

# 2022 Global Impact Report

Transforming digital payments  
to create economic opportunity



# Table of Contents



## Message from Our President & CEO



## About PayPal

**05** Linking Our Business & ESG Strategy

**06** Assessing & Prioritizing Our ESG Topics

**07** Maintaining Strong Corporate Governance & ESG Oversight



## 2022 Highlights



## Responsible Business Practices

- 11** Managing Risk & Compliance
- 12** Enabling Effective Cybersecurity Management
- 14** Enriching Our Global Data Management & Privacy Practices
- 16** Upholding Business Ethics



## Social Innovation

- 18** Promoting Economic Opportunity for SMBs & Entrepreneurs
- 20** Advancing Financial Health & Consumer Convenience
- 21** Maintaining a Safe Platform for Customers
- 22** Creating More Ways to Give



## Employees & Culture

- 25** Managing Our Global Workforce
- 28** Leading With Diversity, Inclusion, Equity & Belonging
- 31** Empowering Employee Community Impact



## Environmental Sustainability

- 34** Mitigating Our Climate-Related Risks
- 36** Managing Our Natural Resources

Please visit our [Global Impact website](#) and [Additional Resources](#) section of this report for further public information on our ESG-related strategies, practices and policies. We are committed to transparent communication with our stakeholders and welcome feedback on this report and other ESG matters. Questions or requests for additional information can be directed to [ESG@paypal.com](mailto:ESG@paypal.com).



## Appendix

- 38** Supporting the U.N. Sustainable Development Goals
- 39** Task Force on Climate-Related Financial Disclosure (TCFD) Summary
- 40** ESG Performance Metrics Table
- 50** Independent Limited Assurance Statement
- 52** Additional Resources

### Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements that involve expectations, plans or intentions (such as those relating to future business, future results of operations or financial condition, new or planned features or services, mergers or acquisitions, or management strategies). These forward-looking statements can be identified by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue," "strategy," "future," "opportunity," "plan," "project," "strive," "aim," "forecast," and other similar expressions. These forward-looking statements involve risks and uncertainties that could cause our actual results and financial condition to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, among others, those discussed in the "Risk Factors," "Quantitative and Qualitative Disclosures about Market Risk" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our Annual Report on Form 10-K for the year ended December 31, 2022 and our subsequent filings with the U.S. Securities and Exchange Commission (SEC). We do not intend, and undertake no obligation except as required by law, to update any of our forward-looking statements after the date of this document to reflect actual results, new information or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The standards of measurement and performance contained in this report are developing and may be based on assumptions, estimates or information collected on a delayed or incomplete basis. The inclusion of information in this report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.

### Incorporation by Reference

All website addresses contained in this report are intended to provide inactive, textual references only. The content on, or accessible through, any website identified in this report is not a part of, and is not incorporated by reference into, this report or in any other report or document that we file with the SEC.

# Message from Our President & CEO

Our PayPal community is committed to democratizing financial services and empowering millions of consumers and merchants to join and thrive in the global economy. This purpose is the foundation on which our business and strategy are built, and it guides our efforts today. We believe operating with a strong sense of purpose helps drive long-term, sustainable growth by inspiring our employees and creating value for our shareholders, customers and other stakeholders.

In our 2022 Global Impact Report, we share some of our efforts to help customers and communities thrive, provide innovative solutions to unlock greater opportunity for all and forge a path towards having a sustainable impact for our stakeholders in line with our commitments. Some highlights include:

## Creating Economic Opportunity for Our Customers

In an increasingly digital economy, our products and services have never been more critical. For our merchants, we offered new tools to create efficient and flexible checkout experiences, including the launch of the Zettle Terminal in the U.S. and Tap to Pay in new markets. For consumers, our digital wallet continued to provide a secure and easy way to manage their daily financial lives. Last year, we introduced PayPal Rewards and interest-bearing savings accounts in the U.S. to help consumers achieve their financial goals faster.

We continue to focus on enabling equitable access to capital for entrepreneurs from underserved communities, including facilitating more than \$4 billion to small- and medium-sized businesses globally in 2022. In addition, our Economic Opportunity Fund investments in 19 minority-led venture capital funds deployed nearly \$300 million in

capital to over 250 portfolio companies globally, and for the second year in a row, we honored the legacy of Maggie Lena Walker by recognizing women who are creating opportunities for economic advancement in underserved communities.

## Prioritizing Our Employees' Total Wellness

Fostering an engaged, diverse and resilient workforce is critical to achieving our mission. Through our Employee Financial Wellness Initiative, launched in 2019, we continued to provide tools and resources for our employees to build their financial wellness. We are proud to have exceeded our goal for our employees globally to have at least 20% of their discretionary income remaining after taxes and typical expenses are paid. This is an ongoing focus for PayPal and will continue to be an essential part of our approach to total wellness.

We continue to work towards having a workforce that reflects the communities and customers we serve. Over the past year, we have expanded our talent pipeline, once again achieved global gender and U.S. ethnic pay equity and continued to support the development of diverse leaders across the company. Our ongoing efforts have led to an 11% increase in diversity in leadership roles since we became an independent company in 2015.

Our employees are passionate about their communities and actively seek out opportunities to make a positive impact. In 2022, PayPal employees volunteered nearly 100,000 hours to nonprofits around the world. Community impact is an essential part of our culture that not only helps advance our mission but also engages and empowers our employees.

## Enabling Customers and Employees to Give More Easily

We are continually inspired by the generosity of our broader PayPal community. For the first time in our history, our customers donated more than \$20 billion in a single calendar year to nonprofits and charitable causes through our platform. Recognizing the essential role PayPal plays in times of need, we have further integrated giving opportunities through Give at Checkout and Venmo Charity Profiles product solutions.

In response to the devastating violence in Ukraine, we helped to facilitate more than \$1.2 billion to support those impacted, including through donations made to nonprofits, person-to-person payments and money transfers. We continue to mobilize our platform and customers to respond to global crises, including after destructive natural disasters such as the earthquakes in Turkey and Syria, flooding in Pakistan and Hurricane Ian in Florida.

## Responsibly Managing Our Environmental Footprint

We continue to concentrate our efforts on managing our environmental impacts and exploring sustainable innovations across our products and services. To reach our goal of achieving net-zero greenhouse gas emissions across our value chain by 2040, we are focusing on efficient and renewable energy use, partnering with our largest vendors (by spend) to manage emissions across our supply chain and considering ways to make digital commerce more convenient and sustainable. We are proud to increase our total renewable energy use to 90% in 2022, while maintaining 100% renewable energy for our global data centers.



In my final year as president and CEO, I am proud of the enormous impact PayPal's global community has created — and I am grateful to all our investors, customers, employees and partners who have championed this work. Over the past eight years, I have seen first-hand how our mission, vision and values reinforce the strength of the business and help create value for all of the stakeholders we serve.

Significant work remains to upgrade the financial system and democratize financial services so that more people and businesses can improve their financial health and pursue economic opportunity. I am confident that PayPal will continue to play a central role in this effort and, in turn, will drive long-term impact and sustainable growth going forward.

**Dan Schulman**

President and CEO,  
PayPal Holdings, Inc.



# About PayPal

PayPal Holdings, Inc.<sup>1</sup> is a leading technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide.

PayPal is committed to democratizing financial services to help improve the financial health of individuals and to increase economic opportunity for entrepreneurs and businesses of all sizes around the world. Our goal is to enable our merchants and consumers to manage and move their money anywhere in the world in the markets we serve, anytime, on any platform and using any device when sending payments or getting paid. We believe that effective management of non-financial risks and opportunities, including environmental, social and governance (ESG) topics, helps to create value for our stakeholders and deliver on our strategy and mission.

We operate a global, two-sided network at scale that connects merchants and consumers with 435 million active accounts — consisting of 400 million consumer active accounts and 35 million merchant active accounts — across more than 200 markets as of December 31, 2022.

For more than 20 years, we have remained focused on our mission to make financial services and commerce more affordable, convenient and secure for all. Our goal is that PayPal continues to be a trusted, everyday app for consumers and an essential tool to help merchants, including small- and medium-sized businesses (SMBs), marketplaces and large enterprises, manage and grow their business.

## Putting Our Values into Practice

Our core values of Inclusion, Innovation, Collaboration and Wellness are driving forces for our Company and are part of our operating philosophy. They are an integral part of the decisions we make and the way we lead, inside and outside of the PayPal community. We believe they help stimulate the creativity and engagement of our global workforce to deliver products and services designed to meet the diverse needs of our customers.

## Building on Our Values through Leadership Principles

In 2022, resulting from more than 2,000 conversations across our business, we developed 12 Leadership Principles based on our core values that establish a common set of expectations for all employees. We aim to continue integrating these principles across our business, talent and operations strategies. See [Employees & Culture](#) for more details.

**"In 2022, we worked to optimize PayPal's cost structure while continuing to invest in our high-conviction initiatives and deliver on our mission. Our commitment to serve our customers and support their financial health ties directly into our business performance. We believe PayPal's combination of scale, profitability and stability is a strategic advantage as we navigate this dynamic environment."**



**Gabrielle Rabinovitch**  
Acting Chief Financial Officer and SVP,  
Investor Relations and Treasurer  
San Jose, CA, U.S.

## PayPal's Payment Solutions<sup>2</sup>



**Merchants** integrate with PayPal to manage their business



**Consumers** use PayPal for financial products and services and shopping tools

### Checkout



### Processing



### Digital Wallets

#### Consumer Financial Services

P2P  
Savings  
Giving  
Crypto

**Shopping and Rewards**  
Rewards Loyalty Deals

### Merchant Services

#### Risk Management & Fraud Protection

Payouts

Happy Returns  
by PayPal

**PayPal Zettle**

## Our Leadership Principles

### Inclusion We Partner



Do the right thing



Choose inclusion



Trust each other

### Innovation We Dare



Be a customer champion



Never stand still



Create simplicity & efficiency

### Collaboration We Deliver



Generate enduring impact



Work as one team



Be transparent

### Wellness We Care



Know yourself & each other



Learn every day



Build the next generation

# Linking Our Business & ESG Strategy

Studies have shown that key non-financial risks and opportunities can impact the long-term value and growth of businesses.<sup>3</sup> Our ESG strategy reflects how PayPal considers these topics across the organization and categorizes them across four core dimensions — Responsible Business Practices, Social Innovation, Employees & Culture and Environmental Sustainability. We remain focused on making progress to address financial and non-financial risks, including ESG priorities, in support of our business.

## Our Business Priorities



Growing our core business



Enhancing our consumer and merchant value propositions



Forming and expanding strategic partnerships



Seeking new areas of growth and innovation

## Our Stakeholder Value Creation



Creating value for PayPal and our stockholders by prioritizing and investing in growth opportunities and managing risk.



Driving and protecting brand value through strong governance, ethics and compliance across our value chain, including with suppliers and partners.



Demonstrating competitive advantage by providing customers with superior products that make financial services and commerce more affordable, convenient and secure.



## Social Innovation

Our work to realize our mission and build a more inclusive global economy



Engaging with, and positively contributing to, the local communities in which we live and work around the world.



Mitigating environmental impacts to our business, and meeting regulatory requirements and investor and other stakeholder expectations.

## Our ESG Focus Areas



### Responsible Business Practices

Our commitment and approach to operating ethically and responsibly



### Social Innovation

Our work to realize our mission and build a more inclusive global economy



### Employees & Culture

Our embodiment of our core values from the inside out



### Environmental Sustainability

Our efforts to manage our footprint and advance sustainability

## Franz Paasche

SVP, Chief Corporate Affairs Officer  
New York, NY, U.S.



"Our 2022 Global Impact Report highlights not only the progress we have made on our focus areas and key metrics, but also the many ways in which we have unlocked new opportunities for our stakeholders. We believe that profit and purpose go hand in hand and that aligning our business with our mission and values is important to creating shared value and maintaining trust. This trust is critical to delivering innovation and impact at scale during times of change."

This year's report demonstrates the ways in which we bolstered our foundation to make our platform more secure, supported the economic resiliency of our customers, invested in the wellness of our employees and strove to reduce our impact on the planet. Our employees worked together to improve their communities, deliver innovative solutions for our customers and instill our mission to democratize financial services into everything we do.

While we are proud of the progress we have made, we also recognize how much work remains to ensure that every individual can participate fully and fairly in the global economy. We are committed to delivering long-term, sustainable impact for all stakeholders and invite you to join us in this effort."

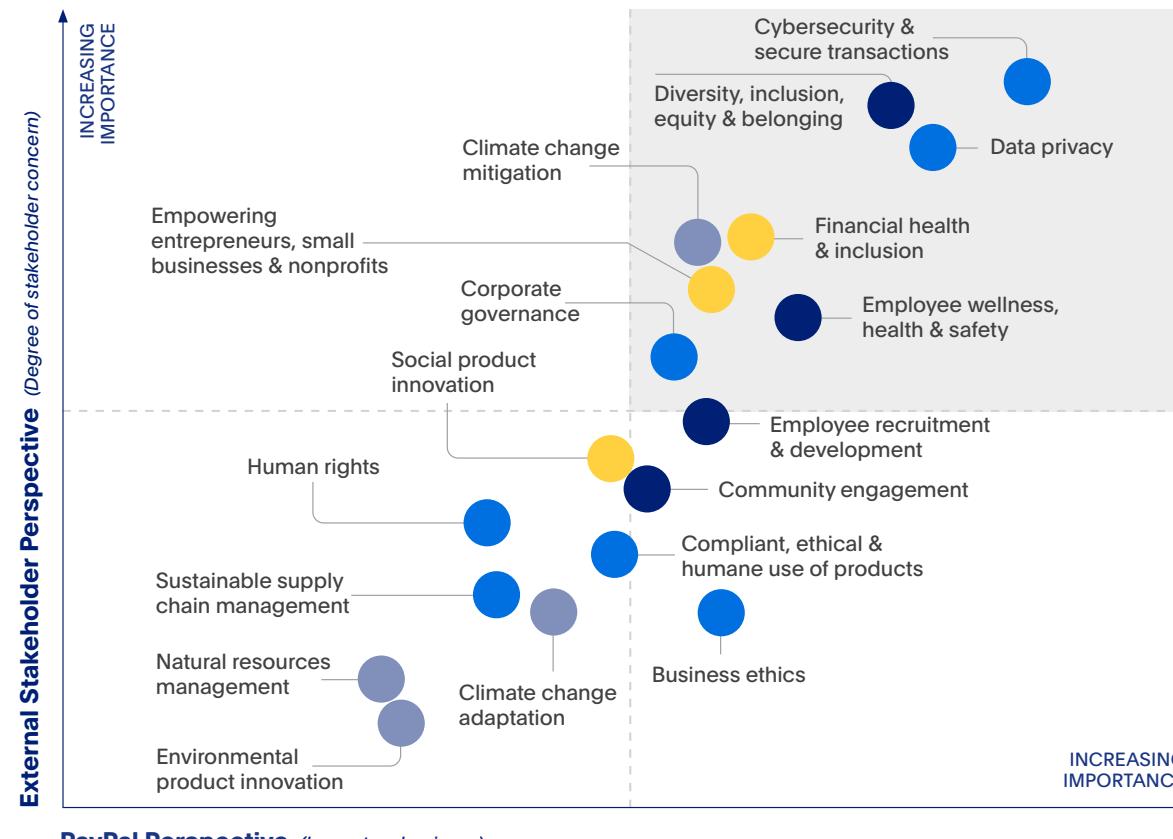
# Assessing & Prioritizing Our ESG Topics

Our ESG strategy is based on the periodic significance<sup>4</sup> assessment and prioritization of non-financial risks and opportunities identified by our business and our stakeholders as important for PayPal's long-term success.

Building on our ESG significance assessment conducted in 2020, we annually review our ESG significance map. In 2022, we reaffirmed our 18 key ESG topics, including eight designated as priorities<sup>5</sup> for PayPal to drive long-term business performance and impact based on stakeholder feedback.

The findings from our ESG significance assessment serve as an important input to inform how we strategically deploy resources across the enterprise and refine our ESG-related programs.

## 2022 ESG Significance Map



**PayPal Perspective (Impact on business)**

**CATEGORIES:**

● Responsible Business Practices    ● Social Innovation    ● Employees & Culture    ● Environmental Sustainability

<sup>4</sup> As used throughout this report, the term "significance" and variations thereof refer to significance within the context of our ESG strategies, activities, progress, metrics and performance. Such term is distinct from, and does not refer to, concepts of materiality used in securities or other applicable law, and use of such term is not an indication that PayPal deems related information to be material or important to an understanding of the business or an investment decision with respect to PayPal securities.

## Engaging Our Stakeholders

An essential aspect of effectively managing our key ESG topics, as well as informing our significance assessment, is our strategic approach to stakeholder engagement.

**4.38**  
out of 5

2022 ESG engagement rating from investors  
(+23% from 2019)<sup>6</sup>

We value the regular input we receive from our global workforce, customers, investors, regulators, partners, suppliers and other stakeholders in seeking to continuously refine our ESG program. In late 2022, we completed our second investor-focused perception study to understand how investors view PayPal's ESG strategy, investment case and communication efforts. We observed notable improvements since our inaugural study in 2019. The feedback helped inform our latest ESG significance assessment and reinforced the importance of aligning our financial and non-financial disclosures.

## Key ESG-Related Engagement Topics

**Investors:** Succession planning, executive compensation, intersection of ESG and business strategies, data privacy, cybersecurity, Board and risk oversight

**Customers:** ESG approach, product education, business ethics, climate change, supplier diversity

**Employees:** Business strategy, product innovation, sustainability, workplace inclusion, community engagement

**Regulators:** Cybersecurity, risk oversight, ESG strategy, climate change

**Partners:** Civic engagement, small business support, employee wellness, climate change

**Suppliers:** Business ethics, climate change, diversity

## Reporting on Our Progress

This Report covers ESG strategies, activities, progress, metrics and performance from calendar year 2022, unless otherwise noted. In addition to findings from our latest ESG significance review and ongoing stakeholder engagement, we also conducted an annual benchmarking and review of industry peers and leading issuers to enhance and refine our disclosures based on best practices and emerging regulatory requirements.

This report is aligned with the Global Reporting Initiative standards, relevant SASB industry standards, the Ten Principles of the United Nations (U.N.) Global Compact, the Stakeholder Capitalism Metrics and U.N. Sustainable Development Goals (SDGs). See the [Appendix](#) for specific reporting to these frameworks and a Task Force on Climate-Related Financial Disclosures (TCFD) summary.

<sup>5</sup> As designated by those topics in the shaded upper right-hand quadrant of our ESG significance map.

<sup>6</sup> Study participants provided an overall rating of 4.38 (5=excellent) for PayPal's ESG engagement approach, representing significant improvement from the 3.56 rating in 2019.

# Maintaining Strong Corporate Governance & ESG Oversight

Robust corporate governance practices are critical to executing our business strategy and driving long-term, sustainable value creation. Our overall governance framework is designed to drive strong oversight, create Board and management accountability and demonstrate PayPal's commitment to transparency, independence and diversity. We seek to apply the same approach to the oversight, management and implementation of our ESG strategy.

Our commitment to strong corporate governance is detailed in our [Proxy Statement](#), which provides extensive disclosure on our Board structure and composition, strategy and risk oversight, stockholder engagement, executive compensation and other key governance topics.

## Incorporating ESG-Related Performance into Our Executive Compensation Program

Building on the long-standing risk and compliance ratings for each executive and the incorporation of diversity, inclusion, equity and belonging (DIE&B) considerations as part of our executive compensation program beginning in 2021, we continued to incorporate DIE&B actions and outcomes in our 2022 Annual Incentive Plan.

## Prioritizing Diverse Perspectives in Our Board & Leadership

We seek to ensure our Board is composed of directors who have highly relevant skills, professional experiences and backgrounds, bring diverse viewpoints and perspectives and effectively represent the long-term interests of our stockholders.

The Board conducts in-depth reviews on business strategy and engages with leaders on key topics of interest, including business objectives, the competitive landscape, capital allocation and ESG matters.

The Board values succession and refreshment as critical components of promoting and supporting the Company's long-term strategy. The Corporate Governance and Nominating Committee (Governance Committee) regularly oversees and plans for director succession and Board refreshment, in addition to reviewing executive succession planning at least annually.

*"At PayPal, we believe that sound ESG governance and oversight is integral to our business and our ability to drive company performance, deliver on our mission and uphold our values. Our enterprise-wide approach to responsible business management helps us drive and protect brand value, manage risk, demonstrate competitive differentiation, position PayPal as an employer of choice and support future opportunities for growth and innovation."*



**Brian Yamasaki**  
VP, Legal & Corporate Secretary  
San Jose, CA, U.S.

PayPal ranked on Fortune's Modern Board 25 list of the most innovative boards of directors

## Board of Directors Diversity



## Executive Leadership Diversity



## 2022 Corporate Governance Highlights

Independent Board Chair with significant responsibilities

11 of 12 directors are independent and all directors stand for annual election

Director service limited to no more than four public company boards, including the PayPal Board

Diverse characteristics considered in assessing Board composition including sexual orientation, ethnicity, nationality and cultural background

Committed to actively seeking highly qualified women and individuals from underrepresented communities to include in the initial pool from which director nominees are chosen

Annual performance self-evaluations by the full Board and each committee

Majority vote standard for uncontested director elections

Stockholder right to call a special meeting

Proxy access for qualifying stockholders

Strong stockholder engagement practices

Robust stock ownership requirements for our executives and directors

<sup>7</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>8</sup> As of December 31, 2022.

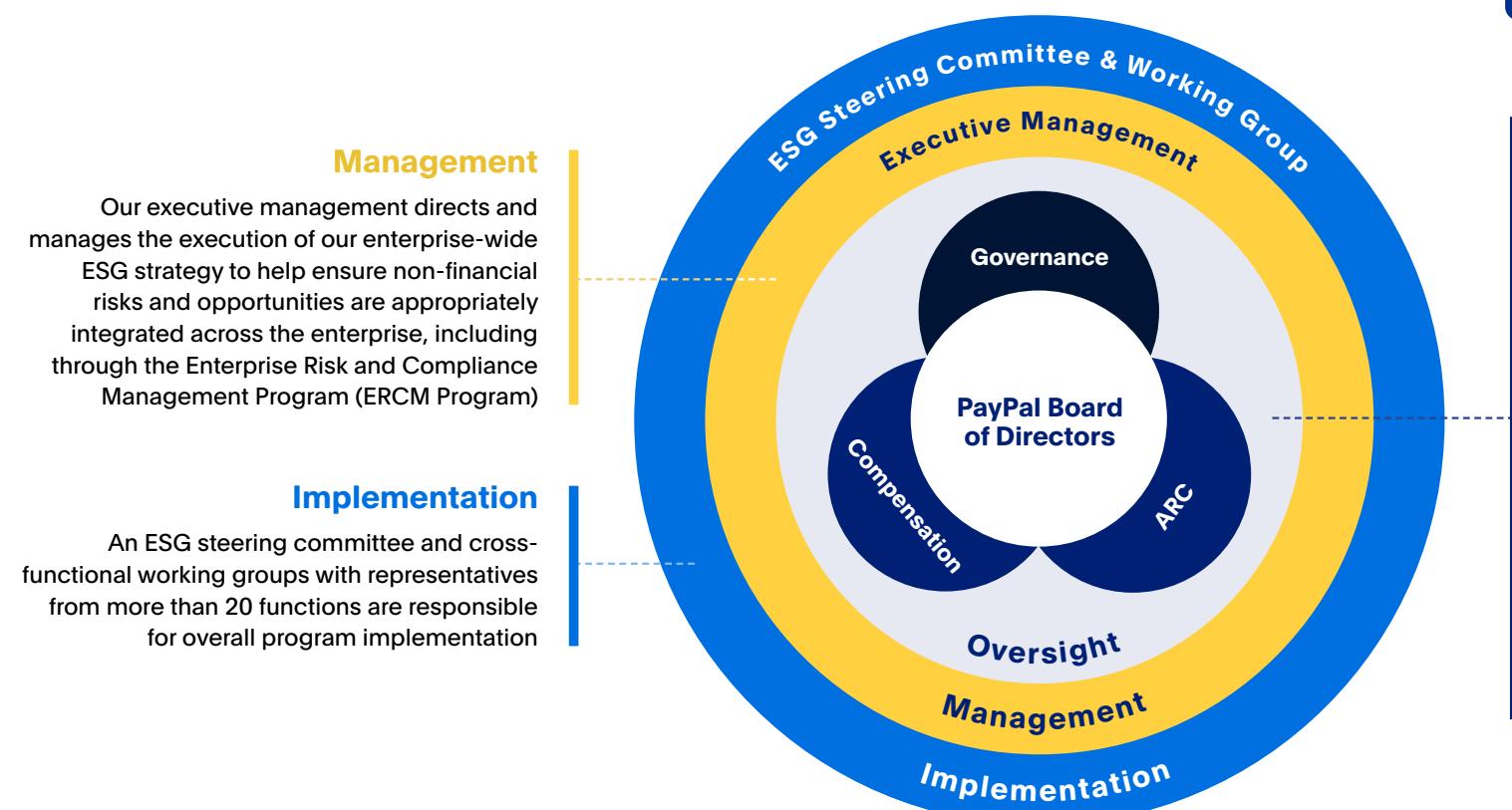
## Adopting Sound ESG Governance

We believe our approach to ESG management is linked to long-term value creation for our stakeholders, including stockholders, employees, customers and the communities and markets where we operate.

