



BLOCK

CORPORATE SOCIAL RESPONSIBILITY REPORT






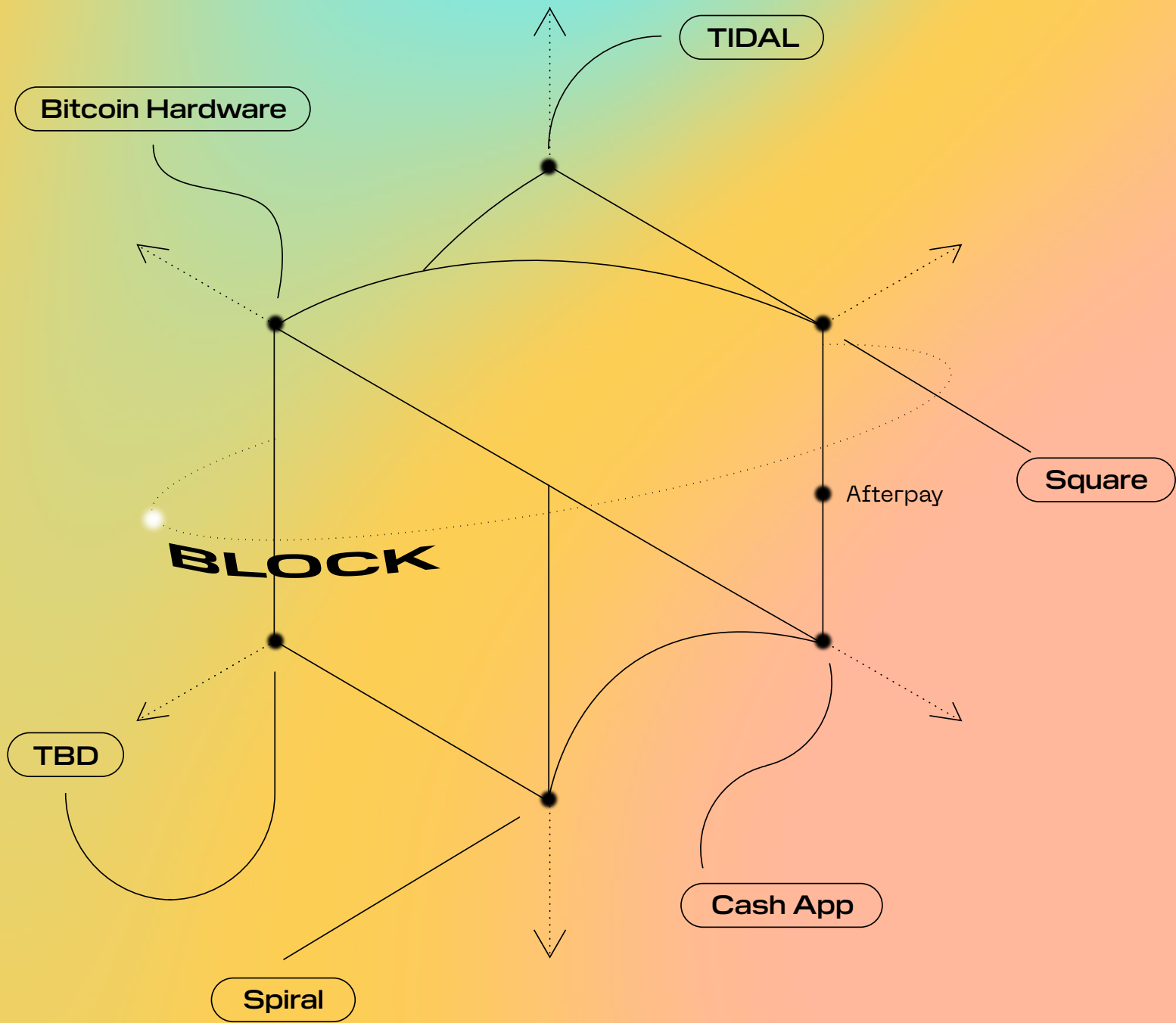
Letter from our Block Head and Chairperson

Throughout 2022 we continued to advance our purpose of economic empowerment across Square, Cash App, Spiral, TIDAL, and TBD. This Corporate Social Responsibility Report offers a look into our commitments and progress towards becoming a more inclusive and sustainable company, including more information on our efforts to drive financial inclusion, foster a diverse workforce, and enhance our sustainability initiatives.



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.

**METRICS****OUR SCALE****\$186.5B****SQUARE GROSS
PAYMENT VOLUME****\$203B****IN CASH APP
INFLOWS****\$5.99B****GROSS PROFIT,
UP 36% YEAR
OVER YEAR****4B****SALES ACROSS
640 MILLION
PAYMENT CARDS****4M****MILLION ACTIVE
SQUARE SELLERS****51M****MONTHLY
TRANSACTIONING CASH
APP ACTIVES**Metrics as of year end
12/31/22**Our Values**

At Block we believe our purpose of economic empowerment is critical for the customers we serve, including business owners, consumers, artists, fans, and developers. This purpose is the foundation of our work across our building blocks, and informs how we run our company, make commitments, and support policies as a company.

Block's Alignment with the United Nations' Sustainable Development Goals

Block aims to ensure our central purpose and work aligns with the United Nations' 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

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Driving Financial Inclusion

throughout our ecosystem and in our communities

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for a more resilient and sustainable future

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03

Advancing Inclusion & Diversity

across our distributed workplace

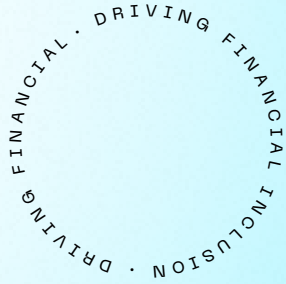
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to promote trust and long-term value

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DRIVING FINANCIAL INCLUSION

THROUGHOUT OUR
ECOSYSTEM AND IN
OUR COMMUNITIES

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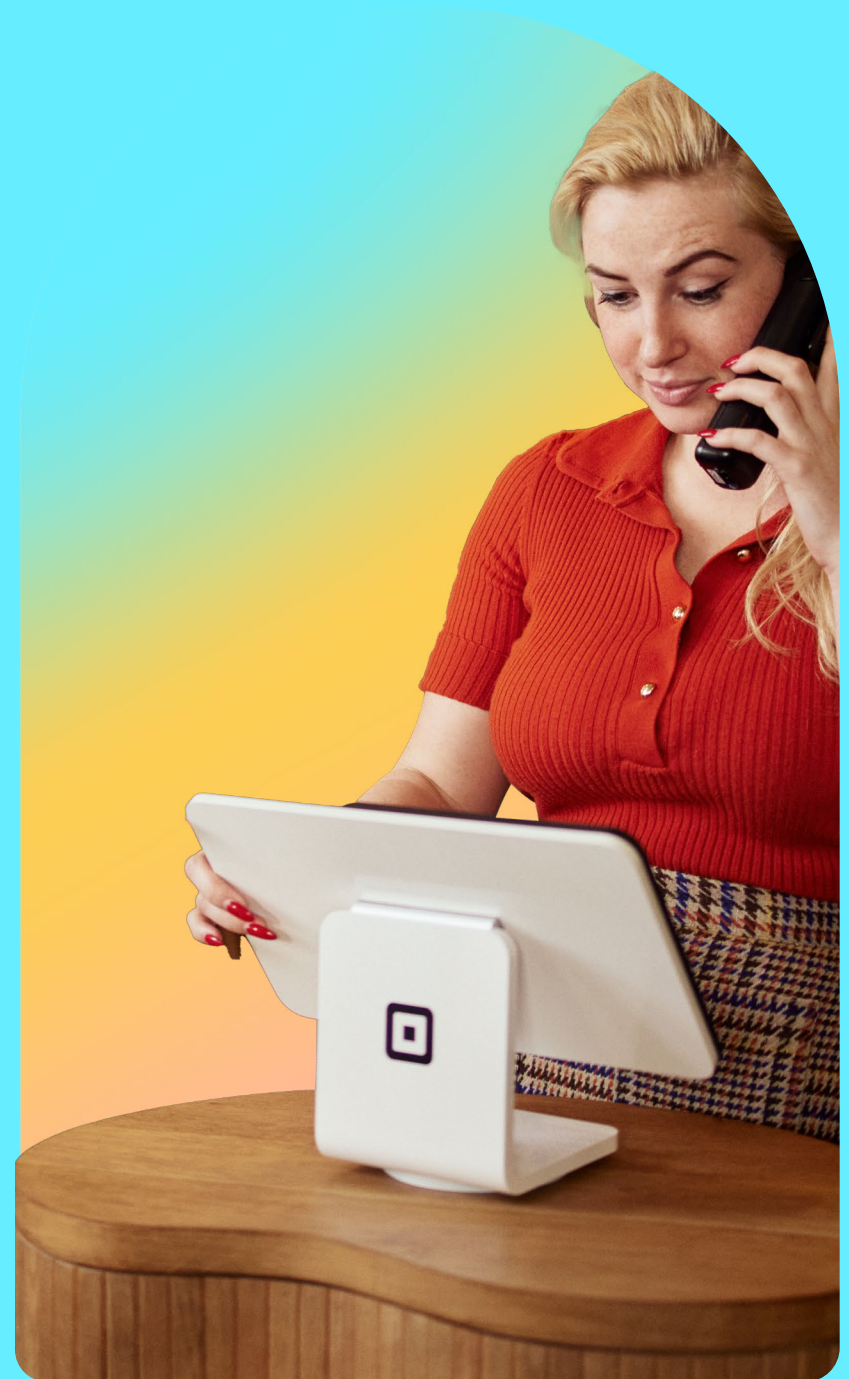
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Square

Our Square business helps sellers more easily run and grow their businesses with its integrated ecosystem of commerce solutions, business software, and banking services. No matter their size, industry, or complexity, sellers around the world work smarter by enlisting Square's ecosystem of products to automate their operations and create new revenue streams.





Leveling the Playing Field with Software and Payments

Buy Now, Pay Later Functionality

Throughout 2022, we integrated Afterpay's Buy Now, Pay Later (BNPL) functionality (known as Clearpay in the UK and Europe) into Square Online in the U.S., Australia, UK, and Canada, as well as into all of Square's in-person points of sale in most of those markets. This empowers more consumers to participate in the economy by giving them another easy-to-use option at checkout to manage their spending, allowing them to pay for purchases in four biweekly, interest-free installments, while sellers receive their full earnings from each sale immediately. Ultimately, we want to help our sellers grow their businesses and Afterpay offers buyers more choice and flexibility while helping our sellers compete more effectively online.

