

**2019**

# **Corporate Social Responsibility Report**

# *Table of Contents*

## **Letter from our CEO**

## **About Square**

Environmental, Social & Governance (ESG) Oversight

About This Report

Our Business

## **Social Impact**

Community Engagement

For Every Kind of Dream

Square Capital: Expanding Access

## **Environmental Responsibility**

Environmental Practices

Our Spaces

Supply Chain and Social Policies

## **Employees & Culture**

Compensation & Benefits

Talent Acquisition & Development

Executive Compensation & Succession Planning

Inclusion & Diversity

## **Corporate Governance**

Corporate Governance

Code of Business Conduct & Ethics

Data Privacy & Information Security

## *Letter from our CEO*

In 2018, we formed our Social Responsibility Committee, which joins our Sustainability Committee in coordinating Square’s social responsibility, governance, environmental, and sustainability efforts. This committee serves as the central body for our strategy, benchmarking, and reporting, and the Nominating and Corporate Governance Committee of Square’s Board of Directors provides additional oversight. This Corporate Social Responsibility Report—our first!—is a demonstration of our commitment to operate in a responsible and sustainable manner, and provides an overview of the efforts and progress we made in 2018.

A handwritten signature in black ink that reads "Jack". The signature is stylized with a large, sweeping initial "J" and a cursive "ack".

Jack

# About Square

Square, Inc. (NYSE: SQ) revolutionized payments in 2009 with Square Reader, making it possible for anyone to accept card payments using a smartphone or tablet. Today, Square provides tools that empower businesses and individuals to participate in the economy.



## Our Values

Our purpose of economic empowerment drives the development of all our products and services. To accomplish this, we focus on four principles to guide our behavior: understanding someone's struggle; seeking divergent perspectives; taking principled risks; inventing and learning.

## Environmental, Social & Governance Oversight

The Nominating and Corporate Governance Committee of Square's Board of Directors has general oversight over our Environmental, Social, and Governance (ESG) efforts. Square has a Sustainability Committee, which focuses on environmental and sustainability matters. In 2018, we formed a Social Responsibility Committee that serves as the central coordinating body for our responsibility strategy, benchmarking and reporting. We've also dedicated additional resources to further advance our ESG capabilities and oversight. Moving forward, we plan to evolve our ESG strategy and management systems.

## About this Report

This 2019 Corporate Social Responsibility Report provides a high level overview of Square's global operations for calendar year 2018 (unless otherwise noted). Acquisitions that were made in 2018 are included in our assessments.

The Report covers four key priority areas: Social Impact, Environmental Responsibility, Employees and Culture, and Corporate Governance.

As we continue to evolve our ESG strategy, we'll share progress through subsequent reports and updates.

Questions or requests for additional information can be submitted to [IR@squareup.com](mailto:IR@squareup.com).

# Our Business

Square offers tools for sellers to start, run, and grow their business. We provide a cohesive ecosystem of products and services for sellers, which includes managed payments, software, developer tools, and other growth services. Our Sellers are able to use this ecosystem to build a website or online store; manage inventory, locations, and employees; access financing; engage buyers; and grow sales. With Caviar, restaurants can easily offer diners delivery, pickup, and group ordering.

With Cash App, people can send, spend, and store money. In the same way that we have built an ecosystem for businesses, we see an opportunity with Cash App products to build a similar ecosystem of services for individuals.



## 3349

Full-time employees  
(as of Dec 31, 2018)

*Square is headquartered in  
San Francisco, with offices in:*



United States



Canada



Japan



Australia



Ireland



United Kingdom

### Our Scale:<sup>1</sup>

- Over \$85 billion in annual Gross Payment Volume
- Over 1.8 billion card payments, and across 341 million cards
- Millions of active sellers and over 15 million Cash App customers

### Our Financials:<sup>1</sup>

- Total net revenue: \$3.3 billion, up 49% year over year
- Adjusted Revenue: \$1.6 billion, up 61% year over year
- Cash and equivalents: \$1.6 billion

1. Data provided for full year 2018. Cash App monthly active customers as of December 2018. Cash and equivalents represents cash, cash equivalents, restricted cash, and investments in marketable fixed income securities

# Social Impact



# *Community Engagement*

Square engages with our local communities and mobilizes our employees to give back in three areas:

Nº. 1  
*The hyper-local community*

Nº. 2  
*The small business community*

Nº. 3  
*The next generation in tech*





## *Hyper-local Volunteerism*

In each office location, we look for the most pressing community issues where our employees can have an impact, and we partner with local nonprofits for ongoing volunteer engagements. In most offices, we have active volunteer communities (“volunteams”) who 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 outside our walls.

