This Corporate Social Responsibility Report provides an overview of our commitments and progress over the past year, and is a demonstration of our drive to help build a more inclusive and sustainable company. Within this report, we detail our efforts, new and ongoing, to operate in a responsible manner. This includes more information on our climate action program, a breakdown on how we’re leveraging our investments toward social good, and new details on our support for both the broader bitcoin ecosystem and our focus on financial inclusion.

Letter from our CEO

Jack Dorsey
The Block Ecosystem

Block is a growing ecosystem of businesses and initiatives — our building blocks — united by a shared purpose of economic empowerment.
Our Values

At Block we believe our purpose of economic empowerment is critically important for the customers we serve, including individuals, artists, fans, developers, and sellers. This purpose illuminates not only the products and services we deliver across our building blocks but also how we run our business, make commitments, and support policies as a company.

Welcoming Afterpay

We’re excited to welcome the Afterpay team to Block in 2022. Together, we believe we’ll deliver even better products and services for sellers and consumers while staying true to our shared purpose of making the financial system more fair and accessible to everyone. Additionally, as we grow together we’re looking forward to diving into Afterpay’s commitments to global economic impact, sustainability, and diversity. We welcome their contribution to our vision for a more sustainable and inclusive future.
Social Impact
Driving financial inclusion and community advocacy
- Community Advocacy
- The Small Business Community
- Financial Inclusion
- Racial Equity and Social Impact Investments
- Support for our Communities
- Square, Cash App, TIDAL
- Bitcoin

Climate Action
Our approach to a resilient and sustainable future
- Block’s Commitment to Climate Action
- Net Zero Carbon for Operations by 2030
- Block’s 2021 Global Carbon Operational Footprint
- Carbon Removal + Clean Energy Portfolios
- Block’s Path to Net Zero for Operations
- Clean Energy + Bitcoin Mining
- Hardware & Sustainability

Employees & Culture
Building a thriving, inclusive and healthy workplace
- Building Diverse Teams
- Fostering an Inclusive Workplace
- Block Communities
- Inclusion and Diversity Week
- Management Development + Distributed Workplace
- Employee Benefits

Corporate Governance
Practices that promote long-term value and engender public trust
- Corporate Governance Highlights
- Oversight of ESG Matters and Compliance with Laws
- Board and Committee Structure
- Executive Compensation and Succession Planning
- Data Privacy and Information Security
Driving financial inclusion and community advocacy
Community Advocacy

In 2021, we continued to see requests for support and to collaborate on initiatives aimed at equitable economic recovery as individuals work through the impacts of COVID-19, communities recover from natural disasters, and many continue to navigate an uncertain small business environment. As a corporate member of our local communities, we leverage our strengths to make an outsized impact in the following areas: preserving local culture, supporting small businesses and entrepreneurs, and creating economic opportunities for local communities.

We collaborate with small business and entrepreneurial support organizations, community nonprofits, mutual aid programs, artists, neighborhood groups, and other special initiatives for local residents, with an emphasis on:

- **Community Advocacy**

  In response to the ongoing COVID-19 pandemic, we collaborated with organizations like the Oakland Economic Recovery Advisory Council and the East Bay Economic Development Alliance to support equitable economic recovery for small business communities and neighborhoods. Additionally, by collaborating with the Oakland Metropolitan Chamber of Commerce, the Metro Atlanta Chambers, SPUR, and the Ohio State Chamber of Commerce's Innovation and Technology Committees, we are able to support the small business community and promote innovation.

  As part of these efforts, we supported partners with hardware donations. By sharing Square hardware like our contactless and chip reader along with our online solutions, we are able to provide safe, contactless payments, which allows our partners to accept a sale whether it’s in person or online.

  We also celebrated and showcased local artists in Oakland, CA, and in St. Louis, MO, by collaborating on public-facing murals and works of art that highlighted the cultural values that make each community unique. In Oakland, on the corner of 19th Street and Broadway, artist Muzae Sisay painted the mural “Colorful Street, Black Structures,” one of the largest public art displays in the area. In St. Louis, we commissioned local artists to contribute works of art for display inside our offices.
Block partners with small business technical assistance organizations that provide education, access to capital, and counseling resources to small business owners across North America and the globe. We produced more than 100 webinars in English and Spanish for more than 9,000 attendees, geared toward supporting small businesses with accepting all forms of payments, bringing their small businesses online, and creating eCommerce sites as well as supporting the restaurant and retailer communities with online/offline commerce.

We have expanded our work with local chambers of commerce and other small business assistance organizations dedicated to supporting Black-owned small businesses to pivot to meet customers’ needs and adapt to new methods of purchasing, such as online purchasing and in-store pickup, delivery for retail, eCommerce via social media, and socially distanced special event shopping.

We have also deepened our partnerships with Spanish-language small business assistance providers and resource networks, as well as those dedicated to the Native and Indigenous communities and Asian communities. For example, we partnered with Pow Wow Pitch, an initiative to help Indigenous entrepreneurs start and grow their businesses through access to tools, mentorship, and educational content. As part of this partnership, we hosted a webinar on ways to manage business operations and reach buyers online and in person.

Throughout 2021, Square was a partner of Digital Main Street to help more Canadian businesses — no matter the size, shape, or type — adopt digital tools and skills. This partnership helps service businesses in food and beverage, beauty, healthcare, repair, and retail rebuild and thrive long after COVID-19.

The Small Business Community

Block weaves together civic engagement, local small business communities, and our resources to create a strong network of support for entrepreneurs.
The Future Is Built: Atlanta + Chicago

As an expression of Square’s multicultural marketing strategy, we developed marketing campaigns in Atlanta and Chicago to acknowledge the critical role Black-owned businesses play in building the future and provide them with partnership and support to continue their journeys in business and their communities. We implemented physical, digital, and social components to celebrate the contributions of six growing Black-owned sellers.

Acknowledge

Sellers were the central element of these initiatives. This not only allowed us to call attention to these individual sellers within their communities but also served as a mechanism to highlight a larger message: Sellers like them are crucial elements of our future. We worked to find high- foot traffic areas, where these sellers became ambassadors for this idea.

ATLANTA: IWIFRESH | JUST ADD HONEY | HONOR ROLL CLOTHING
CHICAGO: SIR & MADAME | PEAR NOVA | SEMI COLON

Support

In addition to acknowledging their contributions, we also supported each seller by finding ways to support their business. First, we built a custom Square Online store for each participant. Next, we ensured that all our campaign touchpoints included opportunities for viewers to go directly to an online store to support each business. This included shoppable QR codes included on outdoor billboards, as well as hyperlinks from our campaign landing page and promoted social posts.

Partnership

To translate this idea to the digital world, we worked with Black media companies and Black influencers to add dimension to the concept. We worked with #blkcreatives, Rolling Out, and Blavity to build a series of social engagements, including IG Live chats, influencer engagement, and Twitter chats. These initiatives served to shine a light on the larger significance of Black business in the context of our economic future, and our featured sellers remained central elements of each.

Square's Instagram and Twitter accounts organically promoted this campaign, which was supplemented by paid posts that drove viewers to each landing page.
Financial Inclusion

Our unified purpose of financial inclusion is the throughline for all of our ESG efforts.

Block is committed to investing in a manner consistent with Environmental, Social, and Governance (ESG) values. We believe that our purpose of economic empowerment and access to financial services, which are rooted in equality, continue to be more important than ever. Across all our business units, we strive to help broaden access to the tools and services that individuals, artists, fans, developers, and sellers need to thrive.

In 2019, we started dedicating deposits to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs). As we have evolved, we want our investments to evolve. Below, we share the work done in 2021.
Allocated significant resources to the Northern Trust Asset Management Siebert Williams Shank Share Class, which represents a marketing distribution and revenue share agreement between Northern Trust Asset Management, a leading global asset manager with $1.1 trillion in assets under management (AUM), and Siebert Williams Shank & Co., LLC (SWS), the only U.S. investment bank certified as both a Women-Owned and Minority-Owned Enterprise. Siebert Williams is the nation’s largest and most active Minority- and Women-Owned Business Enterprise (MWBE) investment bank with a highly diverse workforce (57% BIPOC and 32% women).