The Governance Committee, comprising entirely independent directors, oversees PayPal's ESG program and regularly reports out to the Board. In addition, the Compensation Committee and Audit, Risk and Compliance Committee (ARC Committee) are responsible for oversight of ESG issues associated with their respective areas of responsibility.

Our cross-functional ESG program is directed and managed in collaboration with executives, including our Chief Financial Officer and Chief Corporate Affairs Officer, and implemented by cross-functional working groups with guidance and direction from the ESG steering committee.

Representatives from the ESG steering committee brief Board committees and executive leadership on ESG issues quarterly and meet with a subcommittee of the Enterprise Risk Management Committee at least annually to review current and emerging ESG-related risk topics.



**"Our mission to create a more inclusive global economy is central to all that we do, including in defining our global ESG strategy. Guided by our Values and Leadership Principles, we continue to demonstrate how our ESG strategy is a reflection of the work we do through our business, partnerships and programs to support operational priorities, drive impact and create value for our stakeholders."**



**Kristina Friedman**  
Head of Global ESG Strategy  
New York, NY, U.S.

### Oversight

Our Board of Directors is actively engaged on ESG matters that impact business strategy.

- **Governance Committee:** Oversight of PayPal's management of ESG topics, including overall ESG strategy, risks and opportunities, stakeholder engagement and programs and initiatives in social innovation and environmental sustainability
- **ARC Committee:** Oversight of the Company's risk framework and enterprise-wide compliance program, including cybersecurity and privacy matters
- **Compensation Committee:** Oversight of the Company's strategies and responsibilities related to human capital (global talent) management, including diversity and inclusion, pay equity efforts and corporate culture



# 2022 Highlights

## Key Financial & Operational Metrics<sup>9</sup>

**\$27.5B**

in revenue  
(+8% spot basis and +10% FXN<sup>10</sup> from 2021)

**435M**

active accounts  
(+2% from 2021)

**\$1.36T**

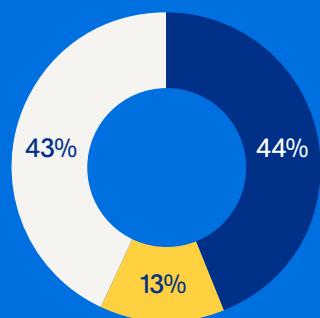
total payment volume  
(+9% spot basis and +13% FXN<sup>10</sup> from 2021)

**22.3B**

payment transactions  
(+16% from 2021)

**29.9K**

global employees



- Americas
- Europe & Middle East
- Asia-Pacific

## Key ESG Metrics<sup>9</sup>

### RESPONSIBLE BUSINESS PRACTICES



Introduced enhanced passwordless authentication for our customers and employees

**4K+**  
employees

participated in Data Week, double the engagement from last year

**100%**  
training completion

by all employees in 2022 annual training cycle

### EMPLOYEES & CULTURE

**26%**  
minimum eNDI globally

achieving our goal to reach at least 20% PayPal-defined eNDI for our employees globally<sup>12</sup>

**56%**  
diverse workforce representation<sup>13</sup>

reaching 44% global gender diversity and 54% U.S. ethnic diversity<sup>14</sup>

**~100K**  
hours

volunteered by employees across our workforce

### SOCIAL INNOVATION

**\$4.2B+**  
in access to capital

facilitated for small- and medium-sized businesses<sup>11</sup>

**2.9%**  
average international remittance rate

maintaining an average international remittance rate below 3%, aligned with the U.N. SDG 2030 target

**\$20B+**  
to nonprofits and causes

donated by 55M customers through the PayPal Giving Platform

### ENVIRONMENTAL SUSTAINABILITY

**80%**  
operational emissions reduction<sup>15</sup>

demonstrating progress toward our science-based targets

**~39%**  
vendors by spend

have set or committed to science-based climate targets<sup>16</sup>

**90%**  
total renewable energy use

including 100% renewable energy sourcing for our data centers globally

## Select Awards & Recognitions

**JUST Capital America's JUST 100**

**Newsweek America's Most Trusted Brands**

**Forbes World's Best Employers**

**Fortune World's Most Admired Companies**

**CDP Climate Rating A-**

<sup>9</sup> As of December 31, 2022.

<sup>10</sup> Foreign exchange rate neutral.  
<sup>11</sup> Through PayPal Business Loans and PayPal Working Capital in the U.S., U.K., Australia and Germany.

<sup>13</sup> Global women and U.S. ethnically diverse men.

<sup>14</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>15</sup> From 2019 baseline. Operational greenhouse gas emissions include those emission sources covered by Scope 1 and Scope 2 market-based method (MBM) as defined by the Greenhouse Gas Protocol and the Science-Based Targets initiative. While we observed operational GHG reductions exceeding our 2025 goal, we recognize that in future years this may change as employees continue to return to the office and the Company continues to grow.

<sup>16</sup> We continue to refine our assessment methodology to include vendors within relevant Scope 3 categories, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.



# Responsible Business Practices

Safeguarding customer trust and operating in a consistent and ethical manner are vital to achieving the Company's long-term business strategy. These efforts are underpinned by our approach to risk management and oversight, including policies and standards to protect our customers and platform.

Across our enterprise, we are committed to the goal of responsibly managing our infrastructure, protecting customer data, efficiently managing our supply chain and advocating for policies that promote the interests of our customers, employees and communities.

## In This Section

- Managing Risk & Compliance
- Enabling Effective Cybersecurity Management
- Enriching Global Data Management & Privacy Oversight
- Upholding Business Ethics

## 2022 Summary Highlights

- Introduced enhanced passwordless authentication for our customers and employees.
- Revised our enterprise risk categories to reflect our latest risk assessment.
- Established five principles for Responsible Artificial Intelligence (AI).

**4K+**  
employees attended  
during our third annual Data Week

**100%**  
training completion  
by all employees  
in 2022 annual  
training cycle

"The industry faces pressure to prioritize speed and efficiency over effectiveness and safety. At PayPal, we know that our biggest currency is trust — with customers, regulators, employees and other stakeholders — and now is the time to focus on continuing to invest in our risk management practices and prioritize safe and secure products for all."



**Andrea Donkor**

*SVP, Global Regulatory Relations and Consumer Practices, PPI Chief Compliance Officer  
New York, NY, U.S.*

## SDGs Reflected in This Section



# Managing Risk & Compliance

We apply the Three Lines of Defense model for risk management, which consists of management, oversight and independent assurance. Our executives are responsible for assessing and managing risk with independent guidance and oversight from our company-wide Risk and Compliance Oversight function. Our Board of Directors is responsible for overall risk assessment and management oversight, with the ARC Committee overseeing and reviewing our overall risk management framework. Our Internal Audit program seeks to provide independent assurance and is externally assessed by the Institute of Internal Auditors (IIA) to conform with the IIA Code of Ethics and Standards.

Our Enterprise Risk and Compliance Management Program (ERCM Program) reflects PayPal's programmatic approach to identifying, measuring, managing, monitoring and reporting key risks facing our Company. In 2022, we revised our enterprise risk categories to reflect our latest assessment.

Our risk management committees oversee the implementation and execution of the ERCM Program, including the Enterprise Risk Management Committee (ERMC). The ERMC is the highest-level risk management committee and is co-chaired by PayPal's Chief Risk and Compliance Officer and Chief Enterprise Services Officer, which regularly review and discuss the overall effectiveness of the ERCM Program with the ARC Committee and the full Board. To further reinforce the link between our governance of ESG matters and our risk management programs, we regularly report on emerging ESG trends to a subcommittee of the ERMC.

In addition, we formally mapped and integrated key ESG topics and programs into our enterprise risk taxonomy and strive to continually enhance our risk management approach globally. For example, in 2022, in collaboration with our teams across Europe, we identified an initial set of risk metrics to evaluate environmental risk management in the region, in accordance with legal requirements.



## Setting Strong Business Resiliency Practices & Policies

We take an enterprise-wide approach to business resiliency in order to manage and minimize the impacts of a disaster or other incidents that may disrupt PayPal business functions, IT systems, customers and the broader financial sector. Our PayPal Resiliency Program is designed to reduce continuity of operations risk, enable mitigation of potential impacts, prepare teams to respond effectively, maintain operations during periods of disruption and safeguard employee welfare. This program applies across PayPal and its subsidiaries, as well as to third parties acting on our behalf.

Aligned with the ISO 22301 standard, the Federal Financial Institutions Examination Council and other governmental regulatory standards, our Enterprise Resiliency Policy outlines scenario planning procedures, functional roles and responsibilities, reporting expectations and documentation management for business continuity and disaster recovery at PayPal. This includes:

- **Regular training** for identified Incident Response Team members across business functions.
- Requirements for at least annual **tabletop exercises and testing** to provide ongoing readiness.
- **Recovery and restoration protocols** following an incident.



## Protecting the Health & Safety of Our People

PayPal Global Safety and Security teams are tasked with monitoring, evaluating and responding to acute and chronic physical risks to our operations, including extreme weather and other events, as part of our incident response procedures.

We also develop and implement risk management procedures and programs related to the personal safety of employees, including accident and injury prevention, wellness promotion and compliance with applicable environmental and health and safety laws and regulations. PayPal's Environmental Health & Safety (EHS) Policy & Procedures align with the ISO 45001 standard, apply to all PayPal facilities and functional areas and detail the requirements, roles and responsibilities related to environmental health and safety risks, controls, monitoring, reporting and escalation. We are committed to continuing to improve our EHS program and regularly conduct reviews to facilitate compliance with relevant national and local EHS regulatory requirements.

# Enabling Effective Cybersecurity Management

The security of our customers and platform is one of our top priorities. We continue to implement a proactive security philosophy intended to provide strong oversight structures to achieve our security goals. Our Chief Information Security Officer (CISO) oversees our cybersecurity management function across our global enterprise, with Board oversight from the ARC Committee. As part of our ERCM Program, our Information Security Program is designed to support the Company in identifying, protecting, detecting, responding to and recovering from cybersecurity threats.

## Prioritizing External Validation & Engagement on Our Information Security Program

Our commitment to security is evident in our efforts to adhere to industry best practices and alignment with top frameworks such as the NIST Cybersecurity Framework and ISO 27001 certification. Reinforcing our dedication to maintaining high standards, we have proudly served on the Board of Advisors for the Payment Card Industry (PCI) Security Standards Council since 2015.

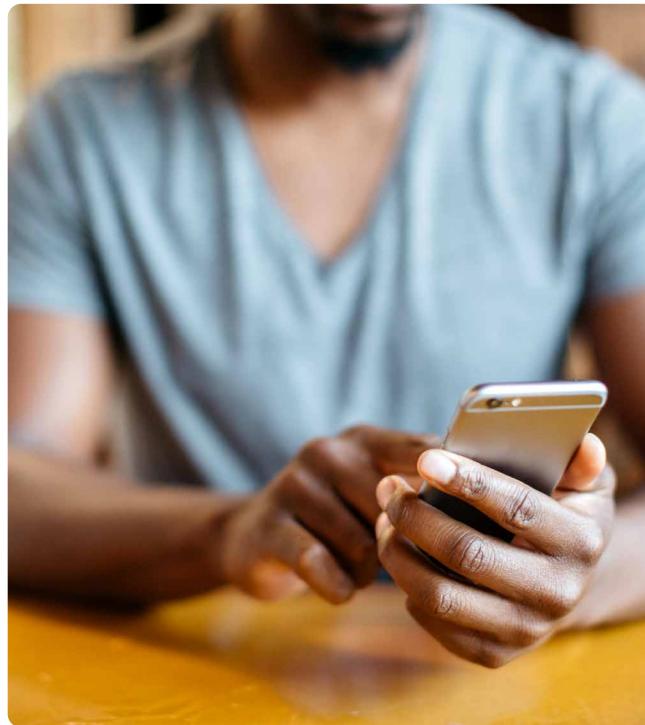
PayPal's internal audit and oversight testing functions regularly review our information security programs. In addition, our information security program is externally validated, including annual audits conducted by independent third parties covering ISO 27001, PCI-DSS, PCI-P2PE, PCI PIN, SOC-1 and SOC-2. We also actively contribute to security standards through PCI and remain engaged with governments worldwide to stay abreast of evolving threats and manage risk.

## PayPal's Collaborative Approach to Further Customer Protection

PayPal's unique two-sided network gives us the opportunity to enhance customer protection through a combination of sophisticated risk models, fraud detection and data security controls.

PayPal's cybersecurity teams, in coordination with the Cyber Defense Center, defend against and mitigate risks to the availability of our systems, as well as protect the data we process and store. PayPal's anti-fraud teams, in coordination with the Fraud Defense Cyber Center, focus on operationalizing fraud intelligence to proactively prevent fraud and abuse and mitigate risk to our products, services and customer data.

Protecting our customers and platform is a joint effort of these crucial functions. Our security and fraud teams work alongside customer support to collaborate and share insights to empower internal and external partners to enhance PayPal's customer and data protection capabilities. We perform 24/7 monitoring and measurement to promote system reliability and maintain the integrity of PayPal's production and corporate environments.



## Securing Our Customers & Platform

We continue to invest our time and resources in strengthening the security of our products and services to remain one of the world's most trusted payment platforms.

In 2022, PayPal implemented enhanced passwordless authentication for our customers through the introduction of [passkeys](#) and for employees accessing devices and applications that leverage corporate-managed identities. See our [Social Innovation](#) section for more information.

PayPal's Incident Management process provides a coordinated approach to promote effective and timely risk response and management of highly impactful events. Our program aims to prepare us for a range of incidents we may encounter, including those pertaining to technology, fraud, cybersecurity, security and our brand. We focus on quick and effective mitigation of incidents, restoration of services, recovery of impacts, as well as communications and root cause and corrective feedback mechanisms.

PayPal helps protect customers from phishing through security awareness initiatives, proactive phishing site takedowns and improved phishing detection across the ecosystem. For example, last year we published a new [consumer awareness video tutorial](#) on how to detect and report phishing to PayPal. In 2022, we also released findings from our two-year research project on new techniques to defend against advancements in phishing websites at [the ACM Computer and Communications Security Conference](#).

## Maintaining PayPal's Thorough Cyber Attack Risk Response Process

In addition to cyber threat monitoring and quarterly cybersecurity risk assessments, we review and conduct exercises on our disaster recovery and business continuity plans at least annually. We have an established breach response process to protect the integrity of PayPal's platform.

## Partnering to Advance Security & Protection Capabilities

PayPal is actively involved with organizations to support the advancement of the security ecosystem and improve customer protection. Current memberships and sponsorships include the Anti-Phishing Working Group (APWG), Financial Services Information Sharing and Analysis Center, FIDO Alliance, Women in Cybersecurity, World Economic Forum's Centre for Cybersecurity and National Cyber-Forensics Training Alliance.

In 2022, we contributed to continued research with leading research groups, peer companies and universities to support a more secure digital economy for all, including:

- Finalizing research with **Georgia Institute of Technology**, resulting in the development of risk signals to help prevent fraud in a passwordless authentication environment.
- Partnering with the **Official Monetary and Financial Institutions Forum** to publish [The Role of Data Science in Maintaining Trust and Responsible Innovation](#), underscoring how data can be used effectively to protect consumers from fraud and improve the quality of the user experience.
- Continuing our work with the **APWG** and presenting findings on pervasiveness of scam websites and the protections that can be implemented to help prevent these sites from reaching users at the 2022 eCrime Conference.
- Collaborating with **North Carolina State University** to improve customer protection by measuring and supporting the prevention of abuse of telecommunication infrastructure in phishing attacks and scams.

### Delivering a Wide-Ranging Bug Bounty Program

PayPal partners with [HackerOne](#)'s global community of independent security researchers, who help to make our products and services more secure. We hosted our third annual LiveHack Event in 2022, to bring together PayPal security engineers, external researchers and the HackerOne triage team to find and remediate vulnerabilities in real time within PayPal's internal applications. We also held an internal Bugfest event, where PayPal engineers from across the globe collaborated in person and virtually to improve the security, functionality and user experience of our products.



## Safeguarding Our Platform & Customers from Illegal Activity

We continuously work to combat and prevent the illicit use of our services and strive to make our platform safe and secure for all to use. We devote significant resources globally to financial crime compliance and refer cases to assist law enforcement officials in their efforts to identify, investigate and stop illegal activity.

We also seek to amplify our capabilities beyond PayPal through multisector partnerships and initiatives and look for new opportunities to utilize our data, relationships and investigation teams to further protect our customers and communities. We employ our expertise to identify, interrupt and enable prosecutions for those who traffic fentanyl, opioids and other drugs, launder money, defraud customers, engage in human trafficking and child exploitation and enable terrorist activities. For example, as a member of the [Tech Coalition](#) and ICMEC's [Financial Coalitions](#), we work collaboratively to protect children from online sexual exploitation and abuse. This partnership model will continue to be an important lever in contributing to the work of stopping global financial crimes.

*"As a founding member of ICMEC's U.S. and APAC Financial Coalitions against Child Sexual Exploitation and a long standing partner of more than 15 years, PayPal continues to graciously share knowledge, time and expertise with financial industry peers to help counter child sexual exploitation and abuse online. The company's generous financial and in-kind support is vital to furthering our global efforts to make the world a safer place for all children."*



International Centre™  
FOR MISSING & EXPLOITED CHILDREN

**Bindu Sharma**

Vice President, Global Policy & Industry Alliances

Managing Director, Asia Pacific

International Centre for Missing & Exploited Children



## Promoting Awareness & Education for Employees

Our Information Security Training and Awareness program focuses on employee development and education, the needs of the enterprise and the shifting cyber-threat landscape. In addition to required annual information security compliance training for all employees and contractors, we offer ongoing learning opportunities to increase security awareness across PayPal, with specific educational programs for our engineers.

Our 2022 Cybersecurity Awareness Month included various activities, including our third annual internal Security Conference. We engaged with our employees globally throughout the month, providing a broad range of opportunities to expand their security knowledge and awareness.

# Enriching Our Global Data Management & Privacy Practices

We work to embody a data- and privacy-aware culture that prioritizes responsible use of data through transparency, education, enterprise standards and innovation. PayPal has established a tiered governance structure to drive data management best practices and accountability across the Company. For information on how we empower and educate our customers on data privacy see [Social Innovation](#).

Our Enterprise Data Governance (EDG) Program, included in the office of the Chief Information Officer, advances our enterprise data management and governance activities. Our EDG Program partners with the Global Privacy and Data Management Oversight function, led by our Chief Privacy Officer, which is independent from the business, provides oversight as part of the ERMC Program, and is ultimately overseen by the Board through its ARC Committee.

PayPal's internal audit function conducts independent reviews of the data management and privacy programs and assesses the effectiveness of governance, risk management and controls. Additionally, all PayPal employees and contractors are required to complete annual training on privacy and data management, and, in 2022, PayPal held its first annual data stewardship training.

## Fortifying Our Approach to Data Hygiene

The EDG Program aims to proactively drive consistent and standardized internal data management practices and processes to strengthen trust and confidence in PayPal's data, support future business growth and achieve Company objectives. We deploy data quality measurements and monitoring to protect critical data identified across the Company.

PayPal's EDG Program supports end-to-end data management, from collection to disposal. The team collaborates with functions across the business and helps establish practices in accordance with our industry-aligned enterprise data management framework, which includes data quality, accountability, stewardship and risk management. Our Enterprise Data Governance Policy and associated documents align with this overarching framework.

Also in 2022, the Data Management Oversight function developed additional internal policies to enhance our data management risk oversight and regulatory compliance controls, including formalizing policies on open banking and data localization. The team also developed risk statements to identify, establish and document accountability, controls and risk mitigation practices on relevant data management risks.

## Data Management Principles



<sup>17</sup> Data lifecycle management includes collection, use, retention, disposal, sharing, transfer, access and quality.

<sup>18</sup> As noted in our Privacy Statement, we will only share customer information with third parties if the information is necessary for the business and the customer is properly informed.

## Strengthening Our Global Privacy Program & Policy Infrastructure

Our Global Privacy Program guides and supports the business based on our Data Management Principles and Privacy by Design practices and helps to ensure that our privacy program is in compliance with the evolving global privacy landscape and regulatory guidance. The Global Privacy Program includes the execution of the privacy risk assessment process, preparation of the Annual Privacy Plan, privacy monitoring and testing, issue management and training.

Based on our Data Management Principles, PayPal strives to maintain strong oversight and standards on central tenets of data privacy, including notice and transparency, choice and consent and data lifecycle management.<sup>17</sup> Our program is focused on driving awareness and enabling our teams to consider these principles in strategies and decision-making processes related to the collection, use, minimization and sharing of data.<sup>18</sup> All employees, contractors and third parties are required to follow the Enterprise Record Retention policy that defines our practices on the storage and retention of data. See our [Legal Hub](#) and [Privacy Statement](#) for additional information.



Our Board and senior management review the Annual Privacy Plan and management provides periodic reporting to the ARC Committee, the ERMC and others as appropriate on the strategy, implementation and effectiveness of privacy risk management, including reports on emerging trends and topics, privacy-related audits and examination highlights and privacy impact assessment results and escalations.

**"Establishing trust in technology requires maintaining data responsibly, and with the utmost integrity. At PayPal, our Enterprise Data Governance Program does this through the implementation of robust systems, oversight and controls that promote accountability, transparency and risk management. By incorporating privacy into our design process, and maintaining a strong culture of compliance, our program seeks to uphold the highest standards of data management."**



**Archie Deskus**

EVP, Chief Information Officer  
Spring, TX, U.S.

## Executing Data Privacy Due Diligence on Third Parties

PayPal seeks to conduct due diligence on third parties' privacy policies and data protection safeguards, including for potential acquisitions and strategic investments, to help ensure the controls are consistent with PayPal policies and applicable laws. The process involves review of internal and public-facing policies and practices, internal systems that access or store data, data security reports, data processing registrations and submissions to relevant governmental bodies to understand past and current data practices.

### Partnering to Advance Privacy by Design

PayPal's Global Privacy team is collaborating with the [Center for Financial Inclusion](#) at Accion, an independent global think tank that uses research and advocacy to advance inclusive financial systems for low-income people around the world. Through this partnership, we are exploring the intersection of digital finance and data privacy and working to create a free, implementable toolkit for fintech companies to embed privacy principles into the design of their financial products and services.



## Driving a Data-Responsible Culture

In 2022, PayPal employees hosted and attended our third annual Data Week, which helps build employee awareness of the latest advances in data topics and continues our culture of data responsibility, privacy and strong data governance. Over 4,000 employees participated live across 52 sessions around the world, double the engagement from 2021.

## Committing to Responsible AI Practices

As industry moves toward adopting more Artificial Intelligence (AI) systems, PayPal is committed to promoting the responsible use of this technology across our business. We've established a Responsible AI Steering Committee consisting of cross-functional representatives who oversee AI-related developments and provide regular updates to our Chief Risk and Compliance Officer for appropriate escalation to our ERMC and Board.

We have established five principles of Responsible AI, which are aligned with global regulators' guidance. We have taken a risk-based approach to adopt these principles by prioritizing potentially high-risk AI applications.

### Five Principles of Responsible AI:



Explainability Transparency Fairness Privacy Security

"To innovate responsibly means we must think deeply about the impacts of technology on our customers' lives, so that more people reap the benefits of innovation, while providing governance and mitigating unintended risks and potential harm. At PayPal, we take an intentional and rigorous approach to deploying technology to ensure the protection and trust of our customers."



Jean Chong  
VP, Financial and Model Risk Oversight  
New York, NY, U.S.

PayPal ranked #38 on Newsweek's America's Most Responsible Companies list

Fifty-five teams composed of 175 participants submitted their ideas to the Data Week hackathon showcasing their dedication to effective data management across the Company and to our core values of Innovation and Collaboration.



# Upholding Business Ethics

Our [Code of Business Conduct & Ethics](#) (Code of Conduct), available in 14 languages, provides guidance for our employees, directors and everyone working for PayPal and its subsidiaries on ethical and responsible behavior. We refresh the Code of Conduct at least annually to reflect our latest programs, policies and expectations. Our most recent update incorporated our new Leadership Principles.

Our Code of Conduct reinforces that we are all empowered to speak up or seek advice without fear of retaliation. Employees have multiple avenues to share their concerns or ask questions anonymously.

## WHEN to speak up:

[Culture](#)   [Workplace Safety](#)   [Misconduct](#)

## HOW to speak up:

- Call the confidential Integrity Helpline** available 24/7 in multiple languages
- Escalate concerns or questions** with their manager or HR business partner
- Email the Ombuds/Ethics team** directly using the dedicated Speak Up email alias
- Engage a Business Ethics Officer** in their local office

Our Speak Up culture is espoused by our leadership and actively promoted by the Ombuds/Ethics team through outreach and awareness sessions. Our Chief Risk and Compliance Officer provides periodic updates to the ARC Committee on significant program metrics and investigations.

We require every employee and contractor to complete our annual training, which covers areas such as our Code of Conduct, anti-money laundering, information security awareness, data privacy, anti-bribery and corruption, safety and security and sexual harassment awareness and prevention. In addition, upon joining PayPal and annually thereafter, our employees must certify that they understand and will comply with the Code of Conduct.

Beyond our Code of Conduct, we require all employees, third parties and other stakeholders such as contingent workers to abide by our enterprise policies, including our Conflict of Interest, Ethics Reporting and Whistleblower and Anti-Bribery and Corruption policies.

