

2021 Global Impact Report

Building a digital economy that powers
a more inclusive and resilient world



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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.

Message from Our President & CEO

Each year it gives me great pride to release our annual Global Impact Report. It is incredible what the PayPal community can achieve when we are united in service of our mission and values. While 2021 was challenging in many ways, it also provided an opportunity for each of us to step up and make a real difference for the people and communities we serve.

Our environmental, social and governance (ESG) strategy is an increasingly integral part of how we build lasting impact for our stakeholders and is critical to driving long-term business vitality and growth. It is also crucial to building and maintaining trust, which we view as our greatest asset.

From day one, we have worked to live our mission and our values, inside and outside of PayPal. Inclusion, Innovation, Collaboration and Wellness guide every action and decision we make. As a member of the United Nations Global Compact, we also seek to align our business priorities and initiatives to advance the U.N.'s Sustainable Development Goals. In the following pages, we have detailed many of the ways we supported our stakeholders last year. These include:

Continuing to treat our employees as our highest priority stakeholder

In 2021, we expanded our wellness benefits to support our employees as the pandemic continued to disrupt our daily lives. We further strengthened the financial wellness of our employees through coaching, additional access to earned wages and targeted financial wellness grants, among other efforts. We worked with our employee resource groups to build community and belonging, and launched new programs to attract and retain top talent, with a focus on building an inclusive and diverse workforce through new talent pipelines, mentorship and maintaining pay equity.

Empowering businesses to digitize and supporting an inclusive economy

Small businesses are the backbone of our economy and our communities, and we are committed to helping them thrive in the digital era. We launched new products and services for our merchants, including Venmo business profiles, Zettle U.S. and the Zettle terminal and enhanced popular offerings such as QR codes and global pay later solutions. At the same time, we continued to support and invest in small businesses, venture capital funds, banks and nonprofits to help drive financial health and generational wealth creation for Black and other economically underserved communities. In 2021, we were proud to complete the allocation of our \$535 million commitment for racial equity and social justice.

Building climate resilience for financially underserved populations

Climate change is one of the most pressing challenges facing society today. For financially underserved populations, the threat is even greater. We believe we have a duty to responsibly manage our environmental impact and take action to build climate resilience for those most at risk. We are making steady progress toward meeting our science-based targets and were able to match 100% of the energy from our data center operations with renewable generation in 2021. PayPal is supporting innovation at the intersection of digital finance and climate equity through the development of the Digital Finance for Climate Resilience Task Force and joining a climate-focused cohort of Catalyst Fund as a founding supporter.

Deploying our platform and core capabilities to help communities in need

PayPal's products and services have never been more relevant or needed by our customers and their communities than they are today. Our platform continues to be a powerful engine for helping communities around the world. In response to the humanitarian crisis unfolding in Ukraine, we recently expanded peer-to-peer services to provide Ukrainian customers with ways to send and receive critical funds quickly and securely between friends, family and loved ones. Together with our charity partners, we also helped raise over \$420 million for organizations supporting critical humanitarian relief in Ukraine, one of the largest charitable giving efforts we have seen in such a short period of time.

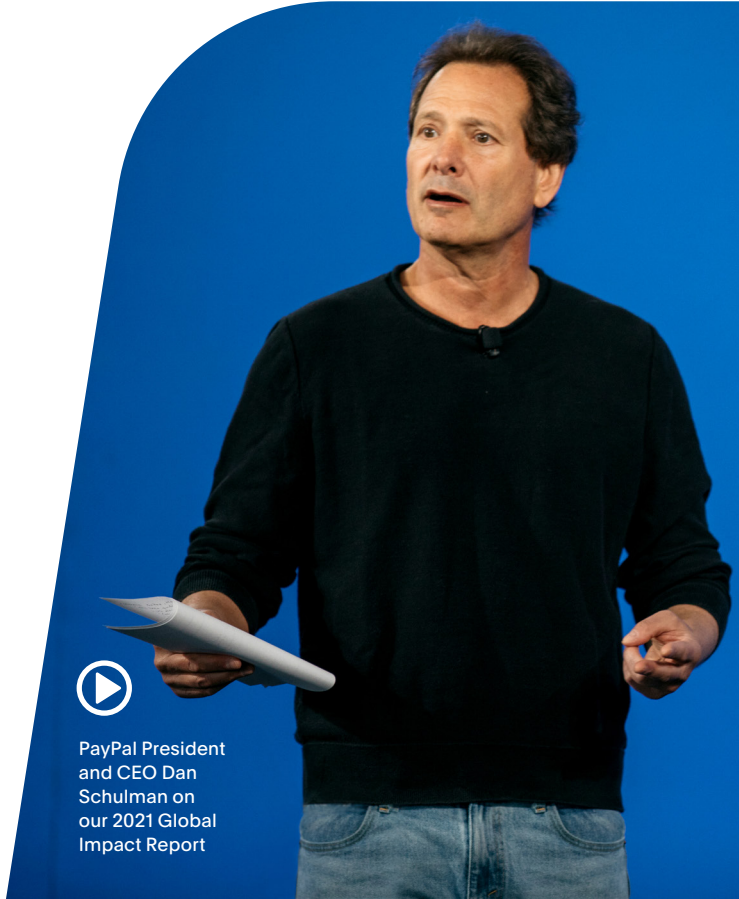
The world is changing at a rapid pace, and it is essential that we do not leave anyone behind. Our mission to democratize financial services and advance financial health will be even more important as we shift globally to a digital paradigm. Our work will not be finished until every person has the access, tools and resources they need to manage their financial lives and improve their financial health.

Our vision will only be realized if we all work together. I am inspired by the passion our employees demonstrate every day and am grateful to them and our partners around the world for believing in PayPal's mission.

Thank you.

Dan Schulman
President and CEO, PayPal Holdings, Inc.

To learn more about how PayPal is supporting humanitarian relief in Ukraine, please see [Social Innovation](#).



PayPal President and CEO Dan Schulman on our 2021 Global Impact Report

About PayPal

- About PayPal
- Identifying & Prioritizing Our Material ESG Issues
- Upholding Strong Corporate Governance & ESG Oversight

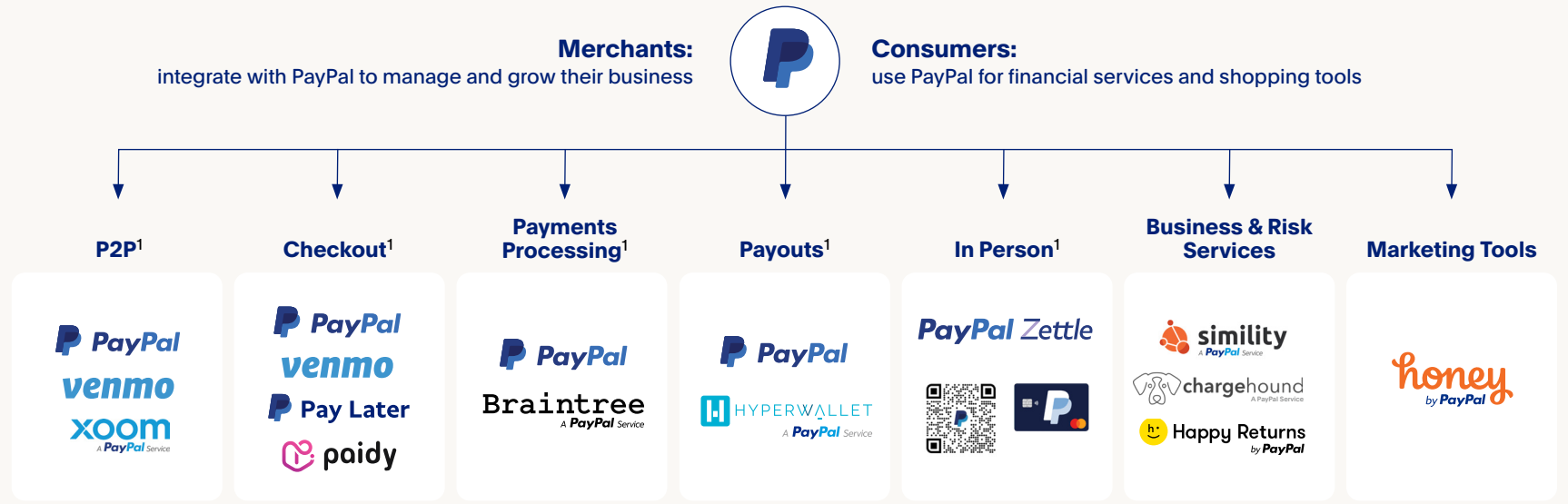
About PayPal

PayPal Holdings, Inc. (“PayPal” or “the company”; NASDAQ: PYPL) is a leading technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide. For more than 20 years, we have used technology to make financial services and commerce more affordable, convenient and secure.

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 environmental, social and governance (ESG) risks and opportunities is essential to deliver on our mission and strategy.

We operate a global, two-sided network at scale that connects merchants and consumers online and in person, with **more than 426 million active accounts** — consisting of **392 million active consumer accounts** and **34 million active merchant accounts** — across more than 200 markets.²

As the world increasingly digitizes through cashless payments and omni-channel commerce, we are focused on continuing to scale our global platforms, accelerate our speed of innovation and invest to be at the center of our customers’ commercial and financial lives. Our goal is that PayPal continues to be a trusted, everyday app for consumers and an essential tool to help small- and medium-sized businesses (SMBs), marketplaces and large enterprises navigate the increasingly digital economy.



Living Our Values

Our values of Inclusion, Innovation, Collaboration and Wellness are the driving force behind our ambitious and inclusive mission and form the foundation of our operating philosophy. They are an integral part of every decision we make and the way we lead, inside and outside of the PayPal community. As the world continues to recover from the challenges of the global pandemic, we are committed to do our part to help ensure a more inclusive, affordable and efficient financial system for all.

<p>INCLUSION</p>	<p>INNOVATION</p>	<p>COLLABORATION</p>	<p>WELLNESS</p>
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¹ Our combined payment solutions comprise our proprietary payment platform. ² As of December 31, 2021.

Message from Our ESG Leadership

Here at PayPal, we are committed to living our values through every aspect of our organization. As customer champions, employee advocates and community supporters, we incorporate ESG into our everyday work. In 2021, our employees drove tangible impacts for our customers and communities, including using their skills and expertise to help nonprofits and SMBs succeed in a digital environment, investing in programs to continuously enhance the safety and security of our products and many more. We are proud of the work we accomplished this year and are energized by the ongoing opportunity to help shape a more equitable and inclusive economy.



Kristina Friedman
Global Head of ESG Strategy
San Jose, CA, U.S.

“Our employees pride themselves in PayPal being a company that does well by doing good, whether that is expanding services in Ukraine to support critical humanitarian efforts, funding and strengthening underrepresented businesses and communities across the U.S. or continuing to prioritize employee wellness initiatives and benefits. We are thrilled that all of this important work is reflected in PayPal’s ESG program, and encouraged to see more and more companies implementing ESG strategies into their business.”



Aaron Karczmer
EVP, Risk, Platform Services and Legal
Executive Leader for PayPal’s ESG Program
New York, NY, U.S.

Driving Innovation Through PayPal Ventures

We strategically invest in companies on the forefront of innovation in fintech, commerce enablement, digital infrastructure and crypto/blockchain technologies through our corporate venture arm, [PayPal Ventures](#), which has made more than 50 investments from two funds totaling \$850 million. New investments in 2021 included:



[Oyster](#) helps startups hire, pay and manage employees globally, regardless of location, unlocking employment opportunities to populations in developing markets.



[Carro](#) brings merchants together through its product distribution platform, helping merchants seamlessly sell inventory on other merchants’ sites to expand their reach and customer base.



[VNLIFE](#) provides mobile banking to underbanked populations in Vietnam, supporting the economic development and financial health of individuals and merchants.

“Given the rapidly growing digital consumer base in Vietnam, this funding will allow us to accelerate our efforts in technologically enabling our merchant partners to keep up with consumers.”

Niraan De Silva
Managing Director, VNLIFE

Our Continued Response to COVID-19

We remained committed to helping our employees, customers and communities as they navigate the ongoing challenges of COVID-19.

- **Employees:** We organized vaccine drives and gave employees additional time off to help make vaccinations more accessible, provided additional mental health resources to manage stress and promoted remote working flexibility to help navigate a new work-life balance. See more in [Employees & Culture](#).
- **Customers:** We introduced even more ways to make accessing critical funds more convenient and seamless through our platform, including providing access to an additional \$1 billion in loans for U.S.-based small businesses through the Paycheck Protection Program. See more in [Social Innovation](#).
- **Communities:** We partnered with Uber and Walgreens to introduce the [Vaccine Access Fund](#), through which we collectively donated \$11 million to help connect people without transportation to COVID-19 vaccination sites. PayPal employees around the world mobilized to support their communities during the crisis, including leveraging their technical skills to develop digital community solutions and collectively contributing more than \$200,000 to our India COVID-19 relief fundraiser. See more in [Social Innovation](#).

Transparently Reporting Our ESG Progress

Our 2021 Global Impact Report covers ESG strategies, activities, progress, metrics and performance from calendar year 2021, unless otherwise noted.

In late 2021, we conducted a benchmarking exercise to help ensure our disclosures reflect industry best practices and emerging regulatory trends. Informed by that analysis, along with feedback from external and internal stakeholders, this report demonstrates our continued commitment to enhancing our ESG reporting practices.

We continue to evaluate internationally recognized standards and have aligned our reporting to the following frameworks. See the Appendix for our contributions to the [U.N. Sustainable Development Goals](#), [Task Force on Climate-related Financial Disclosures \(TCFD\) summary](#) and [ESG Performance Metrics table](#).



