2020

Corporate Social Responsibility Report
Letter from our CEO

2020 was a challenging year, and our business changed and evolved to meet the times. Making those changes also gave us an opportunity to reflect, grow, adapt, and push ourselves to be better. This Corporate Social Responsibility Report provides an overview of our efforts and progress over the past year, and is a demonstration of our ongoing commitment to build both a more inclusive and more sustainable foundation in pursuit of our purpose of economic empowerment. Within this report, we detail our efforts, new and ongoing, to operate in a responsible manner. These commitments include plans to be net zero carbon for operations by 2030, a $100 million investment in minority and underserved communities, and the launch of the Bitcoin Clean Energy Investment Initiative.

Jack Dorsey
INTRODUCTION

Our Values
Throughout the past year we’ve seen the importance of enabling economic opportunity. This is particularly true in underserved communities, many of which are disproportionately affected by COVID-19.

Our purpose of economic empowerment is put into action not only in the products we deliver to sellers through Square and individuals through Cash App, but also in how we run our business, the commitments we make, and the policies we support as a company.

1. Data provided for full year 2020. Cash App monthly transacting active customers as of December 2020. A transacting active Cash App customer has at least one financial transaction using any product or service within Cash App during the specified period.
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Climate Action

Our approach to a resilient and sustainable future
Square’s Approach to Climate Action

In 2020, we conducted a comprehensive global carbon audit for 2019 and 2020 across our business and key emission categories. This audit gives us data to help **drive meaningful reductions in our internal emissions** and informs our goal to reach Net Zero Carbon for Operations by 2030, including our scope 1, 2, and 3 emissions. In addition, we launched our Bitcoin Clean Energy Investment Initiative to help accelerate renewable energy adoption in bitcoin mining.
Net Zero Carbon for Operations by 2030

Our goal is net zero carbon emissions by 2030 for our full corporate operations footprint: Scopes 1, 2, and 3. 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. Our Scope 3 footprint is 98% of our total carbon footprint and tracks everything from emission calculations attributed to our credit card processing to energy consumption by Square sellers using our hardware.

As a company with a diverse ecosystem of products and services, we are planning for increased efficiencies across our entire value chain. In addition to meaningfully lowering our internal carbon footprint over the coming years, we also plan to invest in a curated carbon removal portfolio that will grow as our business continues to scale.
Square’s 2020 Global Carbon Operational Footprint

We conducted a comprehensive carbon audit of our business and supply chain, covering all of Scope 1, 2, and 3 emissions. Our hardware emissions category includes manufacturing, transportation, merchant use, and end of life. 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.
Square Plans to Achieve Net Zero by 2030
In tonnes of CO2e per $1M gross profit

Square’s Path to Net Zero

We plan to reduce our emissions while scaling a verified carbon removal portfolio. We will measure our emissions each year, with certain key data points such as hardware logistics reevaluated on a quarterly basis. We have set internal targets for absolute emissions each year based on our projections of business growth. As illustrated, as we reduce our emissions each year through found efficiencies and new initiatives, we also expect to scale up our carbon removal investments so that by 2030 we can achieve our goal of being net zero carbon for all our operations inclusive of our primary Scope 3 emissions, hardware manufacturing, and logistics.
Planned Initiatives

**Carbon Removal Portfolio**
Starting in the first quarter of 2021, we are making our first carbon removal purchases. This is the foundation of a portfolio that we plan to ramp up each year as the company scales, and as we monitor our annual carbon emissions.

**Distributed Workplace**
By allowing our employees the option to permanently work from home, we are committing to providing an increased overall quality of life for our workforce while helping reduce commute emissions, energy consumption, and the embodied carbon of workplace construction.

**Supply Chain Efficiencies**
We can best achieve our net zero goal through joint work with our key partners. We will emphasize and support net zero vendors throughout our product and general supply chain. We will confirm carbon reporting for key suppliers through third-party audits and assist our vendors in lower-carbon practices where possible.

**Hardware**
We have estimated the energy consumption of our products in the marketplace and will drive toward increased device efficiency, clean power for suppliers, exploring lower carbon materials such as post-consumer resin, and lower-emission manufacturing processes across our supply chain. We’re conducting life-cycle assessments of our hardware products and intend to design them to have a lower carbon footprint.

**Payment Processing**
We’ve estimated our carbon emissions as a share of financial transactions from the global credit card networks and will be working with our payment partners to find new ways to lower carbon emissions.

**Corporate Travel**
Starting in the first quarter of 2021, we are offsetting the carbon footprint of all corporate air travel using our curated carbon removal portfolio.