## Respecting Human Rights

Our Code of Conduct outlines our commitment to managing potential human rights risks and opportunities across the Company, which is informed by our initial human rights impact assessment completed in 2021. Additionally, our [Joint U.K. and Australia Modern Slavery Statement](#) highlights the steps we have taken to mitigate and prevent modern slavery and human trafficking practices across our Company and value chain.

# 100%

employee completion of  
2022 annual training<sup>19</sup>

## Managing Our Supply Chain Responsibly

Due to the digital nature of our business, our supply chain consists primarily of the procurement of various direct and indirect goods and services (such as IT infrastructure, marketing, real estate, consulting and labor) and corporate partnerships. We work with a small number of third parties to manufacture goods (e.g., Zettle card readers) and do not manufacture anything directly.

Across our value chain, we seek to partner with third parties who share our commitment to business ethics. All third parties and subcontractors are expected to comply with our [Third Party Code of Conduct & Ethics](#), which sets forth our expectations regarding human and labor rights, environmental responsibility, anti-bribery and improper payments, occupational health and safety, consumer protection, financial crimes compliance and other requirements.

Our third-party risk management program works to establish appropriate risk-based due diligence for new and existing suppliers based on the potential risks and impacts of their product or service to our business. We aim to hold our third-party partners to high standards of risk management and ethical behavior, and review and investigate potential noncompliance to determine

appropriate next steps, which may range from control environment enhancements to termination.

In 2022, we continued to build awareness of ESG considerations with internal stakeholders across the vendor lifecycle. We also conducted one-on-one engagements with high-impact suppliers on climate change and continued our efforts to support supplier diversity. Read more about how we engage our vendors on diversity and climate change in [Employees & Culture](#) and [Environmental Sustainability](#), respectively.

## Committing to Political Transparency

PayPal's commitment to pursuing transparent disclosure and strong governance extends to our lobbying and political transparency policies and practices. We adopted many of the best practices put forth by the Center for Political Accountability in their Zicklin Index and in 2022, we maintained our "Trendsetter" categorization.<sup>20</sup>

The Governance Committee oversees our political contributions, lobbying expenditures and interactions with government officials. To provide consistency with the Company's business objectives and public policy priorities, at least annually the committee reviews and discusses with management our political activities and expenditures, including those of the PayPal Political Action Committee, as well as Company-related guidelines and policies. To find out more about PayPal's lobbying disclosures and political transparency practices, please visit our [Government Relations](#) website.

<sup>19</sup> Does not include exempt employees that are on leave during the due date of trainings. All training is tracked internally through PayPal's Learning Management System.

<sup>20</sup> Companies that receive a score of 90 or above indicating robust disclosure and oversight are identified as "Trendsetters" in the CPA Zicklin Index.

# Social Innovation

Economic opportunity is core to our mission at PayPal — it influences the products we create and the partnerships we form and enables us to create stakeholder value by expanding our services to meet our customers' needs.

We are committed to transforming the digital payments ecosystem to advance the success of businesses and individuals around the world, driving opportunity for the underserved and underbanked to support our communities and leveraging our platform to promote global generosity. This year, we introduced and enhanced our product offerings to continue to provide merchants, entrepreneurs, consumers and nonprofits the tools they need to thrive in the digital economy.

## In This Section

- Promoting Economic Opportunity for SMBs & Entrepreneurs
- Advancing Financial Health & Consumer Convenience
- Maintaining a Safe Platform for Customers
- Creating More Ways to Give

## 2022 Summary Highlights

- Offered new products and services to help consumers save on everyday purchases and advance long-term financial goals through PayPal Rewards, PayPal Savings and responsible Pay Later solutions.
- Through our Economic Opportunity Fund's investments in 19 venture capital funds, we supported over 250 early-stage companies, many with diverse founders.
- Over 1 million accounts enrolled in passkeys since launch in October 2022.
- Expanded our automated self-service portal globally to customers in over 200 markets to help them exercise their individual right to manage their personal data and marketing choices, as applicable.<sup>21</sup>
- Enabled more than \$600 million in humanitarian aid and refugee support in Ukraine through PayPal and our partner platforms.

**1.2M**  
loans

Facilitated over **1.2 million loans** to small- and medium-sized businesses (SMBs) since 2013, resulting in access to more than \$25 billion in capital, including \$4.2 billion in 2022.<sup>22</sup>

**\$20B+**  
customer donations

Assisted 55 million customers in donating over **\$20 billion** in funds to nonprofits and causes globally.

## SDGs Reflected in This Section



# Promoting Economic Opportunity for SMBs & Entrepreneurs

We believe our platform, products and services can help to support the operations and growth of entrepreneurs and SMBs. Beyond providing SMBs with a suite of business-critical products and services, we also establish partnerships, conduct research and advocate to enhance opportunities for businesses globally, particularly those businesses from historically underserved and underbanked communities.

## Supporting SMBs With New Products & Partnerships

We expanded the global availability of select products to help deliver a flexible in-store checkout experience by:

- Extending the availability of the [Zettle Terminal](#) mobile point-of-sale device to merchants in the U.S.
- Launching [Tap to Pay with Zettle by PayPal](#) for SMBs in the Netherlands, Sweden, the U.K. and additional markets across Europe, enabling individual sellers and small businesses to accept contactless payments in person on their Android mobile devices with no additional fees.



Learn more about SMBs that have found success with the help of PayPal products by visiting our [Small Business Spotlight series](#).

This year, we added to our credit offerings with the [PayPal Business Cashback Mastercard](#),<sup>23</sup> which enables small business owners to get unlimited 3% cash back on all PayPal purchases and 2% cash back on everything else with no annual fee, so they can earn rewards on purchases to reinvest in their business.<sup>24</sup>

We launched the [Venmo Business Grant Program](#), an initiative designed to support emerging and small business owners using Venmo Business Profiles. Twenty finalists each received a \$10,000 grant to use toward business expenses, as well as technical advice and mentorship from PayPal and Venmo employees and our partners [Start Small](#), [Think Big](#) and [Taproot Foundation](#).

We enhanced PayPal's [complete payments solution](#) for SMBs, providing simplified checkout options and more payment choices to improve customer experience and help drive checkout completions.

Happy Returns partnered with Shopify to launch [Return Shopping](#), a free feature allowing Shopify merchants, many of whom are SMBs, to re-engage customers during the return process. Merchants can waive processing fees on returns and offer customers discounts to incentivize the purchase of new items from their websites. It also helps merchants simplify their accounting and financial reporting by keeping the transactions separate.

## Delivering Efficient Payments to Freelancers

With Mastercard, we introduced the [Hyperwallet Original Credit Transaction](#), which supports large businesses and marketplaces in delivering quick and secure payments to contract workers, freelancers and others, helping payees receive earned money almost instantly. The service launched in select markets in Europe in 2022.

## Facilitating Small Business Lending

In 2022, we reached a new milestone of facilitating access to over \$25 billion in capital for SMBs since 2013 through more than 1.2 million loans as part of our merchant financing solutions, including PayPal Working Capital and PayPal Business Loans.<sup>26</sup> To expand our reach and support SMBs in new markets, this year we launched PayPal Working Capital in France and the Netherlands.

**\$4.2B+**

2 million+  
Venmo  
Business  
Profiles<sup>25</sup>

**\$25B+**

in access to  
capital for SMBs  
since 2013

**1.2M+**

loans to SMBs  
since 2013

### Supporting Sun Market Through a Venmo Business Grant

Sun Market provides access to organic, locally grown and affordable produce for food-insecure communities. As a Venmo Small Business Grant recipient, founder Gabbie Atsepoyi will now be able to sell produce at half price to families, build another storage facility and create an online marketplace to extend access to fresh produce.



**Gabbie Atsepoyi**  
Founder, Sun Market  
Venmo Business Grant Recipient



## Investing for Fintech Innovation

Through [PayPal Ventures](#), our corporate venture capital arm, we strategically invest in promising financial technology, commerce, infrastructure and blockchain startups to help bring transformative solutions to market. Since its inception in 2017, PayPal Ventures has made more than 65 investments totaling \$1.35 billion. New investments in 2022 included the following:

- [Forage](#) builds payments infrastructure that processes government benefits, starting with SNAP EBT (food stamps) online, enabling 42 million Americans to spend their food benefits on the internet.
- [Northstar](#) makes it easier for employees to access affordable, personalized financial advice by working with leading companies to provide financial wellness tools.
- [Paymob](#) develops financial technology solutions that power millions of transactions and fuel the growth of businesses of all sizes across the Middle East, Africa and Pakistan.
- [Xepelin](#) created a financial services platform to help provide fair and efficient access to resources and capital for SMBs in Latin America.

"While one in eight Americans receives government assistance to buy groceries, until recently, recipients were unable to use their benefits online. At Forage, our mission is to democratize access to government benefits, and PayPal Ventures' funding will help us to expand the acceptance of SNAP EBT payments online for low-income Americans."



**Ofek Lavian**  
Co-Founder & CEO, Forage

<sup>23</sup> PayPal Business Credit Card is offered in collaboration with Concerto Card Company and WebBank.

<sup>24</sup> Purchases and other transactions subject to credit approval. See the Business Cash Rewards Terms and Conditions for details. To earn Business Cash Rewards on eligible purchases, you must have an open Business account with PayPal to which your Business Card is linked. If your Business account with PayPal is closed for any reason, you will no longer be able to earn Business Cash Rewards and will forfeit any remaining Business Cash Rewards balance.

<sup>25</sup> Since launch through December 31, 2022.

<sup>26</sup> The lender for PayPal Working Capital, PayPal Business Loan and PayPal Loan Builder is WebBank.

## Enabling Opportunity for Underserved Businesses

We continue to build on our work to support small businesses, particularly those from underserved and underrepresented communities, including Indigenous, Black, Latinx and women-owned businesses globally.

## Working to Expand Access to Capital Through the Economic Opportunity Fund

We continue to make targeted investments through our Economic Opportunity Fund (EOF), a \$500 million commitment to leverage treasury deposits and fund investments to increase access to capital for underserved communities. We have created a sustainable investment strategy focused on meeting our treasury requirements of preserving capital and generating returns, while supporting an enhanced flow of institutional capital toward traditionally underinvested communities and businesses. For example, in 2022, we:

- Renewed \$90 million in deposits to OneUnited Bank and Optus Bank, two Black-owned banks and Community Development Financial Institutions.
- Invested in two new funds, including the BlackRock Impact Opportunities Fund.

To read more, see [Values in Action](#).

### Supporting Underrepresented Minority Founders & Investors

The 19 minority-led and geographically diverse venture capital funds we invested in through our EOF deployed nearly \$300 million in capital to over 250 portfolio companies globally, often benefiting minority and female-led businesses. Our fund-of-funds investment approach helps expand the reach of PayPal Ventures by geography, industry and market segments. We also launched a diversity survey with our general partners of EOF venture capital funds to understand how our investments help to advance a more diverse venture capital ecosystem.<sup>28</sup>

*Through the EOF, PayPal is an anchor investor in [Zeal Capital Partners](#), a venture capital firm that invests in diverse management teams at early-stage businesses in the fintech and future of work verticals. [Learn more](#) about how the fund is expanding opportunities for entrepreneurs of color.*

## Championing Women's Economic Equity

We believe we have a responsibility to promote the role of women in the financial system and advance economic equity through our resources, platforms and tools. As the private sector lead for the Economic Justice and Rights Action Coalition of the [U.N. Women's Generation Equality Forum](#), we made a commitment of \$108 million to advance financial inclusion and economic empowerment for women and girls by 2026. In 2022, we made progress by:

- Funding technical assistance and research with [Women's World Banking](#) on topics such as identifying gender biases in credit scoring.
- Signing on to the U.S. Department of Commerce and the Office of the U.S. Trade Representative's Indo-Pacific Economic Framework for Prosperity (IPEF) Upskilling Initiative and pledging to provide women and girls in the IPEF emerging economies with [500,000 or more upskilling opportunities in 10 years](#).
- Providing 11,000 employee volunteer hours in support of women and girls globally, surpassing our goal of 10,000 hours in the first year.<sup>27</sup>
- Utilizing the [2X Criteria in our treasury portfolio](#) to identify investment funds and financial intermediaries that support women's economic interests.

## Celebrating the Legacy of Maggie Lena Walker

For the second year, PayPal honored the legacy of Maggie Lena Walker, the first Black woman — and first woman — to charter and lead a U.S. bank, with the [Maggie Lena Walker Awards](#), which acknowledge the achievements of women who work to provide economic opportunity in underserved communities.

Achievement Award recipient Connie Evans was the founding president of the Women's Self-Employment Project, the first and largest urban microbusiness development organization in the U.S., and the first Black woman elected to serve on the Board of the Federal Reserve Bank of Chicago. Under her leadership, the Association for Enterprise Opportunity expanded to represent more than 2,600 microbusiness development practitioners and advocates for economic opportunity for underserved entrepreneurs.



Connie Evans  
Achievement Award Recipient

## Partnering to Drive Impact

In 2022, we began new partnerships and extended existing relationships to support underserved communities in the U.S., including:

- Continuing to support [The Southern Communities Initiative \(SCI\)](#) in the deployment of corporate resources into communities across the southern U.S., home to over 50% of all African Americans.
- Joining the Corporate Advisory Council of the [National Center for American Indian Enterprise Development](#), which is focused on supporting Indigenous-owned businesses and tribes through access to economic opportunity.
- Participating as founding members of the [Small Business Digital Alliance](#), a public-private co-sponsorship between the U.S. Small Business Administration (SBA) and the nonprofit [Business Forward Inc.](#), aimed at promoting America's economic competitiveness by connecting entrepreneurs with critical digital tools and resources.
- Celebrating the [5th Annual PayPal Small Business Month](#) by providing educational resources to entrepreneurs, including by leading discussions with SMB thought leaders and policymakers, and providing SMBs dedicated support through our [Business Resource Center](#).



250+

EOF portfolio companies globally through our investments in venture capital funds

~55%

of portfolio companies with at least one ethnically diverse founder<sup>29</sup>

~50%

of portfolio companies with at least one woman founder<sup>30</sup>

<sup>27</sup> Hours of capacity-building and skill-based volunteer activities, such as mentorship and career readiness training, contributed to charities that advance gender equity and economically empower women.

<sup>28</sup> Survey looked at jobs created, diverse employees, consultants and service providers among other aspects of the funds.

<sup>29</sup> Based on 2021 EOF investments. Ethnically diverse includes Black, Latinx, Native American and Pacific Islander.

<sup>30</sup> Based on 2021 EOF investments. Compared to 2% in traditional investment funds, per Bloomberg, [Female Founders Raised Just 2% of Venture Capital Money in 2021](#), 2022.

# Advancing Financial Health & Consumer Convenience

Democratizing financial services means creating an inclusive digital economy where everyone can thrive, especially those traditionally underserved by the financial system. We're using our platform and products to support financial flexibility so that consumers around the world can easily and efficiently save money and manage their finances.<sup>31</sup>

In 2022, we enhanced our platform with new and updated services that support individuals' ability to save, make flexible payments and more conveniently make purchases.

# 79%

PayPal digital wallet is accepted by 79% of largest retailers in North America and Europe.<sup>32</sup>

"PayPal is really about giving people the power to manage their money, stretch their dollar further and make life simple by giving them a single destination to access their finances."



**Derek Francom**  
Senior Director, PayPal Debit Cards  
Scottsdale, AZ, U.S.

<sup>31</sup> We rely on third parties in many aspects of our business, including networks, banks, payment processors, and payment gateways that link us to the payment card and bank clearing networks to process transactions; unaffiliated third-party lenders to originate our U.S. credit products to consumers, U.S. merchant financing, and branded credit card products; branded debit card and savings products issued by unaffiliated banks.

<sup>32</sup> Digital Commerce 360 – 2022 North America Top 1000 and Europe Top 500 databases.

<sup>33</sup> Available on Safari iOS 15+.

<sup>34</sup> Analysis of internal PayPal data, January through September 2022.

## Helping Consumers Save

Consumers faced a challenging economic environment in 2022. At PayPal, we're working to help them save on everyday purchases and advance long-term financial goals through:

- [PayPal Rewards](#) and [PayPal Honey mobile Safari extension](#),<sup>33</sup> which enable consumers to earn points that they can apply at checkout, convert to cash, donate or transfer to their bank.
- Honey users saved over \$200 million in 2022<sup>34</sup>
- Building on the success of the cash back features of the [Venmo Credit Card](#), we launched the [PayPal Cashback Mastercard®](#) to provide more flexibility for consumers to make smarter purchases and maximize rewards when shopping on PayPal.
- [PayPal Savings Account](#) allows U.S. customers to earn significantly higher interest on savings than a traditional savings account,<sup>35</sup> helping customers reach their financial goals faster.
- We expanded [Xoom's Debit Card Deposit feature](#), now available in 27 markets across Europe, Latin America, the Middle East and Asia, enabling more customers to make low-cost international money transfers to friends and family to use however they need, including paying bills or buying groceries.
- 2.9% average international remittance cost in 2022<sup>36</sup>



## Enabling Easier Checkout

Consumers value secure options at checkout and we continue to build partnerships with some of the largest digital payments and ecommerce platforms to expand our network of in-person and online payment options.

- We provided Amazon U.S. customers the ability to [pay with Venmo](#), offering another checkout option and delivering the added benefit of the Venmo Purchase Protection Program.
- We extended our partnership with Live Nation so customers can continue to check out with PayPal or Venmo when purchasing tickets for sporting events, music festivals and more.

## Offering Responsible Global Pay Later Solutions

To help consumers more easily purchase the larger items they need and want, PayPal offers a suite of Pay Later products that allow customers to extend payments over weeks or months with no late fees.

Through [Paidy](#), our Buy Now, Pay Later offering in Japan, we've expanded flexible spending options for consumers, including:

- Partnering with Amazon to launch **6-Pay**, allowing consumers to split the cost of purchases into six interest-free monthly installments, and introducing Paidy as a payment method when checking out with Amazon Pay.
- Introduced the **Paidy Real Card**, which allows shoppers to pay in-store with Paidy, choosing the number of payments and settlement terms best for their financial needs.
- Launched a new feature, **Pay Now**, where customers can pay their next installment at a convenience store at any time.

# 4.4M

Paidy users in 2022  
(+25% from 2021)

<sup>35</sup> As of April 12, 2023, the annual percentage yield (APY) for PayPal Savings is 4.15%. This is a variable rate and can change at any time, including after the account is opened. National average source: [FDIC National Rates and Rate Caps](#) as of April 17, 2023. PayPal is a financial technology company, not a bank. Banking services provided by Synchrony Bank, Member FDIC.

<sup>36</sup> Continued to remain below the 2030 target of 3% set in the U.N. Sustainable Development Goals.

<sup>37</sup> Ready funds are considered those connected to a bank withdrawal or debit card and help customers maintain healthy spending habits without depending on credit to repay their installment loans.

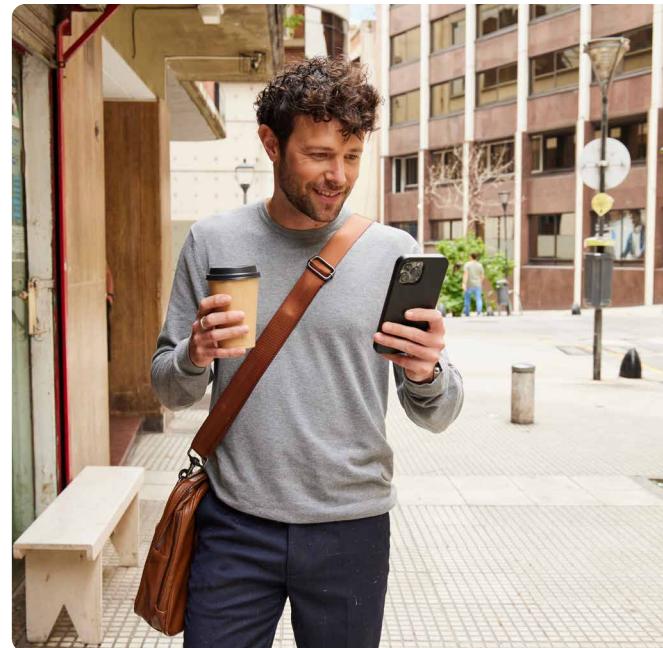
# Maintaining a Safe Platform for Customers

We strive to promote good habits to safeguard customer data through education and resources. With new threats emerging daily, we are focused on empowering consumers to manage their data and protect themselves from fraudulent activity.

## Strengthening Customer Control of Data

We introduced new ways for consumers to take control of their data, including managing how people find them on PayPal, accessing what they've shared with other sites and more. We continue to update our [Privacy Hub](#) and [Security Center](#) to reflect best practices and help build customer awareness.

We also continued to expand our automated self-service portal globally, which is designed to enable our customers in over 200 markets to exercise their individual right to access, correct, modify, manage and delete their personal data and marketing choices, as applicable.<sup>38</sup>



## Enabling Passwordless Authentication

We enable secure, passwordless login to PayPal accounts across platforms and devices with passkeys, a new industry standard to replace passwords with cryptographic key pairs. Based on technology that is designed to be resistant to phishing and not permit any sharing of data between platforms, passkeys address one of the biggest security problems on the web: the weakness of password authentication from recycled passwords across online services. PayPal, as a founding member of the FIDO Alliance, is helping to champion this new authentication method and is one of the first in the industry to make it available to its customers.

**1M+**

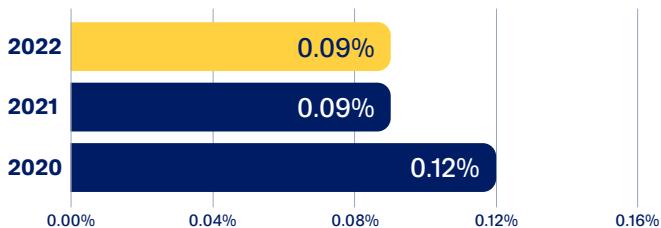
accounts enrolled in passkeys since launch in October 2022

## Protecting Consumers Against Bad Actors

Consumers must navigate a growing digital landscape, with increasingly difficult-to-detect fraud threats. Our risk detection organization strives to continuously enhance the safety of our platform for our customers, protect against fraud attempts and manage transaction losses. We are also focused on educating consumers and, where possible, recovering funds when fraudulent events occur.

Our fraud risk management capabilities focused on preventing bad actors from entering our ecosystem aim to continuously evolve, including through continued enhancement of our Fraud Defense Cyber Center and protection of customer identity. Our buyer and seller protection programs protect merchants and consumers from fraud and counterparty nonperformance. These combined efforts helped us maintain our low transaction loss rate<sup>39</sup> of 0.09% in 2022.

### Annual Transaction Loss Rate<sup>39</sup> (% of Total Payment Volume)



In 2022, through our Risk-as-a-Service suite of products to help protect our merchants from fraud and reduce their financial losses of chargebacks, we helped save our customers more than \$35 million across countries, including Australia, Brazil and the U.S.<sup>40</sup> In addition, we are continuing to explore ways to help our merchants improve efficiencies and reduce costs through dispute-automation products.

## Helping Our Partners Advance Fraud Targeting Accuracy

The [Enhanced Decisioning Data platform](#) launched by Capital One, in partnership with PayPal, helps fight online fraud by combining transaction information with Capital One's internal data models, increasing the accuracy of fraud targeting as well as approval of legitimate transactions.

## Facilitating Transparent Consumer Protection

With online scams up 87% since 2015,<sup>41</sup> we believe it is critical to protect our customers from bad actors across our platforms. According to the BBB Institute for Marketplace Trust's [2022 BBB® Online Scams Report](#), consumers who reported paying with PayPal were more likely to get their money back than other online payment systems.

## Protecting Against Elder Financial Abuse

Through the AARP [BankSafe Initiative](#), we're helping the financial industry better safeguard elderly consumers' assets by preventing financial exploitation, educating individuals and caregivers and enabling easier access to banking tools. According to a Virginia Tech Center for Gerontology [study](#), the financial institution employees that received BankSafe training prevented 16 times more in monetary losses from financial exploitation than the control group that was not trained.

We also partnered with AARP in support of the Stop Senior Scams Act by joining the [Scams Against Older Adults Advisory Group](#), an alliance created to educate consumers, improve industry training on scam identification and prevention, and develop research on consumer and employee engagement to reduce fraud.

<sup>38</sup> Deletion is available in select markets for accounts in good standing that meet applicable record retention timeline requirements.

<sup>39</sup> Transaction loss rate represents transaction losses (including expensing associated with buyer and seller protection programs, fraud and chargebacks) divided by our total payment volume.

<sup>40</sup> Customer savings estimate based on reduction in chargebacks for merchants using our Fraud Protection Advanced solution in 2022.

<sup>41</sup> Lexis Nexis, [The True Cost of Fraud](#) estimates that for every \$1 of fraud cost U.S. retail and ecommerce merchants \$3.75 in 2022.

<sup>41</sup> BBB Foundation, [2022 BBB® Online Scams Report](#).

# Creating More Ways to Give

At PayPal, we aim to promote generosity through the power of our technology. In 2022, we enhanced our platform and embarked on new partnerships to provide customers with more ways to support the causes they care about.

## Offering Multiple Channels to Make Giving Easier

We continued to leverage our technology and scale to provide organizations and customers with new ways to give. In 2022, we enabled **more than 270 million donations** through the PayPal Giving Platform, directly supporting **nearly 1.4 million nonprofits and other causes**, and surpassing **\$20 billion in funds donated** for the first time in PayPal history.