Square Stand

In April 2022, we introduced the newest version of Square Stand, featuring modernized hardware and a redesigned customer experience to help sellers take in-person payments and manage eCommerce sales, deliveries, and in-store orders from a single place. Square Stand is a robust, affordable countertop product, allowing sellers to pay one transparent rate for every tap or dip transaction, with no hidden fees or long-term contracts, and free access to every Square POS app. It's also available in all eight of our international markets, expanding global access to modern payments solutions while helping sellers power their entire business so they never miss a sale.

Apple Tap to Pay

In September 2022, we launched Tap to Pay on iPhone, Apple's contactless payment acceptance capability, for our Square sellers in the U.S. Because Tap to Pay on iPhone is free and doesn't require additional hardware to accept payments, it allows our sellers more flexibility in getting started with Square, lowering the barrier to entry for new entrepreneurs. In addition, as buyer preferences evolve towards contactless, secure payments enabled by NFC technology, Tap to Pay on iPhone ensures sellers can continue to meet their business' and customers' needs with innovative products while offering customers a more convenient way to make seamless and secure purchases wherever they shop.

Expanded Access to Financial Tools with Square Banking

With its seamless Savings functionality, Square has already helped its sellers set aside more than \$100M in savings to help with specific goals and priorities, like paying taxes or buying new equipment.

We understand that access to cash flow is one of the most important needs of small businesses. However, smaller merchants have historically struggled to access key types of financial services that are readily available to larger businesses. Our banking products across Square Loans, Square Checking, and Square Savings help sellers better run their businesses and manage their financial needs. 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, customizable savings folders. Square Checking provides sellers with instant access to funds for business expenses using their Square Debit Card or ACH, or for paying employees via Square Payroll. Both Square Savings and Square Checking are insured by the Federal Deposit Insurance Corporation (FDIC). Square Loans continues to give sellers increased access to credit with proactive loan offers that are uniquely tailored to their business and can be automatically repaid through a percentage of their daily Square sales.

Block, Inc. is a financial services company and not a bank. Square Savings is provided by Square Financial Services, LLC, Member FDIC and Square Checking is provided by Sutton Bank, Member FDIC.



1 in 4
BUSINESS OWNERS
WERE REJECTED
BY BIG BANKS
OR DETERRED BY
THE APPLICATION
PROCESS.

~1/3
FOUND TYPICAL
BUSINESS
ACCOUNTS TO BE
TOO EXPENSIVE.

>50%
OF SELLERS USING
SQUARE DEBIT
CARD HAVE SAID
THIS IS THEIR
FIRST BUSINESS
DEBIT CARD.

56%
OF SQUARE LOAN
CUSTOMERS ARE
WOMEN-OWNED
BUSINESSES.
Conducted by the Harris Poll
in January 2023.

27%
OF SQUARE LOAN
CUSTOMERS
IDENTIFY AS PEOPLE
OF COLOR.
Conducted by the Harris Poll
in January 2023.



Improved Experience for U.S. Spanish-Speaking Sellers

In September 2022, we announced that Square's entire ecosystem of more than 35 products and services is now available in Spanish to sellers in the U.S.

According to the [Small Business Administration \(SBA\)](#), nearly one in four new businesses in the United States are Hispanic owned, contributing more than \$800 billion to the American economy every year. At the same time, recent data from the FDIC shows that about 12.2% of Hispanic households in America remain unbanked, and a Stanford University study found that the odds of loan approval from national banks are 60% lower for Hispanic-owned businesses than white-owned businesses, when controlling for business performance.

We believe offering Spanish-speaking sellers a single, easy-to-understand home for their entire business helps to unlock a variety of business-critical capabilities. In a study commissioned by Square in conjunction with the United States Hispanic Chamber of Commerce, we revealed the biggest challenges facing Hispanic business owners, which include raising capital through financing or credit-building opportunities, sourcing raw materials or inventory, acquiring customers, growing their staff, and effectively marketing to new or returning customers. We believe that having access to Square's powerful ecosystem of tools in their own language can help Spanish-speaking business owners overcome these obstacles and thrive.

Support for the Small Business Community

We continued to partner with local chambers of commerce and other small business assistance organizations that provide education, access to capital, and counseling to small business owners.

We produced nearly 100 webinars and workshops in English, Spanish, and French for more than 4,000 attendees, geared towards helping small businesses accept different forms of payment, adopt new technology, and build eCommerce websites. We have also deepened our partnerships with Spanish-language small business assistance providers, such as the U.S. Hispanic Chamber of Commerce, as well as those dedicated to Indigenous and Native American and Asian communities, such as Native Women Lead and Oakland Chinatown Chamber.



21 and 22 Squared Grant Initiative

In 2022, Square Financial Services announced grant recipients for the 21 Squared Grant Initiative, a microgrant program launched in partnership with the Community Foundation of Utah in late 2021. The grant program attracted widespread interest from Utah-based nonprofits and resulted in the funding of key organizations focused on critical community development work in both rural and urban areas. Building atop the success of the inaugural program, Square Financial Services will award microgrants of at least \$2,200 to 22 501(c)(3) nonprofit organizations (one more grant than the previous year) focused on community development initiatives throughout Utah for the second year in a row. Selected recipients are involved in at least one of the following pillars of community development work: small business development, affordable housing, reentry support and entrepreneurship, and financial capability and wellness.

Oakland Community Space

With a focus on supporting local culture, in 2022 we opened the Square Community Space — a free, reservable space on the first floor of the historic Uptown Station building, which houses Block's Oakland office. It's a place for 501(c)(3) East Bay community organizations to gather, collaborate, and have fun. Since the space launched in August 2022, it has hosted more than 80 events in support of 50+ local nonprofit organizations, including a workshop for small businesses on accepting all forms of payment in partnership with East Bay Asian Local Development Corporation, a pop-up market hall hosted by the Black Cultural Zone, and a live art competition organized by the Bay Area Mural Program.



Cash App

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

Free Tax Filing

In January 2022, we launched our free tax filing service, which aims to simplify and digitize the cumbersome U.S. tax filing process. Cash App Taxes is completely free for customers, and it's easy enough to file in minutes from a phone or computer. Approximately 60% of Americans cannot comfortably afford a \$1,000 emergency expense, while the average tax refund is \$2,700, which means millions depend on their tax refund.¹ We believe this offering is differentiated and much more accessible for consumers. 1. Bankrate survey January 2021; 2021 Filing Season Statistics, irs.gov.

Approachable Investing with Round Ups

In June 2022, we launched Round Ups, allowing customers to invest their spare change into stock of their choice or bitcoin every time they use their Cash App Card. Round Ups provide a free, easy, and approachable way to start investing.

Increased Access to Credit

We believe credit is an area within our financial services offerings where we can provide simple, fair, and accessible products that promote financial health. Cash App Borrow, our first credit product, allows customers to access short-term loans for a small fee. The product offers eligible customers up to \$500 during a given month that can be paid back in scheduled installments or as a percentage of what they receive into Cash App. We can offer these loans to select customers based on their inflows, product usage, and other real-time customer insights, and as a result, we believe we are uniquely able to provide access to credit to people who may otherwise be left with very limited and higher-cost options.

Enabling Customers to Be Paid in Bitcoin

In April 2022, we announced a new direct deposit feature that allows customers to be paid in bitcoin. Cash App customers in the U.S. with an activated Cash Card and bitcoin in their wallet are able to receive a portion of their recurring paycheck deposit in bitcoin with no transaction fee. We believe giving customers the opportunity to make informed choices about how to receive, store, and invest their funds builds on our purpose of economic empowerment.



Improved Access to Credit with Afterpay

In January 2022, we closed the acquisition of Afterpay. Afterpay's Buy Now, Pay Later (BNPL) platform will serve as a connection point between our Square and Cash App ecosystems and provide lending solutions that improve access to credit for historically underserved groups.

Economically vulnerable Americans benefit most from using Afterpay instead of credit cards.

Afterpay allows customers to purchase goods and pay in four installments over six weeks, at no extra cost if repayments are made on time. The BNPL payments model provides consumers with several key benefits, including consumption smoothing, budgeting support, a convenient alternative to traditional credit, and access to online store directories. Further, by leveraging new sources of data centered on consumer income and spending habits, Afterpay is able to assess credit risk in a nontraditional and more comprehensive manner, enabling lending to groups historically marginalized by financial institutions.¹

2021 Accenture Economic Impact Report

\$459M

in credit card fees was saved by U.S. users across all purchases with Afterpay's zero interest and zero account fee model in 2021, equivalent to **\$6 saved** per Afterpay order, on average.

0.1%

of the purchase price is charged to the customer in Afterpay transaction fees (including late fees). Credit cards (on average) charge **4.4%** of the purchase price.

39%

of individuals earning less than **\$50,000** who applied for credit in 2020 were rejected.¹

¹. Federal Reserve (2021), Economic Wellbeing of US Households in 2020

9%

of those individuals received less credit than requested.¹

¹. Federal Reserve (2021), Economic Wellbeing of US Households in 2020

50%

of low-income Black and Hispanic Americans were denied credit. Black and Hispanic adults are consistently more likely to be denied access to credit even in high-income brackets.¹

¹. Federal Reserve (2021), Economic Wellbeing of US Households in 2020



TIDAL

We believe there is an opportunity to support artists navigating their journey to success — from creating music to reaching new fans, sparking musical collaborations, and offering new platforms to amplify rising artists.

Amplifying Rising Artists

TIDAL Rising is a program dedicated to supporting emerging artists across all genres as they grow, while also connecting fans to fresh and dynamic voices.

In 2022, we focused on serving artists with local opportunities to reach new and existing fans. We launched Rising Georgia to amplify four emerging artists across multiple genres, all hailing from Georgia — Lunar Vacation, Sakura, SwaVay, and Tom The Mail Man. We gave each artist the resources to create a one-of-a-kind docuseries about their creative process and journey to date to share with fans. In the lead-up to the holiday season, all artists experienced being displayed and promoted on their first billboard, received local press support, and performed at a collective sold-out showcase in Atlanta. The campaign helped drive a 2x increase in on-platform streamers across all four artists.

