

WE'RE MAKING EVERY BLOCK BETTER

TABLE OF CONTENTS



MESSAGE FROM OUR
PRESIDENT AND CEO

02



ABOUT
H&R BLOCK

03



OUR APPROACH
TO BUSINESS

06



MAKE EVERY
BLOCK BETTER

09



OUR RESPONSE
TO COVID-19

14



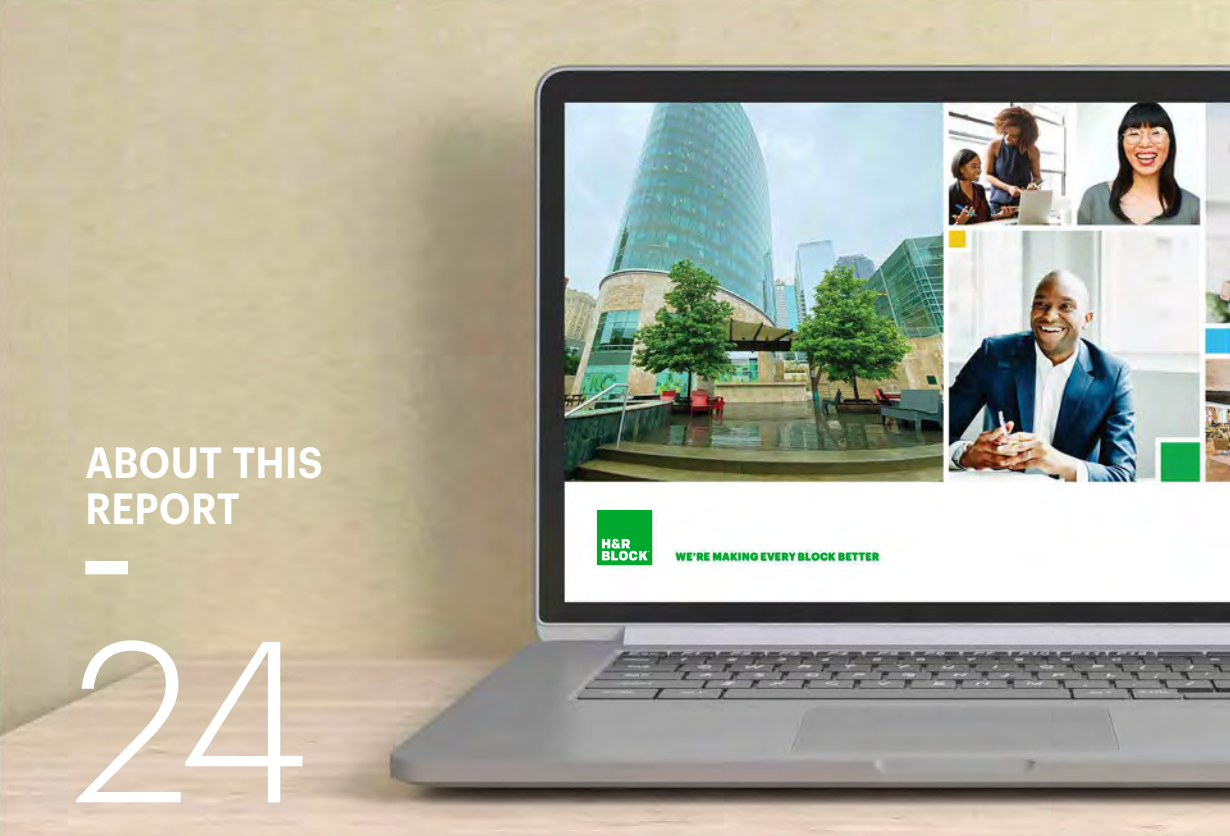
OUR
PEOPLE

15



CONNECTING TO
OUR PLANET

21



ABOUT THIS
REPORT

24

MESSAGE FROM OUR PRESIDENT AND CEO

Thank you for your interest in our first Corporate Responsibility annual report. We're excited to be sharing our self-evaluation of how well we're living out our Purpose through our work in our communities, as we strive to build a culture of belonging, and through an ethical approach to our business operations.



This report addresses the areas where we play an important role in society, including through our community impact platform, Make Every Block Better, our commitment to diversity, inclusion and belonging through our H&R Block Belonging@Block initiative, and our Equality Action Plan where we pledge to do our part to end systemic racism.

Make Every Block Better

In December 2019, H&R Block launched our new community impact platform, Make Every Block Better. We believe communities are more vibrant when neighbors connect with one another and small businesses thrive. That's why we've pledged millions of dollars over the next five years towards both areas. We're working with national partners to develop programs, while also engaging our associates to revitalize neighborhoods and foster connections within communities across America.

Belonging and Equality for All

Just as important is the work we're doing to help our own associates as we build a culture where everyone feels like they have a voice and they belong. Since May, our associates have shared their personal experiences with racism, their own fears and worries and ideas about what we could do as a company to stop racism. It's been a powerful experience and resulted in actions that begin our journey towards increased equality and belonging. And while we are living during an important time in history, this is more than a moment—it's a movement—and I believe it is

up to every person, company, community and government to do their part to end systemic racism once and for all.

Resilience through the Pandemic

I've also seen our business, and our tax professionals, pivot quickly in ways that we may never have thought possible. The response and resiliency of our H&R Block associates, franchisees and franchise employees has been amazing as we pivoted many aspects of our business model—almost literally overnight. We provided free virtual tax prep to frontline workers, and we were one of the first in the nation to offer a stimulus payment calculator on our website. We launched a COVID-19 Resource Hub for small business owners. We joined the Stand for Small coalition, launched by American Express. We provided information and answered questions small business owners have about the Paycheck Protection Program and helped small businesses navigate the CARES Act stimulus options with our Recovery Action Plan service.

Throughout the pandemic, it wasn't just our clients that we kept top-of-mind. Our own people's well-being has been very important to us. That's why we implemented an absence policy for all 70,000 seasonal associates that provided new paid benefits and flexibility during the peak of the pandemic. We implemented new procedures and protocols to keep our associates and clients safe during the tax season. And we created a new Associate Relief Fund to help our own people who may be experiencing personal hardships or trying to recover from the COVID-19 disaster.

All of these efforts, and others, are why I continue to be so hopeful for the future of our company, our country and our world. The resiliency we have demonstrated, and continue to demonstrate, will serve all of us well as we take on the challenges of tomorrow.

It's my hope that these actions, and all of the information in this report, paint a picture of how we strive to live out our Purpose and operate as a responsible company. But perhaps more importantly, I hope this serves to create more important conversations and inspire even more of you to join us in action.

Thank you for taking the time to read this report and we're looking forward to providing you with updates on our progress here annually.

I wish you, your family and our communities a safe, healthy and prosperous year ahead.

Jeffrey J. Jones II
President and Chief Executive Officer



ABOUT H&R BLOCK

—

In 1955, our co-founders Henry and Richard Bloch officially launched H&R Block from a single office in Kansas City, Missouri. The Bloch brothers were intentional about creating a company with Purpose, based on values and a desire to serve their community.

65 years later, we continue to build on our founders' legacy through active involvement in our communities and inspiring financial confidence for individuals and small businesses. Through our approximately 10,000 tax offices worldwide and leading digital tools, **we have grown to be a global leader in tax preparation, financial services and small business solutions.**



We have an advantage and responsibility that remains more relevant today than ever: our human expertise and associates and franchisees that care. Our unique ability to provide technical help with a human touch, whether in-person, online or virtually, allows us to continue to grow into a new kind of financial resource for our current and future customers.

WE ARE DRIVEN BY OUR PURPOSE

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

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.

Our Purpose also guides us on how we provide help in our community 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.





OUR HISTORY OF GIVING BACK

Our rich history of engaging and giving back to the communities we serve can be traced back to our founders, who made living our Purpose an enterprise-wide priority.

From Henry's role as a civic leader in Kansas City, to Richard's efforts in advancing cancer treatment and patient advocacy, being active in our communities remains central to our corporate values.

Our philanthropic impact over the past six decades would not have been possible without the contributions of our associates, franchisees and franchise employees. By cultivating a culture of giving back, our people continue to lead a variety of ongoing efforts that improve our communities, support local nonprofits through volunteering and donations, and help each other through new programs like the Associate Relief Fund.

OUR APPROACH TO BUSINESS

As a Purpose-driven company serving millions of clients around the globe, we have a responsibility to empower our associates, lead our business with integrity, help create vibrant communities with thriving entrepreneurship, champion diversity, inclusion and belonging, and reduce our environmental impact. Our performance in these areas not only guides our business strategy, but helps us to identify key risks and improve our ability to attract and retain investors, clients and associates.

Our Purpose and approach to business are inextricably intertwined. We are successful when we provide valuable help to our clients that inspires their own confidence. When we accomplish this, we not only create a new H&R Block customer for life, we are also creating brand advocates.



ETHICS AND GOVERNANCE

Creating sustainable, long-term value for our shareholders is only possible through strong governance practices and open communications. Operating in a transparent and ethical manner reinforces our corporate culture, improves client trust and helps foster new strategic partnerships.

Board of Directors

The responsible operation of our company starts with our [Board of Directors](#), which is 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 considered independent under applicable standards. Board members sit on a variety of committees, including the Audit, Compensation, Finance, and Governing 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. 45% of our Board seats are held by women and minorities, as compared to 34% of Fortune 500 companies.⁽¹⁾

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 all associates and business partners with consistent, company-wide guidance and annual training on expectations of ethical behavior within our operations.

Human Rights

We are committed to continuously upholding 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 unlawful discrimination and harassment based on race, sex, religion and other demographics. These rights are extended to all full-time, seasonal, franchised and corporate associates, as well as throughout their respective value chains.

We received a **perfect score** on **The Human Rights Campaign (HRC) 2020 Corporate Equality Index**, earning us a spot on their list of “Best Places to work for LGBTQ Equality.” HRC evaluated us on three pillars: non-discrimination policies, equitable benefit, and support of an inclusive culture and corporate social responsibility. In 2020, President and CEO Jeff Jones became a signatory to the CEO Action for Diversity and Inclusion Pledge, which affirms our commitment to supporting a more inclusive workspace with four initial goals: to continue to make H&R Block a trusting place to have complex and difficult conversations on diversity and inclusion; to implement and expand unconscious bias education; to share best and unsuccessful practices; and create and share inclusion and diversity plans with the H&R Block Board of Directors.

Privacy

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

We seek to be as transparent as possible when it comes to client information we collect 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](#).

⁽¹⁾ Source: 2018 Board Diversity Census



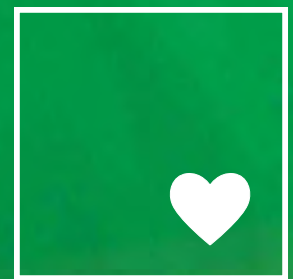


ENGAGING OUR STAKEHOLDERS

Strong stakeholder engagement processes are vital to understanding and responding to legitimate stakeholder concerns in an effective and timely manner.

We regularly and openly communicate with our stakeholders through:

- **PRESS RELEASES**
- **OUR CORPORATE WEBSITE**
- **ANNUAL REPORTS**
- **ALL LEGALLY REQUIRED SEC FILINGS**



Make Every Block Better

“ With 10,000 offices that reach every corner of the country and approximately 12 million hours of personal conversations with clients annually, H&R Block has unlimited potential to drive connections needed to bring a positive change in each of our communities.”

– Jeff Jones, President and CEO

To effectively demonstrate our Purpose in the communities where we live and serve, we launched a new community impact platform in December 2019: **Make Every Block Better**.

Recent studies show that people are increasingly experiencing social isolation and disconnection from the community around them. Because we know communities thrive when neighbors know and trust one another, and when economic opportunities are afforded to all, the platform seeks to bolster community connections and support small businesses.

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

IN FY2019, TOTAL PHILANTHROPIC GIVING BY H&R BLOCK ASSOCIATES, THE COMPANY, AND THE H&R BLOCK FOUNDATION SURPASSED \$5 MILLION.



HELPING SMALL BUSINESS OWNERS

Cultivating a healthy entrepreneurial ecosystem is essential to the Make Every Block Better strategy. By supporting small businesses and entrepreneurs today, we are helping to build resilient communities of tomorrow. We are making the following investments to help foster small business and entrepreneurial connections within our communities.



The Kauffman Foundation invests in organizations and efforts that build and connect entrepreneurial ecosystems. We will work with the Foundation to study how to best connect and support new and small business owners to positively impact their communities and livelihoods.



To incentivize local innovation and prioritize small businesses in our hometown of Kansas City, we committed to a \$2 million investment over the next five years to the KCRise Fund II, a venture capital fund that invests in high-growth, early stage tech businesses.

Supporting 500,000 Small Business Owners

As part of our commitment to promoting connections in the communities where we live and operate, we set a goal of helping 500,000 small business owners over the next five years. To promote diverse businesses and inclusive communities, we are ensuring that at least 15 % of these businesses will be owned by minorities.



DRIVING NEIGHBORHOOD CONNECTIONS

To build a strong foundation for communities, we must invest in creating the spaces and places where crucial conversations and interactions are encouraged and embraced. As the COVID-19 pandemic continues to create new, complex challenges for communities around the world, safe spaces for collaboration are needed now more than ever. By revitalizing our communities, we can facilitate more conversations and build more deeply rooted connections among neighbors and small business.

Our goal is to positively impact **500 communities across all 50 states** over the next five years by driving neighborhood connections through the following strategic partnerships:

🏠 Nextdoor

In January 2020, we launched a new partnership with Nextdoor, the online neighborhood hub. We asked Americans to nominate an improvement project in their neighborhood and [received more than 2,000 nominations from all 50 states](#) that highlighted the need for community gardens, playground revitalizations, neighborhood gatherings and neighborhood cleanups. Once all the nominations were reviewed, we selected 10 projects to help fund and bring to life.



A partnership with Habitat for Humanity was formed to improve the spaces around neighborhoods and small businesses, as well as test innovative programs that increase community connections. The collaboration established a working relationship between local residents, Habitat for Humanity affiliates and our associates, to reach neighborhoods and improve the quality of life for residents throughout the United States. Sixteen markets across the country were selected for initial investment and support.



The H&R Block Foundation funded a grant to arrange community building events that promote meaningful interaction among local residents, hire staff to connect resources to residents, and make home repairs possible throughout ten of the most historically underserved and disinvested Kansas City neighborhoods.



ASSOCIATES GIVING BACK

A unifying characteristic of our associates is their ability and motivation to give back to their communities. Volunteering and donating are central to our Purpose-driven identity, and we seek out talent that is passionate about making a positive impact.

IN FY20, OUR ASSOCIATES DONATED MORE THAN 95,000 VOLUNTEER HOURS TO COMMUNITY ORGANIZATIONS.

Every associate is encouraged to give back to causes they believe are making communities better. Highlights from the reporting period include:

COVID-19 Relief

Associates donated more than \$30,000 to the Greater Kansas City COVID Relief and Recovery Fund, triggering an additional donation from The H&R Block Foundation to total nearly \$100,000.

As we continue working to Make Every Block Better, we are constantly evaluating our approach and considering new ways to improve these programs.

Our goal is to provide **1 MILLION VOLUNTEER HOURS BY 2025**, with at least 15 percent of those hours spent directly helping disinvested or underserved urban areas.



H&R Block and H&R Block Australia made a joint donation of \$100,000 AU to the Australian Red Cross, to provide assistance to thousands affected by the Australian bushfires, while also encouraging associates to give their own money in support.



Associates donated nearly \$50,000 to United Way Greater Kansas City and other chapters across the country. The company then matched those individual donations with an additional \$50,000 donation.



Through the Jeans for Jude program and the St. Jude walks, contributing H&R Block offices and associates donated more than \$300,000 for the fight against childhood cancer.



Associates built more than 1,000 kits for residents of the UNI district. These kits included winter clothing, toiletries and other essentials families might need.



ORLANDO GIVEBACK

During our largest convention of the year, more than 3,000 associates served the Orlando community with the largest corporate volunteer event ever for the Heart of Florida United Way.

Our volunteers put together more than **40,000 food packs providing 250,000 servings, while other volunteers built 300 bikes** for Orlando-area nonprofits:

- NEW IMAGE YOUTH CENTER
- UNITED AGAINST POVERTY
- MISSION UNITED
- ORANGE COUNTY PUBLIC SCHOOLS





 **H&R BLOCK**[®]
FOUNDATION

To give back to the community that gave our company so much, our co-founder Henry Bloch established The H&R Block Foundation in 1974.

For decades, The Foundation has served as the backbone of 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.

The Foundation has provided **more than \$70.6 million in grants** over its 46-year history in four strategic focus 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



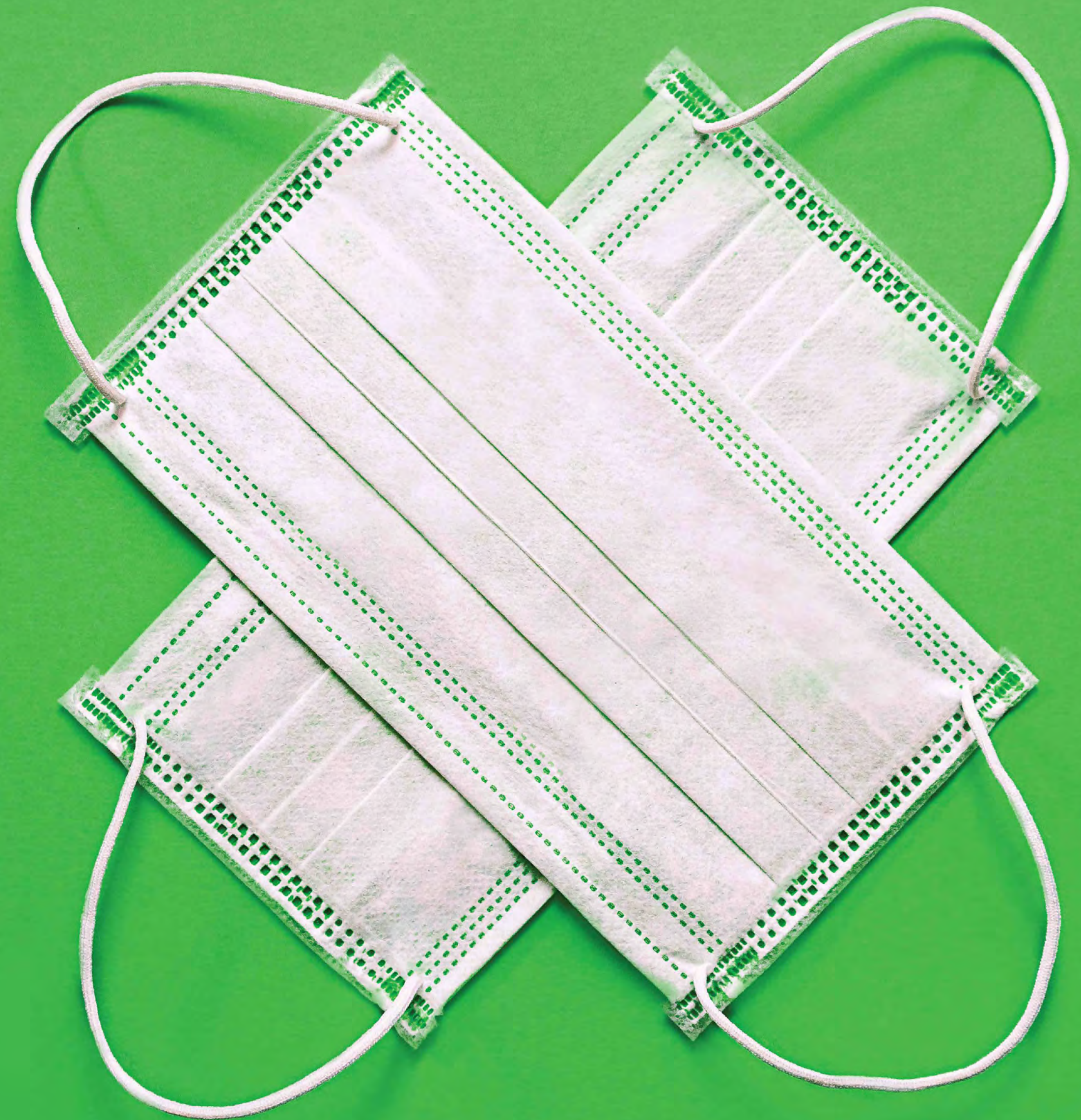
OUR RESPONSE TO COVID-19

Soon after COVID-19 began to make headlines, we sought to take immediate action and respond to the pandemic.

- One of the first companies to provide COVID absence benefits to all of its seasonal employees
- Created an additional leave policy for associates that allowed for paid time off for COVID-19 illness or related concerns
- Prioritized or mandated drop-off services at all 10,000 U.S. office locations and took extra care to enact social distancing in offices deemed essential to business continuity
- Announced free tax filing services in May and June 2020 for frontline workers
- Launched a new small business consulting service designed to help owners navigate the financial relief options available to them
- Joined the “Stand for Small” coalition, a group of leading companies representing several industries, that came together to support small businesses as they navigate the impacts of COVID-19
- Piloted a new pick-up service in four markets, allowing clients to schedule a pick-up appointment where an H&R Block associate securely retrieves their tax documents from their home, allowing them to work remotely with their tax preparer

In addition to these actions, H&R Block and The H&R Block Foundation:

- Donated \$100,000 to the Kansas City Regional COVID-19 Rapid Response and Recovery Fund, to address health and human service needs. The Fund is a collaborative funding pool established to address the health and human service needs in the greater Kansas City area created by the COVID-19 pandemic. The Fund is supporting charitable organizations to both maintain their operations and increase their capacity to serve individuals and families impacted by COVID-19.
- Matched associate donations to the Kansas City Regional COVID-19 Rapid Response and Recovery Fund, \$2 for every \$1. Associates donated \$30,000, enabling a gift of \$90,000 total.
- Donated \$100,000 to the United Way of Greater Kansas City to support the expansion of a 211 Call Center and COVID relief fund support. The 211 Call Center connects individuals in need to the most appropriate local resources, using a comprehensive resource database.





OUR PEOPLE

Fulfilling our Purpose extends to helping and inspiring confidence in our associates. We are committed to our associates' total well-being—physical, mental, financial, career, team and community. Together, when we balance these components, we achieve personal, team and organizational strength. These commitments extend to both our year-round and seasonal associates.

Our unrivaled tax expertise is delivered through over 70,000 tax professionals in the U.S. Each year we provide our tax professionals with best-in-class training that enables us to provide the highest quality services to our clients. We also offer our tax professionals opportunities to further their knowledge and skills through continuing professional education.

In FY20, our associates and franchisees **helped 23 million people file their taxes worldwide**, including approximately one in every seven tax returns filed in the United States.



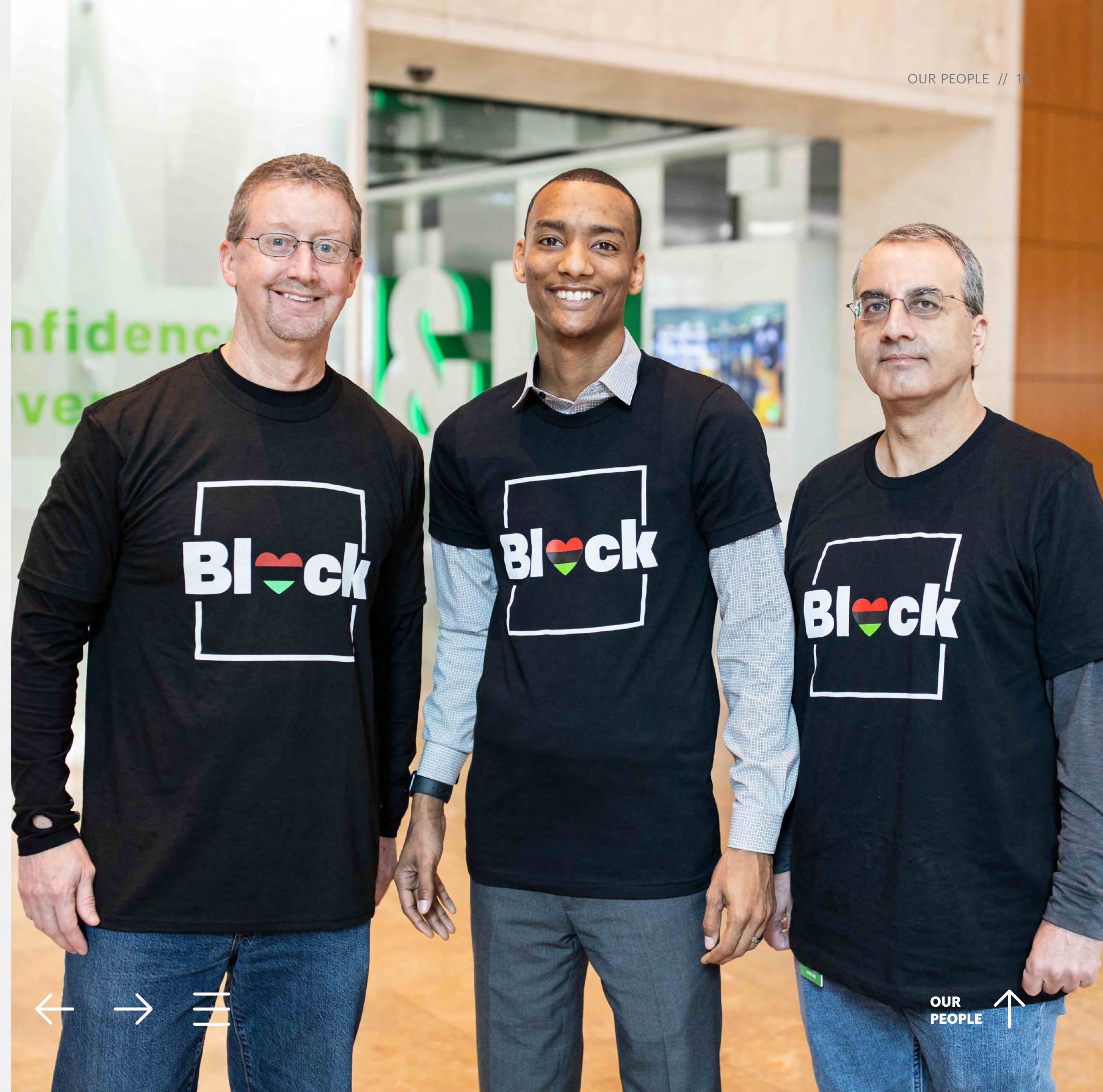
DIVERSITY, INCLUSION AND BELONGING@BLOCK

Building a culture of inclusiveness is not an end destination, but an ongoing process.

We continually evaluate our management approaches to improving diversity and inclusion in the workplace, which includes looking at how we can provide a sense of belonging in the workplace for our associates.

In October 2019, we formalized and expanded on these efforts with our new Belonging@Block program. A new Belonging Council with associates from multiple departments across the organization, has responsibility for representing and improving our diverse and inclusive culture. The objectives of the Belonging Council are to:

- Foster a culture of belonging, establish a dedicated focus on diversity inclusion and belonging, and plan and execute a three-year road map
- Serve as a centralized resource for belonging questions, advising on timely diversity and inclusion topics and ways to address them, streamlining communication with external and internal key stakeholders, and providing accurate reports on the impact



COMMITMENT TO HELPING ACHIEVE RACIAL EQUALITY

In June 2020, following the death of George Floyd, the world witnessed unprecedented protests in the United States demanding an end to the systemic racism that has plagued African Americans for generations. Aligned with our commitment to diversity, inclusion and belonging, we took this moment to develop a more intentional approach to listening and discussing the racism experienced firsthand by our associates. These discussions led to an examination of our practices and policies, culminating in the publishing of a new Equality Action Plan. Specific areas of action included:

1. Expanding our hiring practices to be more inclusive and create a more diverse candidate pool for all positions within our company.

- We're reviewing programs designed specifically for Black interns and increased our recruitment outreach to Historically Black Colleges and Universities, as well as Black student organizations and associations, such as the Black Student Union and the National Association of Black Engineers.
- We are now regularly reviewing the composition of our executive leadership roles upon every opening to improve overall diversity.
- We will continue our practice of analyzing compensation for all associates, particularly minorities and females, to ensure equitable, market-competitive salaries are reflected.

2. Creating new opportunities for our associates to educate themselves and each other about racism, bias, and the importance of diversity, inclusion, and belonging.

- We are now encouraging all associates to complete the Harvard Project Implicit Bias Survey.
- We have and will continue to share discussion guides for leaders to facilitate department discussions on racism and how to be an ally.
- We started a book conversation club to further educate associates on the realities of racism. The group provides a safe space to have uncomfortable conversations that help build bridges to understanding.

3. Enhancing existing trainings and providing new mandatory experiences to educate about racial equality.

- We've conducted one racial equity inclusion training for over 200 H&R Block leaders and continue to explore other offerings.
- Also in FY21, we will create a more robust, required bias training for all associates.

4. Ensuring our policies and business practices are explicit that any form of racial inequality is not tolerated within our company, and increasing our efforts to promote and recognize important aspects of African American culture.

- We now recognize Martin Luther King Jr.'s birthday as a paid corporate holiday.
- In FY21, we are establishing a minority-owned supplier program, to increase the use of minority-owned businesses, including Black-owned businesses.
- We have ensured racism is specifically addressed in H&R Block's Code of Conduct, and all other related policies.

5. Committing to help create vibrant neighborhoods in underserved, urban areas, and generating opportunities for Black business owners to thrive, especially in our hometown of Kansas City.

- We have committed to a goal of supporting 500,000+ small business owners over the next five years, ensuring 15 percent are business owners of color.
- We have committed to a goal of 1 million volunteer hours over five years, ensuring 15 percent of the causes benefit disinvested communities.
- We are continuing our hometown investment in the historically underserved and racially segregated neighborhoods on the east side of Kansas City, Missouri, through partnerships with the Urban Neighborhood Initiative, Habitat for Humanity, and new partnerships with leading civil rights organizations to promote connected neighborhoods and affordable housing.
- We are continuing our partnership with Habitat for Humanity and new partners dedicated to pursuing affordable housing, providing workforce development and leveraging technology to advance inclusion in underserved urban neighborhoods.
- We have expanded the pilot program at our corporate headquarters to help disadvantaged Black students prepare for entering the workforce by providing interview skill training, resume writing assistance, and an introduction to a career as a tax professional.



PAY EQUITY

Our remuneration practices include periodic benchmarking exercises where we analyze our compensation policies and data, take steps to help make sure gender and other demographic equality is addressed, and adjust as needed. Our compensation practices are intended to be merit-based, focused on roles, responsibilities, experience and performance, with no consideration given to gender, age, ethnicity or other similar factors.

GENDER EQUALITY

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 data with Catalyst on the representation of women in their workplaces so collective progress can be tracked, analyzed and reported, with the goal of inspiring other organizations by their progress.

The Catalyst pledge includes specific commitments to:

- Accelerate progress in the representation of women, including women of color, in executive/senior level positions over five years
- Maintain (where strong) or accelerate the representation of women, including women of color, on the company's Board of Directors (or equivalent) over five years
- Strengthen the pipeline of women through an annual review of internal diagnostics and leverage leading practices to address any identified issues
- Benchmark and track inclusion and improve the culture of inclusion within the organization
- Share key representation metrics with Catalyst for benchmarking and for anonymized reporting of our collective aggregate progress



In 2020, we joined other leading organizations across the country for a **Day of Understanding.**

The purpose of this effort was to have meaningful conversations to explore our blind spots and unconscious biases as we strive to build a culture of belonging and demonstrate the power of our collective awareness and action. Activities included:

- **A GUEST PANEL AND SPEAKER**
- **A “WORDS MATTER: INTENT VS. IMPACT” WORKSHOP**
- **VIRTUAL TRAINING OPPORTUNITIES**



RECOGNITION AND ACCOLADES

Because of our efforts to foster a culture of belonging, we were recognized as a top employer in many different categories including:

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

BENEFITS

Our comprehensive benefit offerings provide access to benefits that will help both regular and seasonal associates plan for the health and security of their families.

Medical Coverage

H&R Block provides comprehensive medical insurance to our associates. We also extend the opportunity for medical insurance to our seasonal workforce who satisfy the eligibility guidelines of the Affordable Care Act (ACA). Our medical benefits satisfy the affordability and coverage requirements outlined in the ACA.

Retirement Plans

Upon meeting the eligibility requirements, associates, including seasonals, can choose to participate in the H&R Retirement Savings Plan 401(k). In addition, associates may qualify to participate in the Employee Stock Purchase Plan if they meet eligibility requirements.

TRAINING OUR ASSOCIATES

Our tax professionals receive extensive annual tax training on topics including recent tax code changes and filing practices. We offer additional education opportunities for tax professionals to enhance their knowledge and skills. In preparation for the upcoming tax season, our tax professionals receive extensive training on H&R Block products, soft skills and tax office best practices.

We also offer a free (excluding course material costs) Income Tax Course every August, which is open to the public. H&R Block classes are a simple, convenient way to learn taxes and serve as a recruiting tool for first year H&R Block tax professionals. Classes are held at neighborhood offices and in our virtual classroom, and meet at a variety of times. The course is taught by skilled instructors, H&R Block's most experienced tax professionals and includes both classroom instruction and web-based learnings and activities.

Associate Engagement

Research indicates that engaged employees are more productive and satisfied employees. We continually evaluate and seek ways to improve associate engagement. We administer an annual survey to all associates to better understand their levels of engagement and identify areas where we can improve. Overall, we are pleased with our engagement levels, and will continue to explore new ways to advance our engagement efforts in the future.

In FY20, our tax professionals received an average of 35.7 hours of Tax Education and 16.4 hours of Continuing Professional Education.



BELONGING GROUPS

We value education, not just for our associates, but for everyone in our communities where we live and serve. We encourage, develop and support programs that provide inclusive opportunities for anyone seeking professional development.

Women's Network

Our Women's Network was created to connect, help, and motivate women in their pursuit of professional success and personal fulfillment.

Young Professionals Network

Our Young Professionals Network fosters professional and personal growth for our young associates based in Kansas City, encouraging them to become change agents and thought leaders within the company.

When we invest in our associates and show them that we care about their future success, our associates in turn take care of our clients and our business. This mutually beneficial relationship reinforces our Purpose, inspiring team members at every level of the organization to work with confidence, feel a sense of belonging and find meaning in their work at H&R Block.



CHILDREN OF PREMIER ASSOCIATES SCHOLARSHIPS (CAPS)

We extend our giving to the children and grandchildren of our associates through our scholarship program, CAPS.

Since 2014, CAPS has provided scholarships to high-performing students, and has granted **more than \$7.5 million since its inception. In 2019, \$100,000 was awarded to ten students preparing for college.** Each student demonstrated exceptional academic success and a deep commitment to making their blocks, neighborhoods and communities better.



CONNECTING TO OUR PLANET

—
Demonstrating our Purpose to clients, investors and communities includes prioritizing environmental stewardship and mitigating our climate change impacts.

This year, we took our first steps towards carbon neutral operations by modeling our greenhouse gas (GHG) emissions to better understand our environmental impact.





CARBON ACCOUNTING

The recognition among investors and other key stakeholders about the potential risks that climate change poses to society, the environment and business has continued to grow exponentially in recent years.

To better understand and accurately address our climate impacts, we conducted a carbon accounting and modeling project, using available site data on energy consumption, store locations and sizes, and extended this to sites where data was unavailable. The model was limited to Scope One (direct) and Scope Two (indirect) emissions, and did not review potential Scope Three emissions (indirect emissions occurring in the company's value chain).

In FY20 we estimate that we consumed approximately 61,000 MWh of electricity and 1.46 million therms of natural gas, producing an estimated 108,000 MT CO₂e. We plan to use this information in strategies moving forward as we continue to evaluate the feasibility of carbon neutral operations by 2025.



DOING OUR PART FOR THE ENVIRONMENT

Our associates work hard to help us to be good environment stewards and reduce our carbon footprint. From scaling down consumption to maintaining responsible waste programs, our associates are committed to doing their part to contribute to a more sustainable planet. We are invested in the following initiatives that seek to improve our environmental stewardship efforts.

Recycling Program

While our resource consumption is moderate compared to other industries, we are working to reintroduce a company-wide recycling program for the resources we do use. This program is focused on addressing office waste, such as paper, aluminum and other materials.



Paper Reduction—Working with our partner, Inkling, we moved all tax professional training materials to digital formats during FY20, reducing our paper consumption by more than 80 percent and saving more than 100 acres of tree farm forests. This amount of paper previously required enough water to fill six Olympic swimming pools, enough energy to power 593 American homes for a year, and enough oil to fuel a Boeing 737 flight from LA to Tokyo nearly five times.

In addition, our Shred-It program confidentially and securely disposes of and recycles paper documents. In total, this program saved the equivalent of over 325 trees in FY20.



Sustainable Software Packaging—Our software packaging uses 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.



ENERGY EFFICIENT LIGHTING

We are replacing nearly 15,000 light fixtures in our corporate headquarters to high-efficiency LED lightbulbs.

This change will **reduce our lighting system energy consumption by an estimated 2 million kWh**, and in turn contribute to a reduction in our carbon footprint.



ABOUT THIS REPORT

This report, which covers fiscal year 2020, marks our first 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 robust and better serve our stakeholders.

November, 2020
hrblock.com