### Our Four Giving Channels

- 1 Nonprofit-Owned:** Donations made directly on the nonprofit's site.
- 2 Platform-Owned:** Donations made indirectly to support causes on giving platforms or third-party sites.
- 3 PayPal-Owned:** Donations made on PayPal-owned properties supporting charities and fundraisers.
- 4 Charity Payouts:** Payouts from charities to individuals or from grant makers to other charities.

**270M+** **\$20B+**

donations  
enabled

**\$20B+**

in funds donated  
through PayPal

## Optimizing Grant Accessibility

In 2022, we partnered with [National Philanthropic Trust](#) and [Vanguard Charitable](#) to launch **Grant Payments**, a new tool that enables donor-advised funds sponsors, community foundations and others to deliver grants to charities electronically for faster and easier grantmaking.

**1,400 charities supported**  
**\$25M in grants distributed**

"Grant Payments helps nonprofits focus on their charitable mission without the hassles of lost time and resources associated with legacy checks. This year, we were proud to help pilot this new solution from PayPal and found that the majority of NPT's grants completed through Grant Payments were received in a charity's account within 24 hours."



**Eileen Heisman**  
President and CEO,  
National Philanthropic Trust

**+71%** in first-time donors through the digital wallet in 2022

## Extending Digital Solutions for Giving & Fundraising

In 2022, we continued to enhance giving solutions for our customers across our products. For example, we facilitated over 23 million donations through our **Give at Checkout** solution, which provides customers the option to give a microdonation when they check out with PayPal.

In addition, we supported donations to personal fundraising campaigns from more than 1.1 million people through **PayPal Fundraisers**, representing a 124% increase from 2021.

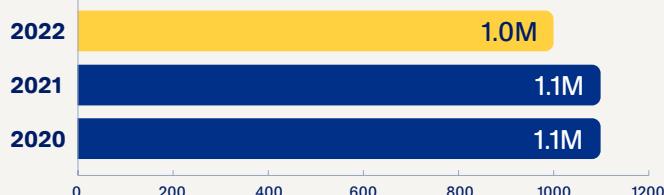
We launched several new giving tools in 2022, including the following:

- We recently introduced **Donate with Rewards** in the U.S. to allow customers to donate the cash equivalent of their PayPal Rewards points to the cause of their choice. The addition of Donate with Rewards expanded donation options within the PayPal app is one of the many ways we helped customers raise over \$255 million through the digital wallet in 2022, a 40% increase from 2021.
- To make it easier for customers to see the impact of their donations across PayPal, we also introduced an **impact summary feature** in the digital wallet to U.S. customers with plans to add it on the web platform in 2023.
- We launched **Venmo charity profiles**, allowing charities to create their own Venmo profile to raise funds directly through the Venmo app, giving them access to the platform's community of 90 million active customer accounts.<sup>43</sup>

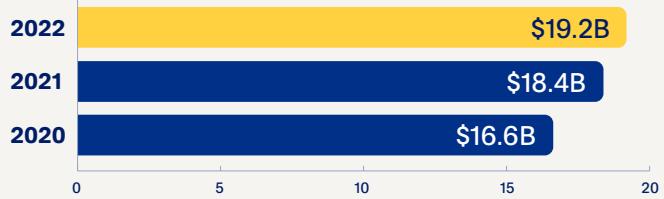
**10K Venmo charity profiles created since launch in October 2022<sup>42</sup>**

## Generosity by the Numbers<sup>44</sup>

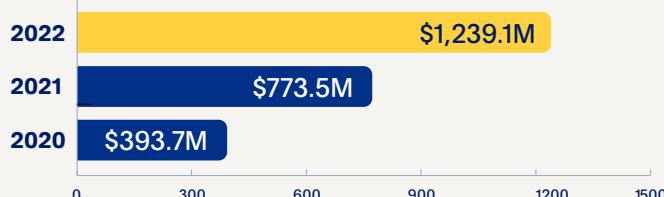
### Number of Nonprofits Supported YoY<sup>45,46</sup>



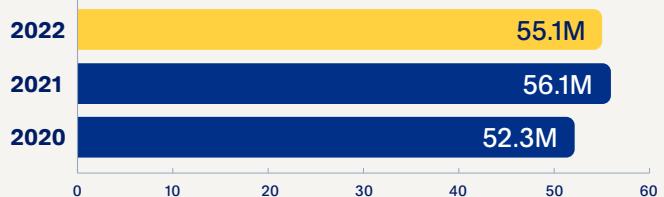
### Funds Raised for Nonprofits YoY<sup>46</sup>



### Funds Raised for Causes Through Personal or Business Fundraising



### Number of Donors



<sup>42</sup> As of March 31, 2023.

<sup>43</sup> As of December 31, 2022.

<sup>44</sup> Our giving methodology presents a comprehensive view of our Powering Giving impact. The data consist of funds processed by PayPal and Braintree to all nonprofits, which include organizations identified as charities, other nonprofits and elementary/secondary schools and universities, as well as donations to individuals and businesses from personal fundraising campaigns. We continue to revise prior period metrics based on improvements in data quality and calculation methodology.

<sup>45</sup> Represents the total number of nonprofit accounts supported each year.

<sup>46</sup> Does not include personal fundraising.

## Facilitating Generosity on Twitch

We partnered with Twitch to enable their 9 million monthly content creators to raise money for the charity of their choice through our Platform Fundraising product and PayPal Giving Fund in over 30 countries.

## Enabling Holiday Season Generosity

The PayPal Giving Platform continues to facilitate generosity around the holidays. Each year, we are inspired by our customers' generous donations and 2022 was no different, with PayPal customers donating \$2.6 billion during the season.<sup>47</sup> On Giving Tuesday alone, more than 1 million customers donated \$149 million across 194 markets.



## Using Our Scale to Facilitate Global Relief

PayPal's platform and scale uniquely position us to quickly assist during global crises. In 2022, we facilitated aid for extraordinary events globally, including the humanitarian crisis in Ukraine, flooding in Pakistan and Hurricane Ian in U.S., enabling \$624 million in donations from corporate, customer and employee contributions. Our rapid-response funding helped enable new proactive and timely partnerships including:

- Over 20 global humanitarian organizations supporting the relief efforts in Ukraine, including [UNHCR](#), the [International Rescue Committee](#), [Save the Children](#), [Doctors Without Borders](#) and [UNICEF](#), among others.
- The [National Compassion Fund](#) to support the families of victims in the Buffalo, NY and Uvalde, TX shootings.
- [World Central Kitchen](#) and [People's Advocacy Institute](#) to enable relief related to the flooding in Jackson, MS.
- The Governor's Office and the First Lady of Florida to support Hurricane Ian relief by waiving all fees on donations to the [Florida Disaster Fund](#).

*Together, PayPal and our employees and customers supported rapid-response and relief efforts throughout 2022:*

**\$620M+** **7**

to help communities<sup>48</sup>      global events

<sup>47</sup> The holiday season is defined as the Tuesday before U.S. Thanksgiving through New Year's Eve, or November 22, 2022 to December 31, 2022.

<sup>48</sup> Includes corporate, employee and customer contributions.

## Coming Together to Provide Aid to Ukraine

When the Ukraine conflict created a humanitarian crisis overnight, PayPal customers, employees and partners rapidly mobilized to help. In addition to quickly expanding our peer-to-peer payment and money transfer solutions for Ukrainians, we launched fundraising campaigns through the PayPal Giving Fund that enabled customers in 14 different markets to donate to support humanitarian aid in Ukraine and refugee support.



In one of our largest and swiftest community responses, PayPal and our partners helped raise over \$600 million for organizations providing relief efforts, including more than \$18 million for [Razom for Ukraine](#), which supported the delivery of tactical medicine, hospital supplies and tech-enabled emergency response materials.



We also worked with merchant partners to create campaigns to facilitate support for impacted Ukrainian civilians. For example, we partnered with Uber to enable donations through the Uber app in support of the [International Rescue Committee](#), which provided assistance to families displaced by the conflict.

**PayPal ranked #1 on the 2022 Fortune Change the World list in recognition of facilitating support to Ukrainian civilians and refugees.**



# Employees & Culture

For PayPal, our employees are one of our greatest assets and we believe effectively managing and investing in our global workforce is an important aspect of the long-term success of our business. We work to create a positive, supportive and collaborative workplace where all employees are encouraged to thrive and innovate.

Through frequent engagement, a robust talent management strategy, a strong focus on employee total wellness and an ongoing commitment to championing D&IEB, we strive to foster a dynamic workplace designed to attract and retain talent. We also provide opportunities for employees to apply their skills and experience to support and strengthen their local communities.

## In This Section

- Managing Our Global Workforce
- Leading With Diversity, Inclusion, Equity & Belonging
- Empowering Employee Community Impact

## 2022 Summary Highlights

- Achieved global gender and U.S. ethnic pay equity.
- Designed, built and implemented our new candidate-centric and inclusive Global Talent Acquisition strategy.
- Reached overall workforce diversity of 56%,<sup>49</sup> including 44% global gender diversity and 54% U.S. ethnic diversity.<sup>50</sup>
- Achieved a 93 Remote Work<sup>51</sup> score and 84 Work-Life Balance<sup>52</sup> score on our annual global employee survey.
- Empowered employees to volunteer nearly 100,000 hours and support roughly 4,000 nonprofits worldwide.

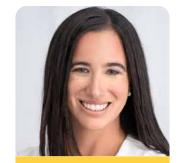
**1.4M**  
total learning  
hours

**26%**  
minimum estimated  
net disposable  
income

Encouraged learning and development with 1.4 million hours of learning courses accessed by employees.<sup>53</sup>

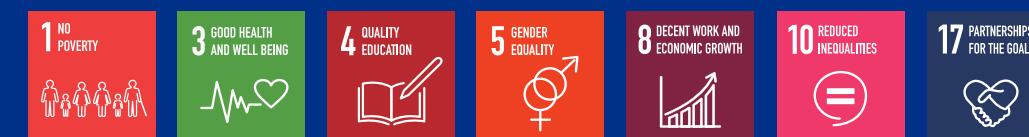
Exceeded our goal to have at least 20% PayPal-defined estimated net disposable income (eNDI) for hourly and entry-level employees globally through our employee financial wellness initiative.<sup>54</sup>

"Innovating how we recruit, retain and develop talent fuels PayPal's growth and our employees' development — and is essential for attracting and retaining talent in this competitive landscape. One example is our new Leadership Principles, which provide a common foundation of what we value in our people and how we work, distinguishing our culture and making clear that each of us is in a position to lead, no matter what our role is."



**Ana Mendy**  
VP, Talent Management and D&IEB  
Los Angeles, CA, U.S.

## SDGs Reflected in This Section



<sup>49</sup> Global women and U.S. ethnically diverse men.

<sup>50</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>51</sup> The ease with which PayPal employees can work remotely.

<sup>52</sup> Access to programs and flexibility that support PayPal employee well-being.

<sup>53</sup> Includes PayPal instructor-led courses and self-directed learning.

<sup>54</sup> The PayPal-defined estimated net disposable income is the percent of discretionary income remaining for our employees after taxes and typical living expenses are paid. This metric is calculated through a third-party model that utilizes independent data on market-based costs across selected geographies. The model was enhanced from prior periods to incorporate best practices and methodological improvements.

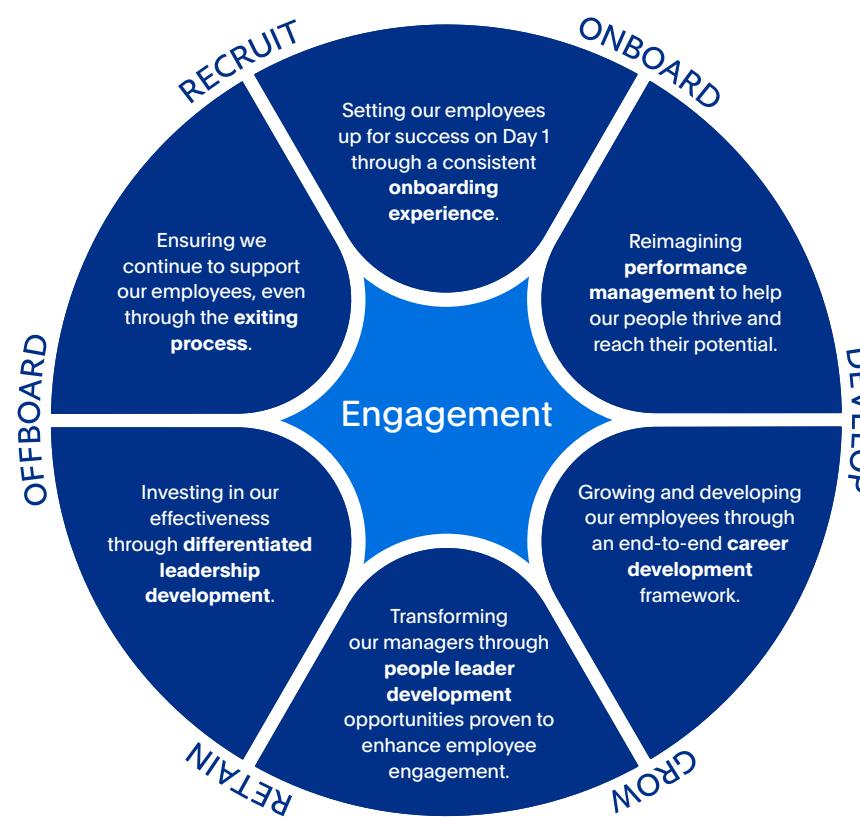
# Managing Our Global Workforce

Attracting, recruiting, developing and retaining diverse talent is crucial to delivering new products and services, and advances our mission to help customers access and thrive in the global economy. We are focused on creating a talent strategy that actively engages employees at every phase of their career at PayPal — from recruitment to offboarding.

## Engaging with & Listening to Our Employees

Employee feedback plays an important role in the ongoing development of our employee programs and resources. As we transitioned to a hybrid workplace model, we leveraged multiple channels to connect with and learn from our people, including individual surveys, peer-to-peer learnings, listening sessions and all-hands meetings. In 2023, we plan to continue to empower our leaders with the tools and resources needed to support our diverse and distributed teams, including Global Collaboration Days aimed at spurring in-person community and innovation.

For the fourth consecutive year, we conducted an employee engagement survey to help understand employee perspectives on the employee experience, DIE&B efforts and our Leadership Principles. In addition to the annual survey, we also released targeted surveys to gather employee feedback on our internal communications approach and evolving workplace preferences. This data, along with additional employee feedback, helps us refine our programs and gain insight into key areas of strengths and opportunities so that we can continue to work to foster an inclusive culture.



## Championing Our Leadership Principles Across the Business

From revising our approach to performance management to launching new development opportunities, PayPal's new Leadership Principles serve as the foundation and guide to enhancing our talent management strategy across the employee lifecycle. In 2022, we appointed 60 senior leaders across functions, geographies and backgrounds to serve as Leadership Principle "Ambassadors" — visible champions of the Leadership Principles to help incorporate them across the Company. For more on the Leadership Principles, see [About PayPal](#).

"We use our Leadership Principles as a guide for how we operate and what is expected of us. They provide clarity on what it takes to be a true customer champion, valued teammate and effective leader. I have been incredibly inspired to see these principles come to life across the company in support of our business strategies, our mission, our customers and each other."



**Vincent Belloc**  
Leadership Principles Ambassador and  
VP and Managing Director, U.K.  
London, U.K.

**29.9K**  
employees (11.8K in U.S.)<sup>55</sup>

**23.8%**  
total turnover rate<sup>56</sup>

**~150**  
total nationalities

**27**  
countries

## Annual Global Employee Survey<sup>57</sup> Highlights

**83%**  
Employee Participation

Up four percentage points from 2021 and eight points above benchmark<sup>58</sup>

**79**  
Engagement Score<sup>59</sup>

Reflecting modest declines from our 2021 scores, in part due to the Company's refocused efforts on organizational transformation and efficiencies and the macroeconomic environment

**78**  
Intent to Stay Score<sup>60</sup>

**93**  
Remote Work Score<sup>61</sup>

Indicating our hybrid model is giving employees the resources and flexibility they want and need

The survey results help us understand how to improve our business, revealing opportunities we have to continue enhancing our employee efforts related to topics such as career development and linking day-to-day work to our mission.

In 2022, we also launched a new DIE&B inclusion index consisting of 11 scores on topics such as mentorship, allyship, peer support and inclusive decision-making, which will provide helpful input to measure employee views on our multi-year DIE&B journey.

<sup>55</sup> As of December 31, 2022.

<sup>56</sup> Total turnover rate includes voluntary and involuntary employee attrition over the last 12 months ending December 2022.

<sup>57</sup> Our annual employee survey consists of 25 questions sent to all PayPal employees. The survey is administered by a third-party organization that provides independent benchmarking and analysis. Scores are converted from a mean score on a five-point scale to a score out of 100.

<sup>58</sup> All scores benchmarked against top technology peer index from survey provider, where available.

<sup>59</sup> Whether the employee would recommend PayPal to their friends and/or is happy at PayPal.

<sup>60</sup> Whether the employee intends to work at PayPal in two years.

<sup>61</sup> The ease with which PayPal employees can work remotely. This question was added in the 2022 survey, so a previous year comparison is unavailable.

<sup>62</sup> Access to programs and flexibility that support PayPal employee well-being. Historical comparisons have been excluded as the question wording was revised as of the 2022 survey.

## Partnerships to Help Expand Opportunities for Underrepresented Talent

- In Manila, Philippines, we partnered with *Thrive*, our ERG for people with disabilities, to expand our hiring of disabled persons in our Venmo and PayPal Customer Solution teams.
- We partnered with U.S. Historically Black Colleges & Universities (HBCUs) and Hispanic Serving Institutions to help build a long-term hiring pipeline for underrepresented talent.
- In collaboration with Tent Partnership for Refugees, we founded a new U.S. mentorship program committed to helping refugees restart or advance their careers.
- We joined the Second Chance Business Coalition and became a new hiring partner with Next Chapter to train and hire formerly incarcerated citizens in software engineering.

"Together with PayPal, we have been able to provide meaningful opportunities for formerly incarcerated individuals, enabling them to rebuild their lives and become active contributors to society. PayPal's support has not only strengthened our mission, but has also inspired others. Together, we are redefining second chances and transforming lives, one story at a time."



Kenyatta Leal  
Executive Director, Next Chapter

## Fostering Growth Throughout the Employee Lifecycle

Creating candidate and employee experiences where people feel engaged, rewarded and championed is critical to ensuring top talent joins and remains at PayPal.

**Top 100 (#90) in Fast Company's Best Workplaces for Innovators**

### Enhancing Our Approach to Talent Acquisition

In 2022, we designed, built and implemented our new candidate-centric and inclusive Global Talent Acquisition strategy organized around:

- Creating a globally consistent, end-to-end hiring process with standardized and streamlined processes and tools.
- Developing resources to create a more efficient and positive hiring process, including a new internal career hub to support internal mobility, HackerRank screening tools for engineers and mandatory training modules.
- Reimagining our university recruiting strategy to focus on students rather than school rankings, use an objective rubric for evaluating skills and capabilities and broaden our talent pipeline through new partnerships.
- Establishing accountability, consistent communication and training for our recruiting team focused on individual development.

## Encouraging a Culture of Learning & Development

We are committed to embodying our Leadership Principle to Learn, Every Day and providing varied opportunities for our employees to continue to grow at the Company. In addition to the existing instructor-led and self-directed learning opportunities available to all employees, in 2022, we:

- Launched Career & Leadership Journeys, with over 5,500 employees participating, to support each employee's individual career paths through three foundational elements of learning: core skills, business acumen and mindset and behaviors.
- Continued our Emerging Leaders Program to provide development experiences for employees who seek to expand their responsibilities and boost their careers.
- Introduced Managing at PayPal Successfully, a manager development program for all newly promoted or newly hired leaders focused on skills such as providing consistent communication, leadership and motivation training.

**1.4M**

total learning hours<sup>63</sup>

**27K+**

employees leveraged learning resources<sup>63</sup>

**~98K**

self-directed courses accessed<sup>64</sup>

**45+**

average hours of learning per employee



### Investing in Inclusive Talent Pipelines

Through our continued partnership with organizations such as CodeHouse, NABA, Year Up and INROADS, we are working to identify and recruit talented Black and Latinx students for internships and full-time opportunities. For example, PayPal helped mentor and support participants of the CodeHouse Scholars Initiative summer academy, which welcomed nearly 40 students from five HBCUs in 2022.

"Partnering with PayPal has helped us significantly expand our organization's reach to impact the lives of thousands of underrepresented students across the country. With their support, we're confident that we can make the tech industry a more equitable, inclusive place for generations to come."



Ernest Holmes  
CodeHouse President and Co-Founder

<sup>63</sup> Includes PayPal instructor-led courses and self-directed learning.

<sup>64</sup> Self-paced learning courses offered through PayPal on LinkedIn Learning, Udemy and O'Reilly that were accessed by employees. A self-directed course is considered "accessed" when a learner starts any video in that course.

## Prioritizing Employee Total Wellness

Wellness is a core value at PayPal and we offer programs, benefits and initiatives that support each employee's financial, mental and physical health. We seek to create a flexible, balanced work culture and take a holistic approach to leave and benefits.

We recently centralized our corporate wellness strategy and appointed a Global Wellness Lead to increase the cohesiveness of our program around the globe. We also created a new Global Wellness Council and reestablished our network of Wellness Ambassadors to promote and educate our colleagues on available benefits and resources.

## Advancing Employee Financial Wellness

PayPal's Employee Financial Wellness (EFW) initiative continues to be a cornerstone of our overall wellness strategy and, in 2022, we launched new programs and provided more resources to support employee financial security and literacy across our workforce. This included:

- Providing 2022 annual incentive plan payouts fully in cash to eligible<sup>65</sup> employees to reduce the impact of recent stock price volatility.
- Continuing to distribute financial wellness grants to hourly and entry-level employees, and updating the vesting schedule to give employees more opportunities to access their vested equity.<sup>66</sup>
- Giving U.S. employees access to Even, a financial wellness app that provides early access of up to 50% of their next paycheck to cover unexpected bills and other expenses, as well as save for future needs.

**\$4M distributed through ~15K early paycheck access requests**

- Providing financial coaching and education to employees globally through new financial wellness webinars, one-on-one retirement planning and other financial planning tools and resources.
- Completing our [Employee Financial Wellness Diaries](#) research study, which found that participants improved their financial wellness since joining PayPal and that the EFW initiative supported their progress.<sup>67</sup>

Participants' debt-to-equity ratio was reduced by **20%** on average<sup>68</sup>

**83%** of respondents said they would now have an easier time covering an unexpected expense of \$1,000

**230+**

financial coaching trainings delivered across 24 countries

**1,300+**

personalized financial coaching sessions conducted

## Advocating for Our Employees

Throughout 2022, our Employee Advocacy team offered specialized aid to PayPal employees experiencing crises. This support included assistance for employees affected by natural disasters and the war in Ukraine. We also extended financial support through our Employee Relief Fund for team members experiencing medical or financial hardship.



<sup>65</sup> Senior Director role and below.  
<sup>66</sup> New vesting schedule applies to service-based equity awards granted on or after January 1, 2022.

<sup>67</sup> PayPal's Employee Financial Wellness (EFW) research study followed a cohort of 22 PayPal employees over 17-months to better understand the impact of our EFW initiative. Dr. Daryl Collins served as the principal investigator, and participation in the study was entirely voluntary, with the resulting data and findings completely anonymized.

<sup>68</sup> Debt-to-equity ratio is all debt and student loans divided by savings, investment and home equity. Note that there is no documented standard which indicates whether an individual level debt-to-equity ratio is strong or weak.

<sup>69</sup> The PayPal-defined estimated net disposable income is the percent of discretionary income remaining for our employees after taxes and typical living expenses are paid. This metric is calculated through a third-party model that utilizes independent data on market-based costs across selected geographies. The model was enhanced from prior periods to incorporate best practices and methodological improvements.

<sup>70</sup> 74% of surveyed participants "Strongly Agreed" on a Likert scale that they would likely recommend the program to others.  
<sup>71</sup> Applied to entry level U.S. employees.

## Making Progress on Our Employee Financial Wellness Goal

In 2019, we established an enterprise-wide goal to reach at least 20% PayPal-defined estimated net disposable income (eNDI)<sup>69</sup> for our employees globally, in an effort to help promote the financial wellness of our employees. Recently, we refined our evaluation methodology to better reflect the typical living expenses impacting our employees and the benefits and compensation they receive, such as equity grants, reduced healthcare costs and other subsidized benefits. In 2022, we achieved our goal, with all employees achieving an eNDI of at least 26% across our global locations. We will continue to perform periodic living wage assessments to measure and determine appropriate next steps to support our employees' financial wellness.

### GOAL:

Reach **20%** eNDI for all hourly and entry-level employees

### 2022 PROGRESS:

**26%** minimum eNDI for global employees

## Promoting Mental Wellness

In a hybrid work environment, stress and burnout can go unnoticed, making it important that we provide resources and support for our employees to maintain positive mental health. In 2022, in addition to continuing our Global Wellness Days and providing access to free Employee Assistance Program counseling services, we also:

- Provided PayPal employees and their families unlimited and free access to Calm, a wellness app to help improve sleep and manage stress. Last year, 75% of those who signed up engaged with the app at least weekly.

- Enhanced our sabbatical program to better facilitate employee utilization of four weeks paid sabbatical upon their five-year anniversary.

- Expanded our "Mind Yourself" program to additional teams in 2022, encouraging employees to do a daily self-check and reduce the stigma around talking about mental health with coworkers and leaders.