Our projects vary by office location, based on the community need and size of employee population in each geography. For example, in San Francisco we’re focused on outreach to the homeless community, including through our partnership with Compass Family Services, and in NYC and St. Louis our offices have each adopted a neighboring, underfunded school to support.





## *Small Business Community*

Beyond our products, we look for ways to support local small businesses, particularly those in underserved communities or that champion underrepresented groups. We partner with local civic leadership, small business advisory groups,

and merchant associations to provide additional education and training to small businesses (especially those without easy access to technology, or where language barriers may leave them out of the financial system). We also partner

with a number of small business mentorship organizations, and we highlight local small businesses inside our offices, through exhibits, seller pop-ups, and other events.



Grow Your Business Panel  
with the Mayor's Office of  
Economic Development



Local small business owners in  
Albuquerque, NM (Jan 2019)



## *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 to provide education to small business sellers on topics like Access to Capital, E-commerce, and Cash Flow Management. In localities across the country, we collaborate with Community Development Financial Institutions (CDFIs) and credit unions on small business initiatives; and we recently announced a partnership with Mayor Frey and the City of Minneapolis focused on our work with Village Trust Financial CDFI and credit union in North Minneapolis, which was formed as a response to the need for a local financial institution.



Cash Flow Management and  
E-Commerce workshops,  
January 2019

## *The Next Generation in Tech*

As we work to create access to tech careers for people, we have a particular focus on underrepresented minorities. We partner with training organizations to increase exposure to tech careers for people 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.

Our partnership with dev/Mission in San Francisco is a great example of the collaboration between our employee resource groups and the community. Our LatinX group hosts regular career panels, resume reviews, mentorship sessions, and other events for the underrepresented young adults dev/Mission serves. The goal is to expose these young people to opportunities in tech and to help them develop the skills and confidence to access those opportunities.





## *For Every Kind of Dream*

“For Every Kind of Dream” is our film series documenting the dreams of small business owners in America. The businesses’ and entrepreneurs’ stories we feature in the series speaks to a fundamental belief that underlies Square’s work — that dreams can be achieved when we provide people with access to the right tools. These transformative stories can be found at [foreverydream.com](https://foreverydream.com)





# Spotlight on Square Capital: Expanding Access

Square empowers small businesses with the technology and tools they need to thrive in the economy. We started by enabling sellers to accept card payments, and we continue to expand access to the financial system.

## Square powers small business.

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

85%+

Of Square sellers live outside the 25 most populous U.S. cities.<sup>1</sup>

1. 2017 Square Proprietary Data.

Small businesses drive economic output and new job creation, and act as an on-ramp for individuals to participate in economic growth. However, small businesses often face challenges accessing the financial resources they need. For example, access to capital can be an intimidating, time-consuming, and often unsuccessful process.

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

## Traditional borrowing is difficult for a small business.

Square helps provide funding to merchants who are underserved by traditional banks.

69%

Of small businesses do not receive the funding they want.<sup>2</sup>

2. 2018 Small Business Credit Survey. Federal Reserve Banks.

business. Square Capital's relationship with Square puts us in a unique position to expand access to capital to more businesses of all sizes. Using technology and data, we bring simplicity, flexibility, and transparency to financial products, creating a more inclusive financial system. Our approach to financial services, including facilitating loans, is rooted in aligning our interests with those of our sellers to help support seller growth and success.

## Small business in your community expanding access.

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

56%

Of loans through Square Capital went to women-owned businesses, compared to 18% of traditional loans.<sup>3</sup>

36%

Of loans through Square Capital went to minority-owned businesses, compared to 27% of traditional loans.<sup>3</sup>

3. Square Capital statistic: Based on an April 2018 survey of 6,397 respondents who have accepted a loan through Square Capital. Traditional loan statistic: SBA 7(a) Lending Statistics for Major Programs as of 7/13/2018

# *Environmental Responsibility*



# *Environmental Practices*

**As we build our company, we're committed to doing so in a way that is mindful and respectful of our environment. With the choices we make about our products, our office spaces, and our community engagement, we seek to be as sustainable as possible, and regularly reevaluate where we can do better across all areas.**

## **Our Sustainability Committee**

This cross-functional working group coordinates Square's environmental and sustainability efforts – including evaluating how to build products and packaging in an environmentally responsible way, overseeing sustainability in our supply chain and the ways we use our office spaces and getting employees out into the community through neighborhood engagement efforts.