Our ESG strategy is focused on four key pillars:



Employees & Culture
Our embodiment of our core values from the inside out



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



Environmental Sustainability
Our efforts to manage our footprint and advance sustainability

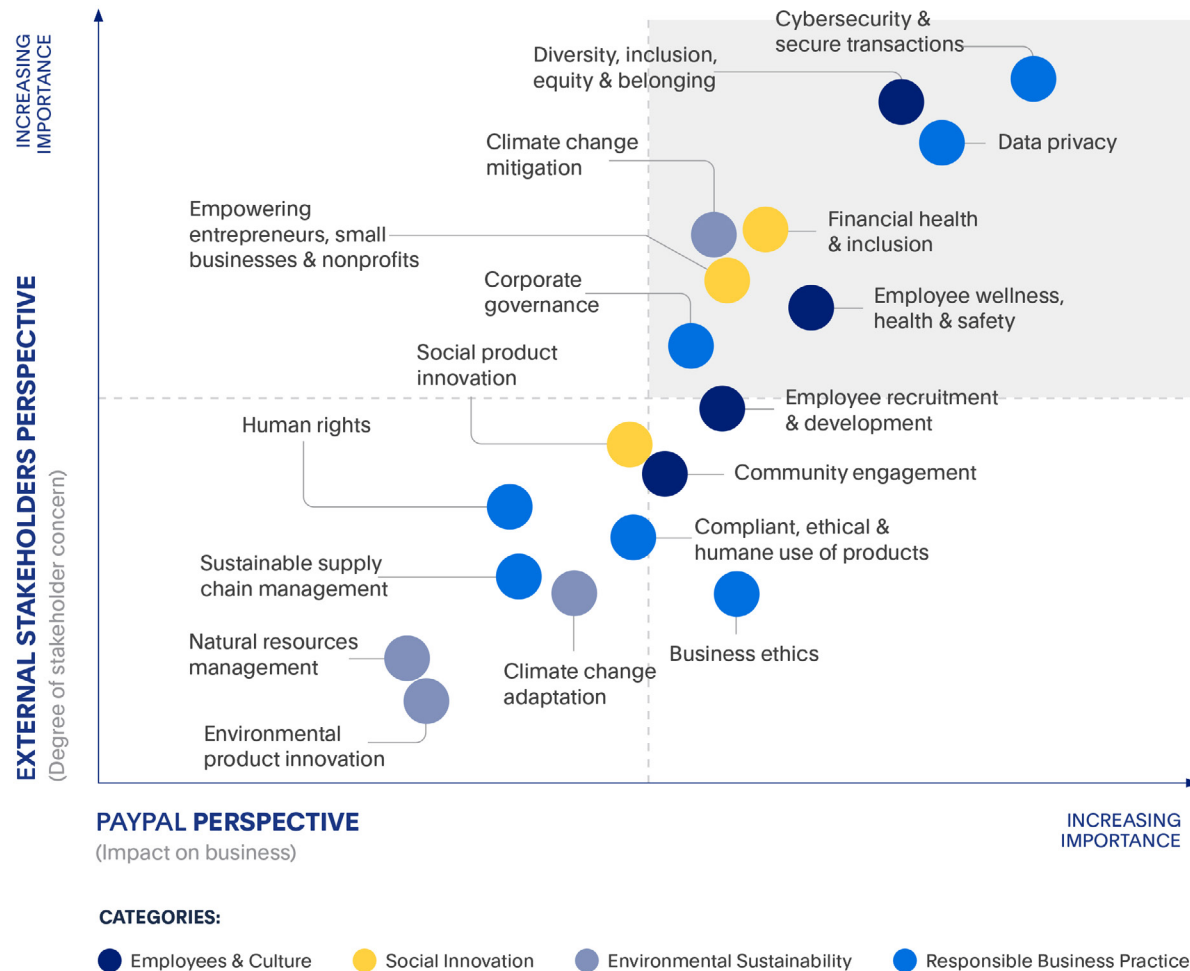


Responsible Business Practices
Our commitment and approach to operating ethically and responsibly

Identifying & Prioritizing Our Material ESG Issues

Our ESG strategy is based on the regular assessment and prioritization of the material non-financial issues designated by our business and our stakeholders as important for PayPal’s long-term success and societal impact.³ Aligned to our four ESG strategy pillars, our materiality map highlights 18 key ESG topics, eight of which are priority issues, identified by internal and external stakeholders as critical for the company.⁴

We conduct a high-level review annually and an in-depth materiality analysis every few years. The findings from our assessment serve as a key input to help us strategically deploy resources across the enterprise and refine our programs. Our 2021 review did not elicit any significant changes to our materiality map.



Engaging with Our Stakeholders

An essential aspect of our materiality assessment and the management of ESG risks and opportunities is our comprehensive approach to stakeholder engagement. We believe that creating value for all stakeholders, including our employees, customers, investors, communities and partners, is important for our long-term business.

We solicit continual input and feedback from our global workforce through employee surveys, direct conversations, discussions with our employee resource groups (ERGs) and other internal channels. In addition, we participate in regular dialogues with our investors, regulators, customers, partners, suppliers and local communities through activities such as multi-stakeholder roundtables, private sector and non-governmental convenings, discussions with suppliers and customer listening sessions.

These diverse perspectives are invaluable and help inform our ESG programs and strategies. For example, in 2021 we participated in a stakeholder roundtable to discuss the climate impact of cryptocurrencies and potential steps we can take to measure and mitigate these effects. See our [Environmental Sustainability](#) section for more information.

ESG Principles in Practice

In late 2021, we launched PayPal’s [ESG Principles in Practice](#) discussion series to share strategic business updates connected to our priority ESG topics. Our inaugural event included insights from company executives and our Governance Committee chair on our overall ESG program, and featured a discussion on our digital asset strategy from the Chief Technology Officer of our new Blockchain, Crypto and Digital Currency team. We are excited to continue this series in 2022 and beyond. Visit our [Events website](#) for upcoming sessions.



Tami Cabaniss
SVP, Human Resources, shares how PayPal’s Global Talent Management strategy supports our ESG priorities.

KEY ESG-RELATED ENGAGEMENT TOPICS

Communities	Civic engagement, climate resilience, data for good, economic empowerment, employee wellness, racial equity, stakeholder capitalism
Customers	ESG governance, product education, small business empowerment
Employees	Business strategy, community engagement, product innovation, sustainability, workplace flexibility and inclusion
Investors	Board composition and oversight, climate change strategy, cybersecurity and data privacy, executive compensation, talent management, workforce diversity
Regulators	Cybersecurity, digital assets, ESG governance, stakeholder capitalism
Suppliers	Business ethics, climate change, diversity

³As used throughout this report, the term “material” and variations thereof refer to materiality 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.

⁴As designated by those topics located in the shaded, upper right-hand quadrant of our materiality map.

Upholding Strong Corporate Governance & ESG Oversight

Robust corporate governance practices are critical to executing our business strategy and driving long-term, sustainable value creation. We believe our governance framework drives sound company oversight; ensures Board and management accountability; engenders public trust; demonstrates PayPal’s commitment to transparency, independence and diversity; and enables PayPal to adapt to the dynamic, competitive environment in which we operate. Consistent with our mission, vision and values, we apply this same approach to the oversight and management of our key ESG risks and opportunities.

Prioritizing Diverse Perspectives in Our Board Composition and Refreshment

Our company is overseen by a diverse, independent and highly effective Board of Directors. 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.

At least annually, the Board conducts an in-depth review of overall strategy, which includes engagement with leaders on key topics of interest, including business objectives, the competitive landscape, capital allocation and ESG matters. Recent key areas of focus for the Board have included strategic priorities, product and technology updates, the COVID-19 pandemic and cybersecurity and privacy risk oversight.

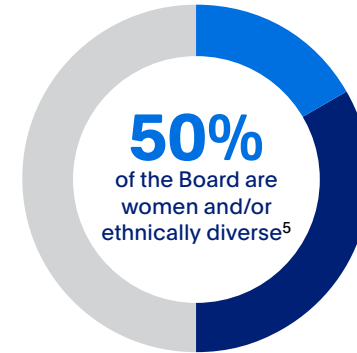
“It’s been a privilege to help build a world-class Board at PayPal — one that is diverse in backgrounds, perspectives and expertise. Growing stakeholder interest and expectations on our ESG-related initiatives have further reinforced the importance of our ongoing commitment to transparency and accountability.”

John Donahoe
Independent Chair, PayPal Holdings, Inc. Board

The Board values succession and refreshment as critical components to maintaining an appropriate balance of tenure, diversity, skills and experience needed to promote and support the company’s long-term strategy. The Governance and Nominating Committee (the Governance Committee) regularly oversees and plans for director succession and Board refreshment.

Having a mix of experienced directors with a deep understanding of the company and newer directors who bring fresh perspectives provides significant benefits to the company in driving its strategies and operations, managing key risks and effectively overseeing a dynamic ESG program.

Board of Directors Diversity



● ETHNICALLY DIVERSE ● WOMEN

“Many companies take a reactive approach to the integration of ESG within its business, but at PayPal those topics are business-as-usual and a natural part of the culture at all levels, from the Board to across our global workforce.”

Rodney Adkins
Director, PayPal Holdings, Inc. Board



Rodney Adkins



Jonathan Christodoro



John Donahoe
Independent Chair



David Dorman
Compensation Committee Chair



Belinda Johnson



Enrique Lores



Gail McGovern
Governance Committee Chair



Deborah Messemer



David Moffett
Audit, Risk and Compliance Committee Chair



Ann Sarnoff



Dan Schulman
President & CEO



Frank Yeary

Corporate Governance Highlights

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

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 PayPal

Diverse characteristics considered in assessing Board composition include 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

Stockholder right to call a special meeting

Proxy access for qualifying stockholders

Robust stockholder engagement practices

Strong stock ownership requirements for our executives and directors

Pay-for-performance compensation philosophy designed to properly incentivize and reward performance, provide transparency and position PayPal competitively

⁵ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

Establishing Effective Executive Succession Planning

The Board recognizes the importance of effective executive leadership to drive PayPal's long-term performance and reviews executive succession planning at least annually. As part of this process, the Board reviews and discusses the capabilities of our executives and identifies potential successors for the CEO and our other executive officers. Organizational and operational needs, competitive challenges, leadership and management potential and contingencies to manage emergency situations are all considered. Importantly, the Board recognizes that diversity of our executive leadership team is critical to strong and effective management of the company.



Peggy Alford
EVP, Global Sales



Jonathan Auerbach
EVP, Chief Strategy, Growth and Data Officer



Mark Britto
EVP, Chief Product Officer



Archie Deskus
EVP, Chief Information Officer



Aaron Karczmer
EVP, Risk, Platform Services and Legal



John Rainey
CFO and EVP, Global Customer Operations



Kausik Rajgopal
EVP, Chief Human Resources Officer



Dan Schulman
President and CEO



Sri Shivananda
EVP, Chief Technology Officer

56%
of our Executive Leadership are women and/or ethnically diverse⁶

Embedding ESG-Related Performance into our Executive Compensation Program

In addition to integrating risk and compliance ratings for each executive, for our 2021 Annual Incentive Plan, we began incorporating diversity, inclusion, equity and belonging (DIE&B) considerations into the individual ratings for each executive. Our initial evaluation in this area was based on each executive's commitment to helping build the foundation of a more inclusive and diverse culture, as demonstrated through measurable actions across the employee lifecycle.

Completion of our new DIE&B Learning Journey

Participation in our diverse and inclusive practices

Promotion of business-specific DIE&B initiatives

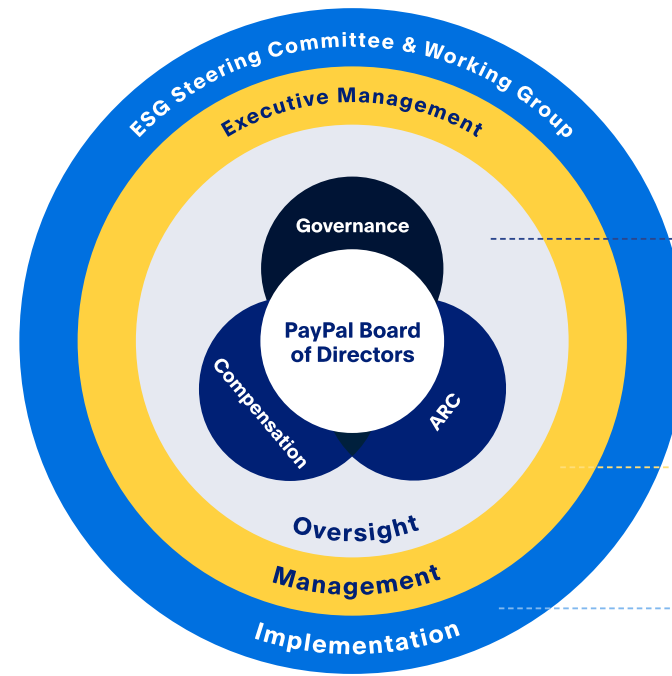
Creating Long-Term Value Through Sound ESG Governance

Our approach to ESG management, including our sustainability goals and human capital strategy, is strongly linked to long-term value creation for our stakeholders, including stockholders, employees, customers and the communities and markets where we operate.

While the entire Board and its committees are actively engaged on ESG matters that impact our business strategy, the Governance Committee, which is comprised entirely of independent directors, exercises focused oversight of PayPal's ESG program. The other principal Board committees are responsible for oversight of ESG issues associated with their respective areas of responsibility.

Our cross-functional ESG program is directed and managed by our EVP, Risk, Platform Services and Legal, in close collaboration with our Chief Financial Officer, Chief Technology Officer and other executives, and is 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.



Oversight

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

Governance Committee: Oversight of PayPal's management of ESG, including overall ESG strategy, risk and opportunities, stakeholder engagement and programs and initiatives in social innovation and environmental sustainability

Audit, Risk and Compliance (ARC) Committee: Oversight of the company's risk framework and enterprise-wide compliance program, including privacy and cybersecurity 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

Management

Our executive management directs and manages the execution of our enterprise-wide ESG strategy to ensure ESG risks and opportunities are integrated into the company's long-term strategy

Implementation

An ESG steering committee and cross-functional working groups with representatives from more than 20 functions are responsible for overall program implementation

⁶ Reflective of leadership team as of March 31, 2022. Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

2021 Highlights

Key Financial and Operational Metrics⁷

\$25.37B

in revenue
(+18% spot basis and +17% FXN⁸ from 2020)

426M

active accounts
(+13% from 2020)

\$1.25T

total payment volume
(+33% spot basis and +31% FXN⁸ from 2020)

19.3B

payment transactions
(+25% from 2020)

30.9K

global employees
(~13.1K located in the U.S.)