Deployed capital to the JPMorgan Empower Shares Program, a new money market share class for distribution by MDIs and diverse-led CDFIs, allowing Block to deepen the company’s support for four key partner institutions — Liberty Bank, Harbor Bank of Maryland, M&T Bank, and Unity National Bank — and create a lasting positive social impact. This agreement helps provide partner MDIs with access to the depth and breadth of J.P. Morgan Asset Management’s resources, including the Morgan Money digital investment platform, sales and client service support, training, education, and marketing resources.

Invested in JPMorgan’s Academy Share Class Program, which is a preeminent disabled veteran owned investment bank with strength in capital markets, public finance, and fixed income and equity trading. Leadership and staff have intensive military training prior to entering and gaining in-depth financial services experience in global capital markets. Academy is mission driven with a high ethical code and a solid sense of accountability, and strives for excellence in the pursuit of client success. Academy is the nation’s first post-9/11 disabled veteran owned investment bank and is certified as a Disabled Veteran Business Enterprise (DVBE), Federal Service Disabled Veteran Owned Small Business (SDVOSB), and Minority Business Enterprise (MBE).

Racial Equity and Social Impact Investments

We’re excited to share that our socially focused money market fund exposure now exceeds $500 million as of year-end 2021. In the past year we’ve taken the following actions:
Support for Our Communities

Block provides support across a range of communities to assist and uplift during times of crisis. We also strive to make the tech industry more accessible.

In response to natural disasters in Texas, California, and New Orleans, our team mobilized a cross-functional group of internal employees to share information from resource providers with communities in need via our Square Seller Community, a peer-to-peer information-sharing platform. Additionally, our team made targeted financial contributions in support of local organizations on the frontlines of responding to natural disasters in local communities, including Hurricane Ida, the California wildfires, and Winter Storm Uri.

In response to incidents of hate, discrimination, harassment, and violence toward members of the AAPI community across the United States, our team provided financial support as a gesture of solidarity with the AAPI community. The organizations supported by our team include Asian Americans Advancing Justice - Atlanta Chapter, The Center for Pacific Asian Family (aka Nurturing Change), Send Chinatown Love, Asian Pacific Environmental Network, and Good Good Eatz.

Similarly, Cash App continued donation match campaigns in support of local and national nonprofit organizations in underserved communities. This program leveraged Cash App’s followers on social media channels to raise awareness, visibility, and financial resources for our partner organizations, and included a donation from Cash App and a donation match of funds raised from the public.

Reducing Barriers to Entering Tech

To empower our employees to volunteer from wherever they are located, our team has partnered with several local workforce development and educational support organizations to create impactful virtual volunteering opportunities in support of the reentry, job-seeking, and historically underrepresented low-income and minority communities. Our volunteer partners include Civicorps, Ladies of Hope Ministries, Hack the Hood, 826 Valencia, Chapter 510, The Department of Make Believe, Enterprise for Youth, and SF Bay Area Reading Partners, among others.
Supporting Minority and Underserved Communities

In June 2021, we announced the allocation of the remaining $25 million of our $100 million social impact investment in support of minority and underserved communities, with an accompanying memo outlining our methodology and how other companies can make similar commitments. Each organization that received funds was hand-selected by a cross-functional team of Block employees with the goals of helping minority-owned small businesses grow through finance, allowing CDFIs and MDIs to increase their capacity to make loans to local small business owners, and providing access to the unbanked through savings and other financial tools that have historically been limited to those with privilege. Because we acknowledge that racial and social inequity are global issues, we allocated $10 million of the above-mentioned $25 million for investment in international funds and lenders focusing on underserved communities in Block’s markets outside the U.S.

Below is an overview of the funds’ allocation:

**MDI Keeper’s Fund: The MDI Keeper’s Fund, L.P. (the Fund)** is a national MDI Capital Fund that intends to make investments in MDIs that primarily lend or facilitate lending to small businesses in low- and moderate-income areas or to low- and moderate-income individuals to promote community development and generate job growth and economic development.

**Black Economic Development Fund (BEDF)** is an impact investment fund built specifically to address economic challenges in the Black community and to help close the racial wealth gap. The fund targets Black-led financial institutions, Black-led businesses, and Black-led anchor institutions with the goal of growing these organizations and strengthening their contributions to the Black community with the goal of reducing racial wealth disparities.

**Direct CDFI and MDI Investments**

Block has made direct investments in the form of certificates of deposit and equity capital commitments in nearly a dozen CDFIs and MDIs across the United States, including Self-Help Federal Credit Union, 1st Financial Credit Union, Citizens Trust Bank, Unity National Bank, Neighborhood Trust Federal CU, Carver Bank, Citizens Bank Nashville, HOPE Federal CU, Ponce Bank, Unity National Bank, and Southern Bancorp.

**LISC Entrepreneurs of Color Loan Fund**

The Entrepreneurs of Color Fund (EOCF) is a program managed by the Local Initiatives Support Corporation (LISC). EOCF is designed to not only get much-needed capital directly into the hands of Black, Latinx, and other small business owners but also provide critical support such as coaching, operational guidance, and training. The program leverages LISC’s work as a leading nonprofit community development financial institution to help local CDFIs do more to finance loans and provide participating business owners a critical boost.

**Bitcoin Education and Adoption**

**Bitcoin Endowment**: Block's Bitcoin Endowment, which is funded from the interest on a portion of our corporate bitcoin holdings, provides funding to individuals and organizations working toward increasing bitcoin education and adoption in historically under-resourced communities across the globe, as we believe bitcoin can help level the playing field for all individuals and build a more inclusive future. In June 2021, Block selected Black Bitcoin Billionaire, an organization working to on-ramp the Black community into bitcoin and create education focused on building wealth, as the first recipient of a Bitcoin Endowment grant.
Square Banking

In continuation of our commitment to expand access to financial services, we launched Square Banking for our U.S. sellers in July 2021, which includes savings and checking accounts and a loan offering for our sellers. Square Savings, powered by Square Financial Services, simplifies budgeting for sellers by allowing them to automatically set aside funds from daily sales into high-yield savings accounts. Square Checking provides sellers with instant access to funds for business expenses using their Square Debit Card or for paying employees via Square Payroll. Both Square Savings and Square Checking are FDIC-insured. Smaller merchants have historically been excluded from accessing these types of financial services.

In 2021, we also began offering Square Loans to Square sellers in Australia during an important time of recovery as we believe widening access to capital helps our Australian sellers continue growing their businesses, adapt during the pandemic, and create new jobs. We also launched Square Card and instant transfers in Canada. After pausing flex loan offers during part of 2020, we expanded loan offers during 2021, reaching nearly $2 billion in originations, primarily to microsellers. Since restarting our flex loans at the end of July 2020, more than half of our U.S. loan dollars have gone to sellers in ZIP codes with a median household income between $25,000 and $50,000.

Block, Inc. is a financial services company, not a bank. Banking services are provided by Square Financial Services, Inc., a Block subsidiary, or Sutton Bank, Members FDIC.

Paycheck Protection

Square has played a crucial role in helping our sellers access U.S. government funding during the pandemic. We participated in two rounds of the Paycheck Protection Program (PPP) under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by Congress in 2020. The Paycheck Protection Program is administered by the federal Small Business Administration (SBA) and provides COVID-19 relief funding to small businesses as well as individuals who are self-employed or independent contractors if they meet program size standards. In March 2021, we began offering Round 2 PPP loans to Square sellers. During the Round 2 eligibility period, Square facilitated a total of 72,500 loans with an average loan size of approximately $9,400 — far below the overall program average of $59,000.