Overall in 2022, the TIDAL Rising program supported 1,500 artists to help them take their career to the next level.

Supporting Underserved Communities

We also recognize that some of our favorite music originates from artists from underserved communities. We aim to use TIDAL's platform to uplift diverse music communities and connect them with fans.

For PRIDE month in June, TIDAL launched Playing It Forward, a new initiative giving fans specially curated in-app offerings spotlighting the next era of LGBTQ+ artists across genres. In support, popular artists nominated their favorite rising artists from the LGBTQ+ community to curate the official Playing It Forward mixtape. Additionally, TIDAL made a donation to Trans Lifeline, an organization dedicated to providing support and resources for trans people, ranging from suicide prevention to mutual aid and community empowerment.

For Hispanic Heritage Month, we partnered with OYE, a bilingual mental health app inspired by global superstar artist J Balvin's own mental health struggles. The event included a panel with Latinx women artists on the rise who shared their career journeys and talked about the importance of mental health in the music industry.

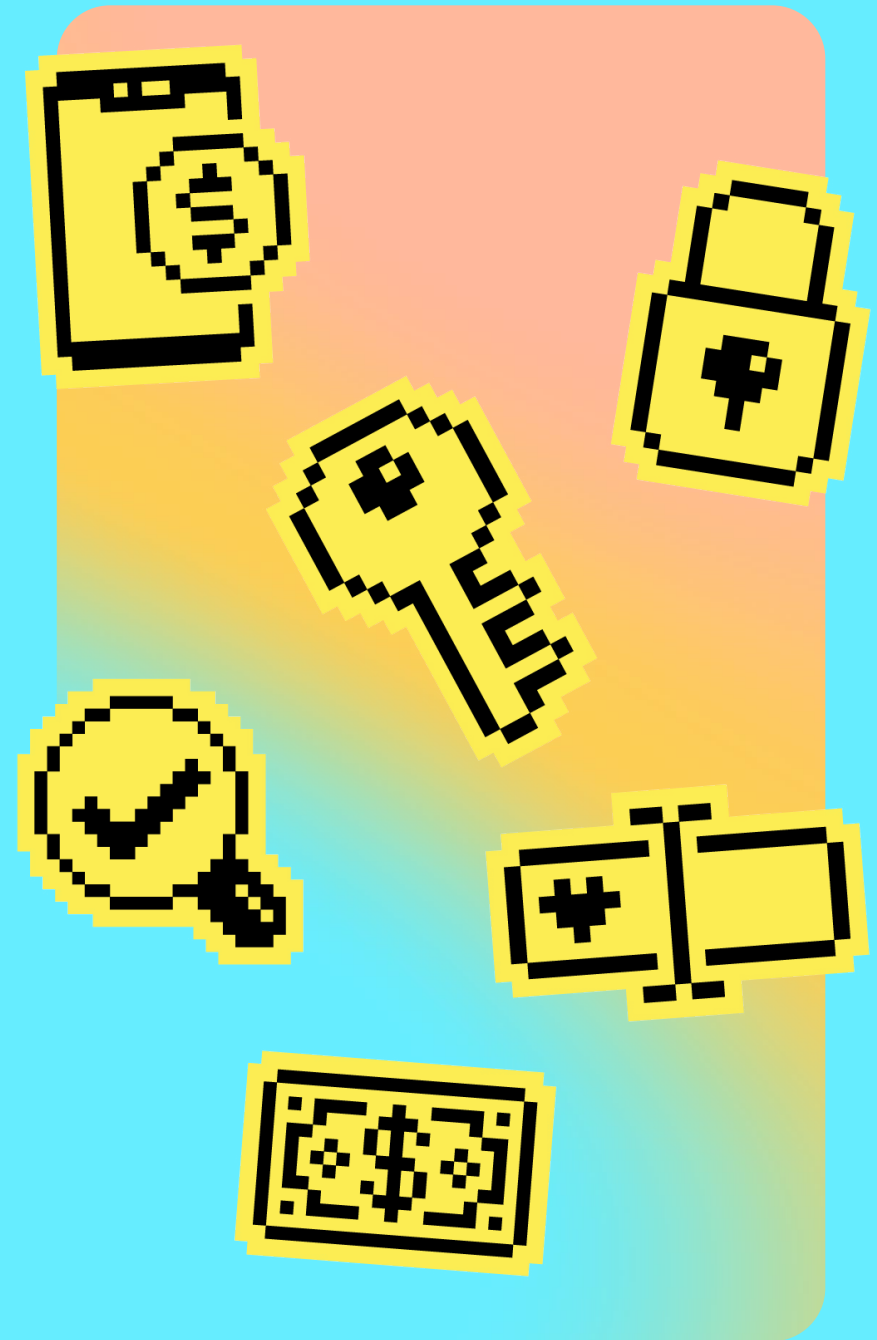
For Black Music month, TIDAL launched The Official Black Music Month Playlist, curated by Dyana Williams, cofounder and "Mother" of Black Music Month. This was also in partnership with the National Museum of African American Music.

TBD

In 2021, Block launched TBD with the mission to make the decentralized financial world more accessible — to everyone. Guided by this mission, TBD is building financial infrastructure to make it easier for bitcoin to be used as an everyday currency by people around the world.

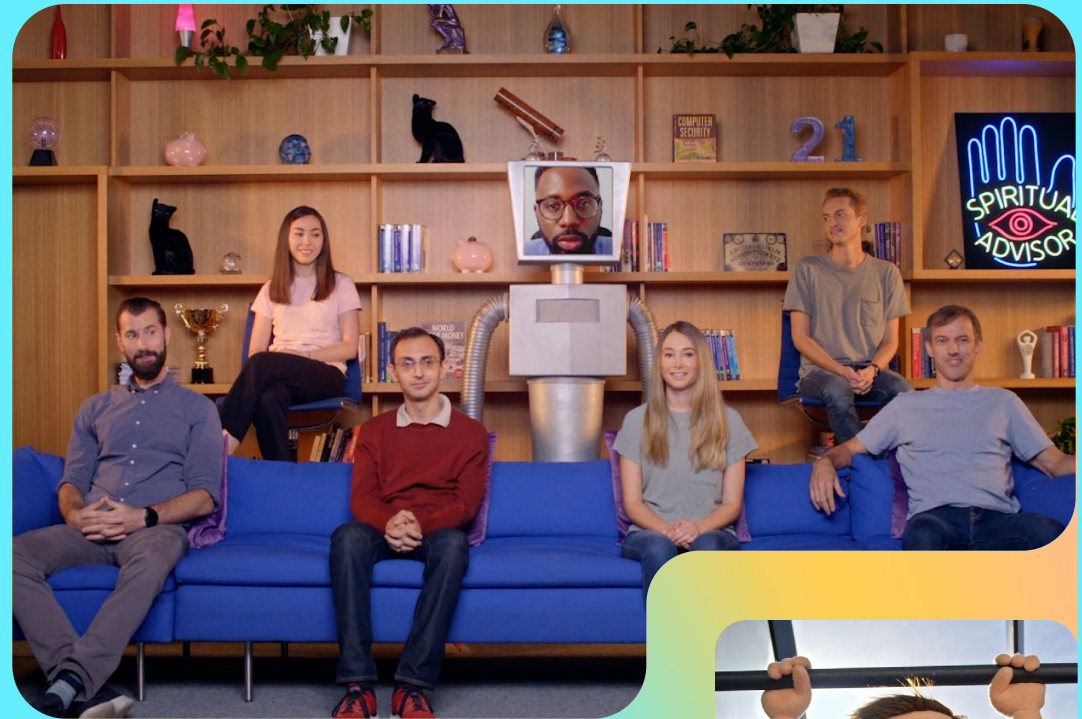
TBD's core product, tbDEX, will be a decentralized exchange built on a decentralized identity protocol, bridging the worlds of legacy money and digital money. It aims to provide individuals with greater ownership and control of their digital identities and increase access to the financial system for all. In altering how consumers and financial institutions fundamentally interact, it has the potential to affect everything from verifying identity to underwriting and moving money, entailing significant implications for the entirety of the financial services sector.

One of the first problems TBD is tackling is making cross-border money movement more accessible. The remittances market is large, growing, and generally defined by costly, hard-to-use systems that disproportionately tax the populations with the least financial means. TBD is working on solutions to enable cheaper and faster transactions, and better serve the one billion people sending and receiving global remittances.



Spiral

Spiral is a small, independent team that builds and funds free, open-source projects aimed at making bitcoin the planet's preferred currency. Spiral strives to advance adoption by building and funding projects that improve bitcoin's privacy, security, and UX, leading to better experiences for end users that will expand market opportunities and help those who are underserved. Spiral's grant program financially supports free and open-source (FOSS) bitcoin developers and designers in over a dozen countries and counting.



Making Bitcoin More Accessible with the Lightning Development Kit

Spiral's core team focuses primarily on contributing to the [Lightning Development Kit \(LDK\)](#), a toolkit that simplifies how developers add the Lightning Network (fast, cheap, global bitcoin payments) to applications. Cash App is the first and largest payments app to integrate LDK, which allows developers to easily add Lightning capabilities and customize the user experience for any existing bitcoin wallet or application. The Lightning Network makes bitcoin more than an asset. It makes bitcoin a viable form of currency that can be used for daily spending, paying bills, and sending money to anyone, anywhere in the world.



Bitcoin as a Tool of Economic Empowerment

Bitcoin is an instrument of economic empowerment, providing a way for anyone to participate in a global monetary system. Across our ecosystem we are investing in technologies that lower bitcoin's barriers to entry, reduce its cost, and improve its utility.

Bitkey

In 2022, Block continued work on a [bitcoin self-custody product](#), intended as an easy-to-use, reliable tool to help people around the world safely own and manage their bitcoin.

Today, a person's first experience with bitcoin is typically on a custodial exchange because they're easy to use. But not everyone can access custodial services, and customers are dependent on the policies, security, and operational capabilities of the custodian and all the third parties it depends upon. When a custodial exchange owns your bitcoin keys, it owns the decisions about when you can access your money, how your money is kept secure, and whether you can even access services in the first place. Additionally, current hardware self-custody products are overly complex for a wider audience. Bitcoin users need a secure, user-friendly way to own and manage their money. They also need recovery tools for peace of mind.