Key ESG Metrics

EMPLOYEES & CULTURE

83
ENGAGEMENT SCORE

Employee engagement score of 83, four points above our peer benchmark⁹

Overall workforce diversity reached 56%,¹⁰ including 44% global gender diversity and 52% U.S. ethnic diversity¹¹

56%
DIVERSE WORKFORCE REPRESENTATION

100K+
COURSES ACCESSED

Employees accessed over 100K self-directed courses on learning and development platforms

SOCIAL INNOVATION

\$3.6B
IN ACCESS TO CAPITAL

Facilitated \$3.6B in access to capital to small- and medium-sized businesses¹²

Allocated 100% of our \$535M commitment to help address racial and economic inequality

100%
ALLOCATED

\$19B+
TO NONPROFITS AND CAUSES

Enabled well over \$19B in donations to nearly 1.4M nonprofits and causes

ENVIRONMENTAL SUSTAINABILITY

100%
DATA CENTER RENEWABLE ENERGY

Met our goal to achieve 100% renewable energy across our data centers

Helped scale innovations at the intersection of digital finance and climate equity and resilience



28%
OF VENDORS BY SPEND HAVE OR COMMITTED TO SBTs

Demonstrated progress on our science-based targets (SBTs), including engaging with our vendors to set SBTs¹³

RESPONSIBLE BUSINESS PRACTICES



Formally integrated ESG topics into our enterprise-wide risk taxonomy

Achieved a record low transaction loss rate of 0.09%¹⁴

0.09%
TRANSACTION LOSS RATE

100%
TRAINING COMPLETION RATE

Sustained our 100% annual compliance and ethics training completion rate

Select Awards & Recognitions

Fortune Blue Ribbon Companies

TIME 100 Most Influential Companies

Financial Times Diversity Leaders

JUST Capital America's Most JUST Companies

2021 CPA Zicklin Index - Trend Setter¹⁵

CDP Climate Rating A-

⁷ As of December 31, 2021. ⁸ Foreign exchange rate neutral. ⁹ Engagement score includes whether employees would recommend PayPal to their peers and/or are happy at PayPal. Our benchmark includes top technology companies. ¹⁰ Global women or U.S. ethnically diverse men. ¹¹ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races. ¹² Through PayPal Business Loans, PayPal Working Capital in the U.S., U.K., Australia and Germany, and the U.S. Small Business Administration Paycheck Protection Program. ¹³ Progressing on our SBT to engage 75% of our vendors by spend to set a SBT by 2025. Vendor climate engagement metrics are based on our assessment of all vendors within relevant Scope 3 categories. ¹⁴ Transaction loss rate represents transaction losses (including expensing associated with buyer and seller protection programs, fraud and chargebacks) divided by our total payment volume. ¹⁵ The CPA Zicklin Index of Corporate Political Disclosure and Accountability is a measure of electoral spending transparency and accountability among the U.S.'s largest public corporations.



Employees & Culture

Our commitment to our core values starts with our employees, our most important stakeholders, and we strive to put our people first. This guiding principle underpins our approach to navigating an increasingly competitive talent market and creating a supportive and inclusive culture amid a global pandemic. To foster a strong culture of Customer Champions, we aim to attract, develop and retain a workforce that reflects the diversity of the merchants and consumers we serve around the world.

This year, we continued to prioritize employee total wellness, with added benefits, resources and learning opportunities. We collaborated across teams to create an inclusive experience throughout the employee lifecycle and enabled even more opportunities for our people to engage with each other and their communities.

SDGs in This Section:



Employees & Culture Highlights

- Increased our work-life balance employee score to 75 in our annual engagement survey (+2 points from 2020)
- 21K employees accessed over 100K self-directed courses to advance their personal, professional and business development
- Achieved 100% pay equity in the U.S. for Black, LatinX and Asian women, as compared to white male peers, and 100% global gender and overall U.S. ethnic pay equity
- Reached at least 15% PayPal-defined estimated net disposable income (eNDI) for hourly and entry-level U.S. employees¹⁶ and weighted average eNDI of 34% in locations outside the U.S.¹⁷
- Reached overall workforce diversity of 56%, including 44% global gender diversity and 52% U.S. ethnic diversity¹⁸
- 51% of our global employees helped direct \$1.4M in nonprofit grants through our new participatory grantmaking process
- PayPal employees volunteered nearly 84K hours (+63% from 2020)

Evolving for the Future of Work

How we work has changed dramatically since 2020. To help shape an inclusive culture that fosters belonging and enables the best of our employees, we launched our multi-year journey, Evolution of Work. Informed by employee feedback, we are implementing new programs, operations and initiatives — including technology advancements and enhanced meeting culture — for our employees globally. These changes aim to make significant, values-aligned advances in our approach to work.

Notable Awards & Recognitions

**Bloomberg
Equality Index**

**Human Rights
Campaign Best
Places to Work for
LGBTQ Equality**

**Glassdoor Best
Places to Work**

**Forbes World's
Best Employers 2021**

¹⁶ The PayPal-defined estimated net disposable income is the discretionary income remaining for our employees after taxes and typical living expenses are paid. We recently refined our methodology to include additional locations and incorporate equity value at time of grant to provide a more consistent assessment of PayPal's compensation program and remove exogenous market factors. We revised prior period metrics to reflect this update.

¹⁷ The weighted average of international locations is calculated using the number of employees by location and minimum eNDI across nearly 20 sites.

¹⁸ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

Employees & Culture

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

Managing Our Global Workforce

We work to nurture a culture across PayPal that attracts, retains and develops top global talent to create the best products and services for our customers. We do this by actively listening to our workforce, extending our talent pipeline, creating immersive and accessible employee experiences and promoting workforce wellness. Our global talent strategy is focused on empowering the next generation of diverse talent who are highly engaged and are proud to work at PayPal today and in the future.



“As we look ahead to an increasingly hybrid environment, PayPal’s approach to the future of work is guided by three key principles: flexibility, humility and equity. Our values of Inclusion, Innovation, Collaboration and Wellness will continue to be at the center of everything we do and will guide the experiences we create for our global colleagues. We are committed to ensuring everyone — no matter where or how they work — is connected and engaged in equitable and meaningful ways.”

Kausik Rajgopal
EVP, Chief Human Resources Officer
San Jose, CA, U.S.



Listening & Learning from Our Employees

With most employees continuing to work remotely in 2021, we explored new and dynamic ways to keep a finger on the pulse of our global workforce — including virtual town halls, ask-me-anything sessions with leaders, “Candid Conversations” to share ideas or raise any concerns and regular surveys, among others. Feedback from these channels directly informs the development of company programs and resources.

In addition to our comprehensive annual employee engagement survey, we solicited employee input to help shape the path to reopening our offices and inform our annual performance program. We shared analytics and insights directly with managers to help identify opportunities for improvements. In 2022, we plan to collect targeted employee feedback on employee wellness and manager effectiveness.

Annual Global Employee Survey Highlights²¹

79% of employees participated²²

83 Engagement Score
four points above our technology peer benchmark²³

80 Intent to Stay score
An important benchmark for employee satisfaction declined two points but has remained at or above 80 over the past two years

75 Work-Life Balance score
A critical focus area in 2021, this score reflects a two-point increase from 2020 and is two points above peer benchmark

85% of employees noted that they received the support needed from their manager, significantly above our peer benchmark

In our 2021 survey, we included questions to gauge employee perspectives and evaluate future effectiveness of our diversity, inclusion, equity and belonging (DIE&B) strategy, including whether employees feel comfortable to speak their mind. We use this data and direct employee comments to drive our culture of inclusion, refine our programs and promote overall employee participation.

¹⁹ As of December 31, 2021.

²⁰ Remaining below [U.S. Bureau of Labor Statistics](#) trends for the financial and technology sectors.

²¹ All scores benchmarked against top technology peers.

²² While we remained above our benchmark, our participation rate was 6 percentage points lower than 2020. We remain focused on making our surveys more accessible and convenient.

²³ Whether the employee is happy at PayPal or would recommend PayPal to their friend.

Championing Our Employees Throughout Their Careers

Recruiting & Retaining Top Global Talent

As our business has grown and evolved, so has our need to recruit talent with the skills and specializations to advance and support our business priorities. In 2021, we continued to recruit and hire talent through an all-virtual process and began evolving our candidate experience — from university to executive hires — to ensure our hiring practices reflect our commitment to advancing DIVERSITY, INCLUSION, EQUITY & BELONGING. We also continued to focus on fostering a sense of community and provide opportunities for growth to retain our highly skilled existing talent.

2021 updates to our recruitment and retention strategy include:

- **Creating new resources for hiring managers** to draft inclusive job descriptions, select diverse interview panels and leverage several new diverse talent pools to identify the best candidates for each role.
- **Refreshing our Embark new-hire experience** by creating a one-year onboarding journey, supported by over 30 voluntary captains around the world who help connect new employees in their local communities across the business.
- **Formally removing individual performance ratings** to reduce unnecessary stress and promote a more supportive culture — a decision we made in 2020 during the pandemic and formalized in 2021.

Advancing Our Culture of Learning

We reimagined our approach to learning and development throughout 2021 by focusing on opportunities that enable business impact, team performance and individual growth, and are accessible to all functions, teams and individuals. Specifically, we:

- Created a **business-focused learning journey** for all employees, with curated courses to help them better understand our industry, business and products.
- Launched an enhanced **Inclusion@PayPal** multiyear learning program. For more, see [Diversity, Inclusion, Equity & Belonging](#).
- Promoted career mobility and accelerated innovation through our new **skillXCHANGE** platform that allows employees around the world to contribute to projects outside of their typical work and build new skills.
- Introduced **ExecOnline**, a course platform with accreditation from UC Berkeley where over 1,600 leaders participated in classes focused on developing leadership and team management skills.

We are also advancing efforts to enable employees to learn anytime, anywhere and for any skill through [self-paced and community learning experiences](#). We continued to invest in self-directed learning platforms, such as LinkedIn Learning, O’Reilly and Udemy for Business, where employees can easily access relevant learning content based on their personal, professional and business needs.

“It brings me immense pride and humility to be the Embark Captain for PayPal in Singapore, and welcome new employees to our Singapore site for over two years now! Each time I deliver an Embark session, it reminds me of how amazing and purpose-driven our company is.”

Rahul Mallan
Program Manager, Business Operations & Talent Management
Singapore



21.5K

employees leveraged learning resources

21%

YoY increase in users

100K+

self-directed courses accessed

19%

YoY increase in learning time

We invested in targeted employee development programs that support the next generation of leaders at PayPal, including:

- Enhancing distinctive leadership training by growing our eight-week **Emerging Leader Program (ELP)** to new global markets and launching the **Advanced Leadership Program** for high potential leaders to build capabilities, grow networks and gain executive exposure.
- Expanding our global cohort in the **Fortune Connect** membership community to 100 executive-bound professionals that want to grow their careers and make the world better.
- Launching **Customer Immersion Experience (Immerse)**, designed to reinforce our Customer Champion strategy among Director+ employees through live side-by-side experiences with our customer service operations team.

250+

leaders participated in Immerse globally, with 98% indicating it improved their understanding of customer pain points

Dedicated Learning for Our Technologists

We deemed 2021 the “year of technologists” due to our efforts to bolster our learning and development opportunities for our engineers, including:

- Accelerating learning for recent college graduates (RCG) on PayPal’s technologies, leadership and culture through our **RCG Technical Bootcamp**.
- Expanding **Good 2 Great**, our yearlong program designed to prepare the next generation of engineering leaders through mentorship, classroom and experiential learning across the Americas and APAC regions.
- Continuing our **Technology Leadership Program**, an internal two-year technology-focused rotational program providing accelerated leadership training and exposure to various parts of PayPal’s business, as well as shadowing and coaching opportunities.

15K+

development days saved by providing centralized technology training²⁴

“I was recently promoted and I give credit to the G2G program for getting me to this place!”

— anonymous Good 2 Great participant

²⁴ Number of development days saved in the year for engineers who completed proactive technical training classes versus individual learning.

Promoting Employee Wellness

We remained focused on employee total wellness throughout 2021. As employees navigated remote work, personal impacts of the pandemic and various natural disasters, we continued to prioritize their financial, physical and mental health through comprehensive benefits, resources and programs.

Prioritizing Employee Financial Wellness

We continued enhancing our Employee Financial Wellness initiative to help strengthen the financial literacy and security of our global workforce by:

- Providing **800 financial education and coaching sessions** conducted globally, including a tax education course delivered across 21 countries.
- Granting **early access to earned wages** for employees in the U.S., Ireland, U.K. and India.
- Extending **targeted financial wellness grants** to our hourly and entry-level employees.
- Implementing significant changes to the vesting schedule for certain types of equity awards granted in 2022, **giving employees earlier and more frequent opportunities to access their vested equity.**
- Continuing to offer the opportunity to participate in the **Employee Stock Purchase Plan and 401(k) retirement accounts** for our hourly and entry-level employees.

In 2021, the PayPal-defined estimated net disposable income (eNDI) for hourly and entry-level U.S. employees reached at least 15% in the U.S.²⁵ In locations outside the U.S., we observed a weighted average eNDI of 34%.²⁶ **We are committed to reaching our target of at least 20% eNDI for all of our employees** and continue to assess opportunities to support their financial wellness. This includes evaluating insights from our new research project — Employee Financial Wellness Diaries — aimed at understanding the ways our initiatives have impacted employees’ financial lives beyond annually surveyed metrics.

GOAL:	2021 PROGRESS:
Reach 20% eNDI for all hourly and entry-level employees	15% minimum eNDI for U.S. employees
	34% weighted average eNDI internationally

Supporting Employee Physical Wellness

In 2021, we introduced new and extended benefits and resources for employees and their families, including:

- Implementing a **global COVID-19 testing and vaccine reimbursement program** to help employees recoup any related expenses not covered by local governments or insurance, including travel costs, and hosting on-site vaccination clinics at several locations globally for employees and their families.
- Working with our Employee Discount program partners to **highlight support products and wellness classes** as employees continued to work remotely.
- Offering **backup childcare services** through our partnership with Bright Horizons, including 30 visits at no cost.
- **Keeping employee contributions for medical coverage flat** as part of the U.S. Benefits Annual Enrollment for the second year in a row, with PayPal absorbing the cost increases.

“We know that the growth and success of our organization comes from our people. By putting employees first and investing in their wellness, including their financial well-being, we can build the financial health of our employees and their families and communities, expand opportunity, reduce inequality and better serve our customers and our shareholders. Prioritizing the financial health and security of our global colleagues strengthens our employees’ capacity to meet the evolving needs of our customers and communities throughout the world.”



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

Worker Financial Wellness

Research shows that improving workers’ financial wellness not only benefits workers themselves, but also business outcomes. Following the launch of the Worker Financial Wellness Initiative in October 2020 in partnership with JUST Capital, Good Jobs Institute and Financial Health Network, we are excited to see the coalition expand with new corporate members, including Chipotle, Chobani, Even, Prudential Financial, Synchrony and Verizon.