**Data Centers and Cloud Infrastructure**
We plan to evaluate and explore clean energy options, working closely with our key provider partners.
Bitcoin Clean Energy Investment Initiative

We have committed $10 million to investments that help accelerate the adoption of clean energy in bitcoin mining. This investment approach allows us to help address bitcoin emissions beyond only the activity of our customers. We intend to reinvest any gains from investments back into the initiative.

We believe that over time, bitcoin will eventually be powered completely on clean energy, and we want to increase the transition rate. Bitcoin mining may increase the use cases for additional solar and wind power project development by providing power offtake agreements that take advantage of curtailed power, require minimal or no transmission, and don’t overtax the grid during peak demand periods. As a result, research suggests bitcoin mining may even help the broader adoption of renewable energy.¹

Social Impact
Driving financial inclusion and community advocacy
Community Engagement

We engage with communities and mobilize our employees to give back in the following areas.

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The Hyperlocal Community

We look for the most pressing community issues where employees can have an impact, with a focus on preserving local culture. We collaborate with community nonprofits, mutual aid programs, local artists, neighborhood groups, and other special initiatives for local residents.

For example, in May 2020, Cash App launched a 10-day giving campaign highlighting grassroots organizations that are focused on uplifting marginalized Black and Brown communities in cities across the United States—Cash App donated $50,000 to each hyperlocal community organization and matched payments sent to their $Cashtags up to an additional $50,000.
City Initiatives

Oakland, CA
Since the opening of our Oakland office in early 2020, we have worked closely to support neighborhood and small business groups affected by the spread of COVID-19. We have collaborated with groups like The Black Cultural Zone in East Oakland, The East Oakland Collective, Oakland African American Chamber of Commerce, Oakland Chinatown Chamber, Oakland Metropolitan Chamber of Commerce, East Bay Asian Local Development Corporation (EBALDC), and The Unity Council.

Additionally, over the past year we have supported programs and initiatives with <Tech/Hire> Oakland, Hack the Hood, Oakland Midnight Basketball League, and Oakland Art Murmur. We participated in efforts that bolstered the most affected communities through partners such as the Oakland Public Education Fund and the Alameda County Community Food Bank, both of which are deep-rooted Oakland organizations that have stepped up to provide meals and needed supplies to low-income Oakland families.

San Francisco, CA
Similarly, in San Francisco, where we also have an office, we work with small business and neighborhood service organizations like the San Francisco District of Council of Merchants Associations, the San Francisco Chamber of Commerce, the City of San Francisco Office of Economic and Workforce Development’s Shop and Dine in the 49 initiative, the San Francisco African American Chamber of Commerce, the Bayview Makers Mashup, Renaissance Entrepreneurship Center, and CUESA, operators of the Ferry Building Farmers Market and Mission Mercado in San Francisco’s Mission District.

We unveiled a set of billboards atop Oakland Uptown Station in solidarity with Square employees, customers, and the Black community.

Albuquerque, NM
In Albuquerque, we partnered with New Mexico Community Capital in support of the Native Entrepreneur in Residence Program. This program provides emerging Native American businesses with the tools for success, bringing financial literacy, business skills, and a vibrant network to Native American business owners and their communities.

Baltimore, MD
In Baltimore, we formed a partnership with the Center for Urban Families, which focuses on creating strong and healthy family units as the bedrock for resilient urban communities. Our partnership enabled a focus on creating economic opportunities and financial security for working families, and contributed to the Center’s effectiveness in securing 4,876 full-time jobs, which supported 68,891 children and dependents.

Chicago, IL
In Chicago, we formed a partnership with Black & Pink, an organization focused on supporting current and formerly incarcerated people in the LGBTQ+ community to imagine and plan for a successful emergence from the deleterious effects of an extended brush with the criminal justice system. Our partnership enabled Black & Pink to advocate for basic human rights for over 20,000 individuals from the LGBTQ+ community as part of its “Coming Out of Concrete Closets” program.

St. Louis, MO
St. Louis holds a special place in our company’s history and our future. It’s one of our key markets from an employee and legacy perspective, so we’ve prioritized building a robust and holistic network of community partnerships with St. Louis organizations that serve resource-strapped communities. Our recent partners include STL Youth Jobs, Employment Connection of St. Louis, and Forward Through Ferguson, to name a few.

San Antonio, TX
In San Antonio, we’ve partnered with local organization Black Outside, Inc. to provide underserved youth in the Black community with opportunities to interact with nature. With the knowledge that only 1% of Texas State Park attendees in 2019 identified as Black/African American, Black Outside serves a vital role in creating life-changing opportunities to explore nature and connect with other programs that instill life skills for Black youth.
Volunteams
Internal Volunteam chapters across North America have donated their time and financial resources to support communities in need across a variety of areas.