We are building self-custody tools that meet these requirements and will allow users to send and receive across borders, and connect to exchange partners. We believe this will help ensure that bitcoin customers aren't forced to rely on a custodial exchange or wallet.

Bitkey [will be manufactured](#) in the U.S. at a facility in Austin, Texas.

Open Source Bitcoin Mining System

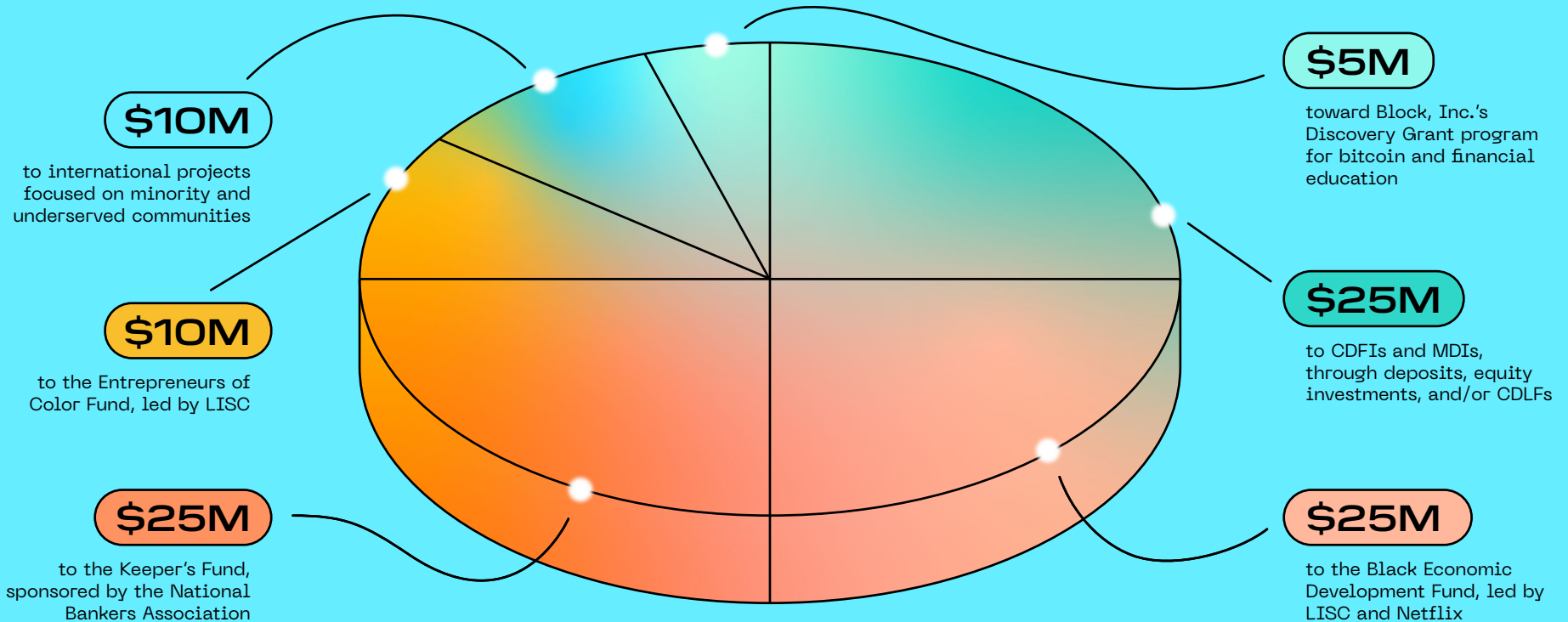
As we look at the current landscape for bitcoin mining, we see several opportunities to improve it and make it more accessible. Mining systems are difficult and expensive to acquire, maintain, and operate. As a result, mining is more concentrated than distributed, more exclusive than accessible. We believe we can build high-performance mining components and a complete, easy-to-use, cost-effective system that empowers more miners to participate, leading to a more efficient and distributed network. Similar to our other bitcoin initiatives, we are building in the open in collaboration with the community, sharing our decisions and progress along the way.

At our 2022 Investor Day, we shared the first step in our bitcoin mining roadmap: building an ASIC chip. This ASIC will of course be a part of any system we build. But we also want to power other system ideas by making our ASIC broadly available for other system developers. Our ASIC will be available for sale, along with datasheets, reference designs, and companion software to make it work for others — all open source.

Bitcoin Academy

In 2022, Block and the Shawn Carter Foundation partnered to provide free education on bitcoin for residents of Marcy Houses in Brooklyn, New York, where Shawn "JAY-Z" Carter grew up. [The Bitcoin Academy](#), funded by Jack Dorsey and Shawn "JAY-Z" Carter, featured community leaders and financial educators to empower the community with knowledge about the financial system of the future.

Block's \$100M Investment



Block

Across Block, we're building tools to help more people overcome barriers to participating in the economy. Equity and access are at the heart of how we approach our work, and we're committed to investing our resources in a manner consistent with those values.

\$100M Investment in Minority and Underserved Communities

We committed to invest \$100 million in minority and underserved communities to further our purpose of economic empowerment in 2020. In the years since, we've upheld that pledge, developing a racial equity investment program that we hope can serve as a model for other organizations interested in making similar commitments.



Investing in Financial Inclusion

Highlights of our social impact investing in 2022 included our first international investment and our Discovery Grant program (formerly known as the Bitcoin Endowment).

First Private Investor in Canada's Indigenous Growth Fund

In 2022, as part of our racial equity investment program, Block became the first private investor in the Indigenous Growth Fund (IGF), Canada's largest and most innovative Indigenous social impact fund. Block invested \$3 million CAD in the IGF, which improves access to capital for Indigenous entrepreneurs who want to start or grow their businesses. Block shares the National Aboriginal Capital Corporations Association's vision to accelerate the speed and scale of the return to Indigenous prosperity through the first-of-its-kind Indigenous Growth Fund.

Grant Program Funds Bitcoin and Financial Education

Discovery Grant recipient The Bitcoin Classic puts an innovative spin on financial education by combining it with tournament basketball. They used their grant to fund programs that teach both players and spectators about bitcoin and blockchain technology. "To get the community involved and to get them tapped in, that's why I do it," said founder Yusef Abdul Ali.



TAKING CLIMATE ACTION

FOR A MORE
RESILIENT AND
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Carbon Removal
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Portfolios

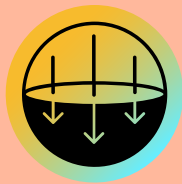
28
Ocean-Bound
Plastic Removal

29
Clean Energy and
Bitcoin Mining

30
Hardware and
Sustainability



CARBON REMOVAL
PORTFOLIO



INTERNAL
REDUCTIONS



RENEWABLE ENERGY
CERTIFICATES



ANNUAL GLOBAL
CARBON AUDITS

Scaling Our Climate Action Program

In 2022, we expanded our carbon removal portfolio, drove internal carbon emission reductions, and increased our climate risk and opportunity disclosures through the Carbon Disclosure Project (CDP), Science-Based Targets, and Sustainability Accounting Standards Board (SASB).

Global Carbon Audits

Each year, in partnership with [Watershed](#), we conduct an annual global carbon audit. It's essential for us to have a granular view 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.

Climate Disclosures

In 2022, we disclosed our carbon emissions 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 2022 data was our second disclosure under the CDP guidelines, and we received a C score, which is average across various industries. Additionally, in the appendix of this CSR Report you'll find our SASB framework disclosure.

Science-Based Targets

In 2022, we submitted our near-term emission reduction targets to the Science-Based Target initiative for evaluation. By setting this target, we align our operational reduction efforts with what is necessary to limit global temperature rise to 1.5°C¹.

* 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. 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/netzero>



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. We've distilled our key emissions categories into our global carbon footprint visualization graph below.



Measure

our global carbon footprint annually



Reduce

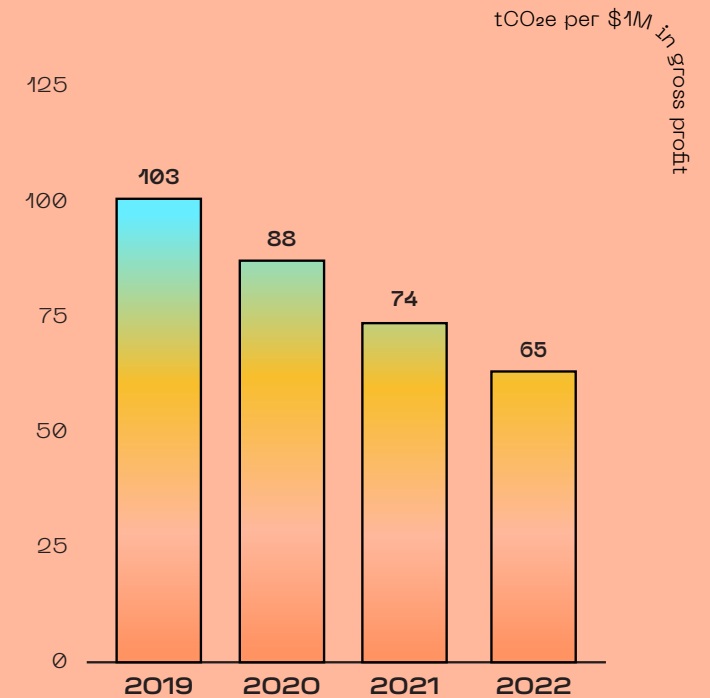
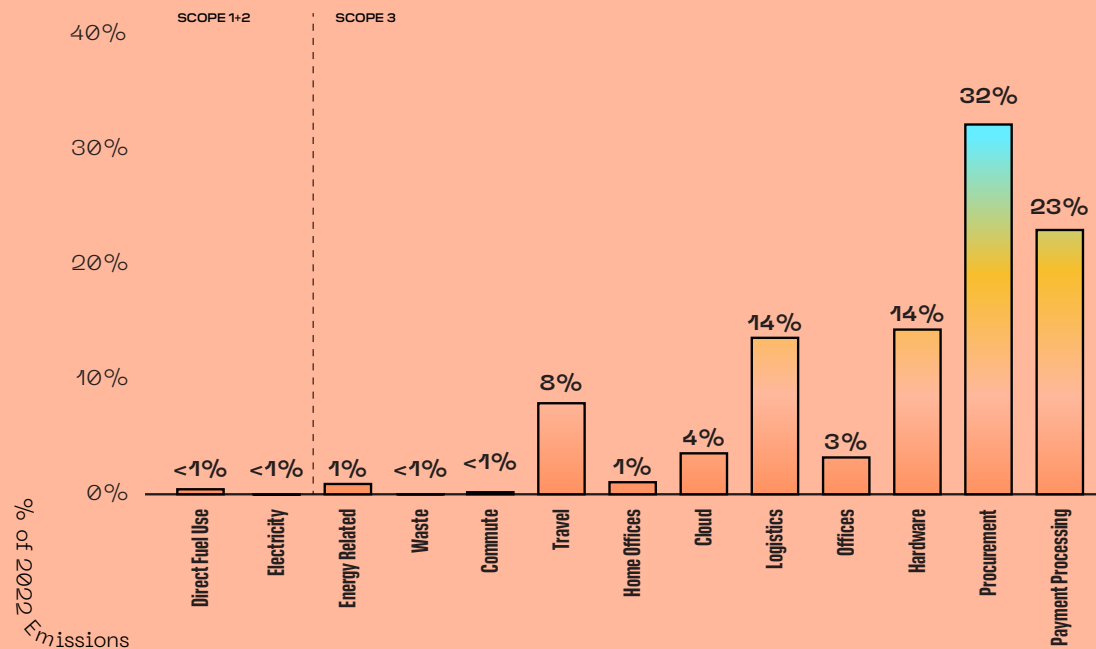
our carbon intensity across our value chains