Through their participation, these companies are signaling the importance of investing in employee well-being to support long-term growth and financial resilience of workers across the nation.

“Through the Worker Financial Wellness Initiative, we’ll continue to build the growing body of evidence demonstrating the connection between the financial security of a company’s workforce and their overall business performance.”

Martin Whittaker
CEO, JUST Capital



²⁵ The PayPal-defined estimated net disposable income is the discretionary income remaining for our employees after taxes and typical living expenses are paid. We recently refined our methodology to include additional locations and incorporate equity value at time of grant to provide a more consistent assessment of PayPal’s compensation program and remove exogenous market factors. We revised prior period metrics to reflect this update.

²⁶ The weighted average of international locations is calculated using the number of employees by location and minimum eNDI across nearly 20 sites.



Responding to Employee Needs During COVID-19

As COVID-19 cases surged in India and the Philippines in 2021, we provided virtual resources and on-the-ground services to support employees and their families as they navigated the crisis:

- Home-delivered COVID-19 care packs and covered COVID-19 testing costs
- PayPal-funded expanded medical teleconsultation coverage for employees and their families
- Procured and deployed oxygen concentrator devices and emergency ambulances at select office sites for families in need
- Introduced a hotel isolation program to offer medically attended safe spaces in India

Providing Resources & Programs for Mental Wellness

We also continued to offer robust time off and leave benefits, including the continuation of company-wide Global Wellness Days, extensions of our 2019 and 2020 sabbatical eligibility, expanded Crisis Leave benefits and extended paid time off carryover timeframes. Additionally, we offered trainings and educational resources to support employee mental wellness, including:

- An expansion of our **“Mind Yourself” mental health program** across our global finance and customer operations organizations, including our Omaha, NE; Chandler, AZ; Shanghai, China; Bangalore, India; and Manila, Philippines’ sites, where 62% of employees and 79% of site leadership participated.
- A new initiative to provide employees **courses on mental wellness, resilience, burnout and positive mindset** in Ireland, the Philippines and the U.S., where employees completed more than 19,700 courses.

19.7K | Courses on mental wellness completed by employees

Advocating for Employees

Our dedicated Employee Advocacy team and our Global Wellness Advocates provide additional support to protect our workforce amid unexpected crises. Through our Employee Relief Fund, in 2021, PayPal provided critical financial support in response to hundreds of individual employee crises, including COVID-19-related illness and other hardships.

The team also responded to employees affected by natural disasters, developed new domestic abuse guidelines and received mental health first-aid training to help colleagues better cope with the stress and anxiety of extraordinary life events. This was in direct response to the feedback we received on work-life balance in the 2020 employee engagement survey.



“I will never forget how our cross-functional teams came together to support our employees in the most challenging of conditions. It was a phenomenal team effort and in some circumstances, literally made all the difference.”



Catherine Barker
Sr. Director, Head of Global Employee Advocacy
Luxembourg

Cultivating Diversity, Inclusion, Equity & Belonging

Following the expansion of our diversity and inclusion efforts in 2020 to reflect the importance of equity and belonging, we designed and launched new programs in 2021 that we expect to catalyze the momentum of our long-term DIE&B strategy and aspirations.

We recognize that we're in the early stages of a transformational journey that requires our sustained commitment and we're investing in long-term goals designed to drive meaningful change. We remained dedicated to our efforts to increase representation globally, with particular attention on enhancing our female, Black and LatinX employee populations.

Guided by our new Chief Human Resources Officer and led by our Global Head of DIE&B and our dedicated DIE&B team, in partnership with appointed business leaders on our DIE&B Roundtable, we are strengthening our existing inclusion efforts and piloting new initiatives. We provide quarterly dashboards to our DIE&B Roundtable for business-specific insights on key metrics related to the intersection of our employee lifecycle and DIE&B strategy, including trends on employee mobility by ethnicity and gender. In 2021, we also began including DIE&B considerations in our executive compensation program. See more in [About PayPal](#).

Maintaining Pay Equity

We expanded the scope of our analysis to include annual equity awards in addition to other components of pay, and we are pleased to report that we achieved 100% pay equity in overall total compensation for women globally as compared to male peers, and 100% pay equity for Black, LatinX and Asian employees in the U.S. as compared to white peers. We also observed that we achieved 100% pay equity in overall total compensation in the U.S. for Black, LatinX and Asian women, as compared to white male peers.²⁷

Investing in Inclusive Talent Pipelines

In close partnership with organizations such as [CodeHouse](#) and [INROADS](#), we've been able to identify and tap talented Black and LatinX students for internships and summer programs. PayPal was instrumental in mentoring and supporting the inaugural cohort of the CodeHouse Scholars Initiative summer academy, which welcomed more than 25 students from three historically Black universities in 2021.

"Together we are building a world that provides underrepresented talent with the skills and experience needed to impact the future of technology."

Forest T. Harper
INROADS President and CEO



"As an INROADS alumna, I know firsthand that access to meaningful opportunities can change the trajectory of your life. Partnerships like these enable us to live our value of Inclusion and create paths for underrepresented talent."

Kim Jenkins
Global Head of DIE&B
New York, NY, U.S.



100%

INTERSECTIONAL PAY EQUITY IN U.S.

Achieved 100% pay equity in the U.S. for Black, LatinX and Asian women, as compared to white male peers, and 100% global gender and U.S. ethnic pay equity

²⁷ Total compensation is defined as base salary, annual bonus and annual equity awards.

²⁸ Based on period from launch on October 6, 2021, through January 14, 2022.

Expanding Employee Resources to Support Inclusion

Ensuring we have a shared understanding and vocabulary is crucial to building a more inclusive PayPal. Leaders across PayPal participated in the REI Groundwater Approach training to understand structural racism and biased thinking. These trainings were essential to informing the development of Inclusion@PayPal, our enhanced global learning program for all employees. This modular learning series leverages real-world examples and personal stories to engage and activate employees on their DIE&B journey. This resource helps lay the foundation for future modules in 2022 and beyond, including topics such as code switching and covering.

APPROXIMATELY
40% of PayPal employees have already completed our new Inclusion@PayPal training.²⁸

We aim to provide the resources and environment for our employees to do their best work at PayPal. Just as important as investments in technology and tools are investments in the platforms and pathways that enable our talent to shine. In addition to early-career mentoring programs, we are establishing sponsorship initiatives for women and underrepresented populations in our organization to access coaching, support and connection with leaders who will champion their development.

"Our Product Inclusion program is focused on centering underrepresented groups within and across the development lifecycle of PayPal's solutions to ensure that product decisions lead to equitable experiences and outcomes for our wonderfully diverse customer base."

Daniela Jorge
VP, Chief Design Officer
San Jose, CA, U.S.



²⁹ Study of Underrepresented Classes Chasing Engineering and Science Success (SUCCESS) Act of 2018, October 2019.

³⁰ Launched the program in Q1 2022.

Findings by the U.S. Patent Office and leading researchers show that women, people of color and veterans are significantly underrepresented as U.S. patent inventors.²⁹ In 2021, PayPal joined over 35 other major companies in signing the [Diversity Pledge](#) to demonstrate our commitment to working to address the issue of underrepresented innovators.

Promoting DIE&B in Our Value Chain

We recognize that we have a responsibility to champion DIE&B throughout our value chain — both in our product development and our supplier engagement.

- Our Product Inclusion team is charged with **reimagining how we design products to be more just and inclusive** to help drive economic opportunities for all. For example, in early 2022, the team collaborated with Rise, PayPal's ERG for Asian/Pacific Islander employees and allies, to refine Venmo's Lunar New Year campaign — ensuring our product launch was culturally resonant with those who celebrate the holiday.
- Our Supplier Diversity Program continues to grow and develop processes and policies designed to **enable diverse businesses to work with PayPal**. For example, in 2021, we collaborated with Global Contingent Staffing to provide individuals with Autism greater access to IT-related jobs³⁰ and Aliados, PayPal's LatinX ERG, to develop workshop curriculum for female felons to help reduce recidivism.

2021 Highlights from Our Employee Resource Groups

Representation, inclusion and allyship are critical to cultivating a sense of belonging. Our eight global ERGs provide spaces for our diverse employees and allies to connect and drive cultural change — both internally and outside PayPal.



Celebrating LatinX culture

Aliados worked with PayPal’s talent acquisition and hiring teams to enhance our enterprise-wide recruitment process and increase the number of LatinX applicants and hires. The group also hosted fireside chats with prominent LatinX external speakers to celebrate LatinX Heritage Month and launched new global chapters in Germany and Guatemala.



Standing with the Pan Asian community

With the increase in hate crimes and anti-AAPI rhetoric, *Rise* partnered with [Hate is a Virus](#), [Stop AAPI Hate](#) and [Act to Change](#), and hosted workshops with [Right to Be](#) and [Asian Americans Advancing Justice](#). The group helped design an employee-giving campaign to raise over \$200K for COVID-19 relief in India and hosted fireside chats with prominent AAPI civil rights leaders, such as [Amanda Nguyen](#).



Providing resources for Black employees

Amplify hosted events on the history of redlining, celebrated Juneteenth with fireside chats with Harvard professor [Dr. Annette Gordon-Reed](#), promoted Black entrepreneurship during Black Business Month and welcomed CEOs of African fintechs [Chippercash](#), [Luno](#) and others for U.K. Black History Month.



Fostering connection for our military veterans

To honor those who serve and support our veteran community, *Serve* sponsored the [Tunnel to Towers Run](#) in New York for the 20th anniversary of 9/11, hosted a Safe Space conversation following the U.S. withdrawal from Afghanistan, launched a card writing and care package campaign for deployed troops, and observed Veterans Month by donating \$14K to the military community.



Creating safe spaces for interfaith discussion

With the goal of fostering a safe environment for all faiths and world views, *Believe* established a mentorship program and facilitated an “Introduction on Religions” education series in collaboration with *Amplify*, *Aliados* and *Rise*.



Supporting our disability community

Thrive launched new chapters in the U.S. (Austin, TX and Scottsdale, AZ), China, the U.K. and Singapore and hosted an eight-week program for employees on resilience interventions. For International Day of Persons with Disabilities, they hosted a fireside chat with American disability rights activist [Judy Heumann](#) and PayPal CEO Dan Schulman.



Championing LGBTQ+ employees

Pride hosted discussions with thought leaders and LGBTQ+ advocates, including Prime Minister of Luxembourg Xavier Bettel and U.K. rugby star Gareth Thomas. They also expanded partnerships with organizations such as [Human Rights Campaign](#) and [Out in Tech](#), including a new three-year partnership with the [Tent Partnership for Refugees](#) to mentor 50+ LGBTQ+ refugees in the U.S. and Europe.



Empowering women at PayPal

Unity worked to advance gender equity by celebrating Women’s History Month and International Women’s Day, developed initiatives for working parents; connected employees to sponsorship, mentoring, volunteering, shadowing and other educational opportunities; and launched the [Looking Up](#) podcast series focused on female leadership.

Advocating for Equality & Inclusion

PayPal is a longtime advocate for LGBTQ+ equality and inclusion and is a proud recipient of a 100% rating from the Human Rights Campaign (HRC) Corporate Equality Index since becoming an independent company in 2015. In 2021, we signed on to the [HRC’s Business Statement Opposing Anti-LGBTQ State Legislation](#), opposing bills introduced in statehouses across the country that discriminate against or exclude the LGBTQ+ community. We also signed on to the [April 2021 letter by Texas Competes](#) supporting the inclusion of LGBTQ+ people in that state’s non-discrimination policies.

Leaning into our advocacy on LGBTQ+ equality and inclusion and drawing from our mission and values, PayPal also ramped up our advocacy in support of [a U.S. national paid leave policy](#), [greater protections and accommodations](#) for pregnant workers and equitable treatment for all immigrants, and called for applying the disparate impact framework to the use of [artificial intelligence and machine learning](#).



“As an executive member of both *Aliados* and *Amplify*, I’ve seen firsthand the importance of intersectional collaboration to help uplift one another and bring groups together, whether you identify as part of that community or as an open and active ally.”

Cassandra Knight
VP, Chief Litigation Counsel
Executive Sponsor for Aliados and Executive Steering Committee member for Amplify
San Francisco, CA, U.S.

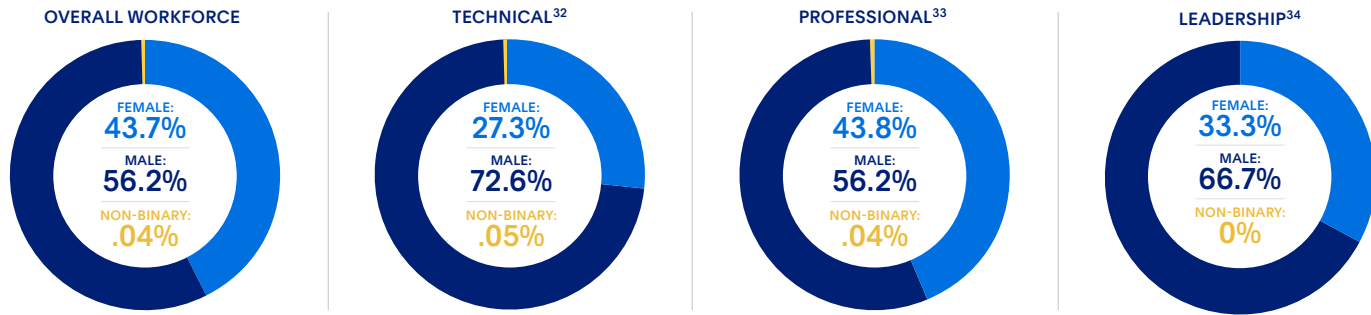




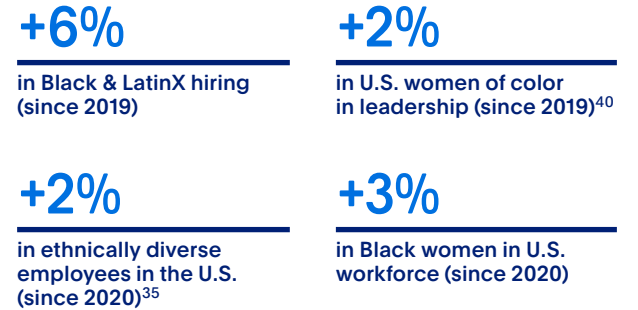
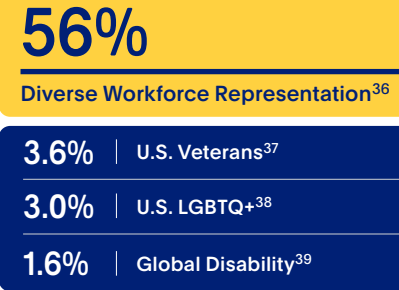
Increasing Workforce Representation

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 diversity data³¹ is a critical measure of our performance and progress to building a truly inclusive workplace. This information is used to inform program enhancements, our approach to hiring and pipeline development and to create learning opportunities for employees. We regularly review best practices to ensure we provide transparent reporting and disclosures on our workforce demographics and will continue to evaluate ways to enhance our disclosures to more accurately reflect our multifaceted and diverse workforce. We are committed to disclosing employee lifecycle data including retention data by gender and U.S. ethnicity by 2024.