In many offices, we have active volunteer communities (volunteams) that identify local opportunities to give back, mobilize other employees to join them, and drive conversation around how we can use our time, skills, and products to support people in the broader community. Our projects vary by office location, based on the community need and size of employee population in each geography.

For instance, in Atlanta, the team partnered with our Black Squares Association to donate canned goods to the Atlanta Community Food Bank and sponsored families to support over the holiday season. In Toronto, Volunteam members held a virtual food drive, in honor of Canadian Thanksgiving, to support the Fort York Food Bank.
The Small Business Community

Beyond our products and services, we look for ways to support local small businesses, particularly those in underserved communities or that champion underrepresented groups. In 2020, with the spread of COVID-19, it was not business as usual.

Small businesses have had to quickly adapt to new safety requirements and consumer needs. In response, we offered online workshops on eCommerce, such as “How to Bring Your Business and Brand Online” and “Setting Up Online Shopping for Retail and Restaurants.”

Square launched a Small Business Support Guide and continues to host online learning opportunities and conversations connecting small business owners and operators with the resources they need most, whether that means how to establish an online presence, adapt a storefront to curbside pickup models, or protect team members and customers with a variety of ways to pay.
Other Small Business Initiatives

Local Civic Leadership
We partner with local civic leadership, small business advisory groups, and merchant associations to provide additional education and training for small businesses (especially those without easy access to technology, or where language barriers may leave them out of the financial system).

Farmers’ Markets Partners
Square partnered with Eater and local community influencers to promote online ordering and delivery through farmers markets in the Bay Area and Washington, D.C.

Curbside Pickup and Local Delivery
Helping support our sellers’ operations we launched Curbside Pickup and Local Delivery free with Square Online in March 2020. We also waived subscription fees for software like Square Appointments, Retail, Restaurants, Loyalty, Team Management, Payroll, Marketing, and Square Online for March and April 2020 before giving our sellers the option to pause their subscriptions for up to three months. We partnered with Skillshare, an online learning community, to provide Square sellers globally with access to thousands of business classes, and we partnered with Adobe Spark to help small businesses with their digital marketing needs and to stay better connected with their customers. Through partnerships we’ve been able to provide our sellers with guidance and resources to help navigate the impact of community health orders and customer safety.

With on-demand delivery for Square Online, sellers can take control of their fulfillment process by offering delivery to their loyal customer base directly from their own website.

eCommerce Presence
Establishing an eCommerce presence and moving operations online were especially important to rural small business sellers last year, allowing them to continue to reach new customers without the annual tourism or seasonal business trends they’ve relied on in the past.

We saw our sellers pivot to our online solutions during COVID-19, including Invoices, Virtual Terminal, Square Online, and our eCommerce APIs.
Small Business Advocacy
In 2019, Square partnered with the Small Business Administration (SBA) on its educational monthly Twitter chats, sharing resources and expertise with small business owners. We also partnered with the SBA on National Small Business Week and with the U.S. Chamber of Commerce on its CO—Events series, both of which served as opportunities for learning and recognizing the important contributions small businesses make in their communities.

Global Efforts
In Canada, during the fall of 2020, Square partnered with Digital Main Street to help Canadian businesses—no matter the size or type—adopt digital tools and skills. This partnership recognized that all Canadian business owners, not just retailers, needed resources to navigate the challenges of 2020, and broadened access to tools so service businesses in food and beverage, beauty, healthcare, repair, and more sectors could rebuild and thrive long after COVID-19. Digital Main Street is supported as part of a partnership between the Government of Canada, the Province of Ontario, and a group of business partners, which includes Square.

In the UK, we’ve partnered with Enterprise Nation and Small Business Britain (SBB), which run two of the largest communities for small and medium-size businesses across the country. With Enterprise Nation, we hosted online webinars to share our sellers’ experiences and expertise with their communities. We also supported SBB’s annual day in support of small businesses (Small Business Saturday). We are now planning further work with SBB for 2021.

We recently partnered with the Falkland Islands Government, a British overseas territory, to bring card payments to the islands’ small businesses, many for the first time ever. The partnership will help Falklands small businesses accept digital payments from locals, and will give visitors safe and convenient ways to pay when the tourist trade returns.

In Australia, we were recently announced as a key partner in the Victorian Government’s $20 million Small Business Digital Adaptation Program. The program is designed to help small businesses and sole traders across the state build better digital capability in their day-to-day operations by providing rebates of up to $1,200 on Square services.

Hardware In-Kind Donations
We often combine our education efforts with in-kind donations of hardware. This provides a way for previously cash-only businesses to take card payments securely and while on the go. By providing these tools, we lower the barrier for small businesses to meaningfully participate in the economy, and this hardware can often mean the difference between whether they are able to accept card payments or not.