Remove

all unavoidable emissions

Block's Total Footprint in 2022 Was 377,304 tCO₂e



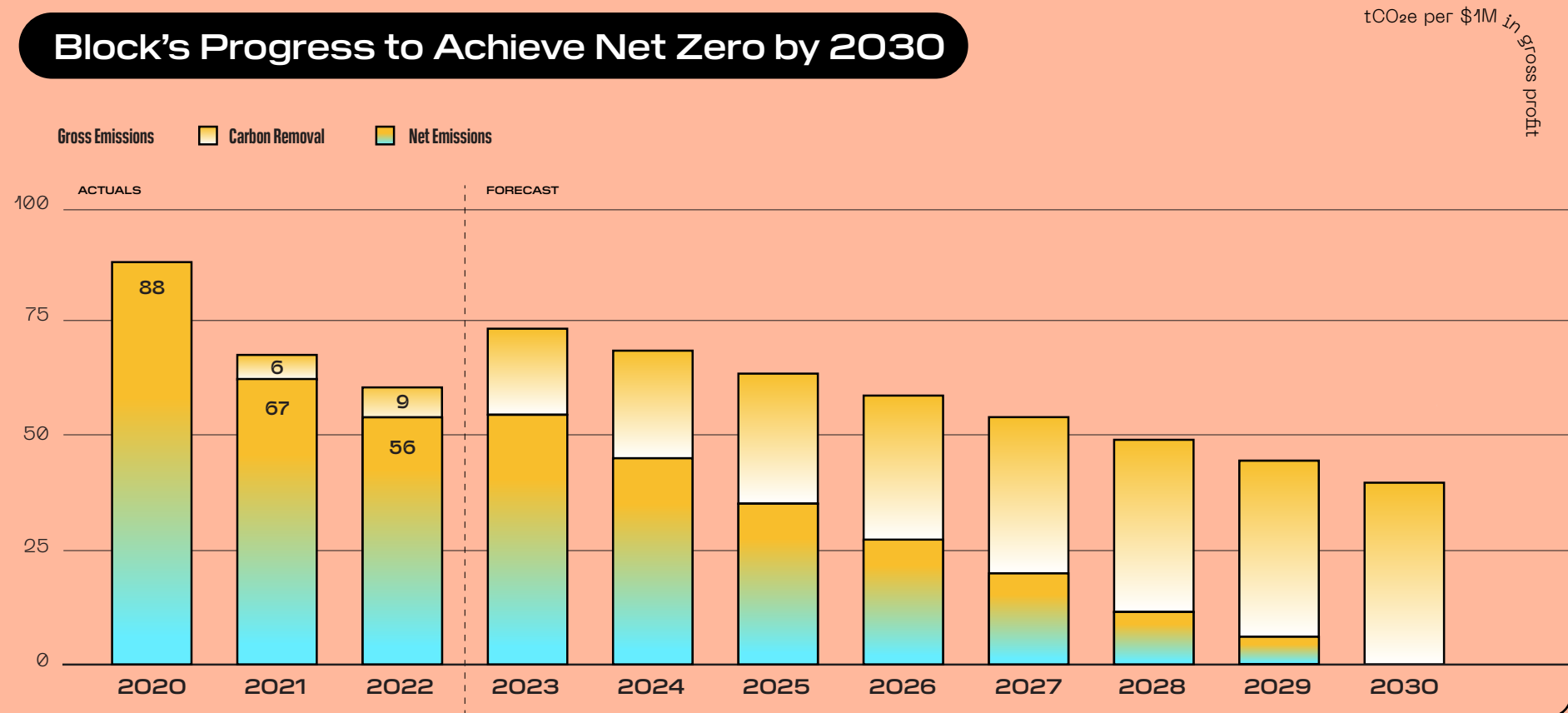
Block's Emissions Intensity

Block's 2022 Global Carbon Operational Footprint

As a result of continued strong growth across our businesses, we saw an increase of gross carbon emissions in 2022 from the prior year while continuing to decrease our emissions intensity as a percentage of gross profit.

Our 2022 comprehensive global carbon audit includes all our business units and supply chain, covering all our Scope 1, 2, and 3 emissions for operations. Watershed, our third-party sustainability partner, conducts our audits in collaboration with a broad range of internal stakeholders across our businesses and activities.

Block's Progress to Achieve Net Zero by 2030



Block's Path to Net Zero for Operations

Block's roadmap for net zero for operations includes reducing our internal and supply chain 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 intensity represented 87 and

74 tonnes of CO₂e per \$1 million in gross profit generated that year, respectively. For 2022, our carbon intensity was 65 tonnes of CO₂e per \$1 million in gross profit. To provide a consistent assessment of our internal reductions progress year over year, we exclude carbon removal purchases in this annual comparison. 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. When including our carbon removal portfolio, our relative intensity for 2022 represents 56 tonnes per \$1 million in gross profit.



Carbon Removal Portfolio

In 2022, we removed 52,000 metric tonnes of carbon through our portfolio of supported projects.

Reforestation

We partnered to fund several high-quality reforestation programs around the world, targeting projects that positively impact local communities. In 2022, we partnered again with TIST, which incentivizes locals 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. We also funded [WithOneSeed](#) and [NicaForest](#).

Biochar

Biochar is a charcoal produced by the pyrolysis of biomass in the absence of oxygen. It's used as a soil ameliorant for both carbon sequestration and soil health benefits. Stable-solid biochar is rich in carbon and can endure in the soil for hundreds of thousands of years. In 2022, we continued our support of this carbon removal category by partnering with several biochar projects, including projects procured through [Puro Earth](#) and [Rainbow Bee Eater](#).

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.

Climeworks

In 2022, Block continued to support [Climeworks](#) — we're proud to be an early adopter of this important direct air carbon capture technology and its efforts to quickly scale its scope of global carbon removal. 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.

Clean Energy Portfolio

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

P-RECs

In our effort to support global financial inclusion within our clean energy portfolio, in 2022 we purchased our second Peace-RECs for South Sudan, through [3Degrees](#). 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.

Renewable Energy Certificates

We purchased 45,628 Renewable Energy Certificates in 2022, representing over 45,628 megawatts of clean energy added to the grid across several regions throughout the United States, Canada, Japan, and Australia.





Ocean-Bound Plastic Removal

In 2022, we partnered with Oceanworks to serve as our sustainability partner specifically focused on at-risk plastics. As part of this new alliance, Block funded removal of 1 million pounds of oceanbound at-risk plastics in 2022. We are also in the early stages of conducting a global plastic audit for our entire business ecosystem. Our preliminary audit yielded a total plastic usage of approximately 2.3 million pounds, which includes all upstream and downstream estimated impact from our products and operations.



The reclamation projects we funded include a U.S.-based fishing net collection program with Net Your Problem that returns marine waste into the circular economy; an Indonesia-based program that turns oceanbound plastic waste into circular building materials; RiverRecycle, a global social enterprise that drives the reclamation of waterway plastics in Kenya, Indonesia, and India; a Thailand-based program that implements collection initiatives from remote and smaller islands where there is a lack of infrastructure and

investment in waste; and an India-based program seeking to strengthen Mumbai's recycling ecosystem in a just and equitable manner.

We aim to approach our plastic usage through a two-pronged approach of lowering our overall plastic footprint by reducing our consumption, and, where plastics are an unavoidable part of our supply chain and operations, transitioning to recycled content and funding the removal of at-risk plastics from the environment.



Clean Energy and Bitcoin Mining

Block's work to accelerate renewable energy-based mining

Bitcoin Clean Energy Initiative (BCEI)

Our Bitcoin Clean Energy Initiative (BCEI) includes a \$10 million commitment to help accelerate the global energy transition by supporting impactful and scalable solutions for the bitcoin mining ecosystem. BCEI also functions as a resource hub to help key stakeholders better understand and implement renewable energy-based mining.

Gridless

In 2022, BCEI invested in Gridless, a renewable energy-based bitcoin mining company, based in Kenya, which is using bitcoin computational centers to lower the cost of electricity for local communities in East Africa. They deploy small-scale data centers that run on excess clean energy. We're excited to help support Gridless' growth and positive impact as they scale their operations.

Solar-Powered Mining Project

Last year, we announced our intention to launch a 100% solar-powered mining facility in West Texas. The project will feature a public-facing dashboard to share the ongoing unit economics and transparency for the project. We believe this transparency will help attract additional investment into clean energy mining. While the project has experienced some delays, we aim for the project and its dashboard to go live in 2023.



Hardware and Sustainability

Our collective efforts to reduce internal emissions.

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.

RBA membership

In 2022, we joined the Responsible Business Alliance as a participating member. We had begun using the tool by checking the social responsibility audits of our suppliers that are also members. We plan on expanding our use of the platform in 2023 as well as attending the monthly sustainability working groups to gain insight into sustainability trends in the industry.

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.