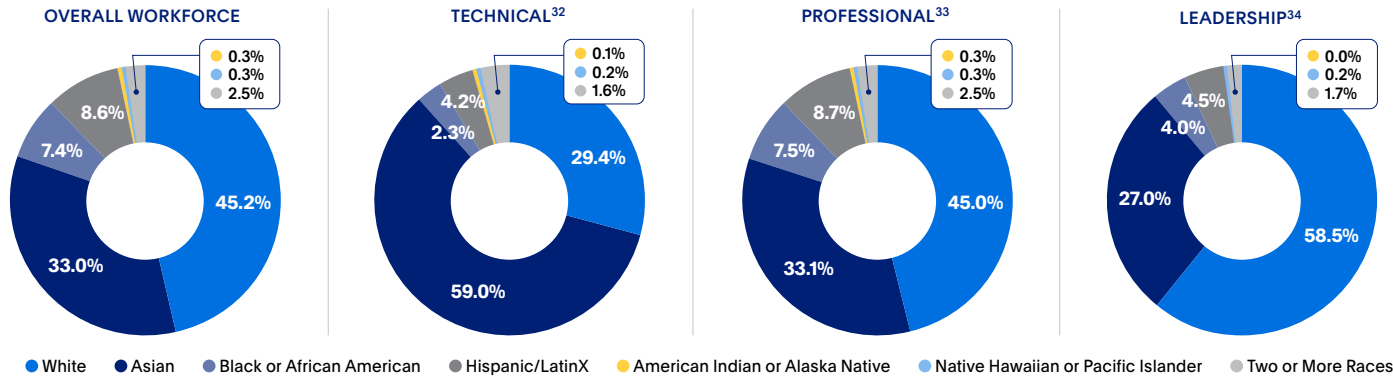
2021 Global Gender Diversity



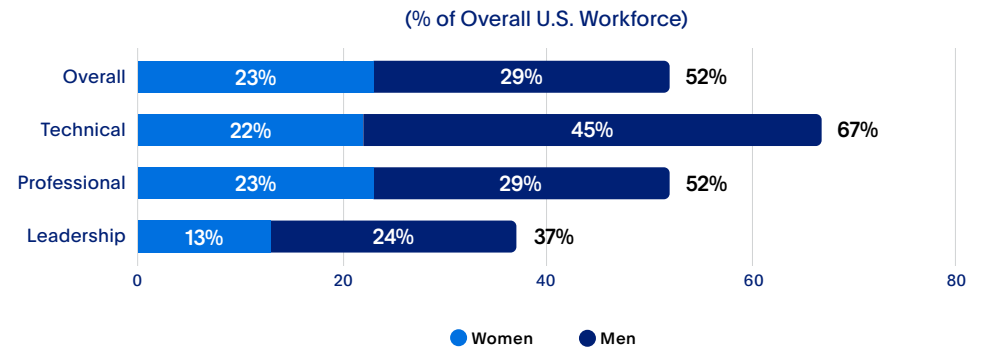
Diversity Trends by the Numbers



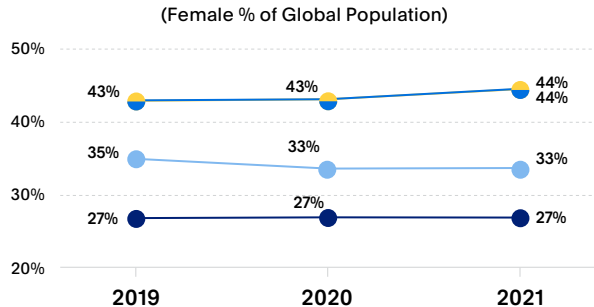
2021 U.S. Ethnic Diversity³⁵



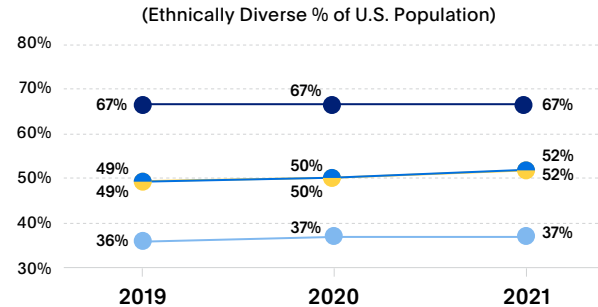
2021 U.S. Ethnic Diversity by Role³⁵



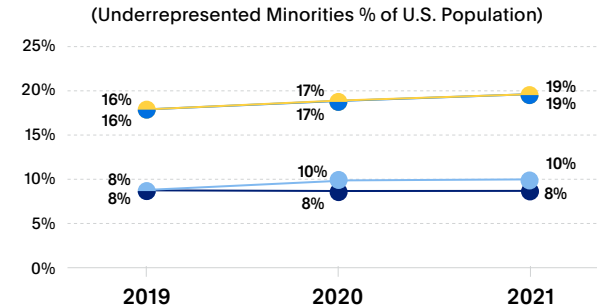
Global Gender Diversity



U.S. Ethnic Diversity³⁵



U.S. Underrepresented Minorities⁴¹



Visit our [website](#) for access to our available EEO-1 reports.

³¹ Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals.
³² Technical roles include employees in engineering, information technology and technology operations.
³³ Professional is defined as Director and below.
³⁴ Leadership is defined as Senior Director and above.
³⁵ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.
³⁶ Total diverse workforce representation is defined as global women and U.S. ethnically diverse men.
³⁷ U.S. employees who have self-identified as "Non-Protected Veterans" and "Protected Veterans."
³⁸ U.S. employees who have self-identified as LGBTQ+. This self-identify question was launched on July 22, 2021, and about 6% of U.S. employees responded as of December 31, 2021. We are promoting this self-ID question in 2022 and the representation % may vary based on broadened adoption among U.S. employees.
³⁹ Global employees who have self-identified as having a disability in countries where it is legally allowed or required to disclose.
⁴⁰ Women in the U.S. who identify as Asian, Black or African American, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander or Two or More Races.
⁴¹ 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.

Empowering Employee Community Impact

Our employees share the same commitment to social innovation that drives our company mission. In 2021, employees across PayPal actively sought opportunities to apply their personal knowledge, passions and skills to make a positive impact through volunteering, charitable giving and employee engagement programs.

Encouraging Employee Volunteerism

Following a record year of volunteerism and giving in 2020, PayPal employees once again demonstrated their generosity and desire to support their communities by volunteering **over 80,000 hours** (increasing 63% from 2020) and **donating nearly \$5 million** (including matching) in 2021.⁴² We continued to make volunteer opportunities more accessible to employees and **nearly 80% of our workforce mobilized** to support their communities as a result.⁴³ To learn more about how our employees are engaging to help address climate change, please see [Environmental Sustainability](#).

Evolving Our Community Impact Teams

We expanded and enhanced our PayPal GIVE Teams to become our new PayPal Community Impact program, a focused effort to mobilize employees to further PayPal’s vision of powering an equitable and inclusive global economy and advance our collective social impact. The program enables employees to foster stronger relationships with local communities through volunteering, grantmaking and other activities.

“We prioritized programs and initiatives aligned to PayPal’s mission, vision, values and employees’ skills, connecting employees to a shared purpose, providing service learning opportunities and building community through social impact.”

Kenrick Fraser
Global Employee Volunteerism & Engagement
Lead, Social Innovation
New York, NY, U.S.



Examples of initiatives, programs and events from our 2021 Community Impact Teams include:

- 1 U.S.:** Hosted a series of four informational workshops in partnership with the [Greater Phoenix Urban League](#) and GoDaddy to educate approximately 20 local small business owners on customer experience and business growth.
- 2 Mexico:** Continued our partnership with [Junior Achievement Mexico](#), with 16 employees supporting a three-day program for 235 women entrepreneurs.
- 3 Ireland:** Collaborated with [Akina Dada wa Africa](#), a national network of migrant women living in Ireland, on an initiative supported by over 100 volunteers to assist migrant women living in Direct Provision Centres through professional development, technical skill workshops and career mentoring.
- 4 Germany:** Supported 15 migrant and underrepresented entrepreneurs through a collaboration with [Migrapreneur/Bureaucrazy GuG](#): Marketing, Sales & Finance Masterclass and supported their 911 Migrapreneur program to provide emergency financial aid to migrant entrepreneurs to help navigate German regulations.
- 5 Sweden:** Employees mentored newly immigrated individuals who share similar background and work experience to help them secure a job in Sweden through the [Nema Problema Foundation's](#) program.
- 6 Israel:** Packaged and delivered Purim baskets to 278 Holocaust survivors and elderly using products purchased from local SMBs.
- 7 India:** Over 50 PayPal volunteers participated in a six-month mentoring program with [Iniyaudaiyam Charitable Trust](#) for government school students focused on career guidance, communication, financial wellness, physical wellness and motivation.
- 8 China:** 55 employees volunteered over 360 hours with the [Chinese Intangible Heritage Museum](#) to help underrepresented cultural small businesses digitize and prepare to be competitive in e-commerce.

300+ nonprofits supported

\$38M+ corporate charitable contributions⁴⁴

⁴² Each employee has the opportunity to have their volunteer time (\$10/hour) and donations matched by PayPal up to \$2,500 annually.

⁴³ Percentage of global workforce that participated in community impact initiatives or activities including volunteering, giving and/or actions to integrate impact and sustainability into their daily lives.

⁴⁴ Includes donations, matching gifts, grants and in-kind donations.

Using Our Expertise and Skills for Good

Employees actively seek opportunities to apply their skills to make a positive impact. In 2021, some examples included:

- Launched our **Skills for Good campaign** to build the capacity of PayPal nonprofit partners through initiatives such as nonprofit board service, pro bono activities, coaching and mentoring.
- Convened 22 PayPal employees across three offices for PayPal Ireland’s **5th Opportunity Hack** to create new digital solutions for seven Irish charities.
- Through our Tech for Good program, over 100 volunteers in India participated in a month-long **software development Hackathon** where they worked on eight projects aimed at solving day-to-day problems facing local nonprofits focused on economic empowerment.
- Provided over **4,600 hours of pro bono service** to nonprofits and charities globally, including assisting LGBTQ+ individuals to file for name and gender changes in the U.S., rehabilitation and preservation efforts in Australia, virtual financial literacy education to families in China and career mentoring services to students from socioeconomically challenged backgrounds in the U.K.

“Tech for Good (TFG) harnesses the power of technology to give back to the community. TFG’s Opportunity Hack program aims at building full-scale applications for nonprofits within a month. We came together as #OneTeam to systematically organise the hackathon, starting with gathering requirements from 20+ nonprofits, proposing cost-effective architectural solutions and developing and deploying applications for their use. Driving this massive impact initiative with the support of 100+ fellow volunteers has been a privilege and an immensely satisfying journey. Tech for Good will continue to support and enrich nonprofits technologically in the days to come.”

Narayanan Seetharaman
Software Engineer
Chennai, India




Redesigning Our Community Impact Grants

We reshaped our Community Impact Grant program and adopted participatory grantmaking practices, incorporating employees and more deeply integrating our DIE&B principles into the decision-making process.

Through our global Community Impact Teams, employees can now nominate and be a part of the voting process to identify and select local nonprofits to receive up to \$20,000. This change helps increase equity, shifts power and mitigates biases in grantmaking, creating better outcomes for communities.

In 2021, 51% of PayPal employees across 22 countries voted to identify and select **77 local nonprofits to receive grants totaling \$1.4 million** to further PayPal’s vision of powering an equitable and inclusive global economy through economic empowerment, financial health, environmental sustainability and inclusion and social justice. In addition to funding, PayPal employees provide volunteer support to these charities throughout the year.

More Ways to Make a Difference

Through our end-of-year giving season campaign, More Ways to Make a Difference, over 14.2K employees gave back. The multipronged campaign included:

- **Online Hub**, for employees to learn and take part in virtual, at home or in-person voluntary “Acts of Impact” to make a meaningful difference.
- **Virtual Small Business Expo**, which offered opportunities for employees to help sustain underrepresented entrepreneurs by shopping with purpose, participate in live demos hosted by small merchants, interact with colleagues and hear directly from underrepresented entrepreneurs.
- **On Giving Tuesday**, and throughout the season, we encouraged employees to join millions of people around the world in contributing their time, skills and money to strengthen our communities through virtual and on-demand volunteering and giving opportunities.

Investing in Our Local Communities

In late 2021, PayPal became a sponsor of **San Jose Aspires**, an invitation-based program for students at two local San Jose, CA high schools, many of whom are first-generation college students, to build college or career readiness and earn up to \$5,000 to support their post-secondary educational goals. Our donation helped San Jose Aspire **add over 75% more students to the program**, and PayPal employees will begin mentoring San Jose Aspires students starting in 2022.






Social Innovation

Economic security is a cornerstone of well-being and we believe in the power of financial capital to spur social development, address inequality and power a more just and generous world.

We are committed to using the strength and scale of our platform to expand economic opportunity and improve the financial health of businesses, individuals and nonprofits around the world. Supported by PayPal's leadership and powered by our passionate employees, our strategy is designed to operationalize our mission to democratize financial services and enhance the economic well-being of millions of people around the world.

In 2021, we launched products and initiatives to support stakeholders in their time of need, help accelerate a responsible transition to the digital economy and continue building toward an inclusive economic recovery.