Mastercard connected the Falkland Islands Government to Square, and the three organizations formed a partnership to solve the challenges that made taking cards so uniquely difficult for this island community.
The Next Generation in Tech

As we work to create access to tech careers, we have a particular focus on underrepresented minorities.

We partner with training organizations to increase exposure to tech careers for those without a traditional educational background. Within our employee population, we invest in employee resource groups like our Black Squares Association, LatinX Community, LGBTQ group, and others to ensure that we’re building an inclusive environment where employees from all backgrounds feel a sense of belonging.

Square continues to support citizens reentering the workforce or starting small businesses after release from incarceration. In 2020, Square participated in Next Chapter, a program designed to generate new opportunities to bring formerly incarcerated people into engineering roles and shift perceptions about the potential of people who have been incarcerated.

In the UK in 2019, we began our partnership with The Entrepreneurial Refugee Network (TERN), which was founded in 2016 to empower refugees in the UK to set up their own businesses. The partnership continued in 2020, and Square provided entrepreneurs access to payments software and hardware, along with education and training, to ensure they have the tools and skills they need to achieve their business goals.
Financial Inclusion

At Square, we believe that everyone should have access to the financial system.

We partner with small business technical assistance providers and educational thought leaders like the U.S. Chamber of Commerce and SCORE Association to provide education to small businesses on topics like access to capital, eCommerce, and cash flow management. Additionally, we collaborate with Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) in localities across the country. Square holds certificates of deposit with the CDFIs and MDIs, which help these institutions increase their capacity to make loans to their constituents, particularly those who are traditionally underserved.

In June 2020, we furthered that commitment by pledging a $100 million investment in minority and underserved communities. This work includes a $25 million investment in The Keepers Fund, a trade group representing minority-owned financial institutions that are committed to providing employment opportunities, entrepreneurial capital, and economic revitalization in neighborhoods that often have little or no access to reasonably priced financial services. It also includes a $25 million investment in The Black Economic Development Fund managed by the Local Initiatives Support Coalition (LISC), one of the country’s largest and most impactful social enterprises supporting projects and programs to revitalize communities, bring greater economic opportunity to residents, and facilitate financing of Black-owned businesses.
Seller Initiatives
Our Seller ecosystem empowers businesses with technology and tools to thrive in the economy.

We focus on product remarkability, with easy-to-use hardware and software that are designed for our sellers to get started in a matter of minutes. We started by enabling sellers to accept card payments with transparent pricing and have since built out our ecosystem for sellers to access more of the financial system. Pre–COVID-19 and as of 2019, more than half of our larger seller gross payment volume (GPV) came from sellers that were once microsellers, showing our ability to help our sellers grow with Square.¹ Small businesses help drive economic output and job creation, and can act as an on-ramp for individuals to participate in economic growth, but often face challenges accessing the financial resources they need. We offer a breadth of financial services, including payroll software, instant transfers, lending through Square Capital, and Square Card, our debit card for sellers.

Instant Payments Through Square Payroll
Square Payroll allows employers to provide flexible and immediate wages for their employees. It typically takes two business days for payroll funds to move from an employer to their employees, which can lead to slower payouts for the more than 80 million hourly workers in the U.S.² In 2020, we launched two new features—Instant Payments and On-Demand Pay—to allow employees to access earned compensation sooner.

Offering Enhanced Delivery Options for Sellers
In 2020, we also launched On-Demand Delivery, which serves as a platform for sellers to access third-party delivery apps. Sellers are able to take control of their fulfillment process by offering delivery to their customers directly from their own website. Our sellers gain the benefit of Square’s scale by retaining more of the economics as compared to directly using most third-party delivery services.

¹ A microseller generates less than $125,000 in annualized GPV. A larger seller generates more than $125,000 in annualized GPV.
Square Capital

We started Square Capital to serve as a trusted partner to our sellers, facilitating the funding they need to take the next important step in their business. Square Capital’s relationship with Square puts us in a unique position to expand access to capital to more businesses of all sizes.

Square Capital by the Numbers

- **Square powers small businesses.**
  Square empowers small businesses with the technology and tools they need to start, run, and grow.

- **Traditional borrowing is difficult for a small business.**
  Square helps provide funding to merchants who are underserved by traditional banks.

- **Expanding access to small businesses.**
  We work to empower small businesses in America and build a strong economy that lifts everyone up.