## **Our Products**

Currently, we source nearly 100% of our hardware components from top-tier suppliers and work closely within our supply chain to ensure that our materials are sourced responsibly. This includes trying to source regionally to limit emissions due to transit and reducing materials/waste through design changes.

With our packaging, we have made substantive changes to drive the use of more sustainable materials and to reduce waste in transportation. We continue to innovate and improve packaging and we are actively investigating new packaging materials for the future.

## **Our Community**

In addition to being conscious of the environmental footprint of our products and offices, we work to promote environmental responsibility in our local communities. To this end, we partner with local nonprofits and community organizations on volunteer projects that help keep our neighborhoods healthy and clean for all. From planting trees with Friends of the Urban Forest to park and beach clean-ups with city parks and recreation departments, we create opportunities where Squares can take an active role in beautifying the environment beyond our own walls.

# Our Spaces

When it comes to our office spaces and the way we use them, we strive to reduce our carbon footprint and implement sustainable practices across all locations.

When we build new offices and renovate existing ones, we focus on using sustainable materials with recycled content so we can reduce the amount of waste sent to landfills. In addition, we focus on building expansion spaces in the same locations as existing offices and retain as much of the original building materials as possible. When we select vendors (such as architects and contractors), we look for those with experience in sustainable design and accreditation wherever possible.

As it relates to caring for our facilities, in each of our offices we’ve implemented responsible waste management practices and follow strict guidelines related to recyclable materials and compostable matter in all local municipalities.

We’ve focused heavily on programs in all of our global offices that will reduce our energy usage, by investing in smart Building Management System technologies for lighting and HVAC to minimize our overall energy utilization. We opt for low-VOC cleaning products (those that have minimal impact on indoor air quality), and for office supplies, we opt for recycled paper wherever we can.

With our culinary program, we choose to partner with vendors who care about sustainability, opt for locally sourced produce, meat, fish, and other ingredients, and donate leftover food from our San Francisco meal program to local food charity partners.

As Square continues to grow, we have a special interest in ensuring our new and existing spaces remain committed to preserving our environment in various ways and we’re proud of our efforts to date. To the right are some of the highlights of those efforts by the numbers.

+50%

San Francisco employees who take advantage of public transit related benefits

4462 lbs

Compost waste diverted from local landfill in 2018 due to efforts by our Atlanta employees

4

offices in LEED certified buildings (San Francisco, Oakland, Atlanta, and Tokyo)

3:2:1

Ratio of compost: recycle:landfill in our San Francisco office to help employees dispose of waste properly

100%

Global offices that shred and pulp all confidential papers with a national company diverting thousands of pounds from landfills

8273 lbs

food donated to the San Francisco Food Runners program in 2018 for low income residents and homeless services

# *Supply Chain and Social Policies*

## **Supply Chain**

We have engaged with third parties to audit our supply chain and sustainable sourcing efforts, including annual audits of our manufacturing partners for fair labor practices. In addition, we perform an annual review of conflict mineral usage pursuant to SEC rules. We have also recently concluded testing for chlorofluorocarbons (CFCs) and checking for polyvinyl chloride (PVC) use. These are all steps we are proud to be taking to ensure our products are produced as ethically and responsibly as possible.

## **Supplier Code of Conduct**

We hold our suppliers accountable to the same standards to which we hold ourselves – this is especially important as we continue to grow and expand around the world. Our Supplier Code of Conduct outlines the requirements and guidelines we set forth for all suppliers, vendors, and partners to ensure they reflect our values and operate responsibly. Our Supplier Code not only makes our requirements around business integrity and ethics clear, but also highlights our expectations related to environmental responsibility, labor, and human rights.



# *Employees & Culture*

# Compensation & Benefits

Square offers employees a strong package of compensation, benefits, perks, office amenities, and engagement programs in order to attract and retain the best talent in a competitive labor market. Below are a few examples from our 2018 program.

## Health + Wellness

*Family Care and Leave:* We offer 4 months of fully paid parental leave and other benefits including fertility services, surrogacy support and adoption assistance. Square also offers family leave to care for a seriously ill spouse, child, or qualifying parent. Employees on short-term disability leave receive a top-up from Square so that they receive 100% of their salary for up to 13 weeks.

*LGBTQ+:* Square supports its diverse workforce by extending partner/spouse coverage to LGBTQ relationships and providing resources for employees undergoing gender reassignment.

*Wellness:* We provide our employees with a monthly wellness allowance, along with free on-site fitness classes and wellness events, tailored to the employee's location. Our San Francisco office has an onsite wellness center that provides massage, acupuncture, chiropractor, and behavioral health services.