Square

Our Square business helps sellers more easily run and grow their businesses with its integrated ecosystem of commerce solutions, business software, and banking services. We give merchants of all sizes business software and services that help them to compete with larger merchants or marketplaces, and we help them grow and thrive in their communities.
Expanding Access to Families

In November 2021, Cash App expanded its offerings to families by serving teens in the U.S., who represent approximately 20 million individuals. While today's teens transact primarily in cash, there's been a secular trend toward a cashless economy, accelerated substantially by the COVID-19 pandemic. By expanding Cash App to families, we are able to provide teens with a seamless way to digitally spend, send, and save the money they receive from their allowances, jobs, or chores. Through authorization from a parent or guardian, individuals between 13 and 17 years of age can use Cash App for peer-to-peer payments, Cash Card and related rewards through Boost, and banking tools like Direct Deposit.

Boost

Cash Boost is our instant rewards program tied to Cash Card, which offers our customers compelling discounts at specific merchants (e.g., 15% off DoorDash) or types of stores (e.g., 10% off at any grocery store). These types of rewards have typically been tied to credit cards, which often deny individuals who aren’t deemed creditworthy candidates. Credit cards that offer cash back typically rely on fees (overdrafts, annual fees) or make restrictions such as minimum deposit requirements. In 2021, Boost customers saved more than $100 on average by using Cash Card; our free prepaid debit card, while the average annual fee for a credit card is $110.

Education

To further empower our customer base to learn more about both stock and bitcoin investing, we have partnered with Grammy Award-winning musician, philanthropist, and entrepreneur Megan Thee Stallion to produce educational videos that explain the fundamentals of stock investing such as fractional shares, diversification, and dollar-cost averaging — concepts new investors may not be as familiar with.

Increasing Access to Customer Deposits

Cash App has focused on increasing the ways customers can deposit money into Cash App and most recently launched mobile-check and paper money deposits, which allow customers to scan checks and add physical cash to their Cash App balance at more than 30,000 participating retailers across the U.S. We believe it is important to empower cash-dependent customers to participate in the digital economy: 1 out of every 10 Cash App customers who made a banking transaction did not have a linked external debit card or bank account. In addition, we have made the ability to add money to Cash App much more discoverable for customers, whether it’s direct depositing their paycheck or adding money from their external bank account.

In 2021, Cash App was well-positioned to help individuals efficiently access, deposit, and use stimulus funds distributed by the government. Throughout the pandemic, our teams prioritized launching related tools and resources for our customers on how to understand the stimulus programs. Through educating our customers on how to easily sign up for our direct deposit product, Cash App customers were able to receive their stimulus checks up to two days earlier than most banks.

Cash App’s mission is to redefine the world’s relationship with money by making it more relatable, instantly available, and universally accessible.
Fan-centered royalties

Beginning in 2022, TIDAL will change its approach to royalties by paying artists based on actual streaming activity of HiFi Plus subscribers as opposed to the industry-accepted method of aggregating streams. This will empower fans to play a larger role in the success of their favorite artists.

Direct-to-artist payments

This will allow artists to access an additional payment stream, so they can benefit from their biggest fans on TIDAL. Each month, a percentage of HiFi Plus subscribers’ membership fees will be directed toward their top-streamed artist, which will be visible in their activity feed. This will allow artists to earn more on top of their streaming royalties.
Bitcoin

We see bitcoin as the Internet’s potential to have a native currency as it is completely decentralized, resilient, and time-tested. One of our core principles is expanding access to the financial system, and we view cryptocurrency, specifically bitcoin, as an instrument of economic empowerment and thus closely connected to our financial inclusion and social impact goals. Bitcoin can improve the efficiency of the information system we call money, and there are a number of initiatives we’re investing in across our business units to make bitcoin a useful, everyday currency for people around the world and to make the supply chain greener. We believe bitcoin is the future, and as adoption grows, we want to learn and participate in a disciplined way.

Cash App

Since 2018, Cash App has allowed customers to buy and sell fractional components of bitcoin. We believe this allows customers to use bitcoin and benefit from greater access to it. Because customers can begin investing in bitcoin with as little as $1, this lowers the barrier to entry and makes our product low commitment and less intimidating, allowing customers to get more comfortable with investing over time. Almost half of bitcoin purchases on Cash App are less than $10 in value.

Bitcoin Peer to Peer

In March 2021, Cash App began offering customers the ability to instantly send bitcoin for free. Customers can send bitcoin to friends and family all within Cash App instead of leaving the platform or locating an individual bitcoin wallet address — a unique intersection of our bitcoin and peer-to-peer functionality.

In December 2021, Cash App also launched the ability to gift bitcoin to friends and family. What makes this offering unique is that Cash App customers do not need to own bitcoin to send bitcoin, as the payment source will be from their Cash App balance (USD) or external debit card.

TBD

In 2021, Block launched TBD, which is focused on building the financial infrastructure to make it easier for bitcoin to be used as an everyday currency for people around the world. Its first product, tbDEX, is a protocol that will serve as a base for on- and off-ramps to make connections between fiat and crypto systems without having to go through an institution. The team published a white paper outlining their key strategy.

Hardware Wallet

In 2021, Block announced it would build a hardware wallet and service to make bitcoin custody more mainstream. We believe self-custody is a fundamental component of decentralization, and we want to enable everyone to access the growing crypto-enabled economy by creating safe, easy-to-use hardware.

Spiral

Spiral (formerly Square Crypto) is an independent team solely focused on contributing to bitcoin open-source work. Its mission is to make bitcoin the planet’s preferred currency. Spiral builds and funds free, open-source bitcoin projects. With a combination of an internal team of engineers, product, and design leads along with a robust grant program, they developed the Lightning Development Kit (LDK), funded the Bitcoin Development Kit (BDK), and launched the Bitcoin Design Community.

In December 2021, the team launched a video highlighting their Lightning Development Kit, an open-source software development kit developers can leverage to more easily implement lightning network capabilities into their own product development roadmaps. Spiral’s efforts are focused on benefiting the entire bitcoin ecosystem.

COPA

The Crypto Open Patent Alliance (COPA) was founded by Block in 2020 to protect the open-source collaboration necessary to advance the crypto industry. COPA is a community-first, cross-industry group with the shared goal of creating stability and predictability around the use of open-source technologies by lowering the risk of patent lawsuits. COPA currently has 30 member companies including Coinbase, MicroStrategy, Kraken, Meta, and Block. All of Block’s foundational crypto patents have been licensed royalty-free through COPA’s cross-licensing program.

Bitcoin Mining System

In an effort to make bitcoin mining more distributed and efficient, in October 2021, Block announced it is considering building a bitcoin mining system based on custom silicon and open source for individuals and businesses worldwide. Similar to our other bitcoin initiatives, we plan to build in the open in collaboration with the community, sharing our decisions, progress, and big questions along the way.
CLIMATE ACTION

Our approach to a resilient and sustainable future

Block’s Commitment to Climate Action,
Net Zero Carbon for Operations by 2030
Block’s 2021 Global Carbon Operational Footprint
Carbon Removal + Clean Energy Portfolios
Block’s Path to Net Zero for Operations
Clean Energy + Bitcoin Mining
Hardware & Sustainability
Block’s Commitment to Climate Action

After the launch of our climate action program in late 2020, 2021 marked the first full year of implementation. Within our first year, we funded our first carbon removal portfolio, drove internal carbon emission reductions, announced our first bitcoin clean energy investment, secured our first renewable energy certificates to address our workplace footprint, and increased our climate risk and opportunity disclosures through the Carbon Disclosure Project (CDP) and Sustainability Accounting Standards Board (SASB).

Global Carbon Audits

Each year we conduct an annual global carbon audit. It’s vital for us to have a clear and granular picture of our emissions across our business units and activities. This allows us to target the most significant internal drivers of our carbon footprint. Our roadmap to reach net zero carbon for operations by 2030 includes our scope 1, 2, and 3 emissions* for all our brands.

Internal Transparency

We also launched an internal sustainability dashboard powered by Watershed to provide ongoing visibility for our employees on our carbon emissions, reductions progress, and key targets.