**Square Capital by the Numbers**

- **85%+**
  Of Square sellers live outside the 25 most populous U.S. cities.¹

- **69%**
  Of small businesses surveyed do not receive the funding they want.²

- **58%**
  Of Square Capital loans went to women-owned businesses, compared to 17% of traditional loans.³

- **35%**
  Of Square Capital loans went to minority-owned businesses, compared to 27% of traditional loans.³

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¹ Square proprietary data.
² 2019 Small Business Credit Survey, Federal Reserve Banks.
³ Square Capital statistic: Based on an April 2019 survey of 5,655 respondents who have accepted a loan through Square Capital. Traditional loan statistic: SBA 7(a) Lending Statistics for Major Programs as of April 5, 2019.
Paycheck Protection Program

In April 2020, we began participating in the Paycheck Protection Program (PPP), which enabled us to facilitate guaranteed, forgivable loans to small businesses. We knew sellers needed financial support more than ever, and committed to making funds accessible to our sellers through this unique program.

We began facilitating loans to Square sellers during the second round of funding for the PPP in April, and Square sellers completed their application directly within their Square Dashboard. We also applied automation for a small subset of applications so that we could retrieve data directly from payroll providers, including Square Payroll. This made the process faster and easier for these Square sellers, helping them receive their funds as seamlessly as possible.

PPP by the Numbers

In 2020, Square Capital facilitated more than $850 million in PPP loans, providing more than 80,000 small businesses with access to a financial lifeline. The average PPP loan facilitated by Square Capital was less than $11,000—or 1/10th of the average Small Business Administration loan during the second phase of thePPP, with 97% of our loans falling under $50,000—the SBA’s smallest tier for measurement.1

Square Capital helped these loans reach traditionally underserved sellers who need access the most:

- 60% of our PPP borrowers had never before received a loan.
- 47% of loans went to businesses in ZIP codes with an average household income of less than $50,000.
- 2x the number of loans non-employer firms received versus employer firms.

Mesquite & Oak is a barbecue restaurant in San Jose, California, using Square Capital, Square Loyalty, and Square Payroll.

1. Source: Small Business Administration
Cash App
Cash App's goal is to redefine the world's relationship with money by making it more relatable, instantly available, and universally accessible.

In the U.S., approximately one in four households are either unbanked or underbanked. With Cash App, we see an opportunity to expand access to financial services to empower these individuals and help customers spend, send, store, and invest their money.

Investing
We offer our customers the ability to buy fractional shares of exchange-listed equities and ETFs as an accessible way to invest in the stock market, as approximately half of U.S. households do not own stocks. With Cash App, we are transforming equity investing by lowering the barrier to entry as our customers can buy fractional shares of stocks for as little as $1.00, with no commission fees. This past year we launched the ability for customers to search stocks based on industry and performance, and to receive relevant news. Cash App has supported the buying and selling of bitcoin since 2018, as we believe that cryptocurrency is an instrument of economic empowerment and provides a way for the world to participate in a global monetary system, aligning with our purpose.

COVID-19 Initiatives
During COVID-19, Cash App was well-positioned to help individuals efficiently access, deposit, and use stimulus funds distributed by the government. As the relief measures in the CARES Act were finalized, our teams prioritized launching related tools and resources for our customers. In April, we published a microsite and FAQs to help eligible Cash App customers understand the stimulus programs and how to easily receive funds using direct deposit.

Through Cash for Business, we helped customers adapt during COVID-19 by providing a way to accept contactless payments across commercial categories such as beauty and online retail, as well as contributions to shuttered local businesses.

Cross-Border Payments
In March, Cash App launched cross-border payments, enabling customers to instantly transfer money between the U.S. and UK using real-time exchange rates with no fees, allowing us to reach more customers globally. Cash App provides an efficient digital alternative for customers to transfer money, which is generally faster or cheaper than most banks, retail money transfer services, and other apps.

Cash Card
Through Cash App, we offer Cash Card, a free debit card that allows our customers to spend money in their Cash App balance at everyday merchants. Cash Boost is a free, instant rewards program embedded within the card that allows customers to receive different discounts depending on their location. Historically, these types of rewards have only been available through either credit card programs or third-party affiliates that usually take weeks to show a customer's refund. During COVID-19, we prioritized Boosts that would be most valuable to our customers, including rewards on pharmacy and grocery purchases.

As of June 2020, there were more than 7 million monthly Cash Card customers.

1. 2017 FDIC National Survey of Unbanked and Underbanked Households.
Employees & Culture

Building a thriving, inclusive, and healthy workplace
Employees and Culture

At Square, we empower employees to start, run, and grow their careers across a variety of avenues.