The Mind Yourself program reached a net promoter score of **74**<sup>70</sup> in 2022.

## Supporting Employee Physical Wellness

In 2022, we updated our approach to physical well-being and introduced new resources and benefits for our employees and their families, including:

- Maintaining zero cost increase for U.S. health plans for the third consecutive year, with PayPal absorbing the premium cost differences.<sup>71</sup>
- Offering free parental support solutions, resources, training and 24/7 care for PayPal families through our partnership with RethinkCare.

Thanks to resources provided by RethinkCare:

**82%**

of participants reported reduced stress or anxiety

**78%**

of participants stated that their child's behavior and/or skills improved

**29%**

increase in employee participation in 2022

# Leading With Diversity, Inclusion, Equity & Belonging

At PayPal, we are fueled by our diverse perspectives, backgrounds and experiences and are committed to embracing people of all racial, ethnic and cultural backgrounds, gender identity and expression, sexual orientation, veteran status and abilities. A strong and engaging culture where everyone can be their authentic selves and do their best work is important to generating stockholder value and to furthering our mission to democratize financial services for all.

**PayPal ranked #20 on the Forbes America's Best Employers for Diversity list**

Our dedicated global DIE&B team, led by our Head of Global DIE&B, in partnership with appointed business leaders on our DIE&B Business Council, continued to enhance our existing inclusion efforts and pilot new initiatives. We continue to work toward growing our women, Black and Latinx employee populations.

**"The multi-dimensionality and diversity of our platform and products create impact for our customers and their communities that can break the generational curses of financial inequity. By advancing DIE&B at PayPal, we foster an environment where every employee can contribute to our success, find opportunity, belong and grow."**



**Toretha McGuire**  
Global Head of DIE&B  
New York, NY, U.S.

In 2022, our sustained commitment to inclusion drove meaningful steps to enriching a workforce and culture that we believe reflects the communities where we work, live and serve. This included:

- Enhancing our quarterly reporting to our DIE&B Business Council to provide insights on the intersection of our employee lifecycle and DIE&B strategy.
- Scaling development programs to strengthen the leadership pipeline for underrepresented populations, including piloting an enterprise-wide sponsorship program for global female leaders.
- Incorporating inclusion-focused questions in our annual employee engagement survey to gain a deeper understanding of employee sentiment and experiences at PayPal. See [Engaging with & Listening to Our Employees](#) for more information.

Employees across PayPal also embarked on our expanded DIE&B Learning Journey, Inclusion@PayPal — a modular learning series launched in 2021 — to learn about DIE&B foundations, performance management best practices and the importance of effective sponsorship. In 2023, we plan to include learning experiences on topics such as allyship.

**~80% of PayPal employees completed the "Inclusion@PayPal: Building Foundations" module**

To learn more about how we are investing in an inclusive talent pipeline, please see [Fostering Growth Throughout the Employee Lifecycle](#).



## Achieving Pay Equity Across Our Workforce

We are proud to achieve 100% pay equity in overall total compensation<sup>72</sup> for women globally as compared to male peers and for Black, Latino and Asian employees in the U.S. as compared to white peers. We also observed 100% pay equity in overall total compensation in the U.S. for Black, Latino and Asian women, as compared to white male peers.

**100% global gender, U.S. ethnic and U.S. intersectional pay equity**

## Addressing Diversity in Our Supply Chain

We remain committed to working with diverse businesses where appropriate and, in 2022, PayPal's Global Sourcing team further enhanced our supplier diversity program by extending our focus to include Tier 2 suppliers. In 2023, we plan to launch an initiative to encourage priority vendors to subcontract opportunities to diverse businesses when working with PayPal.

Other accomplishments in 2022 included:

- Completing the U.N. Global Compact's [Target Gender Equality](#) program to gain valuable skills and support for PayPal to expand diverse initiatives across the globe.
- Maintaining our presence on the [Disability:IN Procurement Council](#), which informs our efforts to drive inclusion of disability-owned business enterprises.
- Participating in the [Disabled Owned Business Enterprise](#) Certification Committee that helps businesses negotiate the complex certification process.

## Reimagining Product Design

We continue to focus on designing products that are equitable, accessible and inclusive to all PayPal customers. In response to emerging global regulation, including U.K. Financial Conduct Authority guidance on fair treatment of vulnerable customers and customer duty, we launched enterprise-wide initiatives to:

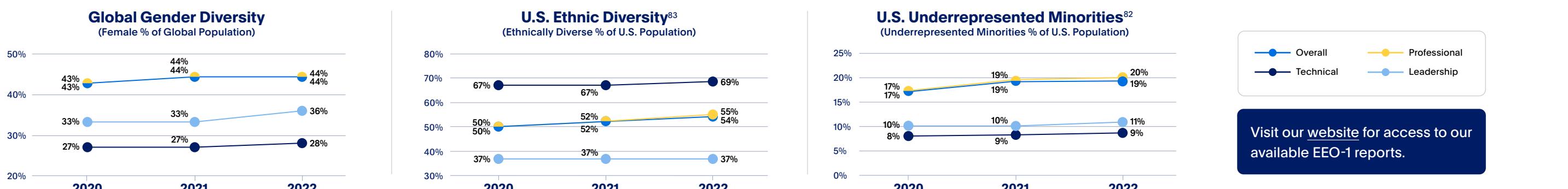
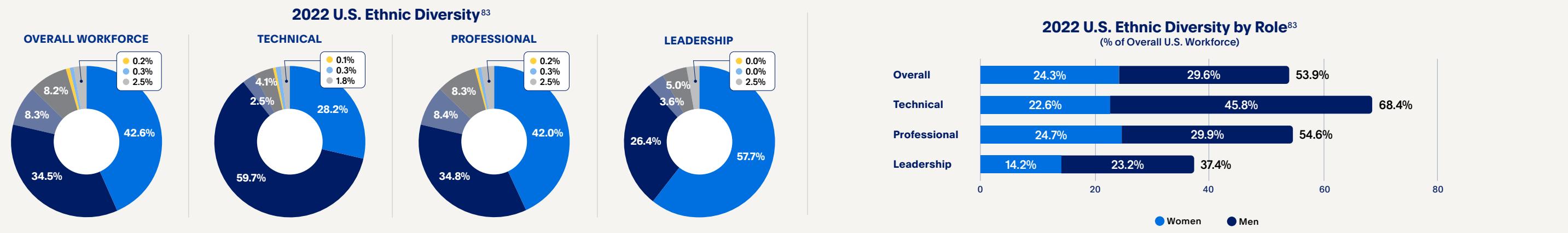
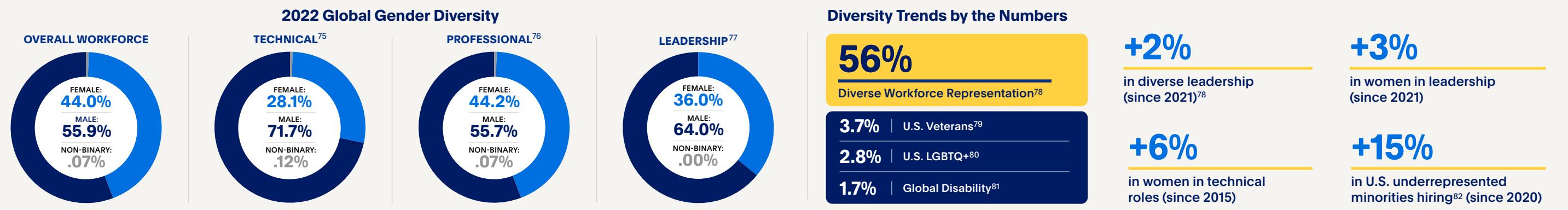
- Proactively mitigate vulnerability in product design to facilitate equitable access for global customers with characteristics of vulnerability,<sup>73</sup> including an inclusive content style guide for designers and equity-focused research for user experience teams.
- Further PayPal's delivery of a high standard of customer care and protection, helping consumers make informed decisions about PayPal products in line with their personal financial objectives.

<sup>72</sup> Total compensation is defined as base salary, annual bonus and annual equity awards.

<sup>73</sup> Characteristics of vulnerability include physical or mental disability, caregiver status, economic impairment and others.

# Workforce Representation Metrics

Fostering a workforce that is representative of the merchants, consumers and communities we serve is an important component of our long-term DIE&B strategy. Our representation data<sup>74</sup> provides one facet of measuring our performance and progress across our workforce. This information is used to help inform program enhancements across the employee lifecycle. We regularly review reporting best practices and continue to evaluate ways to enhance our disclosures to reflect our multifaceted workplace. We continue to make progress on improving the data quality and accuracy of additional employee data to meet our commitment to disclose employee lifecycle information by gender and U.S. ethnicity by 2024.



<sup>74</sup> Workforce representation metrics are based on self-reported data. Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals.

<sup>75</sup> Technical roles include employees in engineering, information technology and technology operations.

<sup>76</sup> Professional is defined as Director roles and above.

<sup>77</sup> Leadership is defined as Senior Director roles and above.

<sup>78</sup> Diverse is defined as global women and U.S. ethnically diverse men.

<sup>79</sup> U.S. employees who have self-identified as "Non-Protected Veterans" and "Protected Veterans."

<sup>80</sup> U.S. employees who have self-identified as having a disability in countries where it is legally allowed or required to disclose.

<sup>81</sup> Global employees who have self-identified as having a disability in countries where it is legally allowed or required to disclose.

<sup>82</sup> U.S. employees who identify as Black or African American, Hispanic or Latinx, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

<sup>83</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

## 2022 Highlights from Our Employee Resource Groups

Our eight Employee Resource Group (ERGs) serve a critical role in nurturing a sense of community and belonging, supporting talent recruitment and retention and furthering our DIE&B strategy. We are continuing to evolve our ERGs to support our business initiatives while fostering a culture of belonging through:

- Elevating the role of ERG leaders and equipping these individuals with professional development and mentorship opportunities.
- Launching our inaugural ERG summit and ERG Academy series to promote collaboration, share best practices, build subject matter expertise and learn from senior leaders.
- Creating and refining policies and processes to help improve the planning and implementation capacity of our ERGs.

8

ERGs

8.1K+

members

25+

countries

**"By increasing representation, educating and celebrating the diversity of our global workforce, PayPal's ERGs enable connection across identities and experiences, inspire pride among our employees and ensure that we maintain a values-driven culture that integrates DIE&B into our day-to-day and empowers our employees and customers to thrive."**



Ellen Hayes  
VP, Employee Communications  
Culture and Community  
San Jose, CA, U.S.



### Celebrating Latinx communities

Aliados launched "Cafecito Connections" sessions to build connections internally and continued its focus on career building by offering a mentorship program with Latinx senior leaders.



### Inspiring Black employees

Amplify hosted events on career growth, mental resilience and financial empowerment. They also partnered with the Global Talent Acquisition team at the Afrotech Conference to attract more than 1,000 job applicants.



### Promoting the value of faith at work

Believe hosted interfaith events to promote understanding of the value of faith at work and provided faith education on global worldviews and mental health sessions focused on burnout.



### Empowering LGBTQ+ employees

Pride hosted inspiring internal discussions with intersectional leaders and LGBTQ+ rights advocates to drive awareness and empathy.



### Uplifting the Pan-Asian community

Rise conducted its first mentorship program with 200 pairs of mentors and mentees and partnered with the PayPal Community Impact team to raise more than \$28,000 for flood relief in Pakistan.



### Supporting our military veterans

To honor and support PayPal veterans and the military community, Serve recorded a reading for children with loved ones deployed and facilitated meet-ups for Serve members.



### Building an inclusive community for the disabled

Thrive worked to implement Livestream Communication Access Realtime Translation captions and American Sign Language (ASL) interpreters for PayPal Global All-Hands events.



### Driving gender equity at PayPal

Unity developed initiatives to support working parents, provided financial literacy education and leadership development and released a second season of the Looking Up podcast series.

## Promoting Equity & Inclusion through Civic Engagement & Advocacy

In advance of the 2022 U.S. Midterm Election, we relaunched our [PayPal Votes](#) initiative to encourage employee civic engagement and provided all PayPal employees four hours of paid time off to vote. We also expanded our Community Impact Time Off to allow our employees to volunteer as poll workers and hosted polling places at our headquarters in San Jose, CA, U.S. and our office in La Vista, NE, U.S.

We also launched programs and supported initiatives to foster broader community civic engagement, including the following:

- A consumer awareness campaign within the Venmo and PayPal apps before Election Day.
- Underwrote and supported the Arizona Civic Spring initiative developed by the [Institute for Citizens and Scholars](#).
- Continued leadership with [Time To Vote](#), helping the initiative to surpass 2,000 corporate supporters.

In 2022, PayPal supported legislation with strong connections to our core value of Inclusion, including the **Pregnant Workers Fairness Act**, which requires additional accommodations and protections for pregnant workers in the workplace.



# Empowering Employee Community Impact

Employees across PayPal actively seek opportunities to apply their personal knowledge, skills and passions to make a positive impact in their communities through volunteering, charitable giving and employee engagement programs.

## Encouraging Employee Volunteerism

In 2022, PayPal employees demonstrated their generosity and desire to support their communities by volunteering nearly 100,000 hours (19% increase from 2021) and donating more than \$5.6 million (including matching funds).<sup>84</sup> We continued working to make employee volunteer opportunities accessible, resulting in 19,000+ employees<sup>85</sup> mobilizing to support their communities.

**PayPal was awarded the Best Community Involvement Award from the Fingal Chamber of Commerce for our employees' commitment to volunteerism in Ireland.**

## Building Community in a Flexible Work Environment

Our Community Impact program is an essential way we build our sense of culture and community among our teams. It provides a point of connection, inspiration and learning for our employees globally, further connecting them to our mission.

We have built a community of global volunteer leaders across the Company focused on enabling our employees to participate in Community Impact programs. They are equipped with leadership development training on influencing stakeholders, problem-solving, cultural sensitivity and other topics that can be leveraged in their capacity as a volunteer leader and in their day-to-day jobs.

*In addition to our employee generosity, PayPal also supported its local communities by providing:*

**\$28M+**

*in corporate charitable contributions<sup>86</sup>*

*"Throughout the year, we've provided our employees with even greater opportunities to connect with each other and their communities through virtual and in-person volunteering. This flexibility helped spur deeper community engagement and skills-based support for nonprofits and small businesses around the globe."*



**Kenrick Fraser**  
Global Lead, Employee Community Impact & Community Partnerships  
New York, NY, U.S.



Examples of initiatives, programs and events from our 2022 Community Impact Teams include:

- 1 **Mexico:** In support of the ["Somos el cambio"](#) (We Are the Change) program, 18 PayPal employees reviewed and evaluated 74 community impact projects developed by young people, identifying five outstanding projects.
- 2 **Virtual U.S.:** Coached student entrepreneurs as part of the [Network for Teaching Entrepreneurship \(NFTE\)](#) StartUp Summer program, with two of the students winning the competition and receiving financial awards toward their business idea.
- 3 **U.K.:** Expanded our relationship with [Rewilding Britain](#), a 2022 Community Impact Grant recipient, through a presentation to U.K. PayPal employees on the organization's mission to restore and connect species-rich habitats across 30% of Britain by 2030.
- 4 **Sweden:** PayPal employees hosted a networking session in collaboration with [Right by Me](#) to help strengthen social and professional opportunities for vulnerable young people.
- 5 **India:** In coordination with the [Indian Association for the Blind](#), PayPal hosted stalls for partially blind entrepreneurs twice per month from July through September that sold baked goods and other snacks with proceeds benefiting 50+ visually challenged families.
- 6 **Philippines:** In coordination with the [HOUSE Foundation](#), 32 employees participated in a virtual social entrepreneurship coaching session featuring Fulfill Zero Waste Store and Messy Bessy Shop, helping entrepreneurs through business challenges and providing guidance on developing a successful small business.
- 7 **Singapore:** As part of [TOUCH Community Services'](#) Digital Readiness program and "Back to School" initiative, 37 PayPal volunteers packed education kits that included laptops, backpacks, stationery and snacks for underprivileged children in Singapore.

To learn more about how our employees are engaging to help address climate change, please see [Environmental Sustainability](#).

<sup>84</sup> Each employee has the opportunity to have their volunteer time (\$10/hour) and donations matched by PayPal up to \$2,500 annually.

<sup>85</sup> Employees that participated in community impact initiatives or activities including volunteering, giving and/or actions to integrate impact and sustainability into their daily lives.

<sup>86</sup> Includes donations, matching gifts, grants and in-kind donations.

## Learning Through Skills-Based Volunteerism

In 2022, PayPal employees contributed nearly 50,000 hours to skills-based volunteering through pro bono, coaching and leadership programs designed around a service-learning model. This approach combines learning objectives with volunteerism to provide employees with a practical and reflective learning experience while helping create economic opportunity and improve financial health in our communities.

Across PayPal, employees applied their skills to make a positive impact by:

- During the Skills for Good campaign in October 2022, PayPal employees collectively volunteered more than 10,000 hours to local organizations and communities around the world, a 35% increase from 2021.
- PayPal employees provided 5,800 hours of pro bono service to create economic opportunity for our communities, help small businesses grow and provide nonprofits with access to technical expertise.
- PayPal employees provided coaching and mentorship to help the NFTE prepare more than 45,000 young people for career success.<sup>87</sup>
- PayPal employees volunteered to support currently and formerly incarcerated women through the [Televerde Foundation's PATHS](#) programs to help develop the skills and confidence needed to support post-incarceration careers.



### Partnering to Mentor Female Entrepreneurs

PayPal partnered with the [Cherie Blair Foundation for Women](#) for the fifth consecutive year to provide female entrepreneurs access to mentorship and other services. Since 2018, 370+ mentors from PayPal across 26 countries supported 470+ women entrepreneurs.

**62%** of mentees reported improved business performance after program participation

**"One of the most effective ways we've found to provide learning opportunities is through skills-based volunteering, such as coaching a small business owner. Equally as beneficial is that these programs also help us advance our mission, which is the foundation of our company and an evergreen reason why people love working at PayPal."**



**Kendra Goldbas**  
Global Head of Enterprise Learning and Development  
Seattle, WA, U.S.

## Providing Opportunities for Impact

In 2022, PayPal reintroduced in-person volunteering and continued offering virtual volunteer opportunities, including through our Team Up for Impact summer campaign. The campaign provided approximately 2,800 employees an opportunity to connect with each other and their communities. Employee volunteers contributed nearly 17,000 hours to 33 nonprofits across 10 countries during the campaign. First-time volunteers made up over 50% of the participating PayPal employees.

Over the past year, our [Community Impact Grants](#) program allowed nearly 11,000 employees to select 71 PayPal Community Impact grantees to further PayPal's mission in their local markets. In 2022, we launched the Championing Possibilities Pro Bono program to build the capacity of PayPal's Community Impact Grant initiative. Through this new program, we provide grantees pro bono services in technical areas, including legal, finance, communications, marketing, risk, technology, human resources and strategy.

### Engaging Employees through Impact

Employee Community Impact is core to our business at PayPal, not only for helping those around us but also to empower our employees. We found that teams with a higher participation in community impact activities also had higher engagement scores and longer tenure at PayPal. Learn more about our employee engagement efforts in [Employee Engagement](#).

**"Thanks to the outstanding skills-based volunteerism from PayPal employees in Japan and our 2022 grant, we have been able to create a mutually valuable partnership between PayPal and Japanese social entrepreneurs and nonprofit organizations, and gained a great deal of insight from PayPal for our future programs."**



**Yuko Motoki**  
Board Member & Social Innovation Team  
ETIC. (Entrepreneurial Training for Innovative Communities)





# Environmental Sustainability

At PayPal, we work to mitigate our environmental footprint and advance sustainable practices in the communities where we operate, even with PayPal's relatively small GHG emissions footprint compared to other companies.

Our Environmental Sustainability Policy and ISO 14001-aligned environmental management system help to guide our environmental sustainability strategy. This includes our science-based approach to mitigating greenhouse gas (GHG) emissions, efficiently managing our natural resources, exploring environmental innovations across our products and services and engaging our employees in sustainability.

PayPal is well positioned to help catalyze digital financial innovations to promote greater resilience among underserved communities, support relief efforts to those impacted by climate change and reduce our impact on the environment.

## 2022 Summary Highlights

- 26% reduction in direct emissions compared to 2021.<sup>88</sup>
- Undertook a climate risk assessment and scenario analysis as part of enhancements to risk management practices and TCFD disclosure.
- Joined the Climate Innovation for Adaptation & Resilience (CIFAR) Alliance as a founding member to support responsible innovation in digital finance for climate adaptation and resilience.
- Reached 90% total renewable energy use.
- Enabled customers to donate more than \$1 million in natural disaster relief to impacted communities.

"In 2021, PayPal achieved 100% renewable energy sourcing for our data centers, a tremendous milestone for the company. Building on this progress, we are continuing to find new ways to reduce and offset our carbon footprint, and advance sustainable practices in the communities where PayPal operates."



**Greg Sly**  
SVP, Infrastructure  
Sacramento, CA, U.S.

## In This Section

- Mitigating Our Climate-Related Risks
- Managing Our Natural Resources

## SDGs Reflected in This Section



<sup>88</sup> Direct/operational greenhouse gas emissions include those emission sources covered by Scope 1 and Scope 2 market-based method (MBM) as defined by the Greenhouse Gas Protocol and the Science-Based Targets initiative.

<sup>89</sup> PayPal's Science-Based Targets are informed by stakeholder consultation and validated by the Science-Based Targets initiative (SBTi).

<sup>90</sup> While we observed operational GHG reductions exceeding our 2025 goal, we recognize that in future years this may change as employees return to the office and the Company continues to grow.

<sup>91</sup> To calculate the progress toward our goal of reaching 75% vendors by spend with a SBT, we consider relevant annual spend with vendors who have set or committed to setting a SBT validated by the SBTi, or have publicly disclosed a greenhouse gas (GHG) emissions reduction goal that is aligned with the latest SBTi criteria, even if not validated by SBTi. For vendors with an SBT set or commitment to set an SBT, their targets have been verified against the latest SBTi v4.2 and v5 criteria.

<sup>92</sup> We continue to refine our assessment methodology to include vendors within relevant Scope 3 categories, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

## 2022 Progress on Our Science-Based Climate Goals<sup>89</sup>

GOAL:	2022 PROGRESS:
Reduce absolute operational GHG emissions <sup>88</sup> by 25% by 2025 (from a 2019 base year)	80% operational emissions reduction from 2019 base year <sup>90</sup>
Engage 75% of our suppliers, by spend, to set science-based targets (SBTs) by 2025	Approximately 39% of suppliers, by spend, have or committed to a SBT <sup>91,92</sup>
Achieve 100% renewable energy for global data center operations by 2023	Maintained 100% of our global data center energy use with renewable generation sources

# Mitigating Our Climate-Related Risks

We've established a long-term goal of achieving net-zero GHG emissions across our value chain by 2040, as well as medium-term science-based GHG emissions reduction targets as validated by the Science-Based Targets initiative (SBTi).<sup>93</sup>

We're also exploring ways to help disadvantaged communities capture opportunities and adapt their lives to changing global climate conditions through partnerships and digital finance tools and services.

## 2022 Energy & Operational Emissions Trends

Our global energy use remained relatively flat (+1% from 2021) as data center power use remained steady and office energy use increased moderately through 2022

as a result of post-pandemic workplace repopulation. At the same time, we reached 90% total renewable energy use and maintained 100% renewable energy sourcing for our data centers. This expanded approach to renewable energy procurement helped to further reduce our operational GHG emissions (Scope 1 and 2) by 26% from 2021, even with our generally stable 2022 energy use.

We are currently on track to meet our SBT for reducing Scope 1 and 2 emissions 25% by 2025, with those emissions down 80% relative to our 2019 base year.<sup>95,96</sup> We continue to pursue cost-effective emissions reduction opportunities across our direct operations and our broader value chain, even with PayPal's relatively small GHG emissions footprint compared to other companies.

## Understanding & Managing Our Climate-Related Risks

We recognize that climate change poses current and future physical and transition risks for PayPal, including the impact of extreme weather conditions on our facilities and the effect of existing and emerging global regulations across our value chain.

Consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, and building on the climate risk assessment we conducted in Europe, we began an enterprise climate risk assessment and scenario analysis using three scenarios from the Network for Greening the Financial System to evaluate potential short-, medium- and long-term climate risks and opportunities for PayPal. Initial results identified key risks for PayPal, including physical, operational, regulatory and reputational risk. See our [TCFD Index](#) and our [CDP Climate Questionnaire](#) for the latest information on our climate-related risks and opportunities.