*Financial Health:* In most of our locations across the globe, we offer retirement savings programs to which Square makes a contribution. We also have a 401(k) plan match for retirement contributions for U.S. employees. In 2019, employees who contributed \$8,000 to the 401(k) plan receive a \$4,000 matching contribution from Square.

*Flexible time off:* Square takes a personal-judgment based approach to paid time off, that allows employees to exercise their best judgment in determining when to take time off and the length of time they spend out of the office.

## 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 or stock options that vest over their time of employment with Square.

*ESPP:* All of Square's full time employees, both domestically and internationally (except in China), are entitled to participate in Square's Employee Stock Purchase Program (ESPP). In China, employees are rewarded for Square's growth through a cash incentive program tied to Square's stock price performance.

# *Talent Acquisition & Development*

## **Development**

### *Management Development*

Square has a Leads Program available for all of Square's managers that helps them develop skills to lead high-performing teams, address everyday challenges at Square, 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. Current workshop offerings for leads include programs on Coaching, Managing Work, Delivering Feedback, Team Building and Strategic Planning.

Managers 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.

### *Employee Development*

All Squares have access to Skillshare - an online learning platform with thousands of classes across diverse topics like marketing, design, productivity and software. Square employees can take courses at any time based on individual interests and goals.

Square also offers its employees in-person, virtual and on-demand workshops. New workshop offerings are made available to Square employees each quarter.

## **Engagement**

Twice annually, all regular full-time employees are eligible to participate in Pulse, a survey for Square employees that helps us measure and track employee engagement and satisfaction. 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.



# *Executive Compensation and Succession Planning*

## **CEO Compensation**

Square's Chairman & CEO, Jack Dorsey, is a founder and significant shareholder in Square. Jack has requested, and the Compensation Committee has agreed that he not receive additional compensation, 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 excellent 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 and ensuring that compensation programs are equitable across similarly-situated employees. Simplicity at Square manifests in a compensation program that provides a modest 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/RSAs in equity awards that link executives' financial opportunities to shareholder value.

## **Succession Planning**

The People team conducts an annual succession planning process with the executive team for the Board of Directors to review and discuss. Below is our methodology.

### *Data Gathering*

Conduct 360 degree review process for potential internal successor candidates to assess subject. Review employee engagement survey results.

### *Talent Card Creation*

"Talent Cards" are used to summarize career information for each potential successor.

Talent Cards help identify potential skill gaps in a succession situation and manage ongoing executive development.

### *Development Planning*

Identify group themes and individual development opportunities.

Support managers in acting on individual development plans.

# *Inclusion & Diversity: Fostering an Inclusive Workplace*

*We're building an inclusive economy where all sellers 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 & Diversity Reporting**

We provide biannual Inclusion & Diversity (I&D) reports to leaders across the company. These reports use team demographic data and an analysis of employee engagement survey results to provide an overview of I&D health, organized within seven key themes: Belonging, Career Growth, Empowerment, Performance, Process Fairness, Recognition, and Workload. The reports are accompanied by a playbook of research-backed strategies to address specific gaps in inclusion health.

## **Promotion + Compensation Processes**

To control for bias in our promotion cycle, we've created a bias mitigation checklist used in promotion calibration discussions and instituted a pay equity review practice, where we check for statistical evidence of bias before promotion and compensation decisions are final.

## **Interrupting Bias Trainings**

Given [studies](#) on the effectiveness of unconscious bias trainings, we overhauled our training content in 2018 to focus on Square-specific strategies for interrupting bias on a daily basis.

## **Inclusion Survey**

In addition to our biannual employee engagement survey, we run an 100% anonymous Inclusion Survey that assesses aspects of inclusion alongside deeper demographic categories spanning gender identity, neurodiversity, and political views. This survey helps measure and improve upon our ability to foster an inclusive workplace where people from all backgrounds can thrive.



Office installation celebrating Maya Angelou — organized as partnership between our Black Squares Association and Women at Square Communities.