Recycled Aluminum for Register and Stand

In 2022, we obtained our official SCS certification to verify that some of our die-cast parts in our Stand product are being made with 100% recycled aluminum. We also started using 75% closed-loop recycled aluminum in one part of our Stand product. For our Square Register product, we have done experiments and preliminary testing to see if we can use 75% closed-loop recycled aluminum for our aluminum enclosures.

Packaging

We continued to make great strides to eliminate single-use plastics in our packaging and improve curbside recyclability. The new Square Stand launched in 2022 with water-based coating instead of traditional plastic laminates and with a corrugated paper carrying handle instead of a plastic handle. Additionally, we designed and tested a new paper hang tag that will replace a plastic version for our retail products in 2023. Furthermore, in 2022 we transitioned ~25% of papers to Forest Stewardship Council (FSC) certified and expect that to reach more than 50% by the end of 2023.

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. In 2021 we completed all LCAs for our hardware products. In 2022 we began exploring specialized software platforms to help further refine and enhance our LCAs.

Post Consumer Resin (PCR)

In 2021, we performed many experiments and preliminary testing for PCR in our hardware. This year we have successfully implemented 50% PCR into both our magstripe readers and our contactless chip reader for mass production. Our Stand product is now being manufactured with 50% PCR in 75% of the product's overall plastic mass. Two of our hubs are being manufactured with 50% PCR as well, and we are continuing to expand PCR in our product portfolio.

Polyvinyl Chloride (PVC)–Free Cables

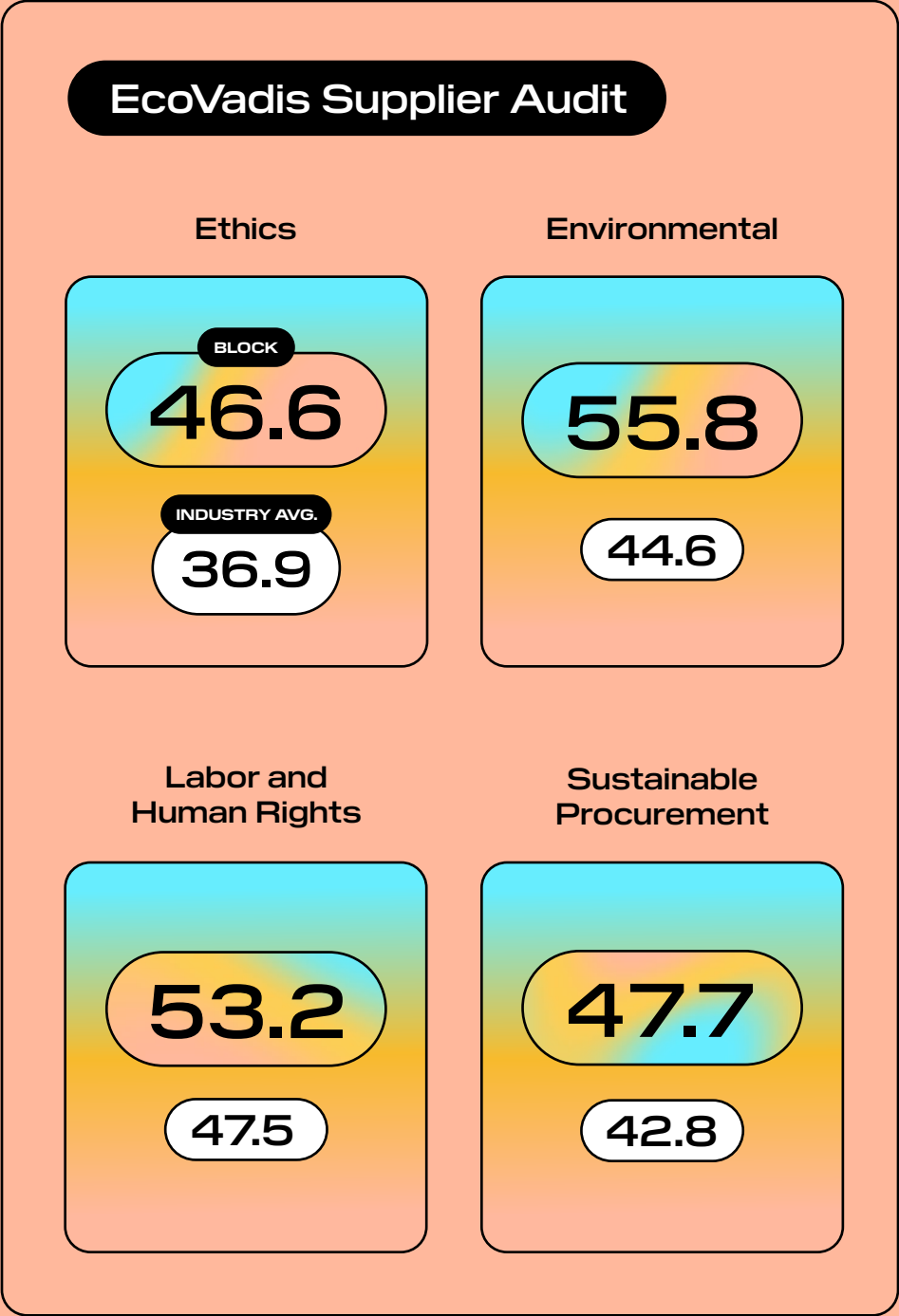
Approximately 95% of the cables we ship today are PVC-free. We also intend to continue designing our new and next-generation cables as PVC-free.

EcoVadis

In 2022, we rolled out the EcoVadis initiative across our entire supply chain. We reached out to over 80 suppliers, with 57 completing the online assessment, covering approximately 75% of our 2022 projected spend.

In terms of performance, Block’s suppliers are performing above the industry average within the four EcoVadis pillars: environmental, labor and human rights, ethics, and sustainable procurement. In the graphic below, the larger numbers indicate Block’s scores and the smaller numbers below our scores indicate industry averages. In all four categories, we are performing higher than the industry average. Looking at a distribution graph for Block’s overall scores, we are outperforming the industry average.

As we continue this initiative, we are constantly looking to improve our presence within the realm of sustainability. We are currently working with our low-scoring suppliers to complete their corrective action plans, as well as working to onboard all suppliers onto the EcoVadis platform in the upcoming years.



ADVANCING INCLUSION & DIVERSITY

ACROSS OUR
DISTRIBUTED WORKPLACE

ADVANCING
INCLUSION
AND
DIVERSITY

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Inclusion and Diversity Are Integral to Our Purpose

We're building tools to help more people overcome barriers to participating in the economy. Equity and access are essential to economic empowerment. So inclusion and diversity are at the heart of the workplace we are building. We want Block to be a place where everyone feels like they belong — and celebrating diversity and operating with fairness and equity are some of the ways we're working to make it happen.



Block Communities

Employee Resource Groups

Communities — employee resource groups — are an essential part of advancing belonging and inclusion for employees of all backgrounds. Our 14 Communities (with 50+ chapters globally) receive dedicated resources, including executive sponsors, leadership training for Community Chairs, annual budget, and support for executing initiatives and events. We are proud to support a diverse array of Communities, including groups fostering inclusion for racial and ethnic minorities, the neurodivergent, women, LGBTQ+, parents, veterans, and people of faith.



AFROBLOCK



JEW@



EL BLOQUE



INDIGENOUS@



CHRISTIANS



PRIDE



VETERANS@



NEURODIVERSITY



WOMENG



MUSLIMS



WOMEN@



PARENTS

SOUTH ASIAN
BLOCKS

API BLOCKS



Promotion and Compensation Fairness

We continue to embed checks within our system to combat bias and advance fairness in promotion and compensation.

Considering Every Team Member

To help ensure managers consider promotion readiness for everyone on their team, we provide “promotion primers” that highlight how long each team member has been at their current level with respect to the median for people in similar roles.

Embedding Bias Checklists

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.

Auditing for Fairness

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

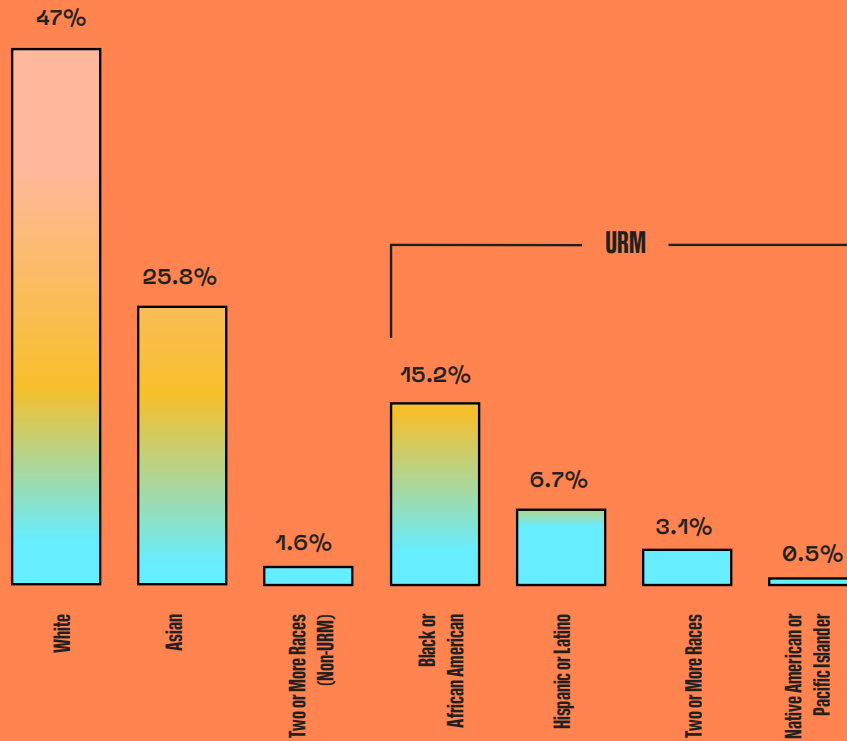
Workforce Diversity

Representation matters and we want to be transparent about where Block stands. Change doesn't happen overnight, and real progress takes persistent effort. Here's where we stand in 2022:

