11; 2017 Proxy Statement (page 10)
38	Composition of the board and its committees	2017 Proxy Statement (page 12–18)
39	Whether the chair of the board is also an executive officer	Pages 42–43
40	Nomination and selection processes for the board and its committees	2017 Proxy Statement (page 19)
41	Board conflicts of interest	Visa Inc. Corporate Governance Guidelines
50	Nature and total number of critical concerns that were communicated to the board	Pages 44, 47; We provide information on the nature of concerns but do not currently track the number of concerns.
51	Remuneration policies for the board and senior executives	2017 Proxy Statement: Compensation of Non-Employee directors (pages 20–21), Executive Compensation (pages 39–42)
52	Process for determining remuneration	2017 Proxy Statement (pages 40–42)

## Ethics & Integrity

56	Code of conduct	Visa Inc. Code of Business Conduct & Ethics
57	Helplines or advice lines for employees	Page 46
58	Mechanisms for reporting concerns about unethical or unlawful behavior	Page 46



## Specific Standard Disclosures

### Economic

#### Economic Performance

EC1	Economic value	Page 7
EC2	Climate change risks	Pages 51–55; 2016 CDP Climate Change Response (CC5 Climate Change Risks)
EC3	Benefit plan coverage	Pages 38–40

#### Indirect Economic Impacts

EC8	Indirect economic impacts	Pages 64–66
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### Environmental

#### Energy

EN3	Energy consumption (Scope 1 + 2)	Page 52; 2016 CDP Climate Change Response (CC11.2–CC11.5)
EN4	Energy consumption (Scope 3)	Page 52
EN5	Energy intensity	Page 53
EN6	Energy reductions	Page 53; 2016 CDP Climate Change Response
EN7	Energy reductions in products and services	Page 53

#### Water

EN8	Water withdrawals by source	Page 55
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#### Emissions

EN15	GHG emissions (Scope 1)	Page 52; 2016 CDP Climate Change Response (CC8 and CC9)
EN16	GHG emissions (Scope 2)	Page 52; 2016 CDP Climate Change Response (CC8 and CC10)

### Environmental (continued)

EN17	GHG emissions (Scope 3)	Page 52; 2016 CDP Climate Change Response (CC14)
EN18	GHG emissions intensity	Page 52; 2016 CDP Climate Change Response
EN19	Reduction of GHG emissions	Page 53; 2016 CDP Climate Change Response

#### Effluents & Waste

EN23	Waste by type and disposal method	Page 55
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#### Products & Services

EN27	Mitigation of environmental impacts of products and services	Pages 51–55
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### Labor Practices

#### Employment

LA2	Benefits provided to full-time employees	Pages 38–40
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#### Occupational Health & Safety

LA5	Workforce represented in health and safety committees	Page 40
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#### Training & Education

LA11	Employees receiving performance and career development reviews	Page 31
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#### Diversity

LA12	Composition of governance bodies and employees	Board diversity, page 43; Employee diversity, page 37
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#### Labor Practices Grievance Mechanisms

LA16	Grievances about labor practices	Page 46
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### Human Rights

#### Human Rights Investments

HR2	Employee training on human rights	Page 11
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### Society

#### Local Communities

SO1	Local community engagement, impact assessments and development programs	Pages 59–63
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#### Anti-corruption

SO3	Risks related to corruption	Page 47; 2016 Annual Report, Regulatory Risks (pages 18–20)
SO4	Communications and training on anti-corruption	Page 47

#### Public Policy

SO6	Political contributions	Page 49
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#### Anti-competitive Behavior

SO7	Anti-competitive behavior	Page 47
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### Product Responsibility

#### Product & Service Labeling

PR5	Surveys measuring customer satisfaction	Page 9
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