New Disclosures

In 2021, we disclosed our carbon emissions as well as our climate risk and opportunities profile in accordance with CDP guidelines, which are a robust framework for assessing a company’s climate action program and progress. This disclosure is available for viewing on CDP.net. Our 2021 data was our first disclosure under the CDP guidelines, and we intend to continue to disclose this information each year. Additionally, in the appendix of this CSR Report you’ll find our SASB framework disclosure.

Science-Based Targets

In the first quarter of 2022, we committed to disclose our climate data to the Science-Based Target Initiative’s Net Zero Standard. This will help ensure our net zero by 2030 for operations targets and carbon emissions roadmap align with Net Zero Standard’s guidelines for setting science-based climate goals that are consistent with limiting global temperature rise to 1.5°C.

* Scope 1 covers direct emissions from owned or controlled sources, Scope 2 covers indirect emissions from the generation of energy consumed, and Scope 3 includes all other indirect emissions that occur in a company’s value chain.

1. Footnote: Through the 2015 Paris Agreement, world governments committed to curbing global temperature rise to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change.

https://sciencebasedtargets.org/net-zero
Net Zero Carbon for Operations by 2030

Our goal remains net zero carbon emissions by 2030 for Block’s full corporate operations footprint, inclusive of all our business units, for Scopes 1, 2, and 3. For 2021, our Scope 3 footprint represents ~95% of our total carbon footprint and tracks all our carbon-generating activities, including analyzing millions of goods and services both produced and purchased throughout the year. We’ve distilled our key emissions categories into our global carbon footprint visualization graph below.
Block’s Total Footprint in 2021 was 309,079 tCO2e

Block’s 2021 Global Carbon Operational Footprint

As a result of the strong growth across our businesses, we saw an increase of gross carbon emissions in 2021 from the prior year. Key Scope 3 emission drivers include procurement, payment processing, and hardware. However, our carbon emissions intensity continues to decline as a percentage of gross profit as illustrated in the right-hand graph. This trendline demonstrates that our relative carbon intensity continues to fall.

Our 2021 comprehensive global carbon audit includes all our business units and supply chain, covering all our Scope 1, 2, and 3 emissions for operations. Our hardware emissions category includes the manufacturing of our devices, our end-to-end global logistics journey, device energy estimates for our entire seller community, and end-of-life impact. Each year, our payments processing category includes estimated or reported emissions from global card network financial institutions in our flow of funds. Our procurement category includes emissions from all purchased goods and services not otherwise shown in the graph. Our data center emissions represent all our vendor partners, and we’re thrilled that each is increasingly leveraging renewable energy. Our workplace emissions include estimates for distributed workplace and remote worker energy consumption. Watershed, our third-party sustainability partner, conducts our audits in collaboration with a broad range of internal stakeholders across our businesses and activities.
In 2021, we removed 27,028 metric tonnes of carbon through our portfolio of supported projects.

**Carbon Removal Portfolio**

**Charm Industrial**
Charm Industrial converts biomass into a bio-oil liquid and injects it into rock formations that have securely stored crude oil for hundreds of millions of years. Charm’s geological sequestration project began in March of 2020 and has already safely stored thousands of tons of carbon underground. In 2021, Block signed a five-year agreement for carbon removal.

**TIST**
We partnered with TIST to fund reforestation programs around the world. Locals are incentivized to plant new trees on their land, providing them with a source of income and the opportunity to improve their natural environment. Forests are natural carbon sinks, and planting more trees helps remove and store carbon once in the atmosphere. TIST closely monitors planted trees over time to validate carbon sequestration quantities.

**Climeworks**
In 2021, Block signed a nine-year agreement for direct air carbon capture and storage with Climeworks. We were eager to become an early adopter and lend our long-term support to their vision of scaling their operations and technology. Climeworks is able to capture CO2 directly from the atmosphere. This captured CO2 is concentrated and either safely stored underground to produce negative emissions or reused as a raw material, typically in low-carbon fuel generation. Early investments in this technology will help make it more affordable in the future.

**Biochar**
Biochar is a charcoal produced by the pyrolysis of biomass in the absence of oxygen, and is used as a soil ameliorant for both carbon sequestration and soil health benefits. For example, biochar can increase fertility of acidic soils, increase agricultural productivity, and provide protection against some foliar- and soil-borne diseases. Biochar is a stable solid that is rich in carbon and can endure in the soil for hundreds of thousands of years. In 2021, we partnered with several biochar projects, including Oregon Biochar Solutions.
Clean Energy Portfolio

Block is investing in clean energy purchases to address our operational energy usage.

Renewable Energy Certificates

We purchased 12,541 Renewable Energy Certificates in 2021, representing over 12,000 megawatts of clean energy added to the grid across several regions throughout the United States as well as in Canada. Next year, we aim to also make purchases in additional international markets in which we operate, such as Australia, Japan, Spain, and Norway.

Power Purchase Agreements

We plan to explore power purchase agreements (PPAs) in future years once we have determined our stabilized energy usage. These would be long-term agreements with a specific renewable energy provider that ensure a continual source-level clean energy allotment dedicated to Block.

P-RECs

In our effort to support global financial inclusion within our clean energy portfolio, in 2021 we purchased the first Peace-RECs ever issued from South Sudan, through 3Degrees. This transaction represents the largest P-REC purchase to date. These are International Renewable Energy Certificates (I-RECs) with an additional certification from Energy Peace Partners that leverage climate and finance solutions to promote peace in the world's most fragile regions. Their climate-sensitive approach extends the renewable energy revolution to some of the planet's most vulnerable populations by addressing the intersection of energy poverty, conflict risk, and climate vulnerability to demonstrate the peace dividends of clean energy. In future years, we hope to continue to support high-impact projects in energy-poor communities throughout the world.
Block’s Alignment with the United Nations’ Sustainable Development Goals

Block aims to ensure our central purpose and work aligns within the United Nation’s key pillars of sustainability. These development goals serve as a collective call to action for the global community to drive towards a healthy, equitable, and more inclusive future.

1: No Poverty
Our Purpose of Economic Empowerment

5: Gender Equality +
10: Reduced Inequalities
Employees and Culture: Inclusion and Diversity

7: Affordable and Clean Energy
Renewable Energy Purchases // P-RECs

12: Responsible Consumption and Production
Supply Chain Audits, End-of-Life Impact

13: Climate Action
Commitment to Net Zero for Operations by 2030
Block’s Progress to Achieve Net-Zero by 2030

Block’s net zero for operations roadmap includes reducing our internal emissions while we continue to scale our carbon removal portfolio. We have set internal targets for total emissions each year based on our projections of business growth. To the extent we have future M&A activity, this could require recalibrating targets as we continue to grow into new sectors and verticals and integrate new teams and activities.

Although we are still early in our carbon reduction journey, we have already made substantial strides: Our 2020 and 2021 emissions represented 87 and 74 tonnes of CO2e, respectively, per $1 million in gross profit generated that year. To provide a levelized assessment of our internal reductions progress, we excluded carbon removal purchases in our 2021 calculation given that it was the first year of launching our carbon removal portfolio. We aim to remain vigilant and agile in regards to our emissions as our growing ecosystem of businesses continues to evolve. Our hope is to see this relative carbon intensity diminish over time.
**Clean Energy + Bitcoin Mining**

Block’s work to accelerate renewable energy–based mining.

**Bitcoin Clean Energy Initiative (BCEI)**

We launched BCEI with a $10 million commitment to help accelerate the global energy transition by supporting impactful and scalable solutions for the bitcoin mining ecosystem. In 2021, we published our first white paper to share our thesis that bitcoin mining can be a powerful driver for additional investment in renewable energy infrastructure. BCEI also functions as a resource hub to help key stakeholders better understand and implement renewable energy–based mining.