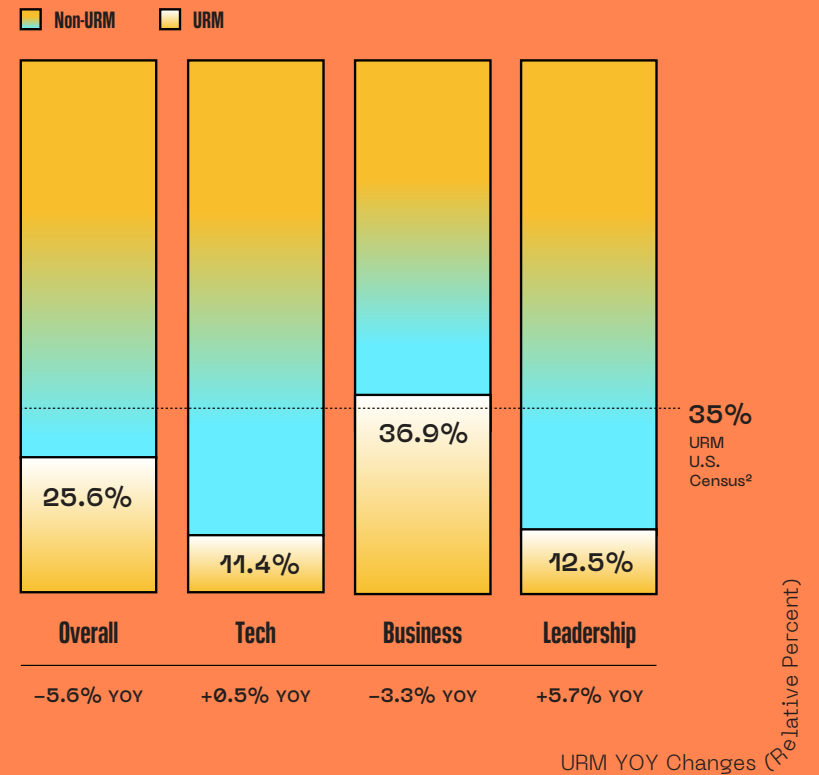
Find our latest EEO-1 report [here](#), also available within the Workforce Diversity section of block.xyz/inclusion.



Race/Ethnicity - U.S. Employees



URM - U.S. Employees



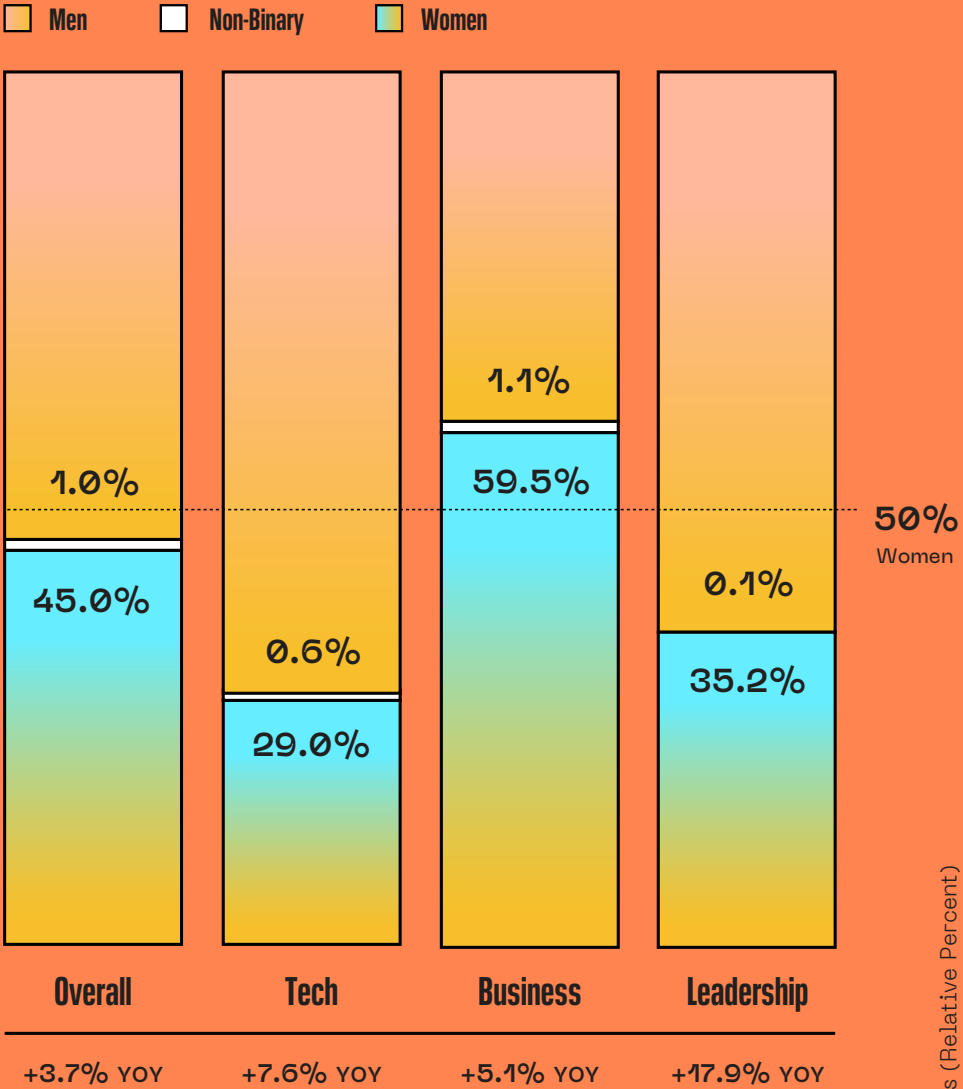
Racial and Ethnic Diversity

Our benchmark for underrepresented minorities (URM)¹ is based on U.S. Census data that indicates URM make up roughly 35% of the U.S. population².

¹ We define URM as racial/ethnic groups that are underrepresented at Block more broadly with respect to U.S. Census data. These groups include: Black / African American, American Indian / Alaska Native, Native Hawaiian / Pacific Islander, Hispanic / Latino, and Two or More Races, where one or more is an underrepresented racial/ethnic group.

² The 2020 U.S. Census indicated an increase in the representation of racial and ethnic minorities within the U.S., leading us to update our U.S. URM benchmark from 30% to 35% in 2022. We use this benchmark as an informational reference point off of which to assess current composition and progress.

Gender - Global Employees



Gender Diversity

The benchmark we reference for gender diversity is 50% representation for women.

Leadership is defined as the Block, Inc. equivalent to director level and above. In the charts to the right, we show year-over-year change for the combined percentage of women and non-binary employees because, though those who identify with these groups surely have distinct experiences, we believe they are likely to share similar challenges related to bias in the workplace.

Inclusion Measurement and Tracking

An inclusion analysis is an essential component of our global biannual employee survey process. As part of every cycle, we provide detailed “Inclusion & Diversity 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.

75

Block’s 2022 belonging score.
On par with tech benchmark.¹

¹Based on the tech benchmark provided by [Glint](#), based on 90+ tech companies that use the same question.

Diversity Standards for Candidate Slates

We believe diverse interview slates should be standard in hiring, so we set a Block-wide commitment to consistently consider candidate slates inclusive of talent from backgrounds underrepresented in tech. Our baseline for candidate slate diversity for each role is to interview at least one underrepresented minority or woman of any race/ethnicity (with slight variations depending on role type and locale).

New Pathways into Tech

Block is an early partner of [Next Chapter](#), providing paid software engineering apprenticeships to formerly incarcerated people. We’ve now successfully converted our first three apprentices into full-time engineering managers and look forward to onboarding additional apprentices next year. Block also partners on volunteer projects with several local workforce development organizations — including [Civicorps](#), [Ladies of Hope Ministries](#), and [Hack the Hood](#) — in support of historically underrepresented, low-income,



and minority communities. Access is at the heart of our purpose and we want to create new pathways for those who have historically faced barriers to employment in the tech world.

Equitable Professional Development

At Block, we facilitate a culture of growth by providing resources that empower employees to be the drivers of their careers. This includes an internal career development center with resources and guides on growing a career at Block, access to the full LinkedIn Learning library of on-demand courses, and a range of fireside chats and panel discussions with internal and external leaders throughout the year. We also require

that all open roles be posted on our internal job board for at least 7 days to ensure all team members have an equal opportunity for consideration.

Beyond these general offerings, we believe it’s important to invest in opportunities specifically designed for employees from underrepresented identities given the unique challenges and circumstances faced by these groups. Offerings focused on underrepresented talent include McKinsey Black and Latinx Leadership Academies, Lesbians Who Tech and Allies Summit, and regular programming from the Hispanic Information Technology Executive Council.



LGBTQ+

Block strives to provide benefits globally that support a diversity of gender expressions, sexual orientations, and family structures. In the U.S. we offer coverage for gender-affirming treatment, fertility, surrogacy, and adoption support, and short-term disability coverage for gender-affirming surgeries.



Mental Health

Block provides employees access to free mental health support through Lyra, a mental healthcare provider, in the U.S., and Employee Assistance Program counseling in international markets.



Wellness

Block provides employees globally with wellness allowances for wellness-related goods, services, and activities. We also provide virtual meditation, yoga, and other wellness offerings, including a Global Wellness Week, with a range of virtual and in-person events including wellness workshops, nutrition and ergonomic sessions, fitness classes, and more.



Reproductive Health

In the U.S. in 2022 Block continued to cover comprehensive reproductive health services, including voluntary and involuntary abortion services. We also expanded medical travel and lodging coverage to include abortion services for any employee and/or their dependent who has to travel more than 100 miles from home to access in-network services.



Financial Wellness

Block provides all U.S.-based employees unlimited access to 1-on-1 financial advising sessions with Certified Financial Planners (CFPs) and online financial tools and resources to help employees along their financial wellness journey. In our international markets, in 2022 Block expanded and enhanced our risk, pension, and flexible spending account plans in various regions.



Observed Holidays

In 2020 we announced Juneteenth (June 19) as a company holiday in the U.S. and December 2, International Day for the Abolition of Slavery, as a company holiday in global markets going forward. In 2022, we announced that we will begin observing Indigenous Peoples' Day in the U.S. (October 9) starting in 2023, to honor the histories and cultures of this community, fitness classes, and more.

Inclusive 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 meet the needs of a diverse and distributed workforce. Some highlights from Block's 2022 offerings include:



Management Development and Distributed Workplace

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.

Manager Training

Inclusive leaders are a critical element of high-performing teams. To support our managers in developing the skills to lead inclusively, address everyday challenges, and build high-performing teams, Block offers in-depth learning pathways for all leaders with a focus on inclusive leadership fundamentals. Highlights from these programs include:

New Leads @ Block

A comprehensive 5-week program designed to orient and develop new people leaders at Block.