*Square values diversity.*

**+8 pts**

ABOVE INDUSTRY BENCHMARK

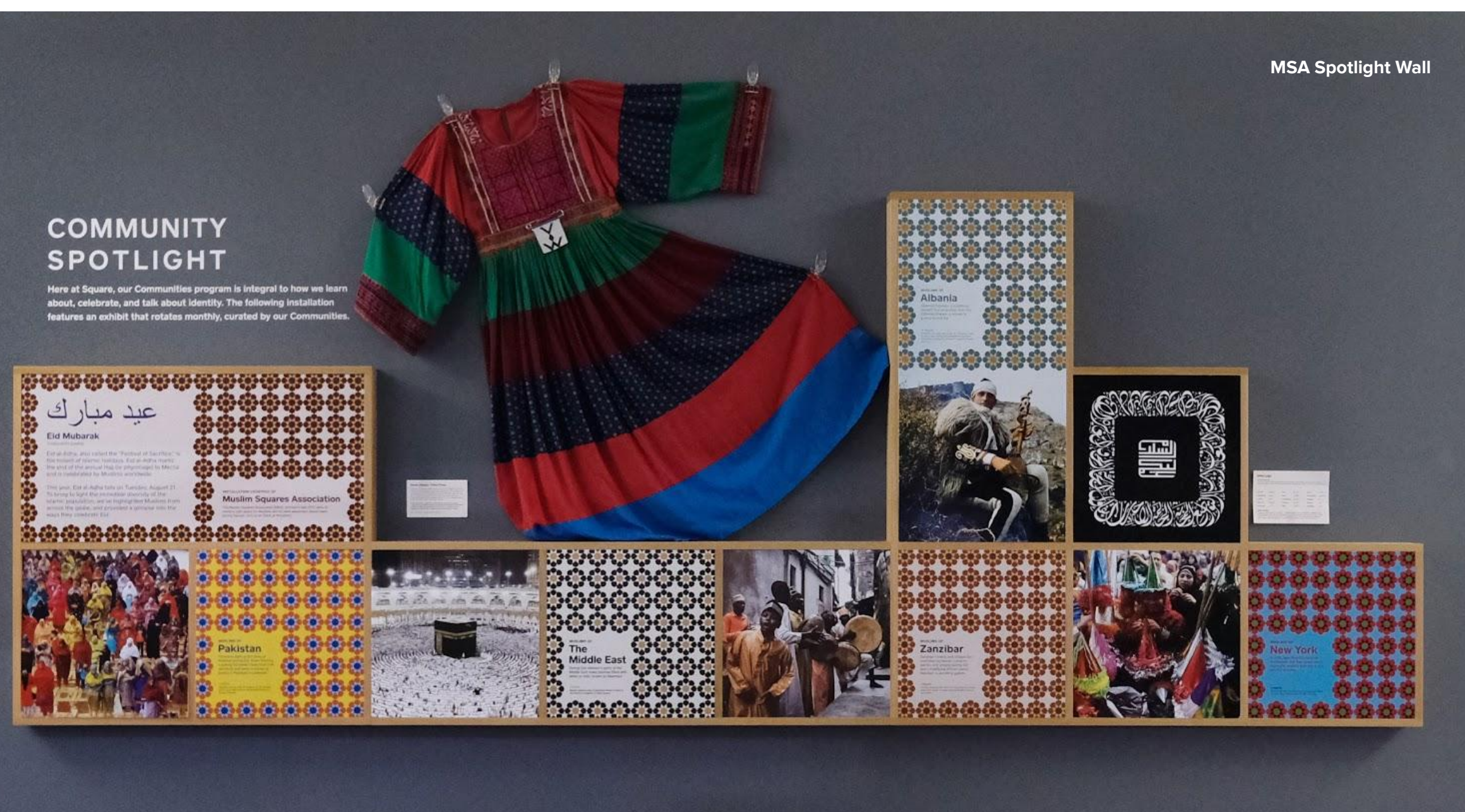
*Square is taking productive steps to improve inclusion and diversity.*

**+7 pts**

INCREASE SINCE 2017



# Inclusion & Diversity: Square Communities



MSA Spotlight Wall

Communities—employee-founded, employee-run resource groups—are an essential part of advancing belonging and inclusion for Squares of all backgrounds. Our 14 Communities (with 30 global chapters) receive dedicated resources, including an executive sponsor, budget, and support in executing initiatives and events. We are proud to support a diverse array of Communities, including groups fostering inclusion for the neurodivergent, people of faith, and people of size.

Collectively, our Communities have over a thousand members and in 2018 alone, they hosted over 120 events including lunch and learns, workshops, featured sellers pop-ups, and more. Currently, each Community is designated one month per year in which they work with our creative teams to spotlight their Community across global offices through a “Spotlight Wall” office installation and t-shirts designed by and for the group. Spotlight Months are an opportunity to celebrate the diverse Communities that make up Square.

14

COMMUNITIES

30

CHAPTERS

8

LOCATIONS



# *Inclusion & Diversity: Building A Diverse Workforce*

## I&D Talent Playbook and Council

In 2018, we examined each step of our hiring process and developed a playbook outlining opportunities to strengthen our practices. We also established an I&D Council for Talent as a mechanism to continually identify and push forward opportunities to systematically mitigate bias in our hiring process.