**Solar-Powered Mining Project**

For our first investment with BCEI, we teamed up with Blockstream to launch a 100% solar-powered mining facility. The project will feature a public-facing dashboard to share the ongoing unit economics for the project. We believe this transparency will help attract additional investment into clean energy mining, and we intend to reinvest any gains from investments back into the initiative. We expect the project and its dashboard to go live later in 2022.
Cash Card Sustainability
The Cash App team is implementing increased amounts of post consumer materials for both the Cash Card and its mailers. The Cash Card shipping envelope now leverages 30% post consumer waste (PCW) paper. Cash App has also started converting its white plastic Cash Cards to 86% recycled PVC (rPVC). The team expects volume will ramp up throughout 2022 and will scale to include other card colors, each requiring its own unique set of research and development to convert.

Polyvinyl Chloride (PVC)–Free Cables
We are proud to say that approximately 95% of the cables we ship today are PVC-free. We also intend to continue designing our new and next-generation cables as PVC-free.

Supply Chain Audit
The Square hardware team engages third parties to provide an audit of our contract manufacturers and assess their total carbon footprint. Our supply chain team has also partnered with a separate third party that assesses our suppliers’ sustainability and social responsibility practices and scores them on their practices. Our hope is these audits and assessments will lead to partnering and sourcing with sustainable and socially responsible organizations.

Life Cycle Assessments
As we work to reduce our carbon footprint, it is essential that we understand the carbon impact of all our hardware products. Through carbon Life Cycle Assessment (LCA), we track all the carbon emitted through the production, assembly, and use of our products. We have completed LCAs for all our point-of-sale (POS) systems, and we will continue to use these as benchmarks for sustainability efforts moving forward.

Packaging
We continued efforts to reduce single-use plastics by transitioning from plastic wraps to paper wraps for Square Register and removing the poly bags for shipping in Square Register, Terminal, Stand, and Reader. We also replaced plastic laminates with water-based coating for Square Terminal to improve packaging recyclability.

Hardware Sustainability Working Group
The dedicated individuals of the Square Hardware Sustainability Group meet regularly to study the environmental impact of our hardware devices as well as manage both current and future initiatives to reduce it. This group's work is pivotal in driving down our device and logistics emissions.

Post Consumer Resin (PCR)
Many of our hardware products use plastic, and historically all the plastic used in Square hardware was virgin material (i.e., non-recycled plastic). Our teams are actively working to introduce 50% PCR (i.e., recycled plastic) into our hardware products.

Carbon Neutral Shipping
Starting with all products sold in 2021, we now purchase certified carbon removal credits to offset all global Square hardware shipping emissions for products sold through Square Shop and our retail partners. We conduct a quarterly audit that includes both inbound freight from our contract manufacturers as well as all outbound shipments of our devices.

Streamlining Accessories
By streamlining the accessories we include with our devices, we have reduced their total carbon intensity. We are now shipping Square Reader for contactless and chip alone, without the magstripe reader included in our packaging, after we found that most customers were not activating the magstripe reader included in the box. This reduced the amount of magstripe readers we ship annually and effectively lowered our carbon footprint.
Building a thriving, inclusive, and healthy workplace
Building Diverse Teams

We strive to build diverse teams across the company and give talent of all backgrounds an equal opportunity to join and thrive on our team. Our focus remains on increasing representation of underrepresented groups in our recruiting pipeline, mitigating bias throughout the hiring process, and growing talent from within.
Workforce Demographics

As reported in our 2021 diversity update, our employees are 42% women and 24% underrepresented minorities (URM), which grew 2.5% and 12.5%, respectively, in relative percent year over year. We are still short of our U.S. Census benchmark target of 50% women and 30% URM, and are always working to diversify our team through a range of programming and partnerships. While the metrics outlined here don’t capture all the facets of our diversity, we believe they provide an important signal of our ability to broadly attract and retain underrepresented talent.

More detailed information regarding our workforce demographics can be found on our Inclusion & Diversity (I&D) blog.

Ensuring Diversity in Candidate Slates

To help us move the needle in building inclusive and diverse teams across the company, we implemented a program to ensure we are consistently considering remarkable slates of candidates — which we believe to be, inherently, diverse. We call the program Remarkable Interview Slate Enforcement, or RISE. RISE is currently focused on hiring within the United States. We believe diverse interview slates should be standard in hiring, and RISE is an excellent tool for holding ourselves accountable to this practice. By consistently considering diverse talent pools, we are positioning ourselves to hire the best people and build the best company.

Since the launch of RISE in November 2019, we have seen increased representation of women and URMs throughout the hiring process. Compared to the year before we implemented RISE, women as a percent of candidates interviewed in the U.S. increased by 14% overall, with the most notable increase occurring in technical roles (+41%). URMs as a percent of interviewees increased by 55% overall, and more than doubled among interviewees for technical roles.

More detailed information regarding our initial rollout of RISE can be found on our I&D blog.

Partnerships

To introduce more underrepresented talent to the top of our recruiting funnel, we continue to partner with AfroTech, Lesbians Who Tech and Allies, /dev/color, Society of Hispanic Professional Engineers, Rewriting the Code, American Indian Science and Engineering Society, HBCU Battle of the Brains, and a number of Historically Black Colleges and Universities (HBCUs).

In 2021, we also expanded our partnership with Next Chapter, a pilot program seeking to generate new opportunities to bring formerly incarcerated people into engineering roles and shift perceptions about the potential of people who have been incarcerated. Last year we successfully converted our first apprentice into a full-time engineering role and onboarded two new apprentices.

Finally, to support the professional development of our URM employees, we continued our partnership with McKinsey’s Black Leadership Academy, a leadership program for executive and mid-level managers and also initiated a partnership with the Hispanic Alliance for Career Enhancement (HACE) to provide professional development programming and networking opportunities for Latinx employees.

Supplier Diversity

We’ve joined tech:SCALE to help us analyze our supply chain and assist us with increasing diversity throughout our global vendor base.
Fostering an Inclusive Workplace

We’re building an inclusive financial system in which people have equal access to opportunity regardless of their race, gender, sexual orientation, or other differences. We live by these same values when building our workplace — and we take a data-driven approach to this work. This year we were honored to be named one of the Human Rights Campaign Foundation’s Best Places to Work based on its annual Corporate Equality Index. We remain committed to building an inclusive workplace.
Inclusion Metrics and Reporting

Analysis of the state of inclusion on our teams is embedded as an essential component of our global biannual engagement survey process. This survey is an opportunity for employees to confidentially share feedback on what’s working and what they’d like to see changed at the company. It gathers employee sentiments about their managers, career growth opportunities, leadership, and more, and includes a host of questions tied directly to inclusion (questions about belonging, decision-making, growth opportunity, fairness, recognition, and more).

As part of every engagement survey cycle, we provide detailed I&D reports to leaders across the company. These reports include an overview of their team’s demographic data trends and an “inclusion analysis” of the survey results, checking for any notable gaps in employee sentiment along the lines of gender, race/ethnicity, and age (as self-reported at the time of hire). The reports are accompanied by a playbook of research-backed strategies to help address any specific gaps in inclusion highlighted within these reports.

More detailed information about these reports and our approach to measuring and tracking inclusion can be found on our I&D blog.

Promotion and Pay Fairness

To mitigate the influence of bias on promotion and compensation decisions, we:

- Help leads consider promotion readiness for everyone on their team. We provide “promotion primers” to each lead, highlighting how long all their team members have been at their current level with respect to the median time in level for people in similar roles.

- Build unbiasing checks into promotion cycle materials. In alignment with research that indicates checklists reduce the influence of unconscious bias in decision-making, we’ve embedded bias checklists into promotion packets, promotion feedback forms, and calibration session facilitation guides.

- Check for statistical evidence of bias before decisions are final. After leads submit proposed promotions and compensation changes, we have a checkpoint to conduct a full audit of pay fairness by gender, race, and age. We check for potential disparities both overall and within specific jobs, and review any outliers we find.

Interrupting Bias Training

Our 90-minute Interrupting Bias in the Workplace workshop seeks to deepen participants’ awareness of implicit bias and surface tactical, company-specific bias mitigation techniques. Among other things, the workshop requires attendees to engage in perspective-taking and goal-setting exercises, which external research finds to be two critical components of effective bias training. We expanded this global offering in 2021 by training 20 new facilitators.