Integral Lead

An intensive, two-day workshop for more seasoned leaders addressing topics such as managing unique individuals, relieving imposter syndrome, and leading with value and purpose.

Interrupting Bias

Open to all employees but promoted particularly among managers, the training explores tactical bias mitigation techniques and requires attendees to engage in perspective-taking and goal-setting exercises, which [external research](#) suggests are critical components of effective bias training.

Inclusive Interviewer

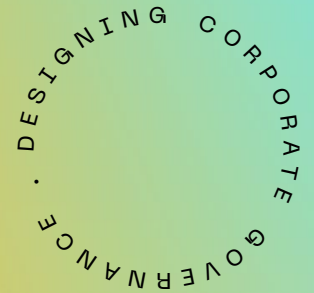
Open to all employees but promoted particularly among managers, it unpacks interviewing best practices with a focus on reducing interviewer bias.

1:1 Coaching

Managers have access to online, one-on-one executive coaching.

Distributed Workplace

At Block employees are able to work from home, the office, or a combination of the two, so long as the nature of a role doesn't require employees to be in the office. This distributed work policy provides employees flexibility and balance, and allows Block to tap into talent pools across different regions, providing access to candidates from a greater diversity of backgrounds.



DESIGNING CORPORATE GOVERNANCE

TO PROMOTE TRUST
AND LONG-TERM VALUE

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Corporate Governance Highlights

Several new and evergreen initiatives guide our corporate governance practice:

- **ROBUST DIRECTOR SUCCESSION PLANNING PROCESS**
- **LEAD INDEPENDENT DIRECTOR WITH ROBUST RESPONSIBILITIES**
- **QUARTERLY NON-EXECUTIVE DIRECTOR SESSIONS**
- **SIGNIFICANT STOCK OWNERSHIP REQUIREMENTS FOR DIRECTORS AND EXECUTIVE OFFICERS**
- **ANNUAL REVIEW OF CORPORATE GOVERNANCE 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.



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 Block Head and Chairperson and Roelof Botha 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 Chairperson 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 to the Company's Block Head and Chairperson regarding feedback from executive sessions
- Serving as liaison between the Chairperson 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

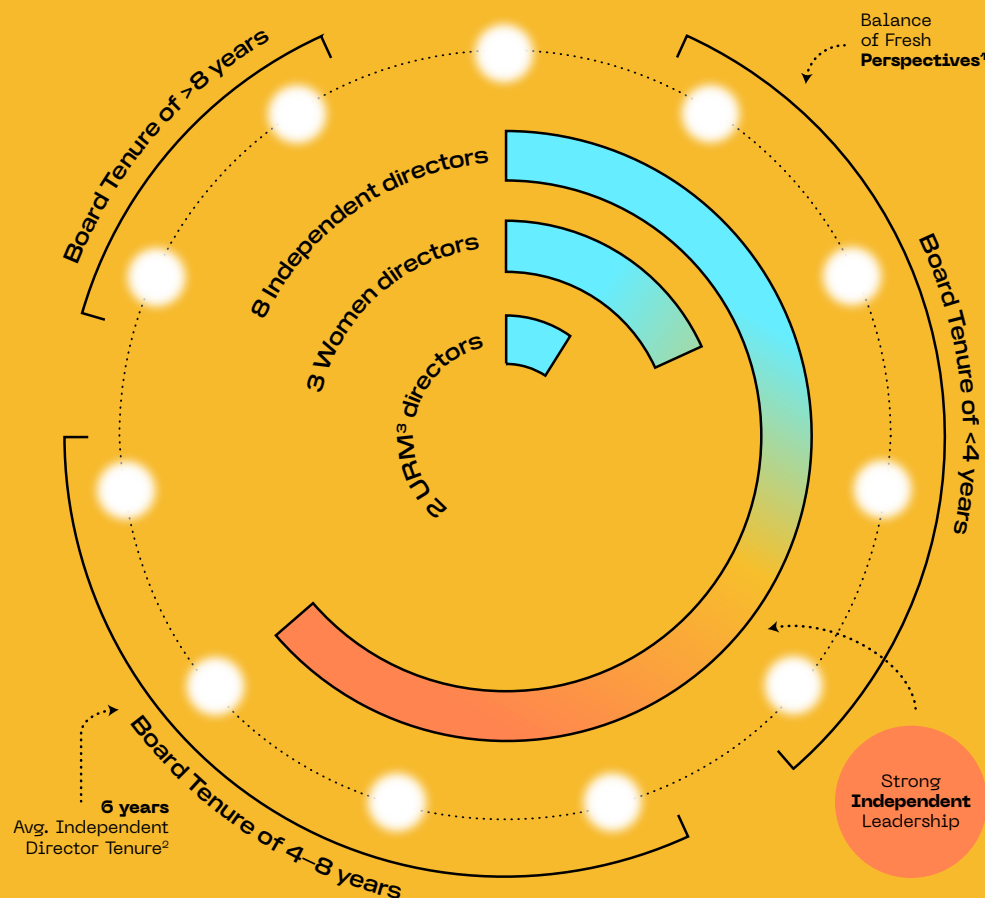
A wide variety of skills, professional experience, backgrounds, viewpoints, and perspectives are critical to strong leadership at the Board level — to both better reflect our employees and customers and strengthen our business performance.

Oversight of Board Diversity

Our Nominating and Corporate Governance Committee oversees our Board composition and takes a proactive approach to developing a director pipeline to ensure a mix of skills, experience, tenure, and identities 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. Key candidate evaluation criteria center around: issues of character, integrity, judgment, area of expertise, potential conflicts of interest and other commitments, and individual qualities and perspectives that contribute to the diversity of our Board. Further, our Nominating and Corporate Governance Committee has adopted a practice for open director positions, aligned to our internal hiring practice, to ensure that candidates from underrepresented identities are represented within candidate slates.

Block's Board Diversity



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



Audit and Risk Committee



Nominating Corporate Governance Committee



Compensation Committee

1. As of October 2022

2. Tenure excludes our Block Head

3. 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, Latinx, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.



Oversight of ESG Matters and Compliance with Laws

We are committed to managing the risks, opportunities, and responsibilities that arise from environmental, social, and governance (ESG) matters and focusing on sustainability. We take an integrated approach to managing ESG performance and disclosure.

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 ESG Lead. The Nominating and Corporate Governance Committee also receives quarterly Inclusion & Diversity reports from our People 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 areas of focus 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 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.



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 Chairperson and Block Head, 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 Block Head 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 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 creating a comprehensive profile for internal candidates that summarizes career information, skills and development areas, 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 risk-based 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, 24/7 security monitoring, 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

Block 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.



Forward-Looking Statements

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 and clean energy portfolios; intentions regarding removal of ocean-bound plastics and alignment with the United Nations Sustainable Development Goals; the Bitcoin Clean Energy Initiative and the Company’s investments in clean energy-based mining, including its investments, potential impact, and participation by other companies; the Company’s effort to reduce internal emissions through its hardware sustainability initiatives; the Company’s planned benefits offerings; the Company’s efforts and intentions in advancing inclusion and diversity; 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.

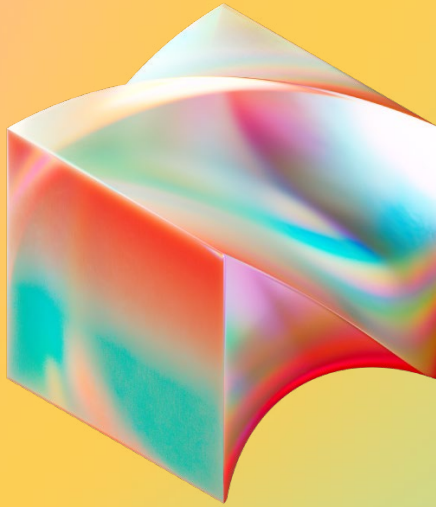
SASB Framework

TOPIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	RESPONSE/ LOCATION
ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	(1) 143,002 Gigajoules of energy in 2022 across direct natural gas and electricity consumption. (2) 88% (3) 88%; In 2022, we continued purchasing renewable energy certificates from clean energy developers to offset our direct energy usage.
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Block does not currently conduct a global water audit and, as such, is unable to report on these metrics at this time. We anticipate water consumption to be minimal for any future disclosures.
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	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.
DATA PRIVACY AND FREEDOM OF EXPRESSION	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	Privacy Notice
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Quantitative	We only use customer data for the purposes disclosed in the privacy policies provided to our customers.
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	Material legal proceedings are disclosed in our SEC filings, which are available on our investor relations website .
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Block does not publicly disclose this information.
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	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.

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 and IT Services Standard.

TOPIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	RESPONSE/ LOCATION
DATA SECURITY	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Quantitative	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.
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	2022 CSR Report, pg. 48
RECRUITING AND MANAGING A GLOBAL, DIVERSE AND SKILLED WORKFORCE	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	As of December 31, 2022, we had 12,428 full-time employees worldwide with 3,074 full-time employees outside the U.S., or 25% of employees outside the U.S. We also engage temporary employees and consultants as needed to support our operations.
	TC-SI-330a.2	Employee engagement as a percentage	Quantitative	2022 CSR Report, pg. 39. Our 2022 employee belonging score was 75, which is on par with the technology industry benchmark. Please also see our Block Inclusion site, which details our multifaceted approaches to tracking inclusion. We also conduct a bi-annual survey of our employees to measure engagement and overall sentiment. Our latest survey was conducted in 'Q4 with a participation rate of 88%.
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	For information on Block's diversity metrics, please see our Workforce Data Report 2022 .
INTELLECTUAL PROPERTY PROTECTION AND COMPETITIVE BEHAVIOR	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Material legal proceedings are disclosed in our SEC Filings, which are available on our investor relations website .
MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Quantitative	For information on Block's performance and past incidents, please visit issquareup.com .
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Discussion and Analysis	2022 10-K, pg. 24-60
ACTIVITY METRICS	TC-SI-000.A	Square gross profit	Quantitative	Q4 2022 Shareholder Letter, pg. 3
	TC-SI-000.B	Cash App gross profit	Quantitative	Q4 2022 Shareholder Letter, pg. 3
	TC-SI-000.C	Gross profit	Quantitative	Q4 2022 Shareholder Letter, pg. 3



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