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Building Diverse Teams

Our efforts to build diverse teams take shape through increasing the representation of underrepresented groups in our talent pool and mitigating bias throughout the hiring process.
As reported in our 2020 diversity update, Square employees are 41% women and 21% underrepresented minorities (URM). These figures have grown 4.9% and 9.3%, 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 plan to continue making progress through meaningful 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 here.
Ensuring Diversity in Candidate Slates

In November 2019, we launched a companywide program to ensure we are consistently considering remarkable slates of candidates—which we believe to be, inherently, diverse. We called the program Remarkable Interview Slate Enforcement, or RISE. Based on the results of our six-month pilot, in 2020 we implemented RISE as a permanent part of how we hire at Square.

### Race/Ethnicity

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<td>24.5%</td>
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<td>▲ 24.5%</td>
</tr>
</tbody>
</table>

1. Percent change for each category from 2019 to 2020 relative to starting value.

Year-over-year increases of URM (relative percent): 9.3% (Overall), 0.8% (Tech), 10.1% (Business), 24.5% (Leadership).
EMPLOYEES AND CULTURE

Fostering an Inclusive Workplace

To introduce more underrepresented talent to the top of our recruiting funnel, we’ve deepened our partnerships with AfroTech, Lesbians WhoTech and Allies, and /dev/color. We continue to broaden the reach of our opportunities by working with organizations like the Society of Hispanic Professional Engineers, Grace Hopper, Historically Black Colleges and Universities (HBCUs), and groups in service of women in STEM. We also partnered with MimConnect, Career Karma, Women in Technology, Partners in Diversity, and Urban League to increase the representation of historically marginalized demographics within our industry.

1. Percent change for each category from 2019 to 2020 relative to starting value.
Fostering an Inclusive Workplace

We’re building an inclusive financial system where people have equal access to opportunity regardless of their race, gender, sexual orientation, or other differences. It’s important that we live by these same values when building our workplace.
Inclusion Metrics and Reporting

We embedded an analysis of the state of inclusion into our global biannual engagement survey process. This includes a host of questions related to inclusion (questions about belonging, decision-making, growth opportunity, fairness, recognition, and more). It is also a chance for employees to confidentially share feedback on what’s working and what they’d like to see changed at Square. In addition to the inclusion-related topics described above, this survey gathers employee sentiments about their managers, career growth opportunities, Square’s leadership, and more.

As part of every engagement survey cycle, we provide I&D reports to leaders across the company. These reports include an overview of team demographic data and an analysis of the inclusion results, which check for any gaps 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.
Interrupting Bias Training
Our 90-minute Interrupting Bias in the Workplace workshop seeks to deepen participants’ awareness of implicit bias and surface tactical, Square-specific bias mitigation techniques. The content is rooted in external research and requires attendees to engage in perspective-taking and goal-setting exercises, a critical component to effective bias training.

In 2020, we launched a new workshop focused specifically on strategies to interrupt bias within the hiring process, which we rolled out with interviewers and hiring managers. To adapt to our distributed working arrangements, we translated our formerly in-person general bias training to video conference format as well.

Square I&D Blog
For more details on how we are inventing and learning to build inclusive and diverse teams, check out our external blog series where we share our I&D philosophy, our successes, and our challenges. With this blog, we hope to move beyond the numbers of traditional diversity reports, start a real conversation about the work of I&D, and share takeaways with peer companies to move the industry forward.

Square Communities
Communities—employee-founded, employee-run resource groups—are an essential part of advancing belonging and inclusion for employees of all backgrounds. Our 14 Communities (with 30 chapters globally) receive dedicated resources, including an executive sponsor, 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, and people of faith.

In the wake of COVID-19 and the shift to working from home, our Communities have played an integral role in maintaining a sense of belonging and connectedness. From developing resources to support Community members in navigating caretaking responsibilities and care for their mental health, to sharing solidarity statements with the Black community and outlining commitments to center antiracism in their work, our Communities have been essential in supporting our underrepresented employees and cultivating a sense of consistency and community, especially as it relates to opportunities to connect with one another.

Three of our Community (Employee Resource Group) Chairs repping their swag ahead of our annual Community Chair Summit.
Career Development and Learning

At Square, 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.
Management Development
Square offers a Leads Program to all managers. This program takes shape through a series of workshops that help managers develop skills to lead high-performing teams, address everyday challenges, and build their own network of leads. We developed this program through both internal and external research, and our newest version highlights best practices from high-performing leads at Square as well as industry leaders.

Beyond that immersive program, we offer other workshops for leads including programs such as Coaching, Leading Distributed Teams, Thriving Through Change, Influencing Stakeholders, and Delivering & Receiving Feedback. Managers also have access to online executive coaching through a vendor partner, Better Up 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. Square also offers employees virtual and on-demand workshops on a quarterly basis.