## Strategic Partnerships

To introduce more underrepresented (UR) talent to the top of our recruiting funnel, we attend conferences including **Grace Hopper**, **Afrotech**, **Society of Hispanic Professional Engineers**, **Tapia**, and more. Additionally, we have continued our close partnership with **/dev/color**, a professional network for black software engineers, and we host regular Diversity Sourcing Jams where our I&D team guides other teams in sourcing talent from UR groups.

## Square I&D Blog

In 2018, we launched an [external blog series](#) to share our I&D philosophy, our successes, and our challenges in the hope of starting real conversation about the work of I&D and sharing takeaways with peer companies.



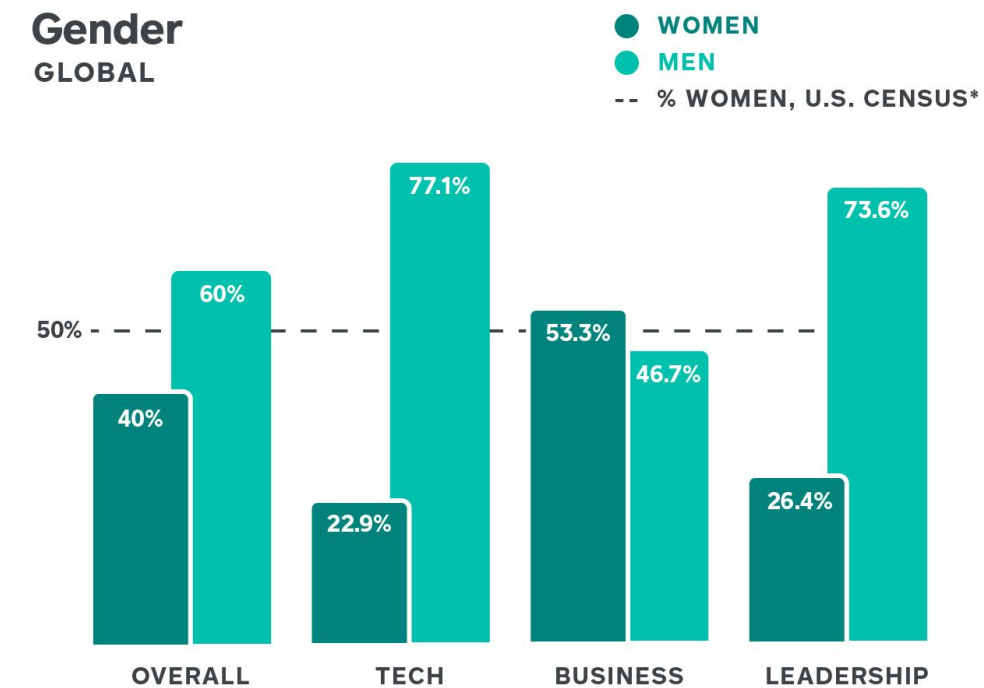


# Inclusion & Diversity: Workforce Demographics

Square employees are 40.0% women and 20.9% under-represented minorities (URM). These figures have grown 5.8% and 15.4%, respectively, year over year, but are still short of our U.S. Census benchmark target of 50% women and 30% URM. We've included a breakdown of key diversity metrics here and on our I&D blog, including the percentage of women and URM in tech and leadership roles. While they 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.

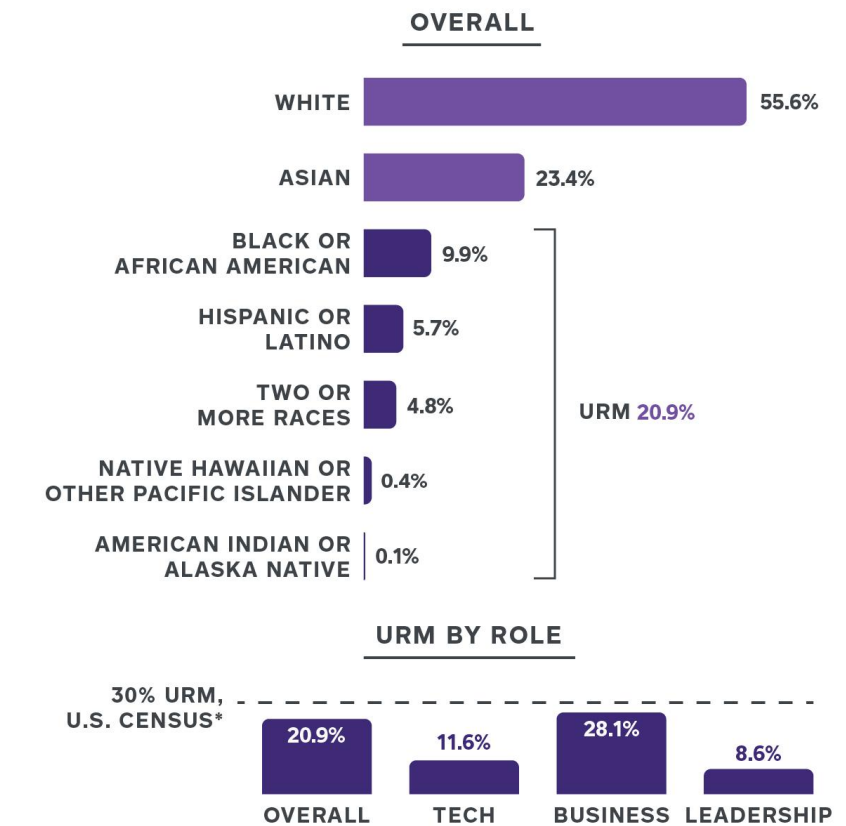
More detailed information regarding our workforce demographics can be found on our [I&D blog](#).