## Environmental Performance by the Numbers

**0.5**

grams CO<sub>2</sub>e per transaction<sup>97</sup>

**100%**

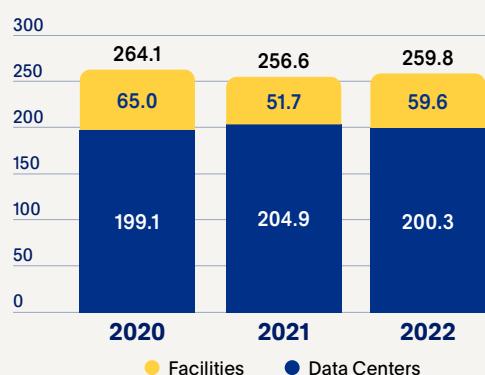
data center renewable energy use

**-80%**

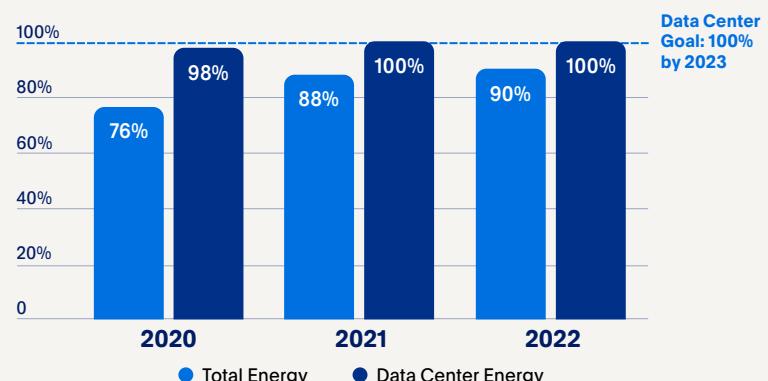
operational GHG emissions<sup>98</sup> (since 2019)

## Energy Use & Renewable Energy

**Global Energy Use by Facility Type**  
(MWh in thousands)<sup>94</sup>

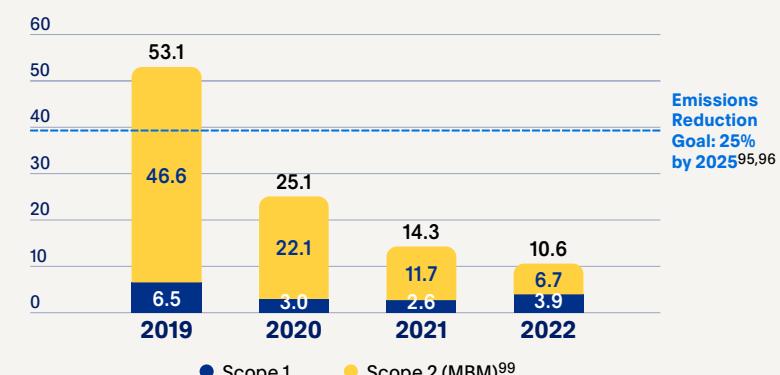


**Renewable Energy**  
(% of Global Energy Use)

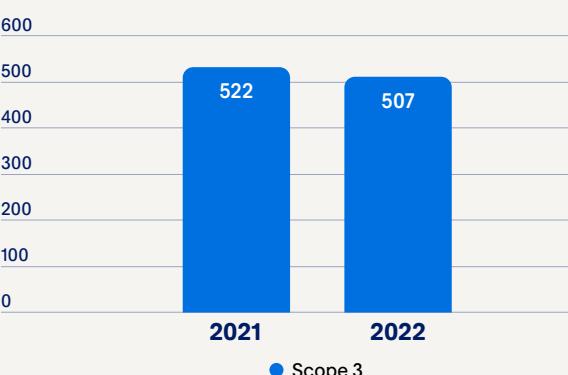


## GHG Emissions

**Operational Greenhouse Gas Emissions by Scope**  
(Thousands MT CO<sub>2</sub>e)



**Value Chain Greenhouse Gas Emissions**  
(Thousands MT CO<sub>2</sub>e)<sup>100,101</sup>



<sup>93</sup> PayPal's Science-Based Targets are informed by stakeholder consultation and validated by the Science-Based Targets initiative (SBTi).

<sup>94</sup> Our 2022 energy and operational emissions include warehouse site activities associated with our recent acquisition of Happy Returns. Warehouse energy consumption represented less than 1% of our global energy consumption in 2022.

<sup>95</sup> Operational greenhouse gas emissions include those emission sources covered by Scope 1 and Scope 2 as defined by the Greenhouse Gas Protocol market-based method (MBM) and the Science-Based Targets initiative.

<sup>96</sup> In 2019, the base year for our operational emissions target, Scope 1 and 2 emissions totaled 53,100 metric tons.

<sup>97</sup> Calculation includes operational emissions from all Scope 1 and 2 sources, including corporate jet.

<sup>98</sup> Operational greenhouse gas emissions include those emission sources covered by Scope 1 and Scope 2 as defined by the Greenhouse Gas Protocol and the Science-Based Targets initiative. In 2019, the base year for our operational emissions target, Scope 1 and 2 emissions totaled 53,100 metric tons. While we observed operational GHG reductions exceeding our 2025 goal, we recognize that in future years this may change as employees return to the office and the Company continues to grow.

<sup>99</sup> Scope 2 emissions data is calculated using the GHG Protocol market-based method (MBM), which includes purchases of off-site renewable energy.

<sup>100</sup> Scope 3 inventory includes Fuel and Energy Related Activities (FERA), Business Travel emissions from air, rail, rental car and hotel lodging, Spend-Based Purchased Goods & Services, Crypto Activity-Based emissions, Capital Goods, Upstream Transportation and Distribution, and Employee Commuting and Remote Working. Total Scope 3 emissions estimates are rounded to the nearest 1,000 metric tons CO<sub>2</sub>e to reflect limitations in the underlying data sources and estimation methodologies.

<sup>101</sup> Cryptocurrency-related emissions are estimated using calendar year activity data and the Hybrid Emissions Allocation Method as presented in the [Accounting for Cryptocurrency Climate Impacts](#) guidance published by Crypto Carbon Rating Institute and South Pole in 2022. In 2022, we estimate that emissions from our crypto services represented approximately 13% of our Scope 3 emissions inventory. Cryptocurrency-related emissions are accounted for as purchased goods and services, consistent with the GHG Protocol, Value Chain Standard.

## Prioritizing Efficient & Renewable Energy Use

Over the past two years, PayPal's real estate, construction and facilities teams have installed energy-efficient LED lighting systems across nearly 1 million square feet (92,170 square meters) of PayPal workspace at 19 office locations globally. An estimated 9,900 long-life LED lamps will save 7.5 million kilowatt-hours of energy over their useful life, equivalent to the energy needed to power approximately 700 U.S. homes for one year.<sup>102</sup> Where feasible, the LEDs are paired with smart control systems that sense occupancy and daylight to optimize energy efficiency and light quality for worker health and productivity.

In 2022, PayPal joined 100% renewable energy tariffs in San Jose, CA and Scottsdale, AZ, U.S. supporting the greening of local power grids.

While most of our computing occurs in PayPal data center premises, we continue to migrate to cloud service providers who either have achieved or are committed to achieving 100% renewable energy.<sup>103</sup> This transition supports improvements in computing and data storage efficiency, as well as energy consumption.

## Managing Emissions Across Our Supply Chain

As part of our commitment to continuous improvement, we've taken steps to share a preliminary estimate of our indirect (Scope 3) emissions from relevant 2022 value chain activities,<sup>104</sup> please see [Appendix](#) to learn more.

The majority of our value chain emissions come from

**PayPal again earned the U.S. Environmental Protection Agency Green Power Partnership Top 100 rating, ranking among the country's largest renewable energy procurers.**

our supply chain, with vendor activities representing an estimated 95% of our Scope 3 footprint in 2022. This estimate helps to illustrate the importance of our efforts to engage 75% of our suppliers, by spend, to set SBTs by 2025, a goal that we hope to primarily achieve by working with PayPal's top 300 suppliers. We will also continue to educate our employees on sustainable business travel options and eco-friendly practices for remote working and commuting.

To help meet our supply chain-focused SBT, we're partnering with CDP to provide information and resources to help our largest vendors, by spend, develop GHG inventories and learn more about SBTs. In 2022, 39% of our suppliers by spend have or committed to set an SBT (up from 30% in 2021).<sup>105</sup>

We acknowledge that there are current limitations in our ability to influence GHG emissions outside of PayPal's direct control. We continue to engage with vendors, industry peers, GHG accounting standard-setters and environmental non-governmental organizations to learn more about best practices in sustainable supply chain management and will use these findings to continue working toward our goal.

### Working to Decarbonize Business Travel

In 2022, we redeployed more than \$300K of unused travel funds due to reduced travel during the COVID-19 pandemic to stimulate demand for sustainable aviation fuel (SAF). SAF represents an emerging low-carbon technology with the potential to significantly reduce the climate impacts of commercial air travel.<sup>106</sup>

<sup>102</sup> Assumes LEDs are 45% more efficient than comparable fluorescent lamps, an average LED power of 17 watts, and average LED life span of 50,000 hours. Average U.S. home energy consumption: 10,632 kWh. Sources: [eia.gov](#).

<sup>103</sup> All PayPal data center premises are housed in co-location data center facilities.

<sup>104</sup> Scope 3 emissions inventory methodologies are imprecise and presented as estimates. Purchased goods and services, capital goods and upstream transportation and distribution emissions estimates are determined using annual procurement spend and Economically Extended Input-Output emissions factors as published by the U.S. Environmental Protection Agency. Employee emissions are estimated using average office occupancy data, employee transportation survey data and estimated incremental household energy intensity due to working from home. As a software and services business, substantially all of PayPal's products and services are digital. Our preliminary analyses show that downstream Scope 3 emissions categories are not currently a material source of emissions for PayPal. We will continue to assess the relevance and materiality of all Scope 3 emissions categories.

<sup>105</sup> We've restated prior period values based on refinements in assessment methodology to include vendor spend from relevant Scope 3 categories only, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

<sup>106</sup> According to the International Air Transport Association, sustainable aviation fuel has been shown to provide significant reduction in overall CO<sub>2</sub> lifecycle emissions compared to fossil fuels, up to 80% in some cases. Source: [Sustainable Aviation Fuels: Fact Sheet 5, Dec 2018](#).

## Supporting Digital Finance Solutions for Climate Resilience

PayPal is a founding member of the [Climate Innovation for Adaptation and Resilience \(CIFAR\) Alliance](#), a global initiative working to provide climate adaptation and resilience tools and resources to 1 billion of the world's most vulnerable people. The CIFAR Alliance evolved from the Digital Finance for Climate Resilience Task Force launched in 2021. The Alliance brings together over 40 members, funders and contributing organizations, representing expertise across digital innovation, economic development and climate.

In 2022, the Alliance:

- Launched the [Carbon Finance Opportunity Brief](#), which explores how the voluntary carbon market could help provide economic incentives for climate mitigation and adaptation in Africa.
- Coached over 30 African entrepreneurs, including 50% women, in blue carbon venture-building, helping to form seven climate impact start-ups across six countries.

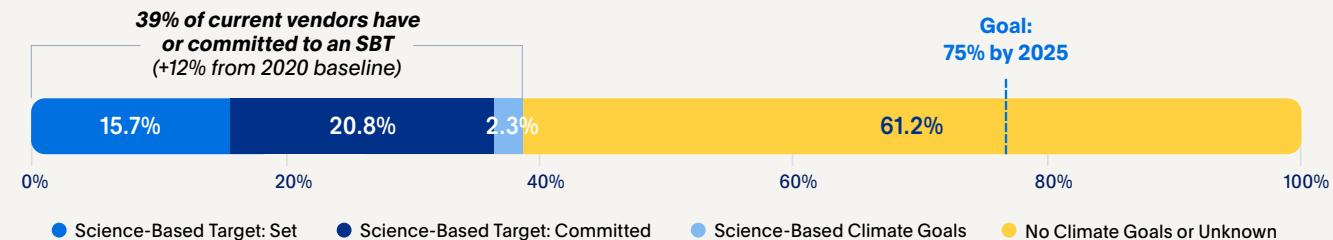
## Generating Economic Opportunity Through Clean Energy

We continue to invest in climate impact projects that promote renewable energy and improve living standards for those with limited means. Clean energy technologies for cooking and lighting help underserved families, women and children spend less time laboring and more time learning or generating income.<sup>107</sup> In 2022, PayPal:

- Retired recent-vintage carbon credits representing 6,000 metric tons of avoided emissions from [Project Shine](#), an efficient lighting initiative that, to date, has helped distribute 14.5 million LED bulbs to over 3 million households across India, preventing 1.3 million metric tons of CO<sub>2</sub>e.<sup>108</sup>
- Provided financial support for new clean cookstove projects in [Mexico](#) and [Guatemala](#), where credit verification and retirement are underway.
- Partnered with [Gold Standard Foundation](#) to offer PayPal employees the opportunity to purchase high-quality carbon credits, with PayPal matching those donations.<sup>109</sup>

### Vendor Science-Based Target Progress

(% of supply chain by spend)<sup>105,110</sup>



<sup>107</sup> Carbon credit purchases from eligible nonprofits by PayPal employees are eligible to be matched by PayPal for climate impact philanthropy. Climate impact philanthropy matching is subject to our existing match of \$2,500, which includes giving and volunteering, per year per employee.

<sup>108</sup> To calculate the progress toward our goal of reaching 75% vendors by spend with a science-based target (SBT), we consider relevant annual spend with vendors who have set or committed to setting a SBT validated by the Science-Based Targets initiative (SBTi), or have publicly disclosed a greenhouse gas (GHG) emissions reduction goal that is aligned with the latest SBTi criteria, even if not validated by SBTi. For vendors with an SBT set or commitment to set an SBT, their targets have been verified against the latest SBTi v4.2 and v5 criteria.

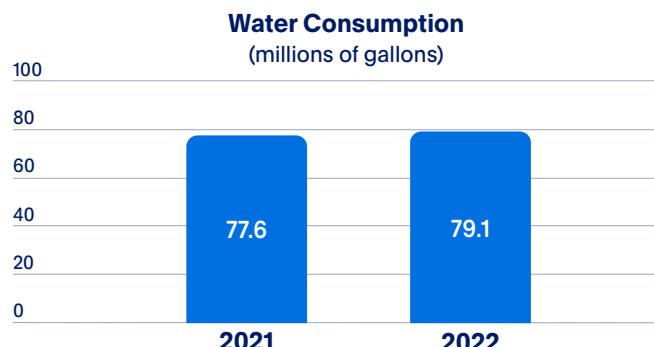


# Managing Our Natural Resources

We aim to be responsible stewards of our planet's resources and ecosystems, and endeavor to efficiently use water throughout our global operations, divert waste from landfills and execute our zero-landfill strategy for electronic waste (e-waste).

## Managing Our Water Use

Given the digital nature of our business, we consume relatively low volumes of water on a revenue intensity and per-employee basis.<sup>111</sup> We maintain water efficiency standards, including low-flow faucets and fixtures, across our fully managed office locations globally and consider additional opportunities to support local water conservation efforts and appropriately manage this finite resource. As employees began to return to the office in 2022, we saw a 2% increase in water use across our facilities compared to 2021.



## Supporting Rapid Response to Natural Disasters

In 2022, we helped concerned individuals donate more than \$1 million to responding charities in the wake of deadly flooding in Pakistan and Hurricane Ian in Florida, U.S. We also helped people in Mississippi, U.S. through corporate donations to two charities working in the community to provide relief and build capacity following water outages triggered by severe flooding events.

### Saving Water at Our U.S. Headquarters

With leadership from our real estate team, we've invested in intelligent flow-control and monitoring technologies across our water systems. Campus irrigation systems use reclaimed water, helping to conserve Santa Clara Valley's scarce drinking water resources. We've transitioned significant parts of our campus to native and no-water landscaping, resulting in estimated reclaimed water-consumption reduction of approximately 2.5 million gallons annually.<sup>112</sup>

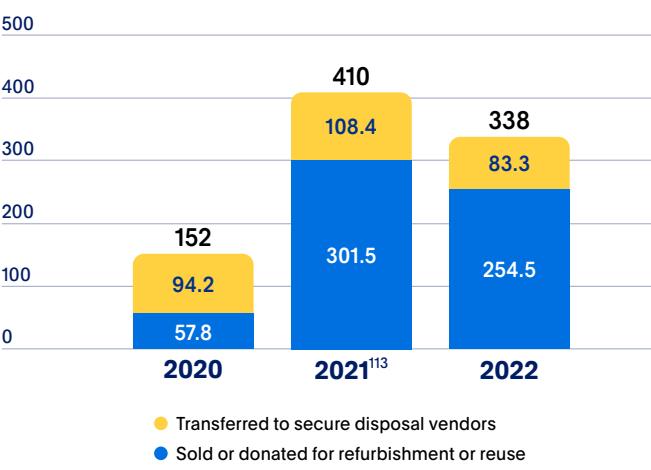


### Responsibly Retiring Electronic Waste

In 2022, our IT asset management teams retired 338 metric tons of IT hardware across our data center services, global office operations and workforce, 75% of which was donated or sold for refurbishment and reuse and 25% was transferred to our secure disposal vendors for disassembly and recycling in accordance with responsible e-waste practices. We also donated 6 metric tons of computer peripherals to local nonprofits in Europe.

Our company-wide e-waste management procedure requires all IT asset disposal service providers to maintain certification to the R2, e-Stewards or WEEE standard for responsible e-waste management. We also verify that service providers maintain ISO-certified programs for environmental, health and safety, and quality management systems.

### IT Hardware Retired from Offices & Data Centers (Metric Tons)



<sup>111</sup> Water-consumption data is collected from facilities under PayPal's operational control utilizing direct reporting and estimated data. All PayPal data center premises are housed in co-location data center facilities and, as such, we do not have operational control of water use from data centers, nor do co-location data center facilities have the ability to measure water consumption for PayPal's premises. We engage with our data center co-location providers on water management best practices as part of our overall service agreements and requirements.

<sup>112</sup> Consumption reduction based on reclaimed water use for irrigation zones that have transitioned to native and no-water landscaping within the past two years, relative to pre-transition estimated irrigation.

<sup>113</sup> The increase from 2020 was due to the closure of a major data center and IT refresh across our office locations. Additionally, COVID-19 significantly impacted our ability to process disposals in 2020.

## Supporting Environmental Volunteerism in Our Communities

PayPal employees around the world are passionate about sustainability. In 2022, we teamed up for impact through learning, volunteerism and individual action.

- **Environmental Volunteerism:** Through a combination of grants and employee volunteering with organizations such as the [SankalpTaru Foundation](#) in India, [Keep Austin Beautiful](#) in the U.S., [One Tree Planted](#) in Ireland and [United Way](#) in Guatemala, PayPal supported tree planting and ecosystem restoration efforts across North America, Europe, South America and Asia.
- **Global Earth Day Activities:** Nearly 10,000 employees completed 20,000 individual activities, such as signing up for paperless bills or taking public transit to work, that reinforced long-term sustainable working and living practices.
- **Company-Wide Environmental Footprint Survey:** Over 9,000 employees voluntarily provided data to enhance the measurement and management of employee-related GHG emissions, including home energy use and transportation used for commuting.

"Employees at PayPal really enjoy volunteering in the climate-focused events at PayPal, whether they are learning or hands-on. We are proud of working at PayPal, where environmental sustainability is one of our four key pillars in our ESG strategy and our goals are becoming reality sooner than expected."



**Patricia Ruiz Gomez**  
Community Impact Lead and Administrative Manager  
Madrid, Spain

# Appendix

## ESG Framework Alignment

Our ESG strategy and disclosures take into account input from our stakeholders, as well as industry best practices.

We annually report on the Company's activities to advance the U.N. Sustainable Development Goals (SDGs) and include a table illustrating the contributions we've made to the seven Global Goals most relevant to our business.

Additionally, we have included a summary of climate-related disclosures aligned to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, which provides an enhanced discussion of our governance, strategy, risk management, and key metrics and targets related to climate risk. Given the digital nature of our business, PayPal's GHG emissions footprint is relatively small. Nevertheless, we aim to be responsible stewards of our planet's resources and ecosystems and monitor related risks and opportunities pertaining to our business.

Our reporting is aligned to the Global Reporting Initiative (GRI) standards, the IFRS Foundation's SASB standards, the U.N. Global Compact (UNGC) Ten Principles and the Stakeholder Capitalism Metrics (SCM) framework. We conducted a preliminary review of our economic activities in the context of the EU Taxonomy<sup>114</sup> and found that PayPal does not make substantial contributions to the EU's climate and environmental objectives.

All references apply to PayPal's global operations for the year ended December 31, 2022, unless otherwise noted.

## Independent Limited Assurance Statement

Bureau Veritas UK provided an independent limited assurance opinion on select 2022 ESG metrics. We will continue to evaluate new data points for assurance in future reporting.

## Additional Resources

Beyond this report, we provide additional materials and documents that further illustrate our ESG strategies, activities, progress and performance, including a list of websites, policies and publicly available research.

## Contents

- [Supporting the U.N. SDGs](#)
- [TCFD Summary](#)
- [ESG Performance Metrics Table](#)
- [Independent Limited Assurance Statement](#)
- [Additional Resources](#)



<sup>114</sup> [EU taxonomy for sustainable activities](#).

# Supporting the U.N. Sustainable Development Goals

The [United Nations \(U.N.\) Sustainable Development Goals](#) (SDGs) are a set of 17 global goals and 169 targets that aim to achieve a better and more sustainable future for all. Across PayPal, we seek opportunities to align our business activities and priority impact areas with these goals. We annually assess our net contributions to the SDGs based on the degree of potential influence and a mapping to our core business and ESG activities and outcomes to the SDGs' underlying targets. We found that PayPal makes a direct, positive contribution to 11 of the 17 goals, with the greatest impact on the seven goals highlighted below. As a member of the U.N. Global Compact (UNGC), we report on our contribution to the Ten Principles, which encourage adoption of sustainable and socially responsible policies aligned with the SDGs. For a complete set of ESG metrics that align to the UNGC, please see [ESG Performance Metrics Table](#).



SDG	Target	Relevance	2022 Select Progress
<b>GOAL 1: No Poverty</b>	<b>Target 1.4:</b> Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources	Our mission to democratize financial services is foundational to our business strategy, as we seek to enable greater economic access to populations globally.	<ul style="list-style-type: none"> <li>Enabled over \$20B in donations, helping support nearly 1.4M nonprofits and causes through the <a href="#">PayPal Giving Platform</a>.</li> <li>Facilitated over \$620M in aid for extraordinary events globally, including the humanitarian crisis in Ukraine, flooding in Pakistan and Hurricane Ian in the U.S.<sup>115</sup></li> </ul>
<b>GOAL 5: Gender Equality</b>	<b>Target 5.1:</b> End all forms of discrimination against all women and girls everywhere	PayPal's products and services help provide access to the digital economy for women, and we continue to advocate for equal representation and benefits for women in the workforce.	<ul style="list-style-type: none"> <li>Increased female <a href="#">representation</a> across technical, professional and leadership roles year over year since 2020,<sup>116</sup> with 44% overall gender diversity in 2022.</li> <li>Provided over 11,000 hours of mentorship and capacity building in support of women and girls globally as the private sector lead for the <a href="#">U.N. Women's Generation Equality Forum's</a> Economic Justice and Rights Action Coalition.</li> <li>Supported the Pregnant Workers Fairness Act to require additional accommodations and protections for pregnant workers in the U.S.</li> </ul>
	<b>Target 5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making		
<b>GOAL 8: Decent Work and Economic Growth</b>	<b>Target 8.5:</b> Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value	We develop products and enact initiatives to help improve the financial wellness of our customers and employees around the world.	<ul style="list-style-type: none"> <li>Achieved 100% global gender, U.S. ethnic and intersectional pay equity.</li> <li>Introduced enhanced <a href="#">products and partnerships</a> to provide simple, secure and affordable money management tools to our 400M active consumer accounts.</li> <li>Renewed \$90M in deposits to two Black-owned banks and Community Development Financial Institutions through our <a href="#">Economic Opportunity Fund</a>.</li> </ul>
	<b>Target 8.10:</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all		
<b>GOAL 9: Industry, Innovation and Infrastructure</b>	<b>Target 9.3:</b> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services and their integration into value chains and markets	We support small- and medium-sized businesses (SMBs) globally through access to capital and tools to drive business growth.	<ul style="list-style-type: none"> <li>Facilitated over \$25B in capital to SMBs through more than 1.2M loans since 2013.<sup>117</sup></li> <li>Continued to help SMBs globally access payments solutions and financial services, such as through our <a href="#">Venmo business profiles and grant program</a> and investments in <a href="#">Paymob</a> in Egypt and <a href="#">Xepelin</a> in Chile.</li> </ul>
<b>GOAL 10: Reduced Inequality</b>	<b>Target 10.2:</b> Empower and promote the social, economic and political inclusion of all	Through investments and product enhancements, we are driving greater equity for underserved individuals and minority-owned businesses.	<ul style="list-style-type: none"> <li>Exceeded our goal of at least 20% PayPal-defined estimated net disposable income for our hourly and entry-level employees globally.<sup>118</sup></li> <li>Our <a href="#">investments</a> in 19 minority-led venture capital funds, helped deploy nearly \$300M in capital to 250+ portfolio companies and advanced a more diverse venture capital ecosystem.</li> <li>Maintained average international remittance costs below 3% (2.9% in 2022).</li> </ul>
	<b>Target 10.C:</b> Reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%		
<b>GOAL 13: Climate Action</b>	<b>Target 13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	We engage with partners across our value chain to reduce our climate impact and build climate resilience.	<ul style="list-style-type: none"> <li>Joined the <a href="#">Climate Innovation for Adaptation &amp; Resilience (CIFAR) Alliance</a> as a founding member to support responsible innovation in digital finance for climate adaptation and resilience.</li> <li><a href="#">Engaged</a> with our top 250 suppliers, by spend, to set science-based targets.</li> </ul>
	<b>Target 13.3:</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning		
<b>GOAL 17: Partnerships for the Goals</b>	<b>Target 17.3:</b> Mobilize additional financial resources for developing countries from multiple sources	We pursue partnerships that can amplify our capabilities and global reach to advance our business and support an inclusive economy.	<ul style="list-style-type: none"> <li>Continued to <a href="#">enhance our services</a> to enable customers in additional markets to make low-cost international money transfers.</li> <li>Maintained multisector partnerships to <a href="#">support underserved communities</a> and <a href="#">protect our customers and communities</a>.</li> </ul>
	<b>Target 17.17:</b> Encourage and promote effective public, public-private and civil society partnerships		

<sup>115</sup> Includes corporate, employee and customer contributions.

