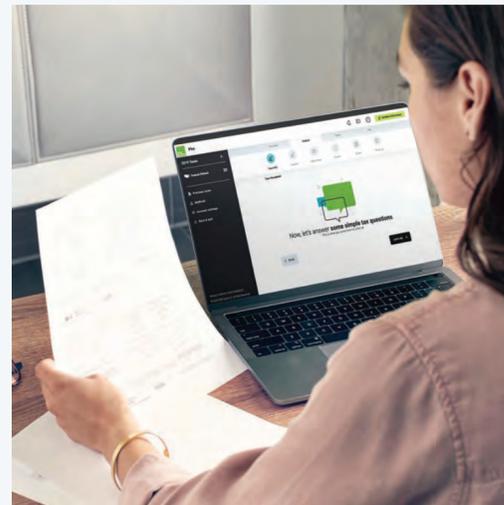
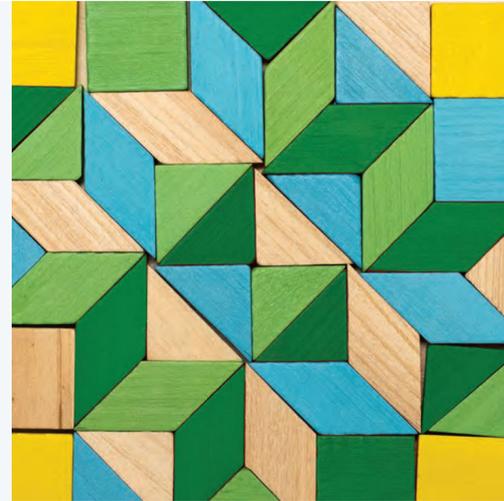


# 2021 Corporate Responsibility Report

**H&R  
BLOCK**

**WE'RE MAKING EVERY BLOCK BETTER**





# Table of Contents

- 02. A Message from Jeff Jones
- 03. Our Purpose
- 06. Ethics and Governance
- 07. Engaging our Stakeholders
- 08. Make Every Block Better
- 16. Our People
- 21. Equity Action Plan
- 22. Connecting to our Planet
- 25. About this Report

# A Message from Jeff Jones

To all our clients, partners and shareholders, thank you for your interest in our second Corporate Responsibility report. We are excited to share the progress we made in supporting our people, communities, and small businesses last year, and our efforts to continue fulfilling our Purpose despite the challenges of 2020 and 2021.

With the hardships that last year brought, we are more committed than ever to our Purpose and will continue to make progress on our evaluation of our environmental, social, and governance (ESG) factors. We recognize the importance of our environmental performance, social responsibility, and sound corporate governance, to all stakeholders. In this report, we provide updates on our efforts from the past year and talk about our progress toward our stated goals.

If there's one thing I learned as I looked back on the last year, it's the importance of human connection and belonging to communities. Personal connections have always been important to us at H&R Block, but now they are a top priority, for our associates and anyone associated with our company. I am so proud of how we, as a company embrace our communities and strive to create a culture at Block where everyone feels like they belong. We are uniquely positioned to champion diversity and inclusion through our partnerships and programs that support diverse associates, minority business owners, and underrepresented communities. And we feel it is our imperative to do everything we can to make this happen.

Communities are also more vibrant when neighbors connect with one another, and small businesses thrive. That's why our commitment to leveraging our time, resources, and partnerships to build and foster connections within communities, neighborhoods, and blocks across America has been at the

top of our minds. As part of that commitment, we expanded Make Every Block Better this year to provide even more support for small business owners. We piloted new ways to better serve and promote small businesses, especially in the face of challenges brought by the pandemic, with a focus on supporting historically underrepresented business owners.

Finally, we recognize our responsibility to do something to bring an end to systemic racism. Just agreeing there was a problem wasn't enough, so we came up with tangible actions to actively identify and remove racism from our workplace and our communities. That is why we introduced our Racial Equity Action plan last year, and why we will continue to prioritize and invest in these efforts. While there is still lots of work to be done, I am pleased with what we've accomplished thus far, and I am excited to see what the future has in store.

Here at H&R Block, being a responsible corporate citizen that cares about our people, our communities, and our planet has been a part of our culture and aspirations from the very beginning. This is still true now, more than ever.

Thank you for taking the time to read this report, we're looking forward to continuing to share updates on our progress as we work to reach our goals, now and into the future.

We recognize the importance of our environmental performance, social responsibility, and sound corporate governance, to all stakeholders."

**Jeffrey J. Jones II**  
President and  
Chief Executive Officer



# Our Purpose & Block Horizons 2025

## Our Purpose drives us to be a better business:

1

**To provide help and inspire confidence in our clients and communities everywhere.**

2

**This Purpose guides our ongoing business operations:**

- We restore the financial confidence of America—for people, small businesses, and communities.
- We build services and provide products that ease the burden felt by far too many, with ways to manage money in a mobile-first world.
- We help entrepreneurs turn their passions into professions and help them set a strong foundation with tools to handle their finances.

3

**Our Purpose also guides us on how we help people in our communities and in the workplace:**

- We work to Make Every Block Better by improving the heart of communities through connecting neighbors and supporting small business owners.
- We strive to go beyond diversity and inclusion, to create a sense of belonging for our associates.
- We pledge to continue doing our part in ending systemic racism.

As we continue to carry out our Purpose, we are excited about our transition to the next phase of H&R Block's strategic transformation: Block Horizons 2025.

With renewed focus on small businesses, financial services, and transforming the tax experience, Block Horizons 2025 builds on our previous work done to strengthen the company's foundation, and will position us for long-term, sustainable growth with the goal of becoming a year-round business.

# We genuinely care for the people we work with and work for:

Our continued success comes from both the skills and expertise of our associates, and also from an advantage and responsibility that is deeply rooted in our company.

Our unique ability to provide technical help with a human touch, whether in-person, online, or virtually, allowed us to reach new heights, and continues to allow us to grow into a new and unique financial resource, to better serve future and current customers.



# Our Approach to Business

As a Purpose-driven company serving millions of clients around the globe, it remains our responsibility to continually empower our associates, lead our business with integrity, help create vibrant communities with thriving entrepreneurship, champion diversity, inclusion and belonging, and reduce our environmental footprint.

Our continued performance in these areas guides our business strategy and helps us to identify key risks, including those related to environmental, social, and governance (ESG) factors, and improve our ability to attract and retain investors, clients, and associates. Our Purpose and approach to business remain inextricably intertwined.



# Ethics and Governance

H&R Block's continued success is only possible through our comprehensive, robust, and ethical policies and open communication. Operating transparently and ethically reinforces our corporate culture, develops client trust, and helps to continue fostering important partnerships.

## Board of Directors

The responsible operation of our company begins with our [Board of Directors](#), who are committed to upholding ethical corporate governance practices that grant shareholders meaningful rights and foster independent leadership. All Board members, with the exception of our CEO, are independent under applicable standards. Board members sit on a variety of committees, including the Audit, Compensation, Finance, and Governance and Nominating Committees, and must exercise their responsibilities in accordance with our [Corporate Governance Guidelines](#). H&R Block believes representation is key to inclusion and we remain committed to a diverse Board of Directors.

**Women and people of color hold more than 50% of the independent board seats, compared to 38.3% on average within the Fortune 500.**

## Environmental, Social, and Governance (ESG)

Our Corporate Governance Guidelines provide that our Board is responsible for oversight of the Company's policies, programs, and strategies regarding significant environmental, social, and governance ("ESG") matters, which include, among other things, corporate social responsibility, environmental sustainability, and human capital management. The Board receives, at least annually, an ESG update from management and reviews ESG policies, programs, strategies, risks, and trends. The Board also has regular discussions each year on other human capital management topics, including diversity, inclusion, and belonging, top talent, succession planning, and associate engagement. The Governance and Nominating Committee will review, and make recommendations regarding, ESG matters when requested by the Board.

## Compliance and Ethics

Our continued success depends upon maintaining our reputation as a trusted partner by acting with integrity in all that we do. This can only be achieved through

the honest conduct of every team member—from associates to Board members. Annual training for [Our Code of Business Ethics and Conduct](#) underscores our commitment to ethics and provides associates with consistent, company-wide guidance on expectations of ethical behavior within our operations.

## Human Rights

We remain committed to our associates' total well-being—physical, mental, financial, career, team, and community—and seek to uphold human rights across our operations. This is demonstrated by our efforts to gainfully employ people, compensate them appropriately for their time, treat everyone with dignity and respect, and provide a workplace that is free from discrimination and harassment based on race, sex, religion, and other demographics. These rights are extended to all full-time, seasonal, franchise, and corporate associates.

## Privacy

Given the sensitive nature of the information that our clients share with us, we are dedicated to protecting their privacy through responsible management approaches and best-practice data security procedures. We utilize administrative, technical, and physical safeguards to secure client data and conduct annual training for all associates.

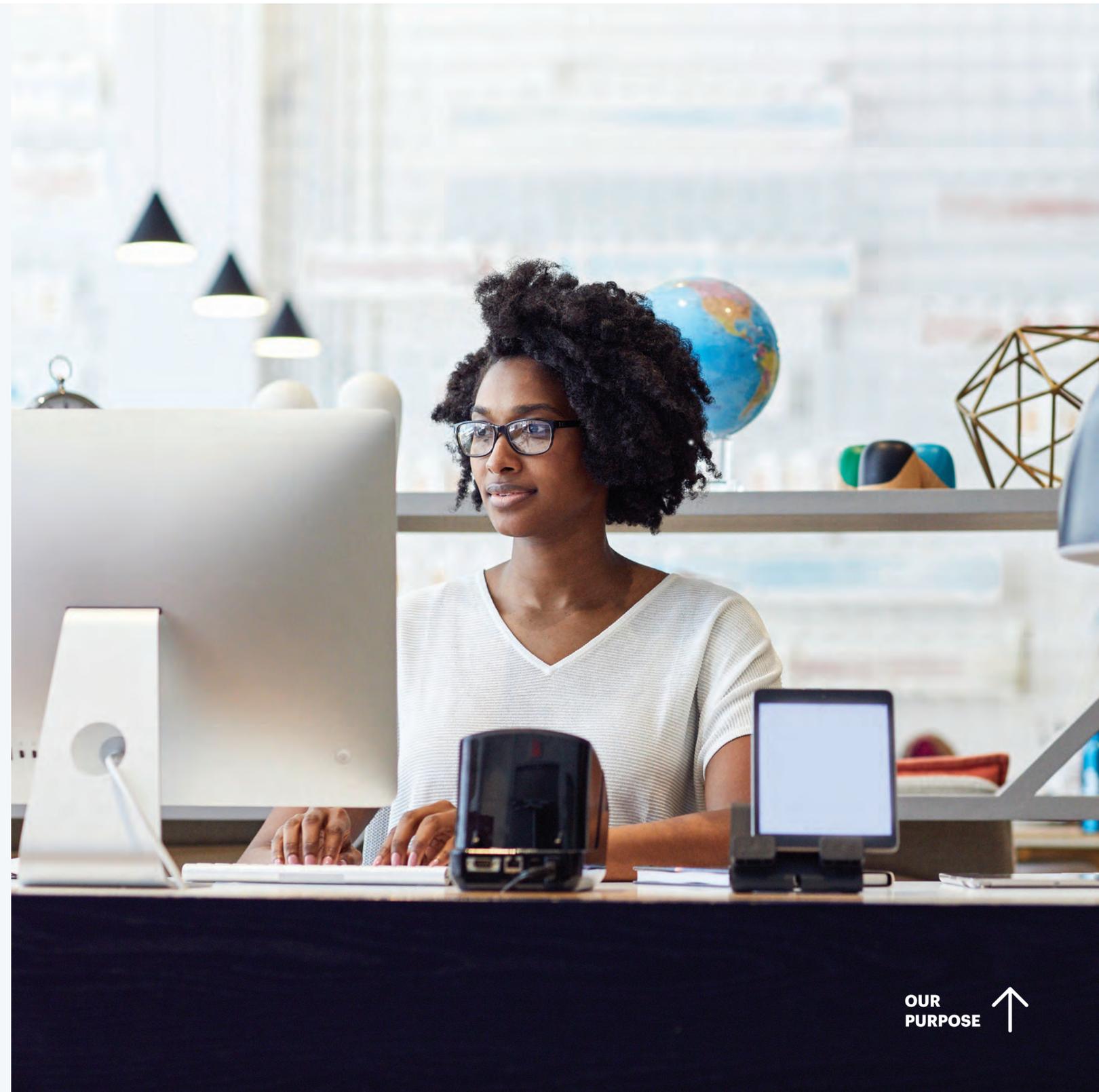
We seek to be as transparent as possible when it comes to client information we utilize, and how it is collected, used, shared, retained, and secured. For instance, we do not sell or rent our clients' information (including social security numbers) under any circumstances. We use a multi-layered, zero-trust approach to secure systems and information while following the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We protect our systems with critical security updates and perform penetration tests to identify and mitigate potential areas of weakness. Learn more about our privacy practices in our [Privacy Notice](#).

# Engaging our Stakeholders

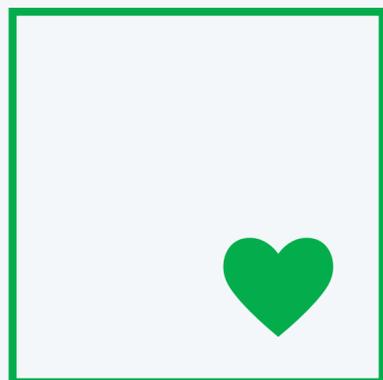
Strong stakeholder engagement processes are vital to understanding and responding to stakeholder concerns when they arise. We provide relevant and current information to our stakeholders, including investors, clients, associates, suppliers, government agencies, and nonprofit organizations.

We regularly and openly communicate with our stakeholders through:

- Press Releases
- Our Corporate Website
- Annual Reports
- Legally Required SEC Filings
- Regular shareholder outreach



In the last year, our community impact platform, Make Every Block Better, continued to have an impact on the communities where we live and serve.



# Make Every Block Better

## Studies illustrate that people are increasingly experiencing social isolation and disconnection from the community around them, which was only exacerbated by COVID-19.

Because we know communities thrive when neighbors know and trust one another, and when economic opportunities are afforded to all, the platform aims to improve lives by bolstering community connections and supporting small businesses.

Powered by a series of partnerships and programs, we continue to invest in nationwide initiatives that invigorate our neighborhoods, create spaces needed for neighbors to come together, build enduring interpersonal connections, and support the start, growth, and longevity of more small businesses.

In FY21 we made great strides toward our 2025 goals. Here is our progress on these goals as of June 2021, as well as some of the ways we're accomplishing them:

2025 GOAL	PROGRESS TO-DATE	PERCENT COMPLETED
500 communities impacted by Make Every Block Better in all 50 states	258	52%
500,000 small business owners supported, 15% of which are historically underrepresented	304,000	61%
1 million volunteer hours	205,000	20%

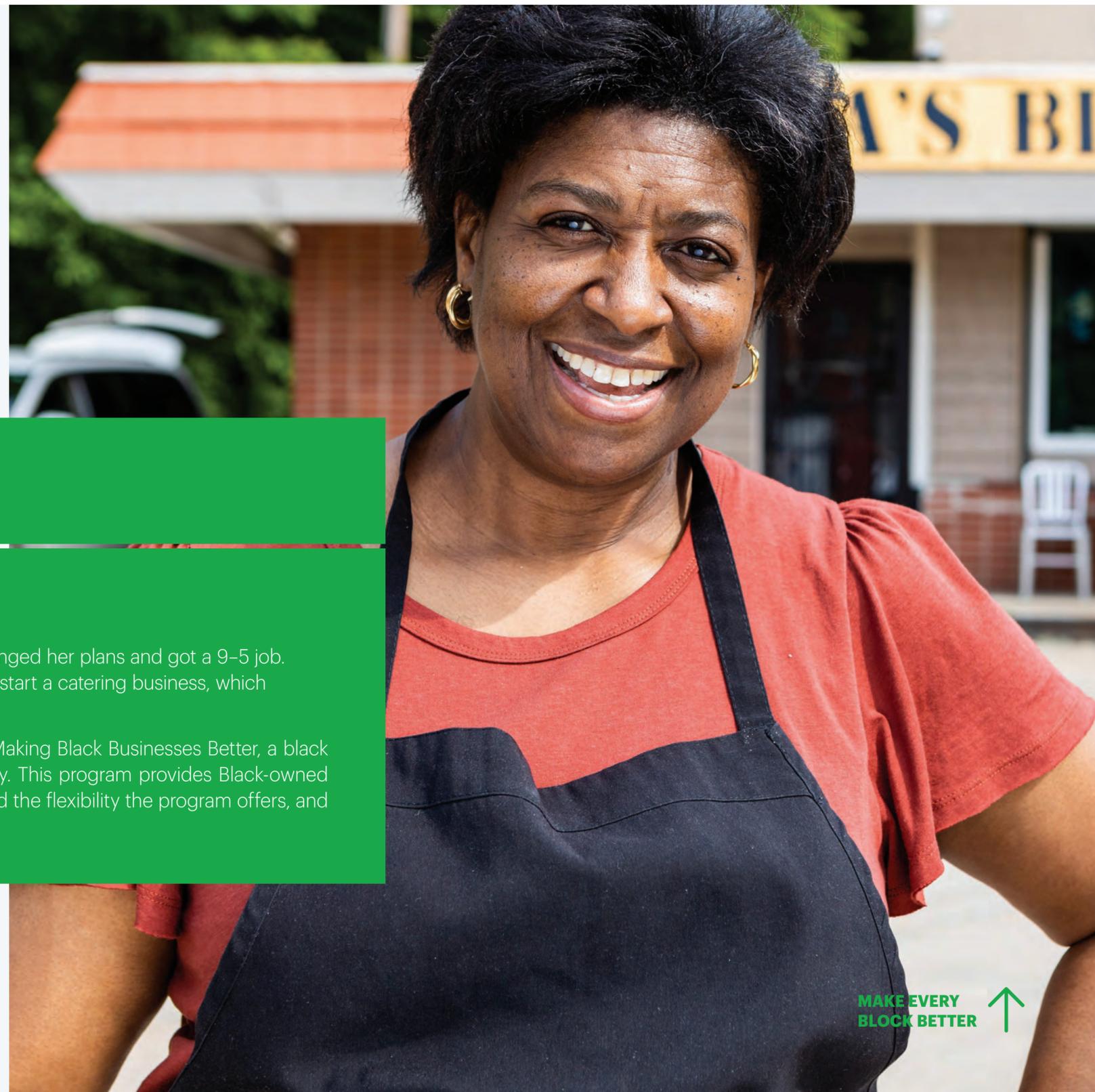
# Supporting Small and Diverse Businesses

## Success Story: Anna's BLD Bistro

With aspirations of being a chef ever since she was a child, Angelynn Howell was determined to realize her dream.

However, when the reality of how much training and experience was required to enter the profession, Howell changed her plans and got a 9-5 job. Through her hard work and ability to cook and identify opportunities in the market, Howell was able to eventually start a catering business, which was successful enough to warrant opening a restaurant.

These days, Howell is taking advantage of another opportunity to grow her skills as a business owner, through Making Black Businesses Better, a black entrepreneurship program that's offered through our partnership with the Urban League of Greater Kansas City. This program provides Black-owned businesses with free one-on-one coaching and counsel to foster equitable, thriving communities. Howell enjoyed the flexibility the program offers, and is excited for opportunities to feed the community and grow her connections.



### Recovery Action Plan Consulting Service

As many small businesses were struggling to recover from COVID-19 and navigate government intervention, they needed a trusted place to turn for assistance, which is why we introduced the Recovery Action Plan consulting service. This service helped small businesses navigate the CARES Act stimulus options, including loan programs, tax credits, and eligibility requirements.



### Increasing Access to Capital with the Urban League of Greater Kansas City

According to new Block Advisors data from our ongoing "Small Business Recovery Series," Black-owned businesses experienced a disproportionate impact from pandemic-related factors, including more than half of Black business owners reporting a revenue decrease by 50% or more, compared to only 37% of white business owners since March 2020. With nearly half (47%) of small business owners not optimistic about success in 2021, a new Block Advisors program was developed and announced in February 2021 to improve financial management and confidence among Black small business owners, with an eye on increasing access to financial capital. The program is being piloted with the Urban League of Greater Kansas City.



### Supporting Entrepreneurs with FastTrac

As part of our commitment to supporting new businesses, we'll soon be launching a new program aimed at helping the next generation of entrepreneurs bring their ideas to life, as an affiliate of the Kauffman Foundation FastTrac program. With local expertise, we will initially offer the FastTrac program

in Kansas City, St. Louis, Wichita, and Des Moines through virtual courses. Our goal is to expand beyond these locations and virtual-only sessions, to take full advantage of our physical footprint.



### Partnering to Support Women Entrepreneurs

In February 2021, we worked with Brit + Co to co-sponsor the third cohort of "Selfmade," a 10-week virtual start-up school for women. The course is hosted by Brit + Co founder Brit Morin, and includes highly personalized curriculum to provide the skills necessary for each entrepreneur to start or grow her own business. **Through the partnership, Block Advisors enabled 400 women to attend the course for free, focusing on women of color, women from underserved and underrepresented communities, and women in need of support to help them trailblaze.**

**Female Founders:  
Challenges and Rewards of Entrepreneurship**

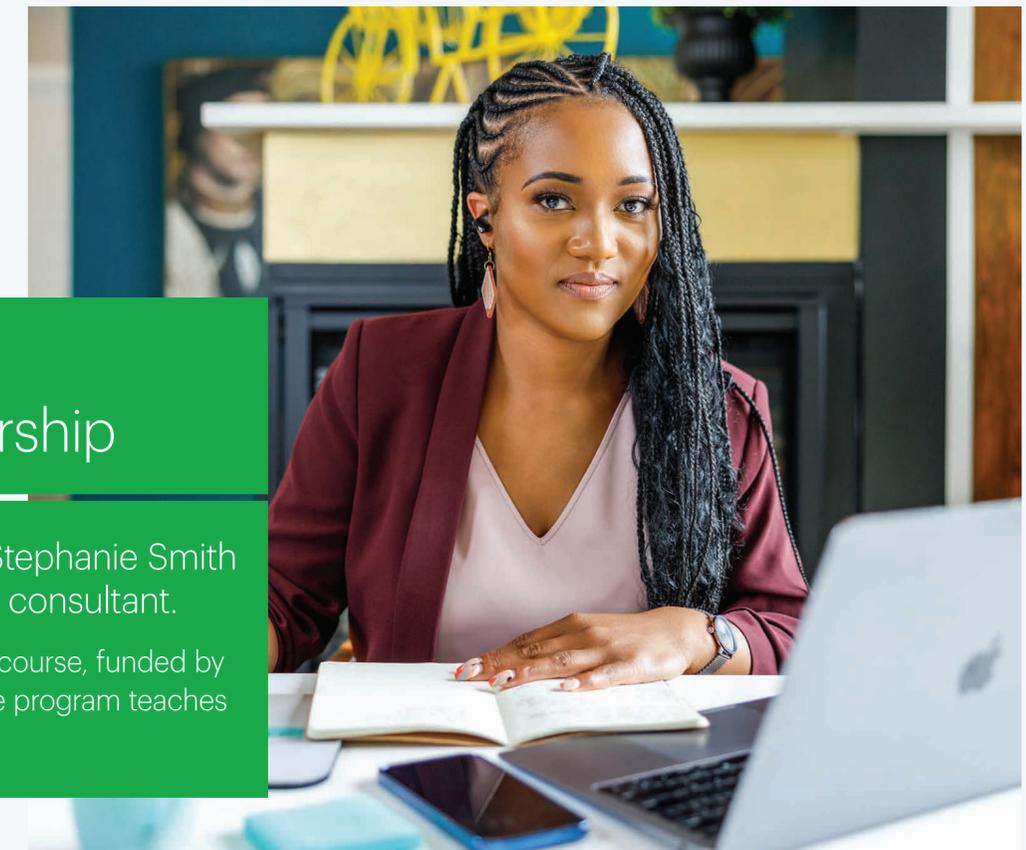
Through our Selfmade program with Brit + Co, branding expert Stephanie Smith was able to start her own company as a marketing and branding consultant.

She earned top honors and a cash grant of \$5,000 at the end of the Selfmade course, funded by Block Advisors, for her prototype of a digital ad simulator, SIMMY. This innovative program teaches users how to create and manage digital ads without spending real money.



### KC Rise Fund II

To incentivize local innovation and prioritize small businesses in our hometown of Kansas City, we committed to a \$2 million investment over the next four years to the KCRise Fund II, a venture capital fund that invests in high-growth, early-stage tech businesses. Together with our partners, we've raised a total of \$41 million for the program.





# Elevating Communities Across the U.S.

## 🏠 Nextdoor

**Connecting Neighbors with Nextdoor**—Our partners at Nextdoor share our belief that the more connected we are, the more resilient and vibrant our neighborhoods become. Through this partnership we call on neighbors across the country to nominate projects in their neighborhoods that will uplift and improve their communities and give neighbors a better chance to connect with one another. This marks the second year of our partnership, and we've continued to see incredible interest and thousands of valuable project submissions. **In June 2021 we selected 10 winning projects that will come to life through October 2021, bringing the total of projects over the last two years to 20.**



**Revitalizing Neighborhoods with Habitat for Humanity**—With a shared desire to improve the spaces around neighborhoods and test innovative programs that increase community connections, H&R Block has partnered with Habitat for Humanity for the second consecutive year. This collaboration established a working relationship between local residents, Habitat for Humanity affiliates and H&R Block, to improve neighborhoods and ultimately the quality of life for residents throughout the United States. **In our first year we completed 16 market-specific grants despite challenges brought by COVID, which included replacing planters, crumbling trash bins, and metal poles to help uplift the historic Tiffany neighborhood in St. Louis, completing construction of 14 new homes in Washington, D.C., and repairing existing homes and purchasing tools for empty lot maintenance in Wichita.**

## Committed to 1 Million Volunteer Hours

Since the launch of Make Every Block Better in December 2019, H&R Block associates, franchisees, and franchise employees have recorded more than 205,000 total volunteer hours. The National Week of Volunteering in April of this year was a valuable push toward our goal, with associates entering more than 50,000 hours in that month alone, including more than 5,000 hours from our colleagues in India!

# Restoring Historically Underrepresented Neighborhoods



For the first time in 20 years, there will be a new home built in the neighborhood of Lykins, Kansas City. Through our partnership with Habitat for Humanity, we are building new homes for long-term residents of the area.

The recipient of the first home, the Francis family, has been living in the community for nine years. According to Elizabeth Francis, the head of the household, "it's going to mean a lot—security, stability for raising my son." Beyond that, Francis says she appreciates the cultural diversity in the neighborhood and getting to know people through neighborhood meetings. She is also excited about upcoming renovations to the nearby park where she and her son will go to play.



# Shaping a More Connected Kansas City



**Urban Neighborhood Initiative**—Funded by an H&R Block Foundation grant, the Urban Neighborhood Initiative hosts community-building events that promote better connections between residents, connects citizens to helpful resources, and makes home repairs possible throughout an historically disinvested and underserved 10-neighborhood area in the heart of Kansas City. **In 2020, nearly 50 homes were either fully repaired, in the process of being repaired, or identified for repairs.** In addition, we completed four Block-connecting events before COVID hindered these efforts. Since then, we pivoted towards connecting residents to important social services and resources (supplies, vaccinations, etc.) during the pandemic.



**Neighborhoods Rising Fund**—The Neighborhoods Rising Fund (NRF) provides critical funding to help underserved neighborhood home associations throughout the 7-county Kansas City area. The grants leverage residents' talents and energy to increase connections, support innovation, and create measurable community development. Through the Community Capital Fund, a parent to the NRF, **39 community projects were identified and selected in the first year of our partnership.**

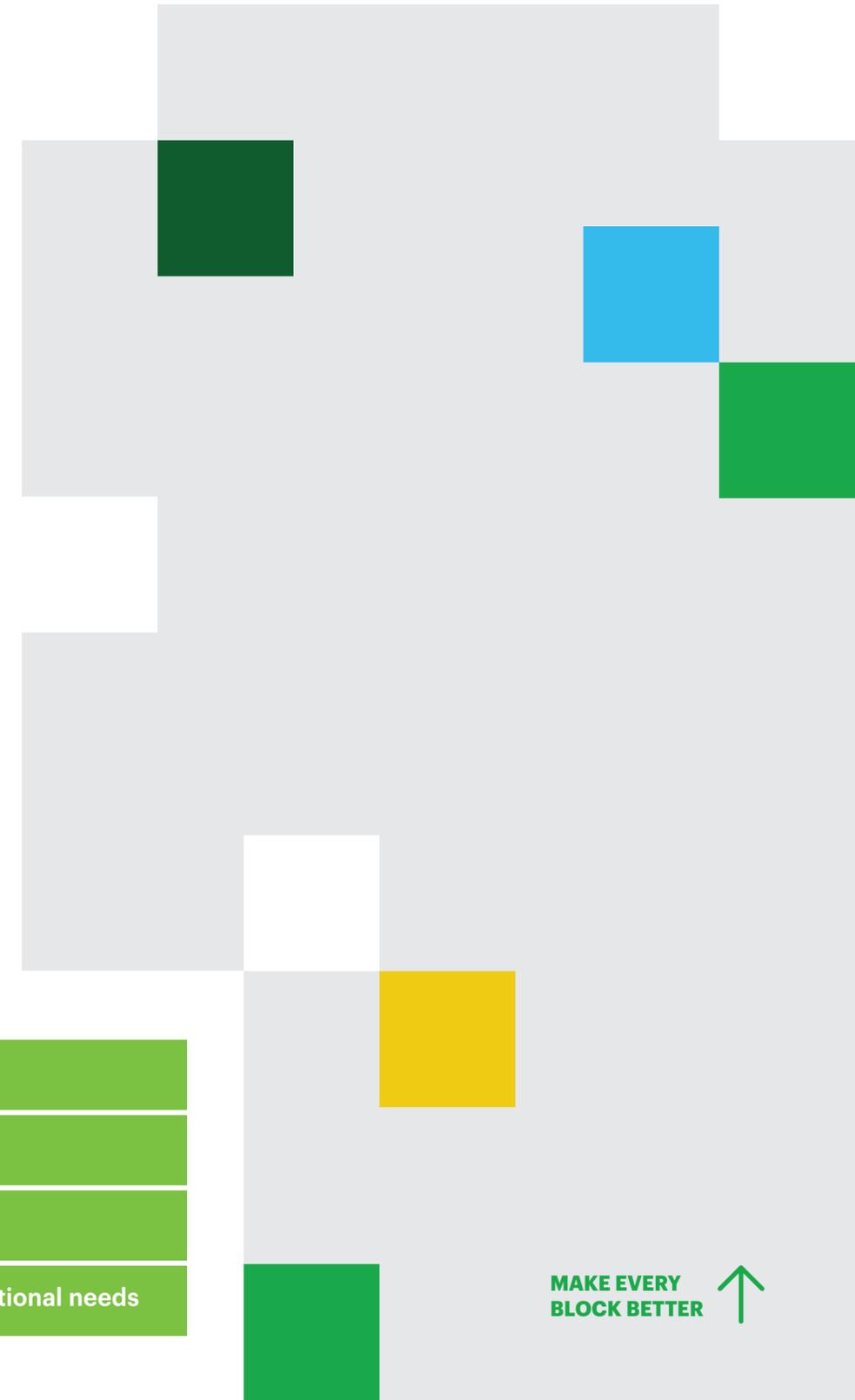


**Habitat for Humanity in Kansas City**—H&R Block continues to work with Habitat for Humanity Kansas City to repair and build homes in Kansas City. This year, our partnership focused on the historic Lykins neighborhood of the city. This includes breaking ground on the first new construction home in the last 20 years for a family. More than seven families are already identified to become homeowners through Habitat KC's Affordable Home Ownership Program, and 25 families will receive minor and critical home repairs this year in the Lykins neighborhood. All of these projects are a part of a larger collaboration with the Lykins Neighborhood Association and other partners to truly transform this important community.



**H&R Block Foundation**—Since its inception in 1974, The H&R Block Foundation has served as the backbone for our community involvement, focusing on improving the quality of life of low-income and underserved individuals in Kansas City through thoughtful, innovative, and responsible community grantmaking. As of this year, **the Foundation has provided more than \$73 million in grants over its lifetime**, awarding grants in four strategic areas:

- Improving access to arts and culture for all people
- Building stable communities through neighborhood revitalization
- Offering diverse learning and education opportunities for all ages
- Increasing access to health and human services for both physical and emotional needs



# Other Demonstrations of our Purpose

## Winter Storm Uri

When Winter Storm Uri hit the United States and affected millions of Americans with catastrophic power outages, flooding, and water shortages, H&R Block stepped up and we did our part by **donating \$100,000 to the American Red Cross to support relief and recovery efforts in the impacted communities.**

## H&R Block India

In response to the pandemic this year, H&R Block India associates have coordinated vaccine clinics for associates and their family members, and donated PPE to local hospitals and provided supplies and food to other community initiatives. Associates have also provided supplies to enable underprivileged students to access their virtual classes, supported local education institutions, and even built a new home for a fellow associate in need. Finally, H&R Block India spearheaded an effort to plant more than 800 young trees near Hyderabad, India to promote a green environment and offset their offices' carbon footprint. Collectively, these efforts and others have contributed to more than **5,000 volunteer hours by H&R Block India associates**, aiding H&R Block's transformation goal to deliver 1 million volunteer hours by 2025.

## H&R Block Canada Returning Hope

H&R Block Canada continued to partner with shelters and nonprofit organizations to provide free, on-site tax preparation to those who need to file a tax return in order to access to government assistance. **To date, the program has completed more than 2,000 returns and found nearly \$1.5 million in missing refunds and government benefits and credits for more than 1,000 clients.**

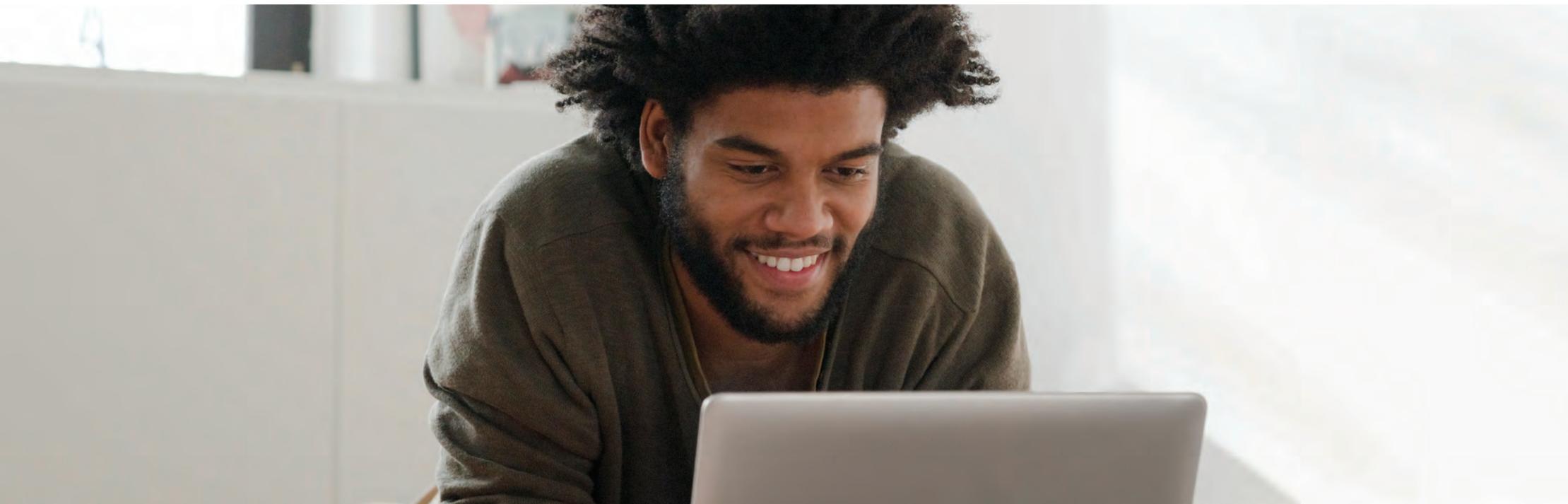
# Our People

Demonstrating our Purpose also extends to our own people.

We will always help, support, and inspire confidence in our associates and remain committed to their total well-being—physical, mental, financial, career, team, and community.

Together, when we balance these aspects, we achieve personal, team, and company-wide success. These commitments extend to both our year-round, and seasonal associates.





## Reflecting our Culture through Inclusive Benefits

Our total rewards programs are designed to attract and retain top talent that acts boldly, demands high standards, craves tough problems, and values winning as a team. Our equitable and comprehensive benefit offerings help both regular and seasonal associates plan for the health and security of their families. H&R Block provides comprehensive medical insurance to our regular associates, and extends the opportunity for medical insurance coverage to our seasonal workforce who satisfy the eligibility requirements of the Affordable Care Act (ACA). Qualifying associates can also choose to participate in the H&R Retirement Savings Plan 401(k) and Employee Stock Purchase Plan. We consistently assess and consider the best benefits possible and next year, H&R Block regular associates will have access to several new offerings:

- 8 weeks of paid parental leave
- 4 weeks of paid caretaker leave
- An enhanced mental health support program
- Infertility, adoption, and surrogacy support
- Program to support associates through pregnancy up through baby's first year
- Program to support associates with Neurodiverse children or associates who are Neurodiverse (offered to regular and seasonal associates)

In addition, associates will be able to choose from expanded medical and dental plan designs. Our expanded benefits suite is intended to offer more choices to associates and to support their unique needs through different life stages.

### Training and Development

Our unrivaled tax expertise is delivered through more than 70,000 tax professionals. Each year we provide them with best-in-class training that enables us to provide high quality and up-to-date services to our clients. This year we expanded our training and development programs to offer a variety of development opportunities for our associates, including in-person classes, online courses, assessments, and a learning library. Tax professionals we hire receive extensive annual tax training on topics, including recent tax code changes and filing practices, and we offer additional education opportunities for tax professionals to enhance their knowledge and skills to help advance their careers.

In preparation for the upcoming tax season, our tax professionals receive training on H&R Block products, soft skills, and tax office best practices. Each year, the tax professionals we hire receive on average more than 30 hours of Tax Education and over 16 hours of Continuing Professional Education.

### Pay Equity

Our remuneration practices include regular benchmarking exercises in which we analyze our compensation policies and data, to consider gender and other demographic equality, and make adjustments as needed. Our compensation practices are intended to be merit-based, focused solely on roles, responsibilities, experience, and performance, with no consideration given to gender, age, ethnicity, or other similar factors.

### Gender Equality

At H&R Block, we strive to create a workplace where everyone feels valued and respected. As part of these efforts, in 2020 H&R Block joined the Catalyst CEO Champions for Change pledge to increase the representation of women, including women of color, among senior leadership and Board of Director positions. H&R Block joined more than 60 other leading global companies and CEOs committed to advancing women and sharing internal data with Catalyst on the representation of women in their workplaces, so that collective progress can be tracked, analyzed and reported, with the goal of inspiring other organizations to adopt similar practices and report this data to Catalyst.

## Remote Work Policies

In response to the pandemic this year, we introduced work-from-anywhere programs as well as office safety procedures to allow our associates to remain socially distanced while continuing to work. Once vaccines became available, we reevaluated how often associates truly needed to be in the office, and conducted a survey asking what our associates wanted their schedules to look like. While many enjoyed the benefits and flexibility offered by work-from-anywhere, a majority also missed the social benefits of being in person. That's why we kept our corporate office open the entire time to allow people who preferred to work from their office to do so, and why, beginning next year, we will offer our corporate associates a schedule consisting of three days in-office and two remote working days per week, providing both increased flexibility and social benefits.

## CAPS Scholarship

Over the past 10 years, H&R Block has awarded more than \$1 million in scholarships through our Children of Associates Premier Scholarship (CAPS) program. The internal scholarship program aims to identify students who go beyond academic excellence and dedicate themselves to improving their communities, connecting people, and making their blocks better. **In 2021, we awarded 15 total scholarships, each worth \$10,000.**

As part of H&R Block's Make Every Block Better community impact platform, CAPS scholarship applicants are asked to share how they give back and address unmet needs in their communities. All 15 of the scholarship recipients were selected because of their desire and ability to drive change, use an entrepreneurial spirit, and positively impact their communities.

## Valuing Diverse Voices

Building a culture of inclusiveness is not an end destination, but a continual process. We constantly evaluate our management approaches to improve diversity and inclusion in the workplace, which includes looking at how we can provide a sense of belonging within the company for our associates.

## Recognized for Inclusion Practices

In March 2021, we were awarded **a perfect 100% score on the Human Right's Campaign (HRC) 2021 Corporate Equality Index for the second year in a row**, and were recognized as one of HRC's "Best Places to Work for LGBTQ Equality." We are just one of eight companies in Kansas City, and 21 in Missouri, to receive a 100% on the Corporate Equality Index, which is the leading benchmarking survey and report that measures U.S.-based companies promoting LGBTQ-related corporate practices and policies.

We ask all our associates, franchisees, and franchise employees to commit to checking their own biases, speaking up for others, and showing up for everyone.

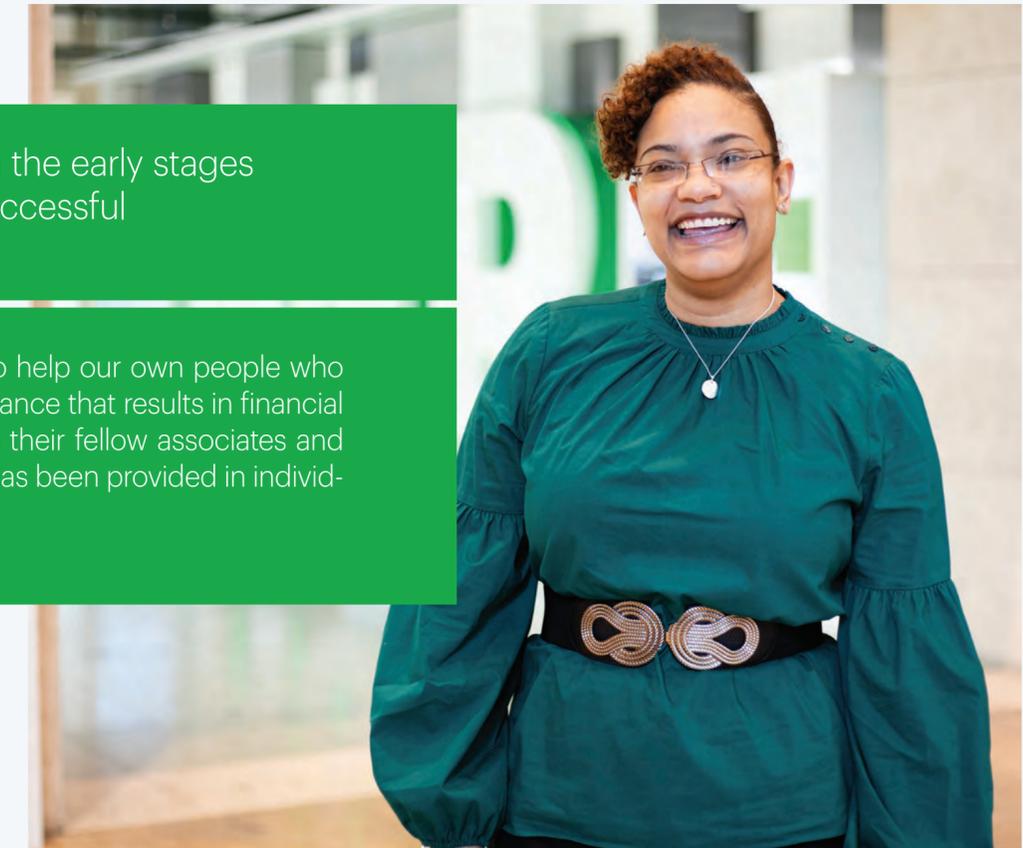
### Associate Relief Fund

Providing support to our associates during the early stages of the pandemic was paramount to our successful transition to remote work.

To help aid in this transition, we created the H&R Block Associate Relief Fund to help our own people who were experiencing hardships from COVID-19 or any other extraordinary circumstance that results in financial need. Associates have contributed nearly \$20,000 of their own money to help their fellow associates and to-date, more than 100 associates have applied for assistance. Nearly \$50,000 has been provided in individual and direct grants toward personal hardship or disaster relief.

## Day of Understanding

Starting in 2020, we joined over 850 other leading companies and organizations for an annual Day of Understanding, designed to drive meaningful conversations and explore our unconscious biases. Each Day of Understanding, we strive to take meaningful steps forward by hosting workshops and guiding conversations on topics like how words matter, intersecting identities, code switching, biases, women in leadership, bystander interventions, and inclusive meetings.



## A Spotlight on Bob Gerard and Valuing Diversity



As Chairman of the Board, Bob Gerard is an important member of the H&R Block team and a respected voice on corporate governance issues.

This last year, Bob recognized the unprecedented demand for directors from underrepresented communities, and that boards needed to recognize that a full spectrum of voices in leadership is necessary for long-term success. To both help increase representation and improve diversity within business leaders, Bob joined the selection committee of Agenda Diversity 100, a curated list of 100 board-ready individuals from communities historically underrepresented in the boardroom.

International and state laws setting gender diversity requirements on boards have shown how intentional board recruitment can make an impact—many companies added women to their boards after laws requiring female directors were passed. Diversifying boards requires deliberate recruitment choices, as well as a corporate culture that values diversity. With Bob's oversight as Chairman of the Board, H&R Block continues our commitment to diversity and inclusion, highlighted by women and people of color holding more than 50% of the independent board seats, compared to 38.3% on average within the Fortune 500.

### Gender and Diversity KPI Alliance

Bolstering our commitment to creating a more inclusive work environment, we joined the Gender and Diversity KPI Alliance (GDKA) in September 2020, and agreed to consistently use three key performance indicators (KPIs) to measure and improve gender and diversity at H&R Block.

Derived from the work of the [World Economic Forum International Business Council](#), the [Global Reporting Initiative](#), and other sources, the KPIs include three high-level measurements that spotlight progress through an organization's structure. We are committed to collecting, managing, and reporting:

- The percentage of representation on an organization's board
- The percentage of representation by employee category
- The ratio of compensation by employee category (i.e. equal pay for equal work)

In recognition of our efforts to ensure an equitable and inclusive workplace, we received a perfect score on The Human Rights Campaign (HRC) 2021 Corporate Equality Index for the second year in a row, earning us a spot on their list of "Best Places to work for LGBTQ Equality." HRC evaluated us on four pillars:

- Non-discrimination policies across business entities
- Equitable benefits for LGBTQ workers and their families
- Supporting an inclusive culture
- Corporate social responsibility

## Belonging Groups

We offer a number of associate-led Belonging Groups at H&R Block, which are spaces that foster a culture of belonging and a place where all associates can cultivate connections.

### Women's Network

The H&R Block Women's Network connects, helps, and motivates women in their pursuit of professional success and personal fulfillment.

### Young Professionals Network

The H&R Block Young Professionals Network seeks to foster professional and personal growth for young professionals, helping them become change agents and thought leaders within the company and in the community.

### COLORS

COLORS at H&R Block (Community Organizing for LGBTQ+ Opportunity, Resources and Support) strives to provide an inclusive space for the LGBTQ+ community and allies while cultivating understanding within H&R Block and giving back to the communities we serve.

### Neurodiverse Caretaking

The Neurodiverse Caretaking (NDCT) Belonging Group establishes a community within H&R Block where associates can share, learn, and grow as a caretaker of a family member with Neurodiverse learning abilities. The NDCT group is for H&R Block associates who are looking for information and inspiration while navigating life as a Neurodiverse caretaker. The term neurodiversity refers to variations in the brain regarding learning, sociability, attention, mood, and other brain functions.

### Veterans Belonging Group

The H&R Block Veterans Belonging Group provides a common and acknowledged voice for Block military veterans ensuring support for their concerns, issues, and inclusion and has become a hallmark of the company. The group maintains and supports an atmosphere of inclusion, and focuses on ensuring the group's action-oriented contributions are valued both at Block and in local community veteran organizations.



## Bringing Belonging to Our Communities

At H&R Block, we are fortunate that many of our associates are exemplary leaders in their communities. No one exemplifies this more than Rachel Crandall Crocker, LMSW and co-founder of Transgender Michigan. Founded nearly 25 years ago with her wife Susan Crocker, Transgender Michigan fights for the rights of transgender people in the Michigan area. What was once a small organization has grown into an international celebration of transgender individuals.

At H&R Block, Susan joined COLORS when it first formed. In June 2021, Susan and Rachel both spoke at a virtual panel with Michele Bettencourt, an experienced technology business leader, and Candis Cayne, a prominent transgender actress, for H&R Block associates and the KC community as one of COLORS' Pride activities to educate, engage, and support associates.

## Recognition and Accolades

Because of our exceptional efforts to foster a culture of belonging, we were recognized by multiple organizations in many different categories, including:

- **BEST EMPLOYERS FOR DIVERSITY, FORBES 2018-2021**
- **ONE OF THE BEST PLACES TO WORK FOR LGBTQ EQUALITY, THE HUMAN RIGHTS CAMPAIGN**
- **BEST EMPLOYERS FOR NEW GRADS, FORBES 2018-2021**
- **BEST EMPLOYERS FOR WOMEN, FORBES 2018-2020**
- **GREAT PLACE TO WORK® CERTIFIED, 2021**
- **AMERICA'S BEST EMPLOYERS BY STATE, FORBES 2019-2021**
- **BEST COMPANY WORK-LIFE BALANCE, COMPARABLY 2019-2020**
- **TOP 1,000 COMPANIES WITH THE STRONGEST FEMALE LEADERS, MOGUL 2018-2019**
- **TOP 20 REMOTE COMPANIES FOR WOMEN, VIRTUAL VOCATIONS 2018-2019**

# Equity Action Plan

Since the murder of George Floyd and the resulting protests demanding an end to systemic racism, we have been intentional in listening to and discussing racism experienced firsthand by our associates.

These discussions led us to examine our own practices and policies, and [in June 2020 we outlined our plans to take action and do our part to end racism in the U.S.](#) Here is an update on our progress toward meeting those plans:

## Hiring Commitment:

**We expanded our hiring practices to be more inclusive and result in a more diverse candidate pool for all positions within our company.**

- Despite the pandemic, H&R Block associates, who are HBCU alumni, led our participation in HBCU events with Fayetteville State University and Lincoln University, with several more scheduled throughout 2021.
- We initiated a talent diversity and inclusion strategy that includes partnerships with organizations such as the Heartland Black Chamber of Commerce, DisabilityIN, and Mid America LGBT Chamber of Commerce to continue to create a more diverse candidate pool.
- We continue to focus on racial and ethnic diversity of our associates, with racial and ethnic diversity of more than one-third of our C-suite leadership and 40% of our summer interns. We've made improvements since announcing our plan and continue to make diversity a priority with our hiring managers.

## Education and Training Commitments:

**We created new opportunities for our associates to educate themselves and each other about racism, bias, and the importance of diversity, inclusion, and belonging. We also enhanced existing trainings and provided new mandatory experiences to educate our leaders about racial equity.**

- Dozens of Block associates kicked off our equity book club with, *How to be an Anti-Racist* by Ibram X. Kendi, followed by a discussion led by Dr. Nicole Price, CEO of Lively Paradox, a leadership development company focused on diversity, inclusion and bringing the whole self to work.

## Policy Commitment:

**We reviewed our policies and business practices to ensure they are explicit that any form of racial equity is not tolerated within our company, and we will increase our efforts to promote and recognize important aspects of Black culture.**

- In addition to our Diversity, Inclusion and Belonging Council, Belonging@Block, we formed a subcommittee, Actions We Take, to address structural racism and create a space where diverse voices are heard.
- We reviewed all our policies, making sure they are explicit about equality.
- For the first time in 2021, we made Martin Luther King, Jr. Day a paid, corporate holiday that was recommended to use as a day of service.
- We worked with Dun & Bradstreet to review our current minority-owned business spend and took a leadership role in Kansas City to increase diversity among suppliers, including a CEO pledge to sustain the improvement.

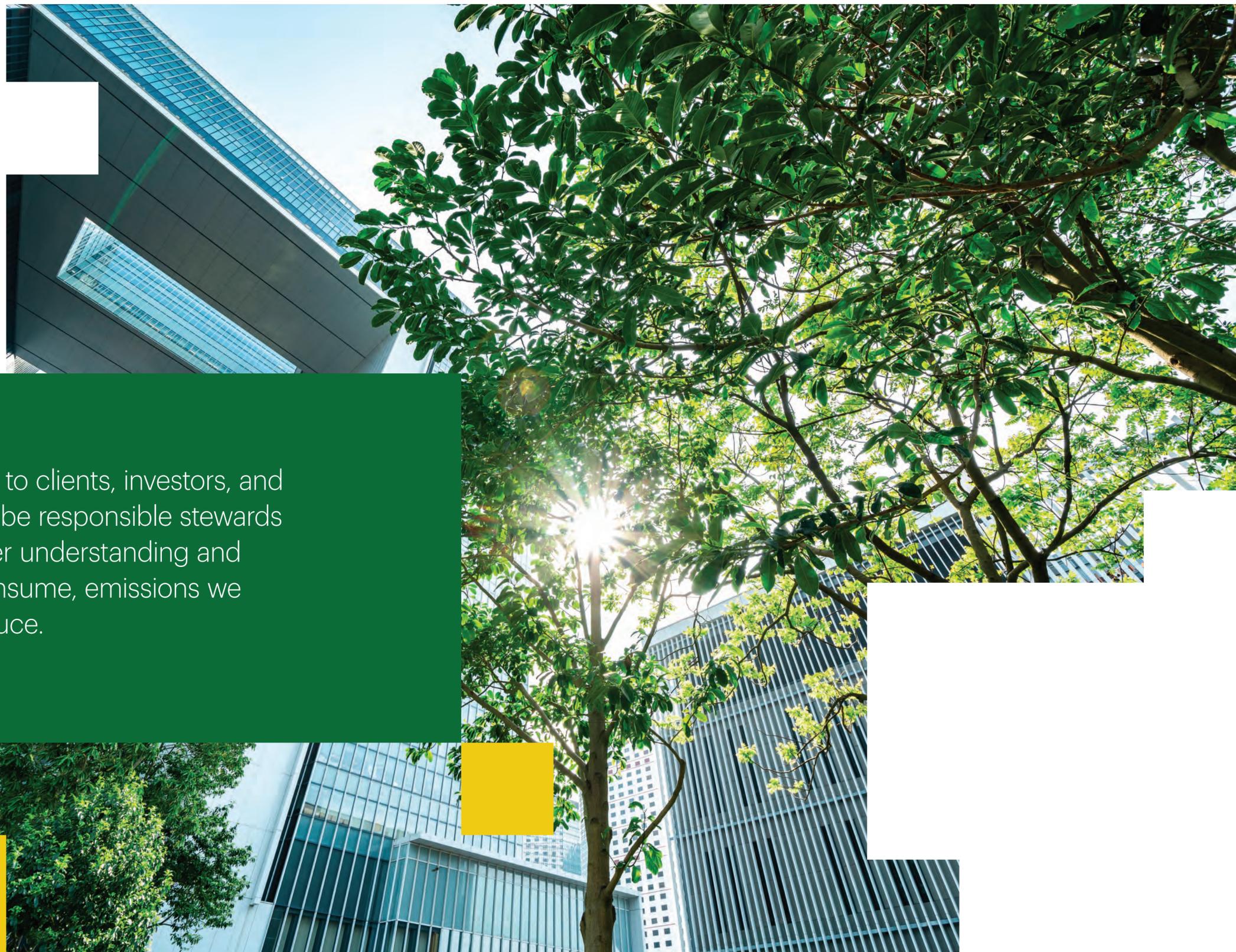
## Community Commitment:

**We are committed to helping create vibrant neighborhoods in underserved urban areas and generating opportunities for Black business owners to thrive, especially in our hometown of Kansas City.**

- In the first year of [Make Every Block Better](#), we worked with the Urban Neighborhood Initiative to repair dozens of homes—from new gutters and furnaces, to retaining wall and foundational repairs—in a 10-neighborhood area on the east side of Kansas City, Mo.
- We announced a new partnership with the Urban League of Greater Kansas City to improve financial management and confidence among Black small business owners. Our small business certified tax pros will provide free one-on-one coaching and counsel to Black small business owners to help them gain access to capital, while the Urban League will also provide free credit-building services as needed. While we are piloting this in Kansas City, we plan to expand quickly to work with Urban League affiliates and Black small business owners across the U.S.

# Connecting to our Planet

Demonstrating our Purpose to clients, investors, and communities requires us to be responsible stewards of the environment by better understanding and reducing the energy we consume, emissions we release, and waste we produce.



# Our Approach to Environmental Sustainability

## Carbon Accounting

Investors and other key stakeholders are increasingly recognizing the potential risks that climate change poses to society, the environment, and businesses. To better understand, accurately address, and meaningfully reduce our own climate impacts, we conducted a company-wide carbon accounting and modeling project last year, totaling approximately 108,000 MT CO<sub>2</sub>e. This model was limited to Scope 1 (direct) and Scope 2 (indirect) emissions and did not include potential Scope 3 emissions (indirect emissions occurring in the company's value chain). We did not conduct an additional inventory for FY21 due to the widespread changes brought by COVID-19. The pandemic temporarily changed the way we work in some respects, and permanently in others. However, we remain committed to returning to annual measurement of our Scope 1 and Scope 2 emissions.

## Scope 3 Emissions

With the goal of better understanding our carbon footprint, we are pleased to share the results of our first Scope 3 inventory and modeling project. Combined with our Scope 1 and Scope 2 emissions from 2020, we have a much more complete picture of our emissions, and can start identifying opportunities to reduce our climate impact. In FY21, our Scope 3 emissions totaled 85,990 MT CO<sub>2</sub>e, bringing our total across all three scopes to an annual estimation of 193,990 MT CO<sub>2</sub>e. Last year, we included the electricity consumed by our franchises in our Scope 2 calculations. Moving forward, we will include these values in our Scope 3 calculations instead, in alignment with the [Greenhouse Gas Protocol](#).

## Company-wide Recycling Program

While our resource use is moderate compared to other industries, we remain committed to reducing consumption and recycling waste whenever possible. Last year we planned to reintroduce a renewed recycling program, however the complications brought by COVID-19 made this difficult to implement without much benefit. We will reintroduce this effort once we return to all our offices and locations.

# Recycling Highlights

Despite being prevented from implementing our company-wide recycling program this past year, we still managed to recycle over 250 tons of material. This is the equivalent of:



## ELECTRICITY

1.12 Million KWH of Electricity  
= 36 Households' Annual Energy Consumption



## FRESH WATER

1.76 Million Gallons of Water  
= 23,450 Americans' Daily Fresh Water Needs



## ENERGY

3,820 Million BTU\* Net Energy Reduction  
\*British Thermal Units



## LANDFILL AIRSPACE

879 Cubic Yards  
= 1,128 Americans' Annual Waste Disposal Needs



## GREENHOUSE GAS

799 MTCO<sub>2</sub>E\* Net Greenhouse Gas Reduction  
= 90,719 Gallons of Gasoline  
= 146 Passenger Cars Not Driven for One Year  
\*Metric Ton of Carbon Dioxide Equivalent



## TIMBER

3,015 Mature Trees  
= 37 Million Newspaper Sheets

### IT Equipment Recycling

Over the last year, H&R Block donated more than 5,000 technology devices to nonprofit partners across 16 states and Puerto Rico, keeping technology out of landfills while helping underrepresented families connect to the internet and important services.

### Software Packaging

Our software packaging contains materials that come from sources designed to support forest conservation, as certified by the Forest Stewardship Council. This certification guarantees that products or goods come from responsibly managed forests that equitably provide environmental, social, and economic benefits.



### Deepening our Stewardship Responsibilities

As we proceed with evaluating and understanding how our operations interact with the environment, we remain committed to doing everything within our power to reduce negative impact. We will continue investigating and investing in ways we can reduce the resources we consume and waste we produce.

# About this Report

This report, which covers fiscal year 2021, marks our second concerted effort at producing a unified, company-wide, all-encompassing sustainability communication.

As we continue to report on our sustainability achievements, issues and impacts, our reporting program and procedures will become more comprehensive to better serve our stakeholders.

August, 2021  
[hrblock.com](http://hrblock.com)