SDGs in This Section:



Social Innovation Highlights

- Facilitated \$3.6B in access to capital for small- and medium-sized businesses (SMBs) in 2021; since 2013, facilitated \$24.2B through more than 1.2M loans⁴⁵
- Committed \$108M by 2026 to support economic empowerment of women and girls
- Allocated 100% of our \$535M commitment to help address racial and economic inequality, including supporting a ~99% survival rate for businesses supported by our Empowerment Grants⁴⁶
- Launched our all-in-one PayPal app to enable better financial health for customers to manage their bill payments, get paid earlier, earn rewards and send and receive money
- Enabled well over \$19B in donations to support more than 1M nonprofits⁴⁷ and causes globally
- Expanded Give at Checkout to new markets in Europe, contributing to a 140% year-over-year increase in number of donations via this product

As the U.S. began to economically recover from COVID-19, the PayPal Global Public Policy and Research team published an [inaugural policy brief](#) with public policy positions and recommendations on four key areas:

Solutions to drive SMB growth & resiliency

Advancing racial equity through financial services

Promoting consumer financial health & opportunity

Inclusive growth through employee financial health

Notable Awards & Recognitions

TIME 100 Most Influential Companies

Fortune World's Most Admired Companies

Engage for Good Golden Halo for Business

Fortune Change the World

Fast Company Best Workplaces for Innovators in the U.S.

⁴⁵ Through PayPal Business Loans, PayPal Working Capital in the U.S., U.K., Australia and Germany, and the U.S. Small Business Administration Paycheck Protection Program.

⁴⁶ Based on a survey conducted by the Association for Enterprise Opportunity from September – October 2021 of 1,391 grant awardees, of which the overall response rate was about 25% resulting in a confidence rate of over 95% with a 5% margin of error.

⁴⁷ Represents the total number of nonprofits supported across PayPal and Braintree.

Social Innovation

- Driving Economic Empowerment
- Taking Action for Racial Equity & Justice
- Promoting Financial Health
- Enabling Generosity

Driving Economic Empowerment

Central to our mission to democratize financial services is our support of the SMBs and entrepreneurs who rely on our platform, products and services to reach their customers. This includes our efforts to provide historically underbanked populations and businesses access to capital, especially those owned by women, Black, LatinX, Indigenous and underrepresented entrepreneurs, which have been disproportionately impacted by the pandemic.⁴⁸ We also invest in strategic partnerships, conduct research and drive advocacy efforts to assess and advance opportunities for SMBs around the world.

\$3.6B

in capital to SMBs in 2021

\$24.2B

in access to capital facilitated by PayPal since 2013

1.2M

loans to SMBs since 2013

Enhancing Our Products & Partnerships

Supporting SMBs globally through access to capital & partnerships

- Since 2013, we have facilitated access to **\$24.2 billion in capital through 1.2 million loans** to SMBs through PayPal Business Loans and the U.S. Small Business Administration Paycheck Protection Program (PPP) in the U.S., and through PayPal Working Capital in the U.S., U.K., Australia and Germany. In 2022, we plan to continue expanding the geographic availability of PayPal Working Capital to additional markets in Europe.
- Of the **\$3.6 billion in capital** we facilitated access to in 2021, approximately \$1 billion were via PPP loans. Since PPP's launch in 2020, PayPal has provided access to **more than \$3 billion in PPP loans** to small businesses in need.

Average PPP loan size of \$26K

"Through capacity-building initiatives, like our partnership with the Singapore Centre for Social Enterprise (raiSE) to support social entrepreneurs in Singapore, we aim to enable a greater number of small businesses to be successful and capitalize on the opportunities that await them."

Aaron Wong
VP, Global Entity Management & PayPal Pte Ltd CEO



- We partnered with [Welcome to Country](#), the first Aboriginal-led not-for-profit marketplace in Australia focused on Indigenous experience providers, to connect Aboriginal merchants to customers globally.
- We partnered with [Singapore Centre for Social Enterprises \(raiSE\)](#) to waive processing fees for participating social entrepreneurs, spotlight SMBs to Singaporean consumers via the PayPal platform and host an online digital skills workshop.
- To help empower micro, small and medium enterprises in India and scale their businesses across global markets, PayPal India **signed a Memorandum of Understanding** with the Indian Institute for Foreign Trade to jointly launch the [India Digital Trade Facilitation Forum](#).

Sapling & Flint

To elevate and celebrate their Indigenous culture and foster economic growth in their Six Nations of the Grand River community, twin sisters Dakota and Jesse Brant launched [Sapling & Flint](#), a Canadian jewelry brand inspired by their Haudenosaunee heritage. When the pandemic lockdowns changed their business plans, the sisters doubled down on their digital strategy, using PayPal for payments and invoicing to reach customers a around the world.



Read more about the unique SMBs who use the PayPal platform in the [Monthly SMB Spotlight](#) from Jim Magats, SVP, Omni Payments.

Championing a Culture of Innovation

Our Innovation@PayPal community helps employees around the world make their creative ideas real through programming like our annual Global Innovation Tournament, speaker series and workshops and resources like our network of dedicated Global Innovation Ambassadors and Innovation Labs at select locations. This includes support with creating and filing patents to protect their intellectual property.

"We face different problems and challenges at work every day. Turn those into opportunities."

George Chen
Global Threat Hunting Manager, Filed 30 patents since 2019 Singapore



7
Innovation Labs globally

14
Global Innovation Ambassador chapters

⁴⁸ Fairlie, R. W. (n.d.). [The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey, June 2020.](#)

Digital solutions & tools for small businesses

- To enable a more convenient and seamless point-of-sale (POS) experience for SMBs, we **introduced PayPal Zettle** — a digital POS software for cross-channel sales — in the U.S. and **launched the Zettle Terminal** — a POS device for mobile checkout — in the U.K., Sweden and Germany. We intend to launch Zettle Terminal in additional global markets in 2022.
- More than one million small business and retail merchants offer secure, convenient, touchless payments via **PayPal QR codes**, almost doubling the number of merchants using the payment option since its launch in 2020.
- In partnership with Mastercard, we **launched the PayPal Business Debit Mastercard in Belgium, Finland, the Netherlands and Portugal**, providing even more European small businesses faster access to their available PayPal funds and other helpful benefits such as unlimited cash back⁴⁹ and waived monthly fees.
- To help sole proprietors and casual sellers more easily market and manage their business, we **launched Venmo business profiles**, giving smaller sellers a way to do business without needing to establish a larger web presence, while keeping their personal and professional Venmo transactions separate.

1M+

merchants offering payments through PayPal QR codes

1M+

businesses have signed up for Venmo business profiles⁵⁰

The Big Issue Goes Cashless to Support U.K. Street Vendors During COVID-19

Lockdowns during the pandemic halted operations for many of the more than 1,000 street vendors of *The Big Issue* — an award-winning weekly entertainment and current affairs magazine sold throughout the U.K. by vendors experiencing homelessness and other impacts of poverty. As restrictions lifted, PayPal helped equip vendors with Zettle card readers and PayPal QR codes to offer touch-free digital payments. Following the rollout, *The Big Issue* found that vendors who offer cashless payment options earn an average of 30% more than those who do not.



Investing for Impact

We established a collaboration between our Treasury and Global Social Innovation teams to reorient our impact investing to make long-term investments aligned with our corporate growth priorities that also advance social and environmental outcomes. Efforts to date include allocating **\$400 million in Treasury investments** to our Economic Opportunity Fund as part of our \$535 million commitment to advance racial equity. We were also featured as a case study in a report commissioned by the Federal Reserve Bank of New York on transformative investment capital to drive social outcomes.⁵¹

Enabling Accessible Returns

In June we acquired *Happy Returns*, bringing their best-in-class post-purchase experience onto our platform and extending our offering beyond discovery and payments. *Happy Returns* allows shoppers to make in-person returns without the need for a box or to print a label, providing a more accessible and environmentally friendly return experience. For merchants, the platform enables over **20% cost savings** through aggregation of the number of return items shipped together⁵² and best-in-class returns technology designed to streamline the returns experience. For more on *Happy Returns*, see [Environmental Sustainability](#).

Over 20% cost savings for merchants



⁴⁹ Cash back may vary per country. Terms and conditions apply.

⁵⁰ Since launch in May 2020.

⁵¹ [Impact in Place: Emerging Sources of Community Investment Capital and Strategies to Direct it at Scale, 2021](#).

⁵² Based on a [Happy Returns study](#) of customers who utilized both *Happy Returns* software and Return Bars for at least six months from February 2019 to February 2020.

Elevating Thought Leadership, Research & Advocacy

Understanding SMB perceptions of the pandemic & digital transformation around the world

- The latest [PayPal-Morning Consult Small Business Confidence Index](#) found **increased optimism among U.S. small business owners**⁵³ and that, even as economies begin to reopen, SMBs are looking to digitize even further, begin selling across channels and invest in their businesses by upgrading their technology.
- Our [inaugural report](#) on SMBs in the U.K. found that **35% of merchants and business owners say the pandemic acted as a catalyst for positive change** for their business, with 73% reporting they moved online to adapt to lockdown restrictions.⁵⁴
- [PayPal research](#) on digital SMBs in Europe reinforced the importance of digitization for driving business growth. For example, **50% experienced year-over-year (YoY) growth during Q2 2020**, despite a 15% YoY decline in GDP for the European area during the same period, and digital SMBs in rural areas saw 1.5x higher growth rates than their urban counterparts.⁵⁵

Celebrating merchants during Small Business Month

During our fourth annual PayPal [Small Business Month](#) in May 2021, we recognized the tremendous impact of small businesses on the global economy by hosting a fireside chat with Cedric Richmond, Senior Advisor to the President of the United States, focused on the critical aspects of ensuring an inclusive recovery including vaccines, targeted support for communities of color and public-private partnership, among other activities. Through this and other thought leadership focused events, our engagements **reached nearly 400 stakeholders and more than 1,500 small business owners.**

Maggie Lena Walker Award

In 2021, PayPal celebrated the legacy of Maggie Lena Walker, the first Black woman to charter a bank and serve as a bank president in the U.S., by establishing the first ever [Maggie Lena Walker Award](#). This award recognizes underrepresented women who economically empower their communities and create a more inclusive world. Every year, PayPal will award four underrepresented women who are advancing their communities.



Kathryn Finney, CEO of Genius Guild and general partner of [The Greenhouse Fund](#), was the winner of the 2021 Achievement Award for her work connecting Black and LatinX women entrepreneurs with the funding and resources needed to grow their businesses. We also awarded \$20K grants to three Emerging Leaders blazing new paths in their industries.

“It’s critical that we highlight the stories of women that often go hidden in history and use them to inspire the next generation of women leaders.”

Liza Mickens
Great-great-granddaughter of Maggie Lena Walker and co-founder of Vote Equality



Advancing Women’s Economic Equity & Empowerment

Women make up the overwhelming majority of the world’s unbanked and underserved adults.⁵⁶ We believe we have a responsibility to help expand the role of women in the financial system and advance economic equity through our resources, tools and technologies.



As the private sector lead for the Economic Justice and Rights Action Coalition of the [U.N. Women’s Generation Equality Forum](#), PayPal [committed](#) to strategic external and internal investments over the next five years supporting economic empowerment of women and girls, including:

\$100M

in capital to women-led or focused investment funds and depository institutions

\$7M

in financial partnerships to increase access to microloans for women entrepreneurs around the world

\$1M

in financial support to raise awareness of and incentivize donations to gender equality-focused organizations

10K

hours of capacity building and skill-based employee volunteering through our Community Impact program



Annual assessments of our company policies and benefits regarding pay equity, paid leave, caregiver support and workplace sexual harassment prevention to ensure they meet or exceed best practices



Partnering with [Data2X](#), a collaborative technical and advocacy platform, to improve the availability, quality and use of gender data

⁵³ As compared to the [inaugural index](#) fielded in November 2020.

⁵⁴ [PayPal Business Of Change: Recovery and Rebuild](#), June 2021.

⁵⁵ [The Digital Opportunity: COVID-19 Pandemic Impact on European Small- and Medium-Sized Enterprises \(SMEs\)](#), 2021.

⁵⁶ World Bank, [The Global Findex Database 2017](#).

Taking Action for Racial Equity & Justice

We have **allocated 100% of our \$535M commitment** to advance racial equity, sustain and strengthen underrepresented businesses and communities and help address the economic underpinnings of racial injustice in the U.S. We are continuing to identify new opportunities to expand our impact and create meaningful change. To find out more about our commitment to racial equity, please visit our [website](#).

100%
allocated

\$535M
commitment

Empowerment Grants

\$15M fund, in partnership with the Association for Enterprise Opportunity to award grants of up to \$10K to nearly 1.4K Black-owned businesses impacted by COVID-19 and civil unrest.

GOAL: 70% of Black businesses survive/stay in business for next 12 months

RESULTS: 99% of responding businesses are still in operation and 99% said the grant was helpful for stabilizing their business.⁵⁷

“I was about to give up. The email came on that very day and now here we are a year later and if not for that grant on that day, we would not be here. My business is back thriving and ... was awarded Minority Owned Business of the Year!”

— Grant recipient survey feedback

Nonprofit Partner Grants

\$5M fund for grants to PayPal’s nonprofit community partners that support Black businesses with COVID-19 recovery, enable organizations to prioritize underserved populations and foster peer-to-peer learning and collaboration.

GOALS:

- 70% of supported Black businesses survive/stay in business for next 12 months
- Majority of supported Black businesses maintain or grow workforce
- Businesses thrive long-term

RESULTS:⁵⁸ Of the businesses that reported outcomes:

- 90% of businesses survived/stayed in business⁵⁹
- 73% of businesses maintained or grew their workforce
- 52% of businesses experienced growth in revenue and 39% were able to transition to digital commerce⁶⁰

Women’s Opportunities Resource Center and Pound Cake Heaven

Pamela Thornton, a Navy civilian retiree and owner of Philadelphia bakery Pound Cake Heaven, received a \$15K microloan to expand from WORC, one of our nonprofit community partners. “When COVID hit, we closed all sites except [one]. It was scary,” says Thornton. “This made all the difference. We were able to pay for advertising, hire an additional employee — and pay the bills! We even opened our Kensington site up again.”



Economic Opportunity Fund

\$500M commitment to increase access to capital and opportunities for generational wealth creation through high-impact treasury deposits and venture capital fund investments.

GOAL: Increase access to capital to help drive financial health and generational wealth creation for Black and other underserved communities.

RESULTS: An initial measure of success is the stability and growth of the institutions in which we make investments and deposits:

- [Optus Bank](#) went from **\$90M** to **\$250M+** in assets, enabling the bank to consider new business strategies.
- [Black Economic Development Fund](#), managed by the Local Initiatives Support Corporation, [reached its \\$250M goal](#) for capital to invest in Black-led banks, anchor institutions, businesses and real estate developers, with PayPal providing the largest single investment of **\$50M**, and is now rolling out its first investments.