Distributed Workplace
Back in March of 2020, our teams pivoted quickly to work from home due to the evolving COVID-19 situation. The distributed workforce model was not foreign to us at Square; 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). To help support this vision in the long term, Square employees will be able to work from home permanently, even once offices begin to reopen. Over the past year, we’ve learned a lot about what it takes for people to effectively perform roles outside an office, and we will continue to learn as we go.

Mitigating Bias
To mitigate the influence of bias on promotion and compensation decisions at Square, we:

- Help leads to 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 materials. Aligned with research suggesting that checklists help 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.
Employee Benefits

Square sees benefits as a critical means 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 with an I&D lens and are proud to provide coverage across several areas. Highlights include mental health services, time off benefits inclusive of different family structures, and U.S. medical and disability coverage inclusive of gender confirmation-related services. Below you will find a few updates from our 2020 program.
2020 Benefits

Health and Wellness

Paid Leaves and Flex Schedules
Square continues to offer fully paid parental leave globally. In 2020, we introduced fully paid caregiving leave to U.S. employees who need to care for a seriously ill spouse, child, or qualifying parent, and we continue to support our employees wishing to expand their family through our fertility benefits which includes financial support for fertility treatments, adoption, and surrogacy. In Ireland, the UK, and Australia, we expanded our parental leave benefit to provide additional support for primary caregiver parents in those markets.

LGBTQ+ Benefits
In the U.S., we expanded our medical coverage to include resources for employees undergoing gender confirmation, while ensuring our short-term disability plan covered them during this time. In Ireland, we added a comprehensive gender reassignment benefit to our health insurance plan, and we plan to explore similar opportunities in other global markets.

Wellness
In 2020, we increased our focus on behavioral health and expanded mental health access globally by increasing the number of free therapy sessions we offer and introducing new online resources. We revamped our wellness program and increased the monthly wellness allowance for our U.S. employees to use toward their physical, mental, and financial well-being.

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

Company Holidays

Juneteenth and International Day for the Abolition of Slavery
In 2020, we designated two new annual holidays at Square: Juneteenth (June 19) in the U.S. and the International Day for the Abolition of Slavery (December 2) in markets outside the U.S. Juneteenth (a combination of June and Nineteenth) marks the second independence day in the U.S., honoring the day when enslaved people in Texas finally heard about their liberation, on June 19, 1865, two years after the Emancipation Proclamation. The International Day for the Abolition of Slavery was designated by the United Nations in 1949 to raise awareness of historical and modern forms of slavery, which continue to affect millions of people today. We will honor these days with education and connection going forward.

Equity Incentive Program
Our employees have the opportunity to participate in Square’s success through our incentive programs.

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

ESPP
Where our local guidelines permit, employees can participate in Square’s Employee Stock Purchase Program (ESPP). The ESPP program allows employees to purchase Square stock at a discount through payroll contributions, which furthers our ability to provide meaningful and competitive compensation.
Corporate Governance

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

In 2020, we continued corporate governance practices that we believe promote long-term value, engender public trust, and serve the best interest of our stockholders, sellers, customers, and other stakeholders.
Corporate Governance Highlights

In furtherance of our corporate governance principles, our Corporate Governance Guidelines are structured to reflect Square’s values and mission. Some highlights of our corporate governance practices are listed below:

- **Lead Independent Director** with a comprehensive scope of responsibilities
- **Independent director sessions** that do not include our CEO as part of each regularly scheduled Board meeting
- **Robust director succession planning** process
- **Strong risk oversight** controls by full board and committees
- **Significant stock ownership** requirements for directors and executive officers
- **Annual Board, committee and individual director self-assessment**
- **Annual review** of Corporate Governance Guidelines and committee charters

For a detailed review of our corporate governance practices, including board structure and composition, stockholder rights and engagement, risk oversight, director and executive compensation, and Board and committee responsibilities, please see our 2020 proxy statement.
Board and Committee Structure

Square 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. Further, senior management provides regular, in-depth business and strategy updates to the Board.
Role of Our Lead Independent Director

Because Jack Dorsey currently serves as both the Chairman of our Board and as our CEO, our Corporate Governance Guidelines provide that one of our independent directors should serve as our Lead Independent Director.

We believe the leadership structure of Mr. Dorsey’s combined role and Mr. Viniar as Lead Independent Director enables strong leadership, creates clear accountability, and enhances our ability to communicate Square’s message and strategy clearly and consistently while ensuring robust, independent oversight by the Board and Lead Independent Director.