<sup>116</sup> Technical roles include employees in engineering, information technology and technology operations. Professional is defined as Director roles and below. Leadership is defined as Senior Director roles and above.

<sup>117</sup> Through PayPal Business Loans and PayPal Working Capital in the U.S., U.K., Australia and Germany.

<sup>118</sup> The PayPal-defined estimated net disposable income is the percent of discretionary income remaining for our employees after taxes and typical living expenses are paid. This metric is calculated through a third-party model that utilizes independent data on market-based costs across selected geographies. The model was enhanced from prior periods to incorporate best practices and methodological improvements.

# Task Force on Climate-Related Financial Disclosures (TCFD) Summary

The Financial Stability Board, which is committed to market transparency and stability, established the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) to develop recommendations for more effective climate-related disclosures.

The following summarizes PayPal's approach to addressing climate-related governance, strategy, risk management and metrics and targets in alignment with the TCFD recommendations. Our full TCFD Index is available [here](#).

Governance	Strategy	Risk Management	Metrics & Targets
<p><b>Overview of PayPal's governance structure and oversight of climate-related risks and opportunities</b></p> <ul style="list-style-type: none"> <li>The Corporate Governance and Nominating Committee of PayPal's Board oversees ESG matters generally, including environmental sustainability management, with responsibilities such as reviewing progress in developing and implementing strategies for managing environmental topics (inclusive of climate-related risks and opportunities).</li> <li>Management and designated internal leaders provide regular updates to the Board and relevant committees on climate- and ESG-related topics.</li> </ul>	<p><b>Discussion of the actual and potential impacts of climate-related risks and opportunities on PayPal's business, strategy and financial planning</b></p> <ul style="list-style-type: none"> <li>PayPal considers both transitional and physical risks in the short term (zero to three years), medium term (three to five years) and long term (five to 10 years).</li> <li>The Company recognizes the potential physical and transition risks for its operations and supply chain, even as the overall risk to our business from climate change is likely low.</li> <li>As part of PayPal's mission to democratize financial services, we are exploring opportunities for our digital payments technology to support an equitable transition to a global net-zero economy.</li> <li>We began a climate risk assessment and scenario analysis using three scenarios to further understand potential short-, medium- and long-term climate risks and opportunities for PayPal.</li> </ul>	<p><b>Description of how PayPal identifies, assesses and manages climate-related risks</b></p> <ul style="list-style-type: none"> <li>ESG-related risks, including climate-related risks, are integrated in our enterprise risk assessment. We identify and prioritize ESG risks and opportunities through our significance assessment, refreshed annually.</li> <li>We apply the Three Lines of Defense model (management, oversight and independent assurance) to manage risks and our Enterprise Risk and Compliance Management Program sets PayPal's programmatic approach to identifying, measuring, managing, monitoring and reporting key risks facing the Company.</li> <li>The Enterprise Risk Management Committee (ERMC), co-chaired by PayPal's Chief Risk and Compliance Officer and Chief Enterprise Services Officer, and delegated subcommittees oversee the implementation and execution of our program.</li> <li>An ESG Steering Committee consisting of senior leaders across PayPal regularly reports on emerging ESG risks that affect PayPal's business, including climate-related risks, to a subcommittee of the ERMC.</li> </ul>	<p><b>Disclosure of the metrics and targets PayPal uses to assess and manage relevant climate-related risks and opportunities</b></p> <ul style="list-style-type: none"> <li>PayPal discloses climate-related metrics related to total energy consumed, percentage renewable energy and Scope 1, 2 and 3 greenhouse gas (GHG) emissions.</li> <li>In 2021, we established science-based emissions-reduction targets informed by stakeholder consultation and validated by the Science Based Targets initiative (SBTi) to demonstrate progress toward our long-term goal of reaching net-zero GHG emissions across our operations and value chain by 2040: <ul style="list-style-type: none"> <li>Reduce absolute operational GHG emissions by 25% by 2025 (from a 2019 base year)</li> <li>Engage 75% of our suppliers, by spend, to set science-based targets by 2025</li> <li>Source 100% of our data center energy use with renewable energy sources by 2023 (achieved in 2021)</li> </ul> </li> </ul>



# ESG Performance Metrics Table

Bureau Veritas UK provided an independent limited assurance opinion on select ESG metrics (those denoted with a ^). A full assurance statement including limitations and exclusions can be found on page 50-51.

In the following table, we disclose our environmental, social and governance (ESG) programs, policies and metrics mapped to the following voluntary reporting frameworks and initiatives: The Global Reporting Initiative (GRI) standards; the IFRS Foundation's SASB standards for the Software & IT Services and Consumer Finance industries;<sup>119</sup> the Ten Principles of the United Nations Global Compact (UNGC); and the Stakeholder Capitalism Metrics (SCM).<sup>120</sup> Disclosures are organized by our four ESG pillars — Responsible Business Practices, Social Innovation, Employees & Culture and Environmental Sustainability. The GRI disclosures in this table represent our GRI content index, prepared in accordance with the 2021 Universal Standards. We map our 2022 ESG performance metrics to the recommended SCM core metrics, as appropriate, with select inclusion of expanded metrics.<sup>121</sup> We will continue to evaluate opportunities for future reporting enhancements.

Description	FY22 <sup>122</sup>	FY21	FY20	GRI	SASB	UNGC	SCM
<b>ABOUT PAYPAL</b>							
<i>Organization &amp; Reporting Practices</i>							
Organizational details	About PayPal, <a href="#">page 4</a> <a href="#">Who We Are webpage</a>			2-1			
Activities, value chain and other business relationships	About PayPal, <a href="#">page 4</a> <a href="#">2022 Annual Report/Business, pages 2-6</a>			2-6			
Mission, vision and values	About PayPal, <a href="#">page 4</a> <a href="#">Mission, Vision &amp; Values webpage</a>					Setting purpose, purpose-led management	
Statement on sustainable development strategy		Message from Our President & CEO, <a href="#">page 3</a>		2-22			Setting purpose, purpose-led management
Active accounts (in millions) <sup>123</sup>	435	426	377		FN-CF-000.A <sup>124</sup>		
Active consumer accounts (in millions)	400	392	348				
Active merchant accounts (in millions)	35	34	29				
Total payment volume (in billions)	\$1,357	\$1,246	\$936		TC-SI-000.A <sup>124</sup>		
Number of payment transactions (in billions)	22.3	19.3	15.4		TC-SI-000.A <sup>124</sup>		
Annual revenue (in billions)	\$27.52	\$25.37	\$21.45	201-1			Economic contribution
Markets served <sup>125</sup>	200+	200+	200+	2-1, 2-6			
Additional operational and financial results		<a href="#">2022 Annual Report/Management's Discussion and Analysis of Financial Condition and Results of Operations, pages 30-49</a>		201-1			Financial investment contribution disclosure
Total research and development expenses (in billions)	\$1.7	\$1.6	\$1.4				Total R&D expenses
Total tax paid (in millions)	\$878	\$474	\$565	201-1			Total tax paid
Effective tax rate	28.1%	-1.7%	17.0%				
Entities included in the organization's sustainability reporting	About PayPal, <a href="#">page 4</a> <a href="#">2022 Annual Report/Business, pages 2-3</a>			2-2			
Reporting period, frequency and contact point	This report covers calendar year 2022. PayPal's ESG reporting follows an annual cycle. For questions, please contact <a href="mailto:ESG@paypal.com">ESG@paypal.com</a> .			2-3			
Membership associations	Multiple references throughout report, <a href="#">pages 13, 19, 21, 33, 35, 38</a> <a href="#">PayPal Inc. Trade Associations (Federal &amp; State)</a>			2-28			

(continued)

<sup>119</sup> We selected metrics from both sets of SASB industry standards that reflect topics most directly applicable to our business and stakeholders. For some topics, including Customer Privacy, Data Privacy, Data Security and Selling Practices, we do not report on all accounting metrics based on relevance to our business and our current disclosures.

<sup>120</sup> For additional information on select historical data not reported within this report, please see PayPal's previous Global Impact Reports and other public disclosures.

<sup>121</sup> We do not report on all themes and metrics based on relevance to our business and our current disclosures.

<sup>122</sup> Each italicized response references an external document or resource relevant for this reporting year.

<sup>123</sup> As of December 31 of each year.

<sup>124</sup> Modified activity metric to provide relevant business information.

<sup>125</sup> A market is a geographic area or political jurisdiction, such as a country, territory, or protectorate, in which we offer some or all of our products and services.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM <sup>126</sup>
<b>ABOUT PAYPAL (cont.)</b>							
<i>Organization &amp; Reporting Practices (cont.)</i>							
Approach to stakeholder engagement		About PayPal/Assessing & Prioritizing Our ESG Topics, <a href="#">page 6</a> <a href="#">2023 Proxy Statement/Multiple references, pages 9, 31-32, 40, 42</a>		2-29			Significant issues impacting stakeholders
Process to determine significant topics		About PayPal/Assessing & Prioritizing Our ESG Topics, <a href="#">page 6</a>		3-1			Significant issues impacting stakeholders
List of significant topics		About PayPal/Assessing & Prioritizing Our ESG Topics, <a href="#">page 6</a> <a href="#">2023 Proxy Statement/ESG Strategy, page 40</a>		3-2			Significant issues impacting stakeholders
Restatement of information		Included throughout the report as necessary.		2-4			
External assurance		Appendix/Independent Limited Assurance Statement, <a href="#">pages 50-51</a>		2-5			
<b>Corporate Governance</b>							
Governance structure and approach		About PayPal/Maintaining Strong Corporate Governance & ESG Oversight, <a href="#">pages 7-8</a> <a href="#">2023 Proxy Statement/Corporate Governance, pages 20-28</a>		2-9, 2-12			Governance body composition
Independent Directors (% of Board)	91.7%	91.7%	90.9%	2-9			Governance body composition
Board diversity (% of Board) <sup>127</sup>	50.0%	50.0%	45.5%	2-9, 405-1			Governance body composition
Gender diversity (% of women on the Board)	33.3%	33.3%	36.4%				
Ethnic diversity (% of Board identifying as ethnically diverse) <sup>128</sup>	16.7%	16.7%	9.1%				
Composition, nomination and selection of the highest governance body		About PayPal/Maintaining Strong Corporate Governance & ESG Oversight, <a href="#">page 7</a> <a href="#">2023 Proxy Statement/Election of Directors, pages 12-20</a>		2-10, 2-11			Governance body composition
Highest governance body's role in managing and reporting impacts		About PayPal/Maintaining Strong Corporate Governance & ESG Oversight, <a href="#">page 7-8</a> <a href="#">2023 Proxy Statement/ESG Governance Structure, pages 38-39</a>		2-13, 2-14			Economic, environmental and social topics in capital allocation framework
Conflicts of interest		<a href="#">2023 Proxy Statement/Multiple references, pages 22, 33-34</a>		2-15			
Collective knowledge of the highest governance body		About PayPal/Maintaining Strong Corporate Governance & ESG Oversight, <a href="#">page 7</a> <a href="#">2023 Proxy Statement/Multiple references, pages 13, 15-20, 29, 38-39</a>		2-17			Governance body composition
Evaluation of performance of the highest governance body		<a href="#">2023 Proxy Statement/Board and Committee Evaluations, page 29</a>		2-18			
Remuneration policies and process		<a href="#">2023 Proxy Statement/Multiple references, pages 35-37, 50-84</a>		2-19, 2-20			Remuneration
CEO pay ratio	284:1	382:1	278:1	2-21			Wage level
<b>RESPONSIBLE BUSINESS PRACTICES</b>							
<i>Cybersecurity</i>							
Approach to identifying and addressing data security risks		Responsible Business Practices/Enabling Effective Cybersecurity Management, <a href="#">pages 12-13</a> <a href="#">Responsible Business Practices webpage</a>		3-3	TC-SI-230a.2 FN-CF-230a.3		
Compliant, ethical and humane use of our products		Responsible Business Practices/Safeguarding our Platform & Customers from Illegal Activity, <a href="#">page 13</a> <a href="#">Acceptable Use Policy</a>		3-3		Principles 1, 2	

(continued)

<sup>126</sup> Please note that the applicable SCM framework metrics use the term "material." We have used the term "significant" for consistency with this Report. See page 6 for more information.<sup>127</sup> Diverse is defined as women and U.S. ethnically diverse men based on U.S. EEO-1 defined categories.<sup>128</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>RESPONSIBLE BUSINESS PRACTICES (cont.)</b>							
<i>Data Privacy</i>							
Approach, policies and practices relating to user privacy		Responsible Business Practices/Enriching Our Global Data Management & Privacy Practices, <a href="#">page 14-15</a> <a href="#">Trust &amp; Privacy webpage</a> , <a href="#">PayPal Privacy Statement</a> , <a href="#">Privacy Hub</a>		3-3	TC-SI-220a.1	Principle 1	
Monetary losses as a result of legal proceedings associated with user privacy		<a href="#">2022 Annual Report/Legal Proceedings, pages 106-107</a>		418-1	TC-SI-220a.3 FN-CF-220a.2		
<i>Business Ethics</i>							
Approach to upholding business ethics		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> <a href="#">Responsible Business Practices webpage</a>		3-3		Protected ethics advice and reporting mechanisms	
Risk and compliance management		Responsible Business Practices/Managing Risk & Compliance, <a href="#">page 11</a> <a href="#">2022 Annual Report/Risk Factors, pages 14-28</a>		2-27		Integrating risk and opportunity into business process	
Anti-corruption policies and procedures		<a href="#">Code of Business Conduct &amp; Ethics, pages 31-33, 39-41</a>		205-2	Principle 10	Anti-corruption	
Monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations		<a href="#">2022 Annual Report/Legal Proceedings, pages 106-107</a>		206-1	TC-SI-520a.1	Monetary losses from unethical behavior	
Employee completion of annual training (% of total workforce) <sup>129</sup>	100%^	100%^	100%	2-24, 205-2	Principles 6, 10	Anti-corruption	
Communication of critical concerns		<a href="#">Code of Business Conduct &amp; Ethics, page 8</a>		2-16			
Processes to remediate negative impacts		<a href="#">Code of Business Conduct &amp; Ethics</a>		2-25			
Mechanisms for seeking advice and raising concerns		<a href="#">Code of Business Conduct &amp; Ethics, page 8</a>		2-26	Principle 6	Protected ethics advice and reporting mechanisms	
Policy commitments		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> <a href="#">Code of Business Conduct &amp; Ethics</a> <a href="#">Environmental Sustainability Policy</a>		2-23	Principles 1, 2, 6, 7, 10		
Embedding policy commitments		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> <a href="#">Code of Business Conduct &amp; Ethics</a>		2-24			
Approach to respecting human rights		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> <a href="#">Code of Business Conduct &amp; Ethics, page 46</a> <a href="#">Joint U.K. and Australia Modern Slavery Statement</a>		3-3, 408-1, 409-1	Principles 1, 2, 4, 5	Risk for incidents of child, forced or compulsory labor	
Political engagement and transparency approach		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> <a href="#">Political Engagement and Transparency Policy</a> <a href="#">Political Spending and Lobbying Disclosures</a>		415-1		Alignment of strategy and policies to lobbying	
Business continuity risks related to disruptions of operations		Responsible Business Practices/Managing Risk & Compliance, <a href="#">page 11</a> <a href="#">2022 Annual Report/Risk Factors, pages 20-28</a>			TC-SI-550a.2	Integrating risk and opportunity into business process	
Approach to sustainable supply chain management		Responsible Business Practices/Upholding Business Ethics, <a href="#">page 16</a> ; Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 28</a> ; Environmental Sustainability/Advancing Our Climate Change Strategy, <a href="#">page 35</a> <a href="#">Supplier Diversity Program</a> <a href="#">Third Party Code of Business Conduct &amp; Ethics</a>		2-6, 3-3	Principles 1, 4, 5, 6, 8		

(continued)

<sup>129</sup> Does not include exempt employees that are on leave during the due date of trainings. All training is tracked internally through PayPal's Learning Management System.

^ Received limited external assurance on this metric in current and/or previous reporting periods.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>SOCIAL INNOVATION</b>							
<i>Economic Empowerment</i>							
Approach to promoting economic opportunity for small- and medium-sized businesses (SMBs) and entrepreneurs		Social Innovation/Promoting Economic Opportunity for SMBs & Entrepreneurs, <a href="#">page 18</a>		3-3, 203-2		Principle 1	Significant indirect economic impacts
Cumulative access to capital facilitated for SMBs (in billions) <sup>130</sup>	\$25.5^	\$21.3^	\$18.6^				
Annual access to capital for SMBs (in billions)	\$4.2^	\$2.7^	\$2.5^				
Loans facilitated to SMBs (total since 2013) (in millions)	1.2	1.1	1.0				
Venmo business profiles created (in millions) <sup>131</sup>	2.1	1.1	<0.1				
<i>Financial Health &amp; Inclusion</i>							
Approach to advancing financial health and consumer convenience		Social Innovation/Advancing Financial Health, <a href="#">page 20</a>		3-3			
Significant economic impacts		Social Innovation/Advancing Financial Health, <a href="#">page 20</a>		203-2			Significant indirect economic impacts
Average remittance costs	2.92%^	2.80%^	2.95%			Principle 1	
<i>Platform Security</i>							
Transaction loss rate <sup>132</sup>	0.09%	0.09%	0.12%		FN-CF230a.2		
Passkey enrollment (in millions) <sup>133</sup>	1.1	-	-				
<i>Giving<sup>134</sup></i>							
Funds raised for nonprofits and causes (in billions)	\$20.4^	\$19.2^	\$17.0				
Funds raised for nonprofits (in billions) <sup>135</sup>	\$19.2	\$18.4	\$16.6				
Funds raised for causes via personal or business fundraising (in billions)	\$1.2	\$0.8	\$0.4				
Total number of donors (in millions)	55.1^	56.1^	52.3				
Total number of donations (in millions)	272.8	278.1	257.7				
Number of donations through Give at Checkout (in millions)	23.7	27.0	11.3				
Nonprofits and causes supported (in millions) <sup>136</sup>	1.4	1.4	1.3				
Nonprofits supported (in millions) <sup>137</sup>	1.0	1.1	1.1				
Funds raised through PayPal Fundraisers (in millions)	\$63.4	\$26.2	\$2.9				
Causes supported	599,200	453,500	40,000				
Number of donors	1,157,300	516,600	33,100				
Funds raised through PayPal Digital Wallet (in millions)	\$255.7	\$181.8	\$126.8				

(continued)

<sup>130</sup> Through PayPal Business Loans and PayPal Working Capital in the U.S., U.K., Australia and Germany. Historical values have been restated to exclude loans made through the U.S. Paycheck Protection Program. The lender for PayPal Working Capital, PayPal Business Loan and PayPal Loan Builder is WebBank.

<sup>131</sup> Total profiles since launch as of December 31 of each year.

<sup>132</sup> Transaction loss rate represents transaction losses (including expensing associated with buyer and seller protection programs, fraud and chargebacks) divided by our TPV (Total Payment Volume).

<sup>133</sup> Number of accounts enrolled since launch in October 2022 through April 2023.

<sup>134</sup> Our giving methodology presents a comprehensive view of our Powering Giving impact. The data consist of funds processed by PayPal and Braintree to all nonprofits, which include organizations identified as charities, other nonprofits and elementary/secondary schools and universities, as well as donations to individuals and businesses from personal fundraising campaigns. We continue to revise prior period metrics based on improvements in data quality and calculation methodology.

<sup>135</sup> Does not include funds raised through personal fundraising.

<sup>136</sup> Total number of distinct nonprofits or causes supported each year.

<sup>137</sup> Represents the total number of nonprofit accounts supported each year. Does not include funds raised through personal fundraising.

<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>EMPLOYEES &amp; CULTURE</b>							
<i>Employee Recruitment &amp; Development</i>							
Approach to managing our global workforce				Employees & Culture/Managing Our Global Workforce, <a href="#">page 25</a>	2-8, 3-3	Principle 6	
				<a href="#">Employees &amp; Culture webpage</a>			
				<a href="#">Code of Business Conduct &amp; Ethics</a>			
				<a href="#">Joint U.K. and Australia Modern Slavery Statement</a>			
Global employees <sup>138</sup>	29,900	30,900	26,500	2-7	TC-SI-330a.1	Absolute number and rate of employment	
U.S.-based	11,800	13,100	12,300				
Nationalities	148	154	150				
Countries	27	~30	~30				
Overall workforce by region				2-7			
Americas	44%	–	–				
Asia-Pacific	43%	–	–				
Europe and Middle East	13%	–	–				
Total annual turnover rate <sup>139</sup>	23.8% <sup>^</sup>	15.6% <sup>^</sup>	10.5% <sup>^</sup>	401-1		Absolute number and rate of employment	
Annual employee survey participation rate <sup>140</sup>	83% <sup>^</sup>	79%	85%		TC-SI-330a.2		
Engagement score <sup>141</sup>	79 <sup>^</sup>	83 <sup>^</sup>	84 <sup>^</sup>				
Intent to stay score <sup>142</sup>	78 <sup>^</sup>	80 <sup>^</sup>	82 <sup>^</sup>				
Work-life balance score <sup>143</sup>	84	–	–				
Remote work score <sup>144</sup>	93	–	–				
Learning and development hours (in millions) <sup>145</sup>	1.4	–	–	404-1		Training provided	
Employees engaged in learning resources	27,700	–	–				
Average hours per employee	48	–	–				
Self-directed courses accessed <sup>146</sup>	98,600	112,500	129,200				
Saved development days (number of days) <sup>147</sup>	14,300	15,200	14,400			Monetized impacts of training	
<i>Employee Wellness</i>							
Approach to prioritizing employee total wellness				Employees & Culture/Managing Our Global Workforce, <a href="#">page 27</a>	3-3, 401-2, 403-1, 403-6	Health and safety	
PayPal-defined estimated minimum employee net disposable income (global) <sup>148</sup>	26% <sup>^</sup>	–	–	202-1		Living wage	
Collective bargaining agreements	Not applicable			2-30	Principles 1, 3		

(continued)

<sup>138</sup> As of December 31 of each year.<sup>139</sup> Total turnover rate includes voluntary and involuntary employee attrition over the last twelve months ending December 2022. We've revised prior period values based on improvements in data quality.<sup>140</sup> Our annual employee survey consists of 25 questions sent to all PayPal employees. The survey is administered by a third-party organization that provides independent benchmarking and analysis. Scores are converted from a mean score on a five-point scale to a score out of 100.<sup>141</sup> Whether the employee would recommend PayPal to their friends and/or is happy at PayPal.<sup>142</sup> Whether the employee intends to work at PayPal in two years.<sup>143</sup> Access to programs and flexibility that support PayPal employee well-being. Historical scores have been excluded as the question wording was revised as of the 2022 survey.<sup>144</sup> The ease with which PayPal employees can work remotely. New question as of the 2022 survey.<sup>145</sup> Includes PayPal instructor-led courses and self-directed learning.<sup>146</sup> Self-paced learning courses offered through PayPal on LinkedIn Learning, Udemy and O'Reilly that were accessed by employees. A self-directed course is considered "accessed" when a learner starts any video in that course.<sup>147</sup> Number of development days saved in the year for engineers who completed proactive technical training classes versus individual learning.<sup>148</sup> The PayPal-defined estimated net disposable income is the percent of discretionary income remaining for our employees after taxes and typical living expenses are paid. This metric is calculated through a third-party model that utilizes independent data on market-based costs across selected geographies. The model was enhanced from prior periods to incorporate best practices and methodological improvements.<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>EMPLOYEES &amp; CULTURE (cont.)</b>							
<i>Diversity, Inclusion, Equity &amp; Belonging (DIE&amp;B)<sup>149</sup></i>							
Approach to leading with DIE&B		Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 28</a>		3-3		Principles 1, 6	
Inclusion@PayPal completion rate <sup>150</sup>	84%	39%	–			Principle 6	
Employee Resource Groups (ERGs)	8	8	8				
Participating employees	8,100	7,600	6,000				
Countries represented	26	28	20				
Global gender pay equity <sup>151</sup>	100%	100%	100%	405-2		Pay equality	
U.S. ethnic pay equity <sup>151</sup>	100%	100%	100%			Pay equality	
Diverse executive leadership (% of executive leadership) <sup>152</sup>	63.6%	55.6%	50.0%	405-1			
Female (% of executive leadership)	27.3%	22.2%	25.0%				
Ethnically diverse (% of executive leadership) <sup>153</sup>	54.6%	44.4%	37.5%				
Diverse workforce representation (% of overall workforce) <sup>154</sup>	55.9% <sup>^</sup>	56.1% <sup>^</sup>	56.5% <sup>^</sup>	405-1	TC-SI-330a.3	Diversity and inclusion	
Global disability (% of overall workforce) <sup>155</sup>	1.7%	1.6%	1.5%	405-1		Diversity and inclusion	
U.S. veteran status (% of U.S. workforce) <sup>156</sup>	3.7%	3.6%	4.0%			Diversity and inclusion	
U.S. LGBTQ+ (% of U.S. workforce) <sup>157</sup>	2.8%	2.7%	–			Diversity and inclusion	
Global gender diversity (% of global workforce)		Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 29</a>		2-7, 405-1	TC-SI-330a.3	Diversity and inclusion	
Female	44.0% <sup>^</sup>	43.7% <sup>^</sup>	42.8% <sup>^</sup>				
Male	55.9%	56.2%	57.0%				
Non-binary	0.07%	0.04%	0.03%				
Technical workforce by gender <sup>158</sup>				405-1	TC-SI-330a.3	Diversity and inclusion	
Female	28.1%	27.3%	26.9%				
Male	71.7%	72.6%	72.9%				
Non-binary	0.12%	0.05%	0.05%				
Professional workforce by gender <sup>159</sup>				405-1	TC-SI-330a.3	Diversity and inclusion	
Female	44.2%	43.9%	43.1%				
Male	55.7%	56.0%	56.9%				
Non-binary	0.07%	0.04%	0.03%				

(continued)

<sup>149</sup> Workforce representation metrics in this section of the ESG Performance Metrics Table are based on self-reported data. Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals.