RECENT ACTIONS:

- PayPal has invested **\$100M** in 19 minority-led venture funds, including [\\$50M in 2021](#). We authored a white paper to share lessons and challenges making these investments to help catalyze widespread investments in underrepresented fund managers, entrepreneurs and communities.⁶¹
- We also invested [\\$135M in deposits](#) and CDARS⁶² with mission-driven financial institutions that help underserved communities of color.

“Financial institutions owned by people of color play an outsized role in closing the racial wealth gap by providing greater access to financing for diverse business owners and homebuyers. PayPal’s strategy recognizes that in an increasingly diverse nation, investing in racial equity is not only the right thing to do, but it’s good for business.”

Bill Bynum, CEO, Hope Credit Union

Deepening Our DIB&B Commitment

\$15M commitment to strengthen internal DIB&B programs and promote racial equity-related thought leadership and public policy.

GOAL: Support recruiting, hiring and career advancement of Black and minority employees and advance the dialogue on solutions for closing the racial wealth gap.

RESULTS & RECENT ACTIONS:

- Partnered with global organizations focused on removing barriers to employment for underrepresented talent, including [Black Executive CMO Alliance](#), the [Chris Gardner Foundation](#), [The Honor Foundation](#), [National Association of Black Accountants](#) and [Valence BONDS](#). Read more in [Employees & Culture](#).
- Offered leadership development opportunities for underrepresented employees through programs including [McKinsey Black Leadership Academy](#) and [Diversity Inc. Women of Color & Allies](#).
- Coauthored a white paper with [Congressional Black Caucus Institute](#) and two historically Black colleges and universities on the unique role financial technology companies can play in reducing wealth gaps.⁶³
- Began new partnerships with [Reimagine Main Street](#) and the Black, LatinX and Asian/Pacific Islander Chambers of Commerce to empower diverse entrepreneurs and advocate for a policy framework that allows for equitable recovery.

⁵⁷ Based on a survey conducted by the Association for Enterprise Opportunity from September – October 2021 of 1,391 grant awardees with a 25% response rate, resulting in a confidence rate of over 95% with a 5% margin of error.

⁵⁸ Based on our 12-month impact survey of 20 nonprofit partners, of which 18 nonprofit partners reported output data and at least 10 nonprofit partners reported outcomes data.

⁵⁹ Percentage of Black-owned businesses served with reported outcomes that are still operating as of September 2021.

⁶⁰ Able to transition from brick and mortar only to offering products and services online.

⁶¹ [Potential of Corporate Venture Capital to Narrowing the Racial Wealth Gap, 2021](#).

⁶² Certificate of Deposit Account Registry Service.

⁶³ [Reducing the Racial Financial Health Gap: The Opportunity for Responsible Fintech, September 2021](#).



Promoting Financial Health

Millions of people around the world are excluded from participating in the global economy due to high barriers of entry to the current financial system. We help advance global financial wellness and economic access by harnessing the power of our business, platform, workforce and partnerships to improve the ability for individuals around the world to participate and thrive in the global economy.



Developing Products to Enable Financial Wellness

Enabling greater financial wellness is a core tenet in the development of our products and services. In 2021, we made enhancements to our platform to provide customers even more convenient and flexible options when it comes to managing their money.

Launching an Enhanced Digital Wallet for All-In-One Financial Services

In September 2021, we introduced our new [PayPal app](#), an all-in-one, personalized digital wallet that is accepted with **more than 70%** of the largest retailers across North America and Europe,⁶⁴ and offers customers a centralized place to manage their financial lives. Within the app, customers can manage their bill payments, get paid up to two days earlier with our Direct Deposit feature,⁶⁵ earn rewards, send and receive money to friends, family, businesses, charities and more.

Through the app, consumers have access to a simplified, secure and personalized experience that builds on our platform of trust and security and removes the complexity of having to manage multiple financial or shopping apps, remember different passwords and track loyalty rewards. Key features include:

- [PayPal Savings](#), which began rolling out in early 2022 in the U.S., allows customers to **open a savings account** from Synchrony Bank and manage it directly in the PayPal app — helping consumers develop healthy savings habits.
- Enhanced money management features, such as [Direct Deposit](#) and [Bill Pay](#) functionality, helping consumers get early access to funds and track, view and pay their bills seamlessly. With the new app, we saw a **200% increase in first-time users for bill pay**.⁶⁶
- [New shopping tools](#) that allow customers to **discover deals, make purchases and earn rewards** directly from the app, helping them better manage their spending, save money on purchases and earn cash back or PayPal credit on eligible purchases.
- Through our continued partnership with **Mastercard Send™**, PayPal customers in 11 countries (including Singapore, Germany, Bulgaria, Ukraine and the U.S.) are able to cash out their balances from their digital wallets to Mastercard cards in real time,⁶⁷ providing them with another convenient way to access funds.
- Early integration of our international money transfer capabilities, enabling seamless, safe and more affordable remittances, particularly important for immigrants and refugees to send and receive money. In 2021, our **average international remittance cost was 2.80%**, remaining below the global average⁶⁸ and the 2030 target of 3% set in the U.N. Sustainable Development Goals.
- Consumers can **buy, sell and hold crypto directly through the app**, facilitating responsible access to the digital currencies market and providing simple educational resources. Customers can also use their crypto holdings to make purchases through the app by selecting crypto at checkout on eligible purchases. In 2021, we [expanded our cryptocurrency offering](#) to PayPal users in the U.K.
- Customers can **donate to charities directly through the new app** and by using our Pay with Rewards feature. For more, see the [Enabling Generosity](#) section.

200% increase in first-time users for bill pay

\$182.4M raised through the PayPal app, a 44% YoY increase

Expanding Services in Ukraine to Support Humanitarian Efforts

With an ever-growing need to help people in Ukraine access critical humanitarian funds, we expanded our send and receive peer-to-peer payment features between friends and family for Ukrainian customers, while also **enabling Ukrainian customers to transfer funds from their PayPal Wallet** to eligible Visa and Mastercard debit and credit cards. We also temporarily waived our own fees for customers sending funds to Ukrainian PayPal accounts or receiving funds into Ukrainian PayPal accounts. Ukrainian customers who have traveled to other countries to seek refuge are also able to access these services.

PayPal and Venmo customers have also **donated more than \$420M through the PayPal platform** to charities supporting humanitarian relief in Ukraine, including the International Rescue Committee, U.N. High Commissioner for Refugees, Direct Relief, Save the Children and others.

“It makes a huge difference for people.”

Vladyslav Rashkovan

Ukraine’s alternative executive director at the International Monetary Fund

⁶⁴ According to Digital Commerce 360 – 2021 [North America Top 1000](#) and [Europe](#) Databases.

⁶⁵ Direct Deposit is subject to the payor’s support of this feature. Funds deposited via Direct Deposit will generally be available on the day we receive the funds transfer.

⁶⁶ First-time user defined as an existing active account engaging with an incremental product for the first time. First-time user data from March to June 2021 (preceding new digital wallet launch) and November 2021 (post-launch).

⁶⁷ Actual posting times for approved transactions will depend on the receiving financial institution.

⁶⁸ [The World Bank Remittance Prices Quarterly, September 2021.](#)

Advancing Innovation in Digital Currencies

We are evolving our products to meet the increasing consumer demand for digital currencies, while also applying our rigorous security and compliance controls. We have increased our focus on and invested resources in our internal blockchain research team, as well as embarked on collaborations with institutions. This includes supporting [MIT's Digital Currency Initiative \(DCI\)](#) to advance its independent central bank digital currency research and development as well as participation in the [Atlantic Council's Central Bank Digital Currencies \(CBDC\) Private Roundtable Series](#) with the goal of making the technology more accessible and understood by the public.

Additionally, in early 2022, we established a [cross-disciplinary advisory council](#) for our Blockchain, Crypto and Digital Currencies unit comprised of some of the world's leading experts in cryptography, distributed technology, regulation, economics and capital markets. We're committed to working with central banks and regulators to help responsibly shape the future of digital financial services. To learn more about our work to assess and address the climate impacts of digital assets, please see [Environmental Sustainability](#).

In 2021, we introduced the ability to [buy, sell and hold cryptocurrency](#) through Venmo and launched an education portal within the app to help consumers make informed decisions about purchasing digital currencies. Additionally, we launched [Cash Back to Crypto for the Venmo Credit Card](#), giving card holders the ability to automatically purchase cryptocurrency from the their Venmo account using cash back earned from card purchases.



Jose Fernandez da Ponte, SVP, Blockchain, Crypto and Digital Currencies, discusses increased adoption of digital currencies and assets with Edwin Aoki, CTO, Blockchain, Crypto and Digital Currencies

"We believe that applications of blockchain technology have the power to create a more efficient financial system, one that is faster, less expensive and more inclusive."

Jose Fernandez da Ponte
SVP, Blockchain, Crypto and Digital Currencies
San Jose, CA, U.S.



Facilitating Responsible Spending with Global Pay Later

We aim to provide customers with the most affordable and flexible options to buy the things they want and need in a responsible, secure way. Our growing portfolio of global pay later offerings allows customers to pay off purchases over time in incremental payments, enabling access to goods and services without the upfront cost.

- We enhanced our [Buy Now, Pay Later](#) services by **eliminating all consumer late fees** for missed payments globally with Pay in 4 in the U.S., France, Germany and Australia, and Pay in 3 in the U.K., Spain and Italy.
- We expanded our capabilities in Japan by **acquiring Paidy**, a platform offering pay later solutions tailored to Japanese shoppers. The acquisition builds on [Paidy Link](#), which integrates with PayPal and other digital and QR wallets to reach online and offline merchants beyond its platform.

Providing Resources to Help Consumers Manage Financial Wellness and Protect their Data

- To support greater financial literacy in Mexico, where only 36.9% of adults have access to financial tools,⁶⁹ we **launched a six-episode YouTube video series** — [Cue\\$ti3n de Lana](#) — to help young PayPal customers better manage and understand their personal finances through topics such as budgeting, responsible use of credit cards and the utility of having multiple revenue streams.
- We launched our [Spend Smarter](#) online guide in the U.K., providing helpful guidance to shoppers on tactics to better manage their financial wellness.
- We are committed to helping our customers protect their sensitive financial data. We **launched an online consumer security education resource center** with helpful information about common scams and protection tips to ensure they keep their personal data safe and secure.

Contributing to Consumer Research & Insights

- In an article for Financial Health Network, "[Digital Currencies and Financial Health](#)," we discuss the potential for Central Bank Digital Currencies and private forms of digital currencies to make the financial system more affordable, efficient and inclusive, depending on their design and integration.
- In the "[Third Wave of FinTech Innovation](#)," we explore emerging and evolving trends in the transition from cash to digital currencies, bundling and unbundling, automation and how innovation in fintech is driving digitization of the economy.⁷⁰ It was also featured in a [podcast](#) hosted by the Official Monetary and Financial Institutions Forum.



⁶⁹ Dessignare, "[PayPal lanza Cuesti3n de Lana para ofrecer consejos financieros.](#)"

⁷⁰ Based on a global survey of 4,000 individuals across the U.S., China, Brazil and Germany.

Enabling Generosity

Following a year marked by tremendous giving, PayPal customers' desire to extend their generosity continued throughout 2021. To meet growing demand, we worked to provide customers with easier and innovative ways to give.

Leveraging the Accessibility of the PayPal Platform

Through the evolution of our products and partnerships, we introduced even more ways for customers to give and raise funds in 2021. **These efforts drove well over \$19 billion in donations through the PayPal Giving Platform in 2021 to nearly 1.4 million nonprofits, charities, schools, campaigns, crowdfunders and personal fundraising initiatives.**

By integrating our Giving Platform centrally into the PayPal app, we provided more convenient ways for customers to donate — raising \$182 million through the digital wallet in 2021, a 44% increase year-over-year and spurring a greater than 50% increase in first-time donors.

2M
donations
through the
PayPal app

\$19B+

donations through the
PayPal Giving Platform

13%
YoY increase

Importantly, we expanded the availability of our Give at Checkout feature across Europe, which provides customers with the option to give a microdonation of just \$1 when they checkout with PayPal. PayPal selects relevant charities to feature at checkout or customers can easily set their favorite charity within the PayPal app. With the expansion in Europe, we saw a 140% year-over-year increase in the number of Give at Checkout donations, with 27 million donations in 2021 alone, as well as a record of over 4.8 million first-time donors, a 203% increase over 2020.

Bringing Crowdfunding to New Markets & Beneficiaries

In 2021, we enabled 8.2 million people to donate to personal fundraising campaigns through the PayPal app, Generosity Network and integration with partners, representing an 87% increase over 2020. Notably, we expanded our Generosity Network platform, which allows customers to create customized fundraisers for themselves, their communities, charities or causes they are passionate about, to several new markets, including the U.K., Canada, Germany and Australia.

In the fall, we launched Generosity Network for Charity in the U.S. and U.K., offering users the option to crowdfund in support of charities enrolled with PayPal Giving Fund. Donors now have the ability to direct donations to over 200,000 charities across 35 countries on the PayPal Giving Platform.

GENEROSITY NETWORK IMPACT IN 2021⁷¹

1M+

donations | **+2300%**
since launch

450K+

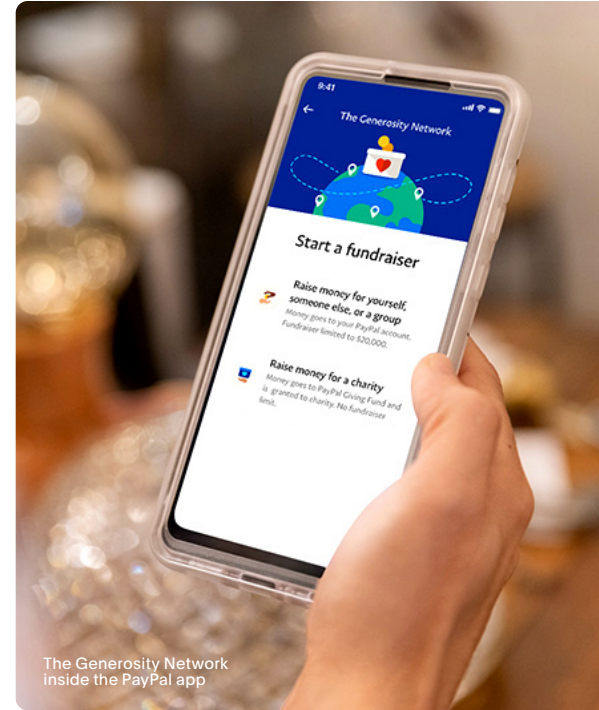
causes supported | **+1000%**
since launch

\$26.2M

raised | **+800%**
since launch

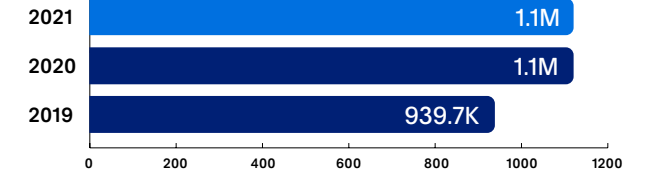
500K+

donors | **+1400%**
since launch

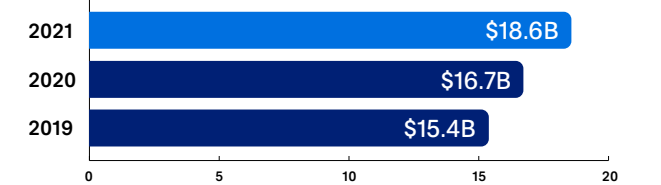


GENEROSITY BY THE NUMBERS⁷²

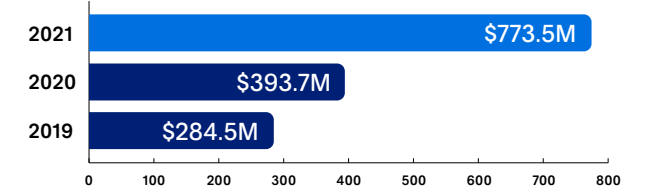
Number of Nonprofits Supported^{73,74}



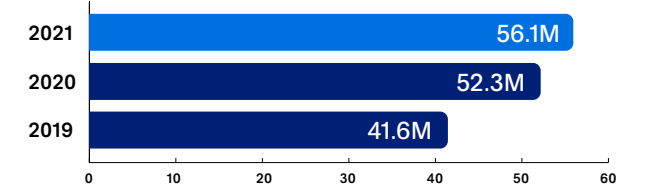
Funds Raised for Nonprofits⁷⁴



Funds Raised for Causes Through Personal or Business Fundraising



Number of Donors to Nonprofit or Personal Causes



“Nonprofits that stepped outside of traditional donation methods to create donor-first experiences excelled. For example, our customers who adopted Classy Pay with PayPal during peak giving season have seen remarkable results, including a 30% increase in donation size compared to credit cards.”

Soraya Alexander
Chief Operating Officer,
Classy



⁷¹ Launched in November 2020. ⁷² 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.

⁷³ Represents the total number of nonprofit accounts supported each year.

⁷⁴ Does not include funds raised through personal fundraising.



Facilitating Rapid Response & Relief Efforts

In times of crisis, we actively deploy our products and resources to help facilitate the contribution and delivery of funds to organizations, nonprofits and charities that provide relief to regions and communities in need.

- **Launched disaster relief efforts across Southern and Central U.S. states, Europe, India and Australia**, including directing over \$3.4 million to responding charities in the wake of devastating floods in Belgium, Germany, Luxembourg and the Netherlands.
- **Partnered with Uber and Walgreens to introduce the Vaccine Access Fund**, allowing customers to donate to connect people without transportation to COVID-19 vaccination sites. As part of the coalition, we **collectively donated \$11 million**, helping provide free rides for people in underserved communities.
- **Worked with leading organizations to mitigate associated negative impacts of climate change** and develop new ways to support climate resiliency, including joining the [Environmental Grantmakers Association](#), a high-impact network of foundations and partner companies focused on promoting and enhancing environmental philanthropy. For more, see [Environmental Sustainability](#).

Giving in Germany

In response to the summer flooding across Western Germany in 2021, PayPal initiated a multifaceted fundraising campaign to support Aktion Deutschland Hilft and the German Red Cross. The cross-functional effort brought the full force of the PayPal platform and employee-driven volunteerism — including leveraging Give at Checkout and the PayPal donate button — to generate over €50M in donations over six weeks.

Powering Holiday Giving & Giving Tuesday

For the last six years, we have used our Giving platform to enable generosity during the holidays, and we were once again humbled by our PayPal customers who generously donated more than \$4 billion from November through December, with \$2.8 billion provided by over 13.6 million donors during the holiday season.⁷⁵

In fact, on Giving Tuesday alone our customers set a new record in donating over \$188 million by more than 1.6 million customers across 193 markets, amounting to over 2.1 million donations.

HOLIDAY GIVING

\$2.8B

donated during the holiday season⁷⁵

\$188.3M

donated on Giving Tuesday

Mobilizing Employees to Help Our Communities

PayPal, our employees and customers mobilized around nine rapid response initiatives globally to collectively contribute \$11.4 million — \$7.2 million of which was donated by PayPal or our employees — to help communities survive, recover and rebuild after disastrous events, including Texas winter storms, attacks against Asian Americans, Australian and European floods, India and Philippines COVID outbreaks and the Afghanistan humanitarian crisis. Notably, more than 5,600 employees contributed over \$200,000 to our India COVID-19 relief fundraiser, organized in partnership with our Rise ERG.

PayPal Engineers in India Help Address Medical Facilities Shortage

When a new wave of COVID-19 created outsized demand for hospital beds in India, three PayPal engineers collaborated with the Bruhat Bengaluru Mahanagara Palike, the government body in Bengaluru, to develop a bed allocation system and digital dashboard that could track and display real-time data of bed availability, outstanding queues, admissions and discharge of patients. The [BBMP Bed Allocation Software](#) has been used by thousands of citizens to easily find available beds in their locality.

“Giving back to communities in need is close to our hearts and also a key part of our core company values. Last summer, we experienced the power of incredible group effort across multiple teams and time zones during the floods in Germany. The generous and overwhelmingly positive response by all donors and partners proves that PayPal Giving fills an important gap in the market, and we are doing the right thing within our employee resource groups.”


Together, PayPal, our employees and customers supported rapid response and relief efforts throughout 2021



9

global events

\$11.4M

to help communities⁷⁶

Laura Zachrau
Account Executive & Community Impact Team Lead
Berlin, Germany



⁷⁵ The holiday season is defined as the Tuesday before U.S. Thanksgiving through New Year's Eve, or November 23, 2021 to December 31, 2021.

⁷⁶ Includes corporate, employee and customer contributions.



Environmental Sustainability

Economic welfare and climate action are inextricably linked — if left unchecked, climate change is estimated to push 132 million people into poverty over the next 10 years.⁷⁷ With an estimated 3.6 billion people living in settings that are highly vulnerable to climate change,⁷⁸ we have a duty to responsibly manage our environmental impact and work toward advancing global environmental progress for the benefit of all — especially the financially underserved.

We take a science-based approach to addressing climate change, managing natural resources, exploring environmental innovation across our products and services and engaging partners across our value chain. Our efforts are driven by a cross-functional working group with engaged representatives from across the organization and overseen by executive leaders.

SDGs in This Section:



Environmental Sustainability Highlights

- Announced long-term goal of achieving net-zero greenhouse gas (GHG) emissions across our operations and value chain by 2040⁷⁹
- Supported the development of a fintech innovation ecosystem to help vulnerable populations build resilience amid a changing climate
- Enhanced our environmental management system (EMS) consistent with our [Environmental Sustainability Policy](#) (ISO 14001-aligned)
- Engaged with 200+ vendors on climate change in partnership with [CDP Supply Chain](#)
- Consulted stakeholders to better assess the climate impacts associated with crypto assets and contribute to emerging best practices in climate accounting measurement

Our Science-Based Climate Goals

GOAL:	2021 PROGRESS:
Reduce absolute operational GHG emissions ⁸⁰ by 25% by 2025 (from a 2019 base year)	73% operational emissions reduction from 2019 base year ⁸¹
Engage 75% of our suppliers, by spend, to set science-based targets (SBTs) by 2025	28% of suppliers, by spend, have or committed to a SBT ⁸²
Reach 100% renewable energy for data centers by 2023	✓ Matched 100% of our global data center energy use with renewable generation sources

Notable Awards & Recognitions

U.S. EPA's Green Power Partnership National 100

Achieved an "A-" climate rating from CDP

⁷⁷ [World Bank Overview on Climate Change.](#)

⁷⁸ [IPCC AR 6 Report, February 2022.](#)

⁷⁹ Our net-zero goal will align with the Net-Zero Standard as developed and maintained by the Science-Based Targets initiative. We plan to share future updates on the progress of our net-zero target-setting strategies.

⁸⁰ 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.

⁸¹ 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, business travel resumes and the company continues to grow.

⁸² Vendor climate engagement metrics are based on our assessment of all vendors within relevant Scope 3 categories, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

Environmental Sustainability

- Driving Climate Adaptation & Resilience
- Prioritizing Climate Mitigation: Net-Zero by 2040
- Managing Our Natural Resources

Driving Climate Adaptation & Resilience

We believe in the potential of digital financial inclusion to help the underserved build climate resilience and foster opportunities in the global net-zero economy. That’s why we pursue opportunities to harness the scale of our platform to advance equitable climate action. Climate-linked shocks and stresses — floods, droughts, heat waves, wildfires, sea level rise and others — threaten global stability and security, especially among the financially underserved. In 2021, we worked to scale access to innovations at the intersection of digital finance and climate equity and resilience by promoting an ecosystem of cross-sector action and dialogue.

Advancing Equitable Climate Action

PayPal funded and led the formation of the [Digital Finance for Climate Resilience \(DF4CR\) Task Force](#), which convened experts from the Better Than Cash Alliance, BFA Global, Consultative Group to Assist the Poor, PayPal, the United Nations Race to Resilience and the World Resources Institute to explore the opportunity for digital finance innovations to power greater climate resilience around the world.

In October 2021, the Task Force released an interactive [Framework for Action](#), which outlines the need for **\$25 billion in investment to flow into the DF4CR ecosystem by 2030** and details immediate actions that innovators, catalytic funders, investors, policymakers and ecosystem enablers can take to accelerate this growth.

Accelerating Innovation

PayPal joined as a founding supporter of a climate-focused cohort of [Catalyst Fund](#), a global inclusive tech accelerator to help startups build and deliver inclusive digital finance products and services. The fund championed seven startup companies to launch and scale services that enable greater resilience for climate-vulnerable communities, such as farmers, fishers and urban poor in Latin America, Africa and India, through catalytic capital, bespoke venture-building support and direct connections with investors and corporate innovators.

“Climate change is already severely impacting low-income populations. Digital finance can be a game-changer in enabling climate resilience solutions to better reach vulnerable populations.”

Maelis Carraro
Managing Director, Catalyst Fund



Integrating Inclusive Procurement into Our 2021 Carbon Credit Portfolio

Through equitable sourcing practices, in 2021, we invested in three innovative climate impact projects that help communities on the front lines of climate change build greater resilience and **led to the retirement of 8,000 metric tons of verified carbon credits:**⁸³

- [HELPS International](#) to build fuel-efficient stoves for families in Guatemala, while also supporting local economic empowerment for women
- [Impact Carbon](#) and [Gold Standard](#) to help people from the Shanxi, Hubei and Guizhou provinces of China switch to clean fuel for cooking and heating
- [Carbonfund.org Foundation](#) to preserve the Amazon rainforest in Brazil

Digital Finance for Climate Resilience — Immediate Outcomes:

- Endorsement from 23 financial inclusion and climate organizations
- Recognition as a Climate Resilience Transformation by the U.N. Race to Resilience at the U.N. COP26 Global Climate Summit
- Selected as an Adaptation Challenge Winner by the Global Environment Facility



Supporting Climate Resiliency for Farmers in Mexico with Verqor

Climate change is projected to decrease crop yields and increase extreme weather risks and stress on irrigation systems in Mexico.⁸⁴ [Verqor](#) helps farmers manage these risks by providing access to digital credit, as well as mobile ordering for agricultural inputs such as fertilizer and tools, with delivery directly to the farm.

The Catalyst Fund team provided software development and platform user experience support, climate change customer impact research, readiness for follow-on fundraising and workshops to better articulate value to customers and boost sales.

⁸³ Exceeding the unavoidable GHGs produced by our direct operations (Scope 1 emissions).

⁸⁴ [Evaluating Risk and Possible Adaptations to Climate Change Under a Socio-Ecological System Approach, June 2021.](#)



Prioritizing Climate Mitigation: Net-Zero by 2040

In 2021, we announced a long-term goal of achieving net-zero greenhouse gas (GHG) emissions across our value chain by 2040, as well as ambitious and measurable medium-term science-based emissions reduction targets informed by stakeholder consultation and validated by the [Science-Based Targets initiative](#) (SBTi).

“I’m proud of the outstanding work teams across PayPal continue to demonstrate towards fulfilling our commitment to science-based and equitable climate action. Our work to manage our impact on the planet, drive environmental innovation and build climate resilience is vital to furthering our mission to support financial health and inclusion for all global citizens.”



Sri Shivananda
EVP, Chief Technology Officer
San Jose, CA, U.S.

2021 Energy and Emissions Trends

Our global energy use remained relatively flat over the past two years (up 2% from our 2019 base year and down 3% from 2020). This was driven by a 3% increase in data center energy use as transaction volume continued to grow and a 20% decrease in office energy compared to 2020 due to ongoing remote working and additional energy-efficient measures implemented across our facilities.

<1 Gram CO₂e/payment transaction (-46% from 2020)⁸⁵

At the same time, we continued to decouple the emissions impact of our energy use by continuing our investments in renewable energy. In 2021, **we reached our goal of procuring 100% renewable energy for our data centers two years ahead of schedule** and increased renewable energy sourcing for our offices. As a result of our expanded renewable energy portfolio and the COVID-19 pandemic’s

effect on business travel and in-office working, we have reduced our 2021 global GHG emissions by **78%** compared to our 2019 base year and **37%** relative to 2020.⁸⁶

While we remain on track to meet our science-based target for 2025, we may observe incremental GHG emissions increases in the near-term from return to in-office working and essential business travel, and continued business growth. We remain steadfast in our commitment to reducing our GHG emissions and are working to expand renewable energy sourcing and energy efficiency initiatives for offices, maintain our 100% renewable commitment for data centers, prioritize sustainable business travel options and educate and mobilize our employees to minimize the ecological footprint of remote working and commuting. We also continue to strengthen the integrity of our environmental data through upgrades to our energy information platform allowing for more targeted reduction strategies.