Accordingly, board member David Viniar serves as our Lead Independent Director and is responsible for, among other things:

- Calling separate sessions of the independent directors
- Determining the agenda and serving as chairperson of meetings of independent directors
- Providing feedback to the Chief Executive Officer and Chairman of the Board regarding the executive sessions
- Conducting individual director evaluations as part of the board evaluation process
- 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

Snapshot of Directors

Square’s Board of Directors currently comprises 11 members, nine of whom are independent.

Commitment to Board Diversity

- 4 out of 11 Directors are women or ethnically diverse

Strong Independent Leadership

- 9 out of 11 Directors are independent

Balance of Fresh Perspectives and Institutional Knowledge

- <4 years
- 4-8 years
- >8 years
- 5 years Average independent director tenure
- Board Tenure of Independent Directors

The Board includes four committees, all of which are 100% composed of independent directors.
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—both to better reflect our employees and customers and strengthen our business performance.
The Board Composition

Our Nominating and Corporate Governance Committee oversees Board composition and the director pipeline to ensure a mix of skills, experience, tenure, and diversity that promotes and supports Square’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. With respect to diversity, the Committee considers factors such as gender, race, ethnicity, and experience.

Most Recently Appointed Directors

Amy Brooks
In October 2019, Amy Brooks joined our Board. She serves as President, Team Marketing & Business Operations and Chief Innovation Officer at the National Basketball Association (NBA). Since joining the NBA in 2005, she has served in a variety of roles, and in 2017 was named the league’s first Chief Innovation Officer. She brings immense experience in building global brands and empowering communities.

Darren Walker
In June 2020, we welcomed Darren Walker, who serves as the President of the Ford Foundation, to our Board. He has spent most of his life dedicated to philanthropy, and his insights from working to address structural inequality provide a valuable perspective for furthering Square’s purpose of economic empowerment.

Board Evaluations
The Nominating and Corporate Governance Committee oversees the annual Board evaluation process. Over the past few years, these evaluations have led to a broader scope of topics covered in Board meetings and improvements in Board process. Components of the evaluation process include:

- One-on-one conversations between each director and our Lead Independent Director
- Individual peer feedback
- Senior management feedback
- Board and committee level evaluations

Our Nominating and Corporate Governance Committee oversees Board composition and the director pipeline to ensure a mix of skills, experience, tenure, and diversity that promotes and supports Square’s long-term goals.
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**

Square’s Chairman and CEO, Jack Dorsey, is a co-founder of and significant shareholder in Square. 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 Square. As such, Jack’s interest in Square 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 Square 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**

Square creates an annual C-suite-level senior management succession plan for the Board of Directors that is refreshed annually. The Nominating and Corporate Governance Committee oversees the succession planning process. The plan includes possible successors in three scenarios: emergency, ready now, and developing. Successors are identified by our C-suite-level senior management with review from the CEO and People Lead.

The summary of the successors include the following:

- Current role and responsibilities
- Experience including tenure, education, and prior work history
- Strengths and development areas
- Development plan including years and skills needed to become successor
- Flight risk and aspirations

Square summarizes key themes across all successors including key skills, experiences, and demographics to ensure we always consider a diverse slate of successors. We identify areas for development and where we need to make investments.
Oversight of Corporate Responsibility and ESG Matters

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.
Corporate Social Responsibility Report
This is Square’s second Corporate Social Responsibility Report, and we look forward to continuing to iterate upon this report each year while sharing Square’s efforts and accomplishments.

ESG Committee
Square has formed a cross-functional working group from multiple business areas that serves as the central coordinating body for Square’s corporate responsibility efforts. This team oversees the broader ESG program, connects key stakeholders across the company, and reports up to senior leadership.

Functional Leadership
Corporate responsibility is managed at a functional level across each of Square’s teams, with responsibility for oversight rolling up to our senior executives.

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

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. Our Code of Business Conduct and Ethics (the Code) encourages each of our directors, executive officers, and all other employees to approach this work lawfully, honestly, ethically, and in the best interest of Square. The Code serves as a guide for such conduct, and the policies and procedures within show our employees how to uphold the Code in their day-to-day activities. We are consistently evaluating the Code and making updates when needed.
Data Privacy and Information Security

Governance and Oversight
Our Audit and Risk Committee’s (ARC) charter includes oversight over cybersecurity and privacy risks. Square’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, Square’s full Board is educated by the CISO and CPO at least annually on privacy and cybersecurity matters.

Transparency
Square posts privacy notices for each of its major products and services. The privacy notices 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 a material update to these privacy notices.

We are committed to complying with applicable law, including the Gramm-Leach-Bliley Act (GLBA), the European General Data Protection Regulation (GDPR), and the California Consumer Privacy Act of 2018 (CCPA).

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 impacted individuals and regulators in accordance with applicable law.
Forward-Looking Statements Section

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 Square (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 Square’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 is 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.