\*All data is for 2019, unless otherwise noted.

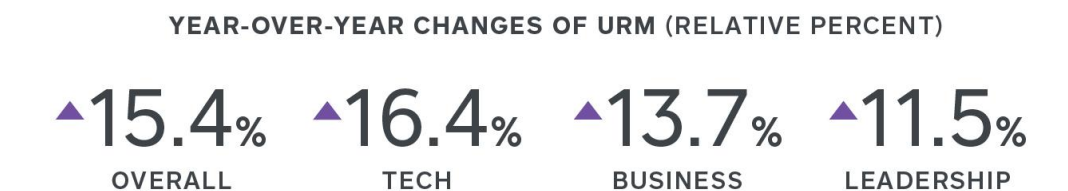
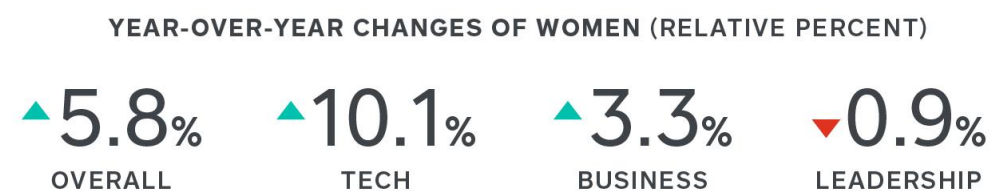


\*According to the U.S. Census, 50% of the U.S. population are women.  
1% of Squares identify as transgender, based on our 2018 Inclusion Survey.

## Race/Ethnicity U.S. EMPLOYEES



\*According to the U.S. Census, 30% of the U.S. population are URM.



# *Corporate Governance*



# Corporate Governance

Our approach to corporate governance is designed to ensure board and management accountability to our stakeholders, foster responsible decision-making, and engender public trust. The [Corporate Governance Guidelines](#) of the Board of Directors are grounded in Square’s values and mission. The Guidelines provide that one of our independent directors will serve as our Lead Independent Director if the Chairman is not independent.

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 Sellers, but to also strengthen our business performance. For more information on our leadership, visit the [Square Investor Relations](#) page.

The Nominating and Corporate Governance Committee of Square’s Board of Directors has general oversight of ESG issues, and is able to delegate oversight of such issues to members of Square’s management, as appropriate.

With representation from senior leaders across functional areas, our Social Responsibility Committee serves as the central coordinating body for our responsibility strategy, benchmarking and reporting. The Social Responsibility Committee is also responsible for producing this report.

**54**  
Average ages of  
our directors

**5 years**  
Average board tenure

**28%**  
Female board  
members

**100%**  
Of our committees are  
independent

**3**  
New directors  
added in the last  
two years

# *Corporate Governance*

## **Risk Management and Oversight**

Our Board of Directors (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 Management (ERM) framework, by our Audit and Risk Committee.

While our Board maintains ultimate responsibility for the oversight of risk, it has implemented a multi-layered approach which 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 our Board, management and leaders of our ERM review as strategic, operational, people, financial and compliance and consist of risks such as cybersecurity, financial reporting and

competition. Our Board and its committees oversee risks associated with their respective areas of responsibility.

Our management reporting processes are designed to provide visibility to our Board regarding the identification, assessment and management of risks and management's strategic approach to risk mitigation. As part of our overall risk management process, we conduct an enterprise risk assessment on an annual basis, which is shared and discussed with our Board of Directors. Our lead independent director meets with our internal auditor, Chief Compliance Officer and General Counsel on a regular cadence to identify and discuss risks and exposures and escalates potential issues to our Audit and Risk Committee or Board, as appropriate.

In addition, our Board engages in a routine evaluation of our ERM policies and processes that

are used to identify, assess, monitor and report on risks across the organization and discusses Square's implementation and measurement of risk tolerances, limits and mitigation with members of senior management.

# *Civic Engagement*

## **Municipal Advocacy and Policy**

Square partners with cities and municipalities to provide access to the financial system and to support small businesses as they start, run, and grow.

For instance, Square is collaborating on a year-long partnership with the City of Albuquerque and Mayor Tim Keller's One Albuquerque initiative, which focuses on the ability to grow the local economy through the power of small business. Square has produced small business bilingual English/Spanish workshops in September (2018), January (2019), April (2019), and we plan to return again with an additional series of events in September.

Square has also produced small business workshops with cities like New Orleans, Cleveland, and Columbia, SC. We plan to engage Atlanta and Pittsburgh in the summer of 2019 with seller education.

Engagements like these are important to our purpose of economic empowerment. And any lobbying expenditures or interactions with government officials are subject to review and oversight by Square's Head of Communications and Policy and General Counsel.



# *Code of Business Conduct and Ethics*

**We are dedicated to fostering and maintaining high ethical standards and integrity in all of 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 employees to approach this exciting and inspiring 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. Some of the key policies in our Code include the following:

## **FCPA and BSA/AML Policies and Trainings**

Upon joining Square and annually thereafter, our employees are required to take anti-money laundering and compliance training, including Global Anti-Bribery and Corruption/Foreign Corrupt Practices Act (“FCPA”) and Bank Secrecy

Act/Anti-Money Laundering (“BSA/AML”) online training courses, and certify that they understand and will comply with our FCPA and Anti-Corruption and BSA/AML Policies and Guidelines.

Our FCPA and Anti-Corruption Policy and Guidelines and BSA/AML Policy are always available to our employees.

## **Monitoring Compliance**

The Board of Directors, in conjunction with the Audit and Risk Committee and the Nominating and Corporate Governance Committee, is ultimately responsible for administering the Code.

## **Reporting and Speak-Up Policy**

We operate on the basis of transparency, honesty, and trust with our customers, business partners, and employees. All Squares are responsible for fostering a safe, respectful, productive work environment, and part of that responsibility includes encouraging Squares to report any concerns they have regarding a violation of Square’s policies. Accordingly, our Reporting and Speak-Up Policy is proactively communicated to employees as part of our Employee Handbook.

Questions or concerns about business or ethical conduct can be reported through our hotline, which is available 24 hours a day, seven days a week and in multiple languages. Calls to the hotline are confidential and can be made anonymously. Financial or accounting related calls are reviewed by our Audit and Risk Committee and General Counsel, or their delegates, as appropriate. Employees will not be retaliated against for reporting a concern in good faith.

# *Data Privacy and Information Security*

## **Governance and Oversight**

Our Audit and Risk Committee's (ARC) charter expressly includes oversight over cybersecurity and privacy risks.

Square's Chief Information Security Officer (CISO) and Chief Privacy and Data Protection Officer (CPO /DPO), who lead our information security and privacy functions, report to ARC quarterly on the Square affiliate ecosystem's privacy and security program, material risks, relevant industry developments and threat vectors. If a material breach were to occur, Square would update ARC in accordance with our incident response plan.

In addition, Square's full Board of Directors is educated by the CISO and CPO at least annually on privacy and cybersecurity matters, including its oversight obligations.

## **Transparency**

Square posts publicly facing privacy notices for each of its major affiliate brands, including [Square](#), [Cash App](#) and [Caviar](#). The privacy notices describe what data (including personally identifiable information) 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**

Square is committed to implementing leading security and PCI-compliant controls to protect the data entrusted to us by 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 implement and continuously improve robust security policies and safeguards to protect sensitive personal and financial data.

We conduct regular vulnerability scans, penetration tests, and audits of our information security program. We train employees and contractors on data privacy 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*

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 regarding our business plans and objectives; our strategies and systems for implementing our goals; our commitments to programs and policies; and our expectations and priorities for ESG 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 these forward-looking statements include, among others, those listed or described from time to time in our filings with the Securities and Exchange Commission (the "SEC"), including our most recent 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 Square's website.

All forward-looking statements are based on information and estimates available to Square at the time of this report and are not guarantees of future performance or commitments. Except as required by law, Square assumes no obligation to update any of the statements in this report.