Also in 2021 we continued to offer Interrupting Bias for Interviewers, a 60-minute workshop that digs deeper into how implicit bias can appear in the hiring process. In Q4 we launched our new comprehensive Inclusive Interviewing workshop, which will ultimately replace Interrupting Bias for Interviewers next year. Inclusive Interviewing explores Block’s approach to interview structure, feedback, and bias mitigation, and we strongly encourage it for all interviewers.
Block Communities

Communities — employee-founded resource groups under the leadership of the I&D team — are an essential part of advancing belonging and inclusion for employees of all backgrounds. Our 14 Communities (with 41 chapters globally) receive dedicated resources, including executive sponsors, annual budget, and support for executing initiatives and events. 2021 marked the founding of a new Community, Indigenous@, and the expansion of a number of our other Communities — including AfroBlock, Asian Pacific Islanders, Muslims@, Women@, and Womeng — with new chapters around the globe. We are proud to support a diverse array of Communities, including groups fostering inclusion for racial and ethnic minorities, the neurodivergent, and people of faith.

With most employees continuing work from home due to the impact of COVID, our Communities continued to play an integral role in maintaining a sense of belonging and connectedness, hosting nearly 300 events in 2021, including career panels, fireside chats, and professional development workshops.

Moreover, our Communities are increasingly providing feedback and guidance on our products and marketing content. For example, our Asian Pacific Islander Community partnered with the business to develop Our Chinatown, celebrating Asian Pacific Islander Square sellers, and our Indigenous@ Community worked with TIDAL to build a permanent feature page for Indigenous musicians on TIDAL.
In 2021, we hosted our first-ever Inclusion & Diversity Week. Through a series of virtual internal and external speaker events, panel discussions, and more, this week aimed to take us out of our typical routine, creating opportunities for employees to engage with content, speakers, and ideas that expand our perspectives and foster conversation about inclusion and diversity. The theme of our inaugural I&D Week was Addressing Racial Equity Through Economic Empowerment and included 14 sessions and 30 speakers.
Management Development

Block offers the Integral Lead, an intensive experiential lead-training program, to all managers. This program takes shape through two full-day workshops that help managers develop skills to lead high-performing teams, address everyday challenges, and build their own network of leaders through deepening self and social awareness. We developed this program through both internal and external research, and our newest version highlights best practices from high-performing leads at Block as well as industry leaders.

Beyond this immersive program, we offer other workshops for leads, including Influencing Stakeholders, Coaching Trios, Leading Distributed Teams, Navigating Difficult Conversations, Thriving Through Change, Influencing Stakeholders, Bringing Your Vision to Life, Inspiring Impact Through Vision, Goal Setting to Drive Results, Guiding Growth: Development + Discussions, Fundamentals of Effective Coaching, Driving Results Through D.A.C. Leadership, Leading for Longevity, and Delivering & Receiving Feedback.

Managers also have access to online executive coaching through a vendor partner, BetterUp Coaching, which provides one-on-one coaching of managers and high-potential individual contributors. All employees have access to LinkedIn Learning and can take courses at any time based on individual interests and goals. In addition, all employees have access to self-guided activities themed to effective team building, coaching skill sets, individual career development, and workplace burnout. Block also offers virtual and on-demand workshops on a quarterly basis, including hosting live leadership events with engaging panelists, as well as casual conversations with senior leaders.

Distributed Workplace

The distributed workforce model was not foreign to us at Block; it’s something we’ve supported for years. Ultimately, we want employees to be able to work where they feel most creative and productive — whether that’s at home or in the office (or a mix of the two) if their role is not required to be in a Block office and they receive manager and HR approval. This distributed work policy also allows us to tap into talent pools across different regions, which gives Block the opportunity to access more diverse candidates. We’ve learned a lot about what it takes for people to effectively perform roles outside an office, and we will continue to learn and evolve as we go. Longer term, we believe that we can create an efficient footprint that optimizes space for a flexible workforce that supports individuals and teams alike.

At Block, we facilitate a culture of growth by providing resources that empower employees to be the drivers of their careers. We accomplish this through a variety of offerings.
Employee Benefits

Block sees the benefits we offer employees as a key piece of fostering an inclusive company and retaining a diverse workforce. While specific benefits vary based on country and personal selections, we regularly audit our offerings to ensure we meet the needs of our diverse and distributed workforce.

2021 Benefits

Health and Wellness

Block continued to support our employees’ overall well-being through wellness allowances that allow employees to spend funds on wellness-related goods, services, or activities. In 2021, we launched Lyra in the U.S., giving all employees and their eligible dependents 16 free mental health coaching and therapy sessions. In addition, we made healthcare and mental health enhancements in some of our global markets. We continue to support our employees’ wellness through weekly Wellness Wednesday bulletins, virtual fitness classes, a global wellness week, and a global wellness resources page for easy accessibility.

Financial Health

In most of our locations across the globe, we offer retirement savings programs that Block contributes to along with the employee.

Equity Programs

Our employees have the opportunity to participate in Block’s success through our incentive programs.

RSUs

Many of our employees are also owners of Block, having received grants of restricted stock units (RSUs) or stock options that vest over their time of employment with Block.

ESPP

Where our local guidelines permit, employees can participate in Block’s Employee Stock Purchase Plan (ESPP). The ESPP program allows employees to purchase Block stock at a discount through payroll contributions, which furthers our ability to provide competitive compensation and meaningful wealth generation opportunities.
Oversight of ESG Matters and Compliance with Laws
Board and Committee Structure
Executive Compensation and Succession Planning
Data Privacy and Information Security

Sound practices that promote long-term value and engender public trust
Corporate Governance Highlights

This list highlights new and evergreen initiatives that guide our corporate governance practice.

- TWO NEW DIRECTORS APPOINTED
- ROBUST DIRECTOR SUCCESSION PLANNING
- NEW SUPPLIER CODE OF CONDUCT
- LEAD INDEPENDENT DIRECTOR
- QUARTERLY NON-EXECUTIVE DIRECTOR SESSIONS
- SIGNIFICANT STOCK OWNERSHIP REQUIREMENTS FOR DIRECTORS AND EXECUTIVE OFFICERS
- ANNUAL REVIEW OF POLICIES AND CHARTERS
- ANNUAL BOARD, COMMITTEE, AND INDIVIDUAL DIRECTOR SELF-ASSESSMENT

For a detailed review of our corporate governance practices, including Board structure and composition, Board and committee responsibilities, and executive compensation, please see our 2021 proxy statement.
ESG Oversight

Block has formed a cross-functional working group from multiple business areas that serves as the central coordinating body for Block's corporate responsibility efforts. This team is led by an ESG Lead who oversees the broader ESG program, connects key stakeholders across the company, and reports up to senior leadership and the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee of our Board of Directors is responsible for overseeing ESG and corporate responsibility matters of significance to Block and receives quarterly reports on these matters from our Global ESG Lead. The Nominating and Corporate Governance Committee also receives quarterly I&D reports from our People Team Lead and Inclusion & Diversity Lead.

Oversight of Risk

Our Board recognizes the oversight of risk management as one of its primary responsibilities and central to maintaining an effective, risk-aware, and accountable organization. This includes the oversight of our Enterprise Risk Assessment (ERA) framework, which is supported and enabled by our Audit and Risk Committee (ARC). While our Board maintains ultimate responsibility for the oversight of risk, it has implemented a multilayered approach that delegates certain responsibilities to the appropriate board committees to ensure that these primary focus areas are thoroughly discussed and that a pervasive understanding of such focus areas is obtained. These primary risk focus areas are defined by the Board, management, and leaders of our ERA review as strategic, operational, people, financial, and compliance, and consist of risks such as cybersecurity, financial reporting, and competition. Our Board promotes an appropriate culture of risk management to set the right “tone at the top,” while our senior leadership is responsible for the day-to-day management of risk within Block.

Compliance

Given the regulated industries in which we operate, our Board believes in robust oversight over compliance with laws and regulations. The Global Chief Compliance Officer provides a quarterly update to ARC and conducts an annual compliance training for our Board. Our employees also receive annual compliance training. We conduct an annual independent assessment of the company’s global Anti-Money Laundering/ Counter Terrorist Financing and Sanctions Compliance programs.

Code of Business Conduct and Ethics

We are dedicated to fostering and maintaining high ethical standards and integrity in all our operations and in all countries in which we operate or otherwise have business connections. We maintain a Code of Business Conduct and Ethics (the Employee Code) and a Supplier Code of Business Conduct and Ethics (the Supplier Code, and together with the Employee Code, the Codes of Conduct). The Employee Code holds each of our directors, executive officers, and all other employees accountable to approach their work lawfully, honestly, ethically, and in the best interest of Block. The Supplier Code encourages all Block suppliers to approach business lawfully, ethically, and with integrity, good judgment, and fairness. The Codes of Conduct serve as guides for such conduct, and the policies and procedures within show our respective employees and suppliers how to uphold the Codes of Conduct in their day-to-day activities. We continually evaluate the Codes of Conduct and make updates when needed.
Board and Committee Structure

Block is guided by a diverse, knowledgeable, and experienced Board with a variety of skills and backgrounds. Our directors bring valuable insights, perspectives, and expertise to the Board.

Role of Our Lead Independent Director

We believe the leadership structure of Jack Dorsey as Chairman and CEO and David Viniar as Lead Independent Director enables strong leadership, creates clear accountability, and enhances our ability to communicate Block’s message and strategy clearly and consistently while ensuring robust, independent oversight by the Board and Lead Independent Director. Our Lead Independent Director is responsible for, among other things:

- Presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors
- Calling, determining the agenda, and serving as chairperson of meetings of independent directors
- Facilitating discussion and open dialogue among the independent directors during Board meetings, executive sessions, and outside Board meetings
- Reporting feedback from executive sessions to the Chairman
- Serving as liaison between the Chairman and the independent directors, without inhibiting direct communication between them
- Approving meeting agendas for the Board and providing feedback on the Board meeting schedule
- In consultation with the Nominating and Corporate Governance Committee, reviewing and reporting on the results of the Board’s and its committees’ performance self-evaluations
- Serving as spokesperson for the Company as requested
- Performing such other responsibilities as may be designated by a majority of the independent directors from time to time
Commitment to Board Diversity

Block’s Board of Directors currently comprises 13 members, ten of whom are independent.

As defined in California’s Board Diversity Bill (AB 979), a director from an underrepresented community is an individual who self-identifies as Black, African American, Hispanic, Latina, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.

The Board includes three committees, all of which are 100% composed of independent directors:

- Audit and Risk Committee
- Nominating Corporate Governance Committee
- Compensation Committee

Block’s Board Diversity

10 Independent directors
4 Women directors
3 URM directors

6 years
Ave. Independent Director Tenure

Balance of Fresh Perspectives
Board Tenure of > 8 years
Board Tenure of 4 –8 years
Board Tenure of < 4 years

Strong Independent Leadership
Board Composition and Diversity

A wide variety of relevant skills, professional experience, and backgrounds, and diverse viewpoints and perspectives are critical components to strong leadership at the Board level — to both better reflect our employees and customers and strengthen our business performance.

Board Composition

Our Nominating and Corporate Governance Committee oversees Board composition and takes a proactive approach to developing a director pipeline to ensure a mix of skills, experience, tenure, and diversity that promotes and supports Block’s long-term goals.

In its evaluation of director candidates, our Nominating and Corporate Governance Committee considers the current size, composition, governance, and needs of our Board and its committees. Some of the qualifications that the committee considers include, without limitation, issues of character, integrity, judgment, diversity, area of expertise, potential conflicts of interest and other commitments, and other individual qualities and attributes that contribute to the total mix of viewpoints and experience represented on our Board.

Further, our Nominating and Corporate Governance Committee has adopted a practice for open director positions that is similar to our RISE program, which we use for employee recruiting. RISE aims at ensuring we are consistently considering remarkable slates of candidates.

Most Recently Appointed Directors

SHAWN CARTER

In May 2021, Shawn “JAY-Z” Carter joined our Board. He is the founder of Roc Nation, Made in America Festival, Monogram, and Paper Planes; owner of D’usse; and co-owner of Armand de Brignac. Mr. Carter brings valuable experience from the music industry and is an experienced business executive. His voice is important as we bring our purpose of economic empowerment to artists through TIDAL.

SHARON ROTHSTEIN

In January 2022, Sharon Rothstein joined our Board. She has served as an Operating Partner at Stripes, LLC (Stripes), a growth equity firm, since October 2018. Prior to joining Stripes, Ms. Rothstein served as Executive Vice President, Global Chief Marketing Officer, and subsequently, Executive Vice President, Global Chief Product Officer of Starbucks Corporation from April 2013 to February 2018. Prior to joining Starbucks, Ms. Rothstein held senior marketing and brand management positions with Sephora, Godiva, Starwood Hotels and Resorts, Nabisco Biscuit Company, and Procter & Gamble.
Executive Compensation and Succession Planning

The primary objective of our executive compensation program is to drive long-term stockholder value, and we strive to maintain a simplified approach to our executive compensation.

CEO Compensation
Block’s Chairman and CEO, Jack Dorsey, is a cofounder of and significant shareholder in Block. Jack has requested, and the Compensation Committee has agreed, that he not receive additional compensation (beyond his base cash salary of $2.75), either in cash or equity, for his service to Block. As such, Jack’s interest in Block is based entirely on his fully owned equity stake, providing strong alignment of interests with other long-term shareholders.

Executive Compensation
Pay for executives other than the CEO is developed in alignment with our compensation philosophy of being fair, simple, and performance-driven. Fairness is achieved by aligning pay levels with competitive practices, with the aim of having compensation programs that are equitable across similarly situated employees. Simplicity at Block manifests in a compensation program that provides a reasonable salary and meaningful equity awards that align executives with long-term shareholder interests. Performance alignment is created through a combination of stock options and RSUs in equity awards that link executives’ financial opportunities to shareholder value.

Succession Planning
The Nominating and Corporate Governance Committee oversees the succession planning process. Block creates an annual C-suite-level senior management succession plan for the Board of Directors that is refreshed each year. In particular, our People Team Lead creates a succession plan with our C-suite-level senior management and then provides this plan to the Nominating and Corporate Governance Committee and full Board to review and discuss. This includes incorporating performance feedback of internal successor candidates and creating “talent cards” that summarize career information, skills gaps, and a development plan for such candidates.
Data Privacy and Information Security

We are committed to implementing leading security and PCI-compliant controls to protect the data of our customers, their customers, and our employees.

Governance and Oversight
ARC’s charter includes oversight over cybersecurity and privacy risks. Block’s Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) lead our information security and privacy functions and report to ARC quarterly on our privacy and security programs, material risks, relevant industry developments, and threat vectors. If a material breach were to occur, we would update ARC in accordance with our incident response plan. In addition, Block’s full Board is educated by the CISO and CPO at least annually on privacy and cybersecurity matters.

Transparency
Block provides our customers with privacy notices that describe what data we collect, why we collect it, how we use it, with whom we share it, how long we retain it, and the rights customers have regarding their data. We notify customers in advance of any material changes that impact their rights or how we use their data in important ways.

Controls, Policies, and Education
We are committed to implementing leading security and PCI-compliant controls to protect the data of our customers, their customers, and our employees. While no company can guarantee 100% security, our dedicated information security team collaborates with engineers across our business to raise security awareness and to implement and continuously improve our security to protect sensitive data. We conduct regular vulnerability scans, penetration tests, and audits of our information security program. We train our employees and contractors on data protection and security awareness, and we maintain and exercise an incident response plan. Should we experience a security breach, we are committed to notifying affected individuals and regulators in accordance with applicable law.

ISO 27001 Certification
Square completed its ISO 27001 certification for the U.S., United Kingdom, and Ireland. ISO 27001 is the international gold standard for information security management. Achieving this certification validates the strength, effectiveness, and maturity of our information security program.
This report contains forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements related to the plans, expectations, and timelines for Block (the “Company”) regarding plans and methods of becoming operationally net zero carbon; the environmental impact of cryptocurrencies; intentions regarding the Company’s carbon offset removal portfolio; the Bitcoin Clean Energy Investment Initiative, including its investments, potential impact, and participation by other companies; the Company’s planned benefits offerings; the Company’s business plans and objectives; strategies and systems for implementing the Company’s goals; commitments to programs and policies; and expectations and priorities for Company initiatives. These statements are based on Block’s current assumptions and expectations.

Such statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause the Company’s actual results, performance, or achievements to differ materially from results expressed or implied in this report. Risks that contribute to the uncertain nature of the forward-looking statements include, among others, risks listed or described from time to time in the Company’s filings with the Securities and Exchange Commission (the “SEC”), including the Company’s most recently filed Quarterly Report on Form 10-Q or Annual Report on Form 10-K, which are on file with the SEC and available on the Investor Relations page of the Company’s website. All forward-looking statements are based on information and estimates available to the Company at the time of this report and are not guarantees of future performance or commitments. Except as required by law, the Company assumes no obligation to update any of the statements in this press release.
## SASB Framework

### ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SASB CODE</th>
<th>ACCOUNTING METRIC</th>
<th>CATEGORY</th>
<th>RESPONSE/LOCATION</th>
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</thead>
<tbody>
<tr>
<td>TC-SI-130a.1</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Quantitative</td>
<td>(1) 2056877.7 Gigajoules of energy in 2021 across natural gas and electricity. (2) 100% (3) 0%; However, in 2021, we started purchasing renewable energy certificates from clean energy developers to offset our workplace energy usage.</td>
<td></td>
</tr>
<tr>
<td>TC-SI-130a.2</td>
<td>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>Quantitative</td>
<td>Block does not currently conduct a global water audit and, as such, is unable to report on these metrics at this time.</td>
<td></td>
</tr>
<tr>
<td>TC-SI-130a.3</td>
<td>Discussion of the integration of environmental considerations into strategic planning for data center needs</td>
<td>Discussion and Analysis</td>
<td>Our data centers are leased. As part of our process for selecting data center vendor partners, we have confirmed that our vendors have comprehensive climate risk protocols and set rigorous energy efficiency optimization targets for their hardware selection as well as infrastructure and facility construction. These best practices help minimize both overall power consumption and associated carbon emissions. Additionally, when selecting our key operational partners, we consider their efforts to increase reliance on renewable energy sources.</td>
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### DATA PRIVACY & FREEDOM OF EXPRESSION

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<tbody>
<tr>
<td>TC-SI-220a.1</td>
<td>Description of policies and practices relating to behavioral advertising and user privacy</td>
<td>Discussion and Analysis</td>
<td>Privacy Notice</td>
<td></td>
</tr>
<tr>
<td>TC-SI-220a.2</td>
<td>Number of users whose information is used for secondary purposes</td>
<td>Quantitative</td>
<td>We only use customer data for the purposes disclosed in the privacy policies provided to our customers.</td>
<td></td>
</tr>
<tr>
<td>TC-SI-220a.3</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with user privacy</td>
<td>Quantitative</td>
<td>Material legal proceedings are disclosed in our SEC filings, which are available on our investor relations website.</td>
<td></td>
</tr>
<tr>
<td>TC-SI-220a.4</td>
<td>(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure</td>
<td>Quantitative</td>
<td>Block does not publicly disclose this information.</td>
<td></td>
</tr>
<tr>
<td>TC-SI-220a.5</td>
<td>List of countries where core products or services are subject to government- required monitoring, blocking, content filtering, or censorship</td>
<td>Discussion and Analysis</td>
<td>Block complies with all applicable laws and regulations, including, but not limited to, regulations related to embargoed countries/regions and requirements under the Foreign Corrupt Practices Act and Export Control Regulations.</td>
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### Appendix

As part of our efforts to disclose on the topics that are most material to our business, Block aligns to the Sustainability Accounting Standards Board’s (SASB) Software & IT Services Standard.
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<th>TOPIC</th>
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<tbody>
<tr>
<td>DATA SECURITY</td>
<td>TC-Si-230a.1</td>
<td>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</td>
<td>Quantitative</td>
<td>Block regularly processes large volumes of data and we may be periodically subject to unauthorized attempts to compromise or acquire data. For cybersecurity purposes, we do not disclose specifics regarding these attempts unless we are legally required to do so. We maintain an information security program that is aligned with applicable regulatory requirements and industry standards, such as the PCI Data Security Standard for our card processing systems. We routinely review and strengthen the program as necessary to provide responsiveness to and protection against actual and emerging threats.</td>
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<tr>
<td></td>
<td>TC-Si-230a.2</td>
<td>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</td>
<td>Discussion and Analysis</td>
<td>2021 CSR Report, pg. 44</td>
</tr>
<tr>
<td>RECRUITING &amp; MANAGING A GLOBAL, DIVERSE &amp; SKILLED WORKFORCE</td>
<td>TC-Si-330a.1</td>
<td>Percentage of employees that are (1) foreign nationals and (2) located offshore</td>
<td>Quantitative</td>
<td>As of December 31, 2021, we had 8,521 full-time employees worldwide with 1,353 full-time employees outside the U.S., or 16% of employees outside the U.S. We also engage temporary employees and consultants as needed to support our operations.</td>
</tr>
<tr>
<td></td>
<td>TC-Si-330a.2</td>
<td>Employee engagement as a percentage</td>
<td>Quantitative</td>
<td>We do not have one single metric to share that we believe encompasses employee engagement, please see our blog Measuring Inclusion, which details multifaceted approaches to tracking inclusion, which includes tracking employee sentiment.</td>
</tr>
<tr>
<td></td>
<td>TC-Si-330a.3</td>
<td>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</td>
<td>Quantitative</td>
<td>For information on Block’s diversity metrics, please see our Workforce Data Report 2021. This report was released before our name change, but the data it contains is equivalent to data for Block, Inc.</td>
</tr>
<tr>
<td>INTELLECTUAL PROPERTY PROTECTION &amp; COMPETITIVE BEHAVIOR</td>
<td>TC-Si-520a.1</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations</td>
<td>Quantitative</td>
<td>Material legal proceedings are disclosed in our SEC Filings, which are available on our investor relations website.</td>
</tr>
<tr>
<td>MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS</td>
<td>TC-Si-550a.1</td>
<td>Number of (1) performance issues and (2) service disruptions; (3) total customer downtime</td>
<td>Quantitative</td>
<td>For information on Block’s performance and past incidents, please visit issquareup.com.</td>
</tr>
<tr>
<td></td>
<td>TC-Si-550a.2</td>
<td>Description of business continuity risks related to disruptions of operations</td>
<td>Discussion and Analysis</td>
<td>2021 10-K, pg. 17-45</td>
</tr>
<tr>
<td>ACTIVITY METRICS</td>
<td>TC-Si-000.A</td>
<td>Square gross profit¹</td>
<td>Quantitative</td>
<td>Q4 2021 Shareholder Letter, pg. 3</td>
</tr>
<tr>
<td></td>
<td>TC-Si-000.B</td>
<td>Cash App gross profit²</td>
<td>Quantitative</td>
<td>Q4 2021 Shareholder Letter, pg. 3</td>
</tr>
<tr>
<td></td>
<td>TC-Si-000.C</td>
<td>Gross profit²</td>
<td>Quantitative</td>
<td>Q4 2021 Shareholder Letter, pg. 3</td>
</tr>
</tbody>
</table>

¹. Metric has been modified from (1) number of licenses or subscriptions, (2) percentage cloud-based because we believe the modified metric better encapsulates our scale.
². Metric has been modified from (1) data processing capacity, (2) percentage outsourced because we believe the modified metric better encapsulates our scale.
³. Metric has been modified from (1) amount of data storage, (2) percentage outsourced because we believe the modified metric better encapsulates our scale.