<sup>150</sup> Completion rate of “Building Foundations” module.

<sup>151</sup> Pay equity analysis based on total compensation is defined as base salary, annual bonus and annual equity awards.

<sup>152</sup> As of December 31 of each year. Diverse is defined as women and U.S. ethnically diverse men based on U.S. EEO-1 defined categories.

<sup>153</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>154</sup> Total diverse workforce representation is defined as global women and U.S. ethnically diverse men based on U.S. EEO-1 defined categories.

<sup>155</sup> Global employees who have self-identified as having a disability in countries where it is legally allowed or required to disclose.

<sup>156</sup> U.S. employees who have self-identified as “Non-Protected Veterans” and “Protected Veterans.”

<sup>157</sup> U.S. employees who have self-identified as LGBTQ+. Approximately 7% of U.S. employees responded as of December 31, 2022. Representation percent may vary based on broadened adoption among U.S. employees.

<sup>158</sup> Technical roles include employees in engineering, information technology and technology operations.

<sup>159</sup> Professional is defined as Director roles and below.

<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.

Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>EMPLOYEES &amp; CULTURE (cont.)</b>							
<i>Diversity, Inclusion, Equity &amp; Belonging (DIE&amp;B) (cont.)<sup>160</sup></i>							
Leadership by gender <sup>161</sup>				405-1	TC-SI-330a.3		Diversity and inclusion
Female	36.0%	33.4%	32.8%				
Male	64.0%	66.6%	67.2%				
Non-binary	0.00%	0.00%	0.00%				
U.S. ethnic diversity (% of U.S. workforce)	Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 29</a> <a href="#">PayPal EEO-1 Reports</a>			405-1	TC-SI-330a.3		Diversity and inclusion
American Indian or Alaska Native	54.0%^	51.7%^	50.0%^				
Asian	0.2%	0.3%	0.2%				
Black or African American	34.5%	32.7%	33.0%				
Hispanic or Latinx	8.3%	7.4%	6.0%				
Native Hawaiian or Pacific Islander	8.2%	8.6%	8.3%				
Two or More Races	0.3%	0.3%	0.3%				
White	2.5%	2.4%	2.2%				
Technical workforce ethnic diversity <sup>162</sup>	42.6%	44.8%	47.3%				
American Indian or Alaska Native	68.5%	67.4%	67.0%	405-1	TC-SI-330a.3		Diversity and inclusion
Asian	0.1%	0.1%	0.1%				
Black or African American	59.7%	58.9%	58.9%				
Hispanic or Latinx	2.5%	2.3%	2.0%				
Native Hawaiian or Pacific Islander	4.1%	4.2%	4.2%				
Two or More Races	0.3%	0.2%	0.3%				
White	1.8%	1.6%	1.5%				
Professional workforce ethnic diversity <sup>163</sup>	28.2%	29.3%	29.7%				
American Indian or Alaska Native	54.6%	52.2%	50.5%	405-1	TC-SI-330a.3		Diversity and inclusion
Asian	0.2%	0.3%	0.3%				
Black or African American	34.8%	32.9%	33.2%				
Hispanic or Latinx	8.4%	7.5%	6.1%				
Native Hawaiian or Pacific Islander	8.3%	8.7%	8.4%				
Two or More Races	0.3%	0.3%	0.3%				
White	2.5%	2.5%	2.2%				
	42.0%	44.3%	46.8%				

(continued)

<sup>160</sup> Workforce representation metrics in this section of the ESG Performance Metrics Table are based on self-reported data. Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals. Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>161</sup> Leadership is defined as Senior Director roles and above.

<sup>162</sup> Technical roles include employees in engineering, information technology and technology operations.

<sup>163</sup> Professional is defined as Director roles and below.

<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.



Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>EMPLOYEES &amp; CULTURE (cont.)</b>							
<i>Diversity, Inclusion, Equity &amp; Belonging (DIE&amp;B) (cont.)<sup>164</sup></i>							
Leadership ethnic diversity <sup>165,166</sup>	37.4%	37.2%	36.5%	405-1	TC-SI-330a.3	Diversity and inclusion	
American Indian or Alaska Native	0.0%	0.0%	0.0%				
Asian	26.4%	27.0%	26.2%				
Black or African American	3.6%	4.0%	3.0%				
Hispanic or Latinx	5.0%	4.5%	5.8%				
Native Hawaiian or Pacific Islander	0.0%	0.0%	0.0%				
Two or More Races	2.5%	1.7%	1.5%				
White	57.7%	58.4%	60.7%				
Underrepresented minorities by role (% of U.S. workforce) <sup>167</sup>	Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 29</a> <a href="#">PayPal EEO-1 Reports</a>			405-1	TC-SI-330a.3	Diversity and inclusion	
Overall workforce	19.5%	18.9%	17.0%				
Technical <sup>168</sup>	8.9%	8.5%	8.1%				
Professional <sup>169</sup>	19.8%	19.3%	17.3%				
Leadership	11.0%	10.2%	10.3%				
Ethnically diverse women by role (% of U.S. workforce) <sup>165</sup>	Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 29</a> <a href="#">PayPal EEO-1 Reports</a>			405-1	TC-SI-330a.3	Diversity and inclusion	
Overall workforce	24.3%	22.8%	20.8%				
Technical	22.6%	22.0%	21.6%				
Professional	24.7%	23.1%	21.1%				
Leadership	14.2%	13.2%	11.3%				
Ethnically diverse men by role (% of U.S. workforce) <sup>165</sup>	Employees & Culture/Leading With Diversity, Inclusion, Equity & Belonging, <a href="#">page 29</a> <a href="#">PayPal EEO-1 Reports</a>			405-1	TC-SI-330a.3	Diversity and inclusion	
Overall workforce	29.6%	28.9%	29.2%				
Technical	45.8%	45.3%	45.3%				
Professional	29.9%	29.0%	29.4%				
Leadership	23.2%	24.0%	25.2%				
<b>Community Engagement</b>							
Approach to empowering employee community impact	Employees & Culture/Empowering Employee Community Impact, <a href="#">pages 31-32</a>			3-3			
Total corporate charitable contributions (in millions) <sup>170</sup>	\$28.9	\$38.3	\$32.9	201-1		Economic contribution	
Workforce engaged in community impact activities <sup>171</sup>	19,500	24,000	13,300				
Nonprofits supported through community impact activities	4,000+	-	-				
Employee volunteer hours	99,700	83,700	51,200				
Skills-based volunteer hours <sup>172</sup>	49,200	-	-				

(continued)

<sup>164</sup> Workforce representation metrics in this section of the ESG Performance Metrics Table are based on self-reported data. Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals.

<sup>165</sup> Ethnically diverse includes U.S. EEO-1 defined categories American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander or Two or More Races.

<sup>166</sup> Leadership is defined as Senior Director roles and above.

<sup>167</sup> U.S. employees who identify as Black or African American, Hispanic or Latinx, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

<sup>168</sup> Technical roles include employees in engineering, information technology and technology operations.

<sup>169</sup> Professional is defined as Director roles and below.

<sup>170</sup> Includes donations, matching gifts, grants and in-kind donations.

<sup>171</sup> Number of employees that participated in community impact initiatives or activities, including volunteering, giving and/or actions to integrate impact and sustainability into their daily lives.

<sup>172</sup> Hours of capacity-building and skill-based volunteer activities, including coaching of entrepreneurs and small business owners, nonprofit board service, and pro bono support.

Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>ENVIRONMENTAL SUSTAINABILITY</b>							
<i>Climate Change</i>							
Approach to climate change		Environmental Sustainability/Mitigating Our Climate-Related Risks, <a href="#">pages 34-35</a> ; TCFD Summary, <a href="#">page 39</a> <a href="#">Environmental Sustainability webpage</a> <a href="#">Environmental Sustainability Policy</a> <a href="#">TCFD Index</a> <a href="#">Third Party Code of Business Conduct &amp; Ethics, page 3</a>	3-3, 201-2, 302-4		Principles 7, 8, 9	Paris-aligned GHG emissions targets TCFD implementation Integrating risk and opportunity into business process	
Integration of environmental considerations into strategic planning for data center needs		Environmental Sustainability/Mitigating Our Climate-Related Risks, <a href="#">pages 34-35</a> <a href="#">Environmental Sustainability webpage</a>		TC-SI-130a.3	Principles 7, 8		
Global energy use (MWh in thousands)	259.8 <sup>^</sup>	256.6 <sup>^</sup>	264.1	302-1	TC-SI-130a.1		
Facilities	59.6	51.7	65.0				
Data centers	200.3	204.9	199.1				
Renewable energy (% of total energy use)	90% <sup>^</sup>	88% <sup>^</sup>	76% <sup>^</sup>		TC-SI-130a.1	Principle 8	
Facilities (% of energy use)	58%	40%	11%				
Data centers (% of energy use)	100% <sup>^</sup>	100% <sup>^</sup>	98% <sup>^</sup>				
Science-based targets							Paris-aligned GHG emissions targets
Reduction in operational GHG emissions (% since 2019 baseline) <sup>173</sup>	-80.1%	-73.1% <sup>^</sup>	-52.7%	305-5			
Vendors with science-based targets (% of vendors by spend) <sup>174</sup>	38.8% <sup>^</sup>	29.9% <sup>^</sup>	27.3%				
GHG emissions by Scope (MTCO <sub>2</sub> e in thousands)	517.1	535.3	39.1				GHG emissions
Scope 1	3.9 <sup>^</sup>	2.6 <sup>^</sup>	3.0 <sup>^</sup>	305-1			
Scope 2 (MBM) <sup>175</sup>	6.7 <sup>^</sup>	11.7 <sup>^</sup>	22.1 <sup>^</sup>	305-2			
Scope 3 <sup>176</sup>	507	522	14	305-3			
Purchased goods and services	448	446	-				
Crypto-related <sup>177</sup>	68	48	-				
Capital goods	16	46	-				
Fuel and Energy-Related Activities (FERA) (MBM)	8.8 <sup>^</sup>	9.3 <sup>^</sup>	11.0 <sup>^</sup>				
Upstream transportation and distribution	11	1	-				
Business travel <sup>178</sup>	6.2 <sup>^</sup>	0.8 <sup>^</sup>	2.5 <sup>^</sup>				
Employee commuting and remote working <sup>179</sup>	17.0 <sup>^</sup>	18.7	-				

(continued)

<sup>173</sup> Operational greenhouse gas emissions include those emission sources covered by Scope 1 and Scope 2 market-based method (MBM) as defined by the Greenhouse Gas Protocol and the Science-Based Targets initiative. In 2019, the base year for our operational emissions target, Scope 1 and 2 emissions totaled 53,100 metric tons. While we observed operational GHG reductions exceeding our 2025 goal, we recognize that in future years this may change as employees return to the office and the Company continues to grow.

<sup>174</sup> To calculate the progress toward our goal of reaching 75% vendors by spend with a science-based target (SBT), we consider relevant annual spend with vendors who have set or committed to setting a SBT validated by the Science-Based Targets initiative (SBTi), or have publicly disclosed a greenhouse gas (GHG) emissions reduction goal that is aligned with the latest SBTi criteria, even if not validated by SBTi. For vendors with an SBT set or commitment to set an SBT, their targets have been verified against the latest SBTi v4.2 and v5 criteria. We've restated prior period values based on refinements in assessment methodology to include vendor spend from relevant Scope 3 categories only, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

<sup>175</sup> Scope 2 emissions data is calculated using the GHG Protocol market-based method (MBM), which includes purchases of renewable energy based contractual instruments.

<sup>176</sup> In 2021, we expanded our Scope 3 emissions reporting to include relevant categories across PayPal's value chain. Total Scope 3 emissions and spend-based category emissions estimates are rounded to the nearest 1,000 metric tons CO<sub>2</sub>e to reflect limitations in the underlying data sources and estimation methodologies.

<sup>177</sup> Cryptocurrency-related emissions are estimated using calendar year activity data and the Hybrid Emissions Allocation Method as presented in the [Accounting for Cryptocurrency Climate Impacts](#) guidance published by Crypto Carbon Rating Institute and South Pole in 2022. Cryptocurrency-related emissions are accounted for as purchased goods and services, consistent with the GHG Protocol, Value Chain Standard.

<sup>178</sup> As part of our commitment to sustainable business travel, we have worked directly with preferred travel vendors to refine our emissions calculation methodology. We will continue to work with vendors to enhance the granularity of employee travel information upon which our business travel GHG emissions calculations are based.

<sup>179</sup> Employee commuting emissions are estimated using average monthly office attendance data, employee transportation survey data, and U.S. EPA transportation mode emissions factors and are limited by data availability. Employee remote working emissions are estimated using average monthly remote working data and the remote working emissions methodology published by Anthesis Group in the [Estimating Energy Consumption and GHG Emissions for Remote Workers](#) white paper. We will periodically review publicly available methodologies and evaluate opportunities to enhance the quality and quantity of data available for estimating employee commuting and remote working emissions.

<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.

Description	FY22	FY21	FY20	GRI	SASB	UNGC	SCM
<b>ENVIRONMENTAL SUSTAINABILITY (cont.)</b>							
<i>Climate Change (cont.)</i>							
GHG emissions by Scope (MTCO <sub>2</sub> e in thousands, LBM) <sup>180</sup>							GHG emissions
Scope 2	101.4 <sup>^</sup>	99.0	108.6	305-2			
Scope 3 FERA	34.4 <sup>^</sup>	34.4	-	305-3			
Carbon intensity per transaction (grams CO <sub>2</sub> ) <sup>181</sup>	0.5	0.7	1.6	305-4			
<i>Natural Resource Management</i>							
Approach to managing natural resources	Environmental Sustainability/Managing Our Natural Resources, <a href="#">page 36</a> <a href="#">Environmental Sustainability webpage</a>			3-3		Principles 7, 8	
Total water consumed (gallons) (in millions) <sup>182</sup>	79.1 <sup>^</sup>	77.6	-	303-5	TC-SI-130a.2		Water consumption and withdrawal in water-stressed areas
IT hardware retired (metric tons) <sup>183</sup>	338	410	152	306-3			Impact of solid waste disposal
Sold or donated for refurbishment and reuse	75%	74%	38%	306-4			
Transferred to secure disposal vendors	25%	26%	62%	306-5			

<sup>180</sup> Calculated using the GHG Protocol location-based method (LBM), which does not incorporate contractual instruments such as energy attribute certificates.

<sup>181</sup> Calculation includes operational emissions from all Scope 1 and 2 sources, including corporate jet.

<sup>182</sup> Water consumption data is collected from facilities under PayPal's operational control utilizing direct reporting and estimated data. All PayPal data center premises are housed in co-location data center facilities and, as such, we do not have operational control of water use from data centers, nor do co-location data center facilities have the ability to measure water consumption for PayPal's premises. We engage with our data center co-location providers on water management best practices as part of our overall service agreements and requirements.

<sup>183</sup> The increase from 2020 was due to the closure of a major data center and IT refresh across our office locations. Additionally, COVID-19 significantly impacted our ability to process disposals in 2020.

<sup>^</sup> Received limited external assurance on this metric in current and/or previous reporting periods.



# Independent Limited Assurance Statement

**INDEPENDENT ASSURANCE REPORT**

**To: The Stakeholders of PayPal**

**1. Introduction and Objectives of Work**

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by PayPal Holdings Inc (PayPal) to provide limited assurance of selected Environmental, Social and Governance (ESG) performance data for inclusion in the "2022 Global Impact Report" ('GIR')<sup>1</sup> (the 'Report'). The objective is to provide assurance to PayPal and its stakeholders over the accuracy and reliability of the reported information and data.

**2. Scope of Work**

The scope of our work was limited to assurance over the following information included within the Report for the period January 1<sup>st</sup>, 2022 to December 31<sup>st</sup>, 2022 (the 'Selected Information')<sup>2</sup>:

Employee & Culture:

- Engagement survey - Employee Participation Rate (%)
- Engagement survey - Employee Engagement Score
- Engagement survey - Intent to Stay Score
- Overall Workforce Diversity (%)
- Global Gender Diversity (%)
- US Ethnic Diversity (%)
- Total Turnover Rate (%)
- Estimated Minimum Employee Net Disposable Income, Global (%)

Social Innovation:

- Funds raised for non-profits and personal causes (USD Billions)
- Number of donors who gave to non-profit and personal causes (millions)
- Total Capital to SMBs (USD Billions) in 2022
- Total Capital to SMBs since 2013 (USD Billions)
- Average International Remittance Costs (%)

Responsible Business Practices:

- Annual risk and compliance training (%)

Environmental Sustainability:

- Greenhouse Gas (GHG) Emissions Scope 1 (MT<sup>3</sup>CO2e)
- Greenhouse Gas (GHG) Emissions Scope 2 (MT CO2e)
- Greenhouse Gas (GHG) Emissions Scope 3 (MT CO2e)
  - Emissions from Business Travel
  - Fuel and Energy Related Activities (FERA) not included in Scope 1 & 2 – Location and Market
  - Emissions from Employee Commuting and Remote Working
- Global Energy Use (Renewable and Non-Renewable) (000's kWh)
- Renewable Energy as a % of total energy use
- Renewable Energy as a % of data centre energy use
- Progress of reduction target in operational GHG Emissions (% since 2019)

<sup>1</sup> GIR is a downloadable PDF available via the official PayPal website  
<sup>2</sup> All metrics are global unless otherwise stated  
<sup>3</sup> Metric tonnes

Ref: BV\_17935015 v2

Page 1 of 5

Bureau Veritas | C2 - Internal

- Vendors with Science-Based Targets (% of vendors by spend)

**3. Reporting Criteria**

The Selected Information has been prepared in accordance with internal definitions set for PayPal's ESG Indicators and needs to be read and understood together with the footnotes and commentary on the approach and methodology taken, embedded in the Report. The GHG emissions data has been prepared taking into consideration The GHG Protocol Corporate Accounting Standard (revised edition).

**4. Limitations and Exclusions**

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.

The following limitations should be noted:

- No single overall data methodology / basis of reporting document was shared by PayPal however single KPI and/or KPI family methodologies were shared and/or demonstrated.
- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

**5. Responsibilities**

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of PayPal.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Management of PayPal.

**6. Assessment Standard**

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15<sup>th</sup>, 2015), issued by the International Auditing and Assurance Standards Board.

Ref: BV\_17935015 v2

Page 2 of 5

Bureau Veritas | C2 - Internal

**7. Summary of Work Performed**

As part of our independent assurance, our work included:

- conducting interviews with PayPal personnel and PayPal's external consultants responsible for the Selected Information;
- reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
- reviewing documentary evidence provided by PayPal;
- agreeing a selection of the Selected Information to the corresponding source documentation;
- reviewing PayPal systems for quantitative data aggregation and analysis, including where applicable the underlying activity data, conversions, and emission factors applied;
- assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
- reperforming [a selection of] aggregation calculations of the Selected Information;
- reperforming greenhouse gas emissions conversions calculations;
- evaluating the design of internal systems, processes and controls to collect and report the Selected Information;

The scope of a limited assurance engagement is substantially less than for reasonable assurance both in terms of the risk assessment procedures and in performing the procedures to address the identified risks.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**8. Conclusion**

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information (a copy of which is contained in the table below) is not fairly stated in all material respects.

Such opinion is based on work undertaken and the limitations and exclusions defined in this statement.

Verified KPIs<sup>2</sup>:

<b>Employees and Culture</b>	
Employee Survey - Employee Participation rate (%)	83
Employee Survey - Employee Engagement score	79
Employee Survey - Intent to Stay score	78
Overall Workforce Diversity (%)	55.9
Global Gender Diversity (%)	44
US Ethnicity Diversity (%)	54
Total Turnover Rate (%)	23.8

Ref: BV\_17935015 v2

Page 3 of 5

Bureau Veritas | C2 - Internal

# Independent Limited Assurance Statement, cont.

Estimated Minimum Employee Net Disposable Income, Global (%)	26	
<b>Social Innovation</b>		
Funds raised for non-profits and personal causes (USD Billions)	20	
Number of donors who gave to non-profits and personal causes (Millions)	55	
Total Capital to SMBs in 2022 (USD Billions)	4.2	
Total Capital to SMBs since 2013 (USD Billions)	25.5	
Average International Remittance Costs (%)	2.9	
<b>Responsible Business Practices</b>		
Annual Risk and Compliance training completed (%)	100	
<b>Environmental Sustainability</b>		
GHG Emissions ('000 mtCO <sub>2</sub> e) <sup>3</sup>	Scope 1 – Total	3.9
	Scope 2 - Market-Based	6.7
	Scope 2 - Location-Based	101.4
	Scope 3 - Emissions from business travel	6.2
	Scope 3 - Fuel and Energy Related Activities (FERA) - Market Based	8.8
	Scope 3 - Fuel and Energy Related Activities (FERA) - Location Based	34.4
	Scope 3 - Emissions from Employee Commuting and Remote Working	17
Energy Use	Global Energy Use (renewable and non-renewable) (000's mWh)	259.9
	Renewable Energy as a % of total energy use	90
	Renewable Energy as a % of data centre energy use	100
Water	Water consumption (millions US gallons)	79.1
Science-Based Targets	Progress of reduction target in operational GHG Emissions (%) since 2019	-80.1
	Vendors with science-based targets (% of vendors by spend)	38.8

## 9. Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>4</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical

<sup>4</sup> Certificate available on request

requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2<sup>5</sup>.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFI)<sup>6</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code<sup>7</sup>. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with PayPal.



## Bureau Veritas UK Ltd

Registered in England & Wales, Company Number: 1758622  
Registered Office: Suite 206 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD

London  
April 27<sup>th</sup>, 2023

<sup>5</sup> International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2  
<sup>6</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition  
<sup>7</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

# Additional Resources



## General Disclosures

- [Global Impact Website](#)
- [2023 Proxy Statement & 2022 Annual Report](#)
- [Investor Relations](#)
- [About PayPal](#)
- [PayPal Newsroom](#)
- [Corporate Governance](#)
- [Policies and Other Disclosures](#)
- [Mission, Vision & Values](#)
- [Family of Brands](#)
- [PayPal Global Markets](#)
- [PayPal Ventures](#)



## Responsible Business Practices

- [Responsible Business Practices](#)
- [Security Center](#)
- [Trust & Privacy](#)
- [HackerOne Bug Bounty Program](#)
- [Privacy Statement](#)
- [Privacy Hub](#)
- [Data Management Principles](#)
- [Code of Business Conduct & Ethics](#)
- [Third Party Code of Conduct & Ethics](#)
- [Joint U.K. and Australia Modern Slavery Statement](#)
- [Government Relations](#)
- [Political Engagement and Transparency Policy](#)
- [Political Spending and Lobbying Disclosures](#)
- [Acceptable Use Policy](#)
- [PayPal Law Enforcement Portal](#)
- [PayPal Tax Policy](#)
- [Legal Hub](#)



## Social Innovation

- [Values in Action](#)
- [Small Business Spotlight Series](#)
- [MADE X PayPal Event](#)
- [Maggie Lena Walker Award](#)
- [PayPal Small Business Month](#)
- [About PayPal Products](#)
- [PayPal Giving Platform](#)
- [Business Resource Center](#)
- [PayPal Case Studies](#)



## Employees & Culture

- [Employees & Culture](#)
- [PayPal Careers](#)
- [PayPal Global Benefits](#)
- [Diversity, Inclusion, Equity & Belonging](#)
- [Supplier Diversity](#)
- [U.S. EEO-1 Reports](#)
- [PayPal's Looking Up Podcast](#)
- [PayPal Votes](#)
- [Community Impact Teams](#)



## Environmental Sustainability

- [Environmental Sustainability](#)
- [Environmental Sustainability Policy](#)
- [PayPal's 2022 CDP Climate Change Response](#)
- [TCFD Index](#)



## Thought Leadership

- [The Role of Data Science in Maintaining Trust and Responsible Innovation](#)
- [Proactively Protecting Users from Phishing by Intentionally Triggering Cloaking Behavior](#)
- [Trust and Access to Capital](#)
- [SME Economic Support in the Face of Inflation: Payment Options & Discounts](#)
- [SME Economic Opportunity in the Face of Inflation: Embracing Omnichannel Solutions](#)
- [SME Economic Opportunity in the Face of Inflation: Access to Capital](#)
- [PayPal and the Financial Wellness Initiative](#)
- [PayPal Giving Experiments](#)
- [Techniques to Defend Against Advanced Phishing](#)
- [Carbon Finance Opportunity Brief](#)
- [Investing in Our Planet and Taking Equitable Climate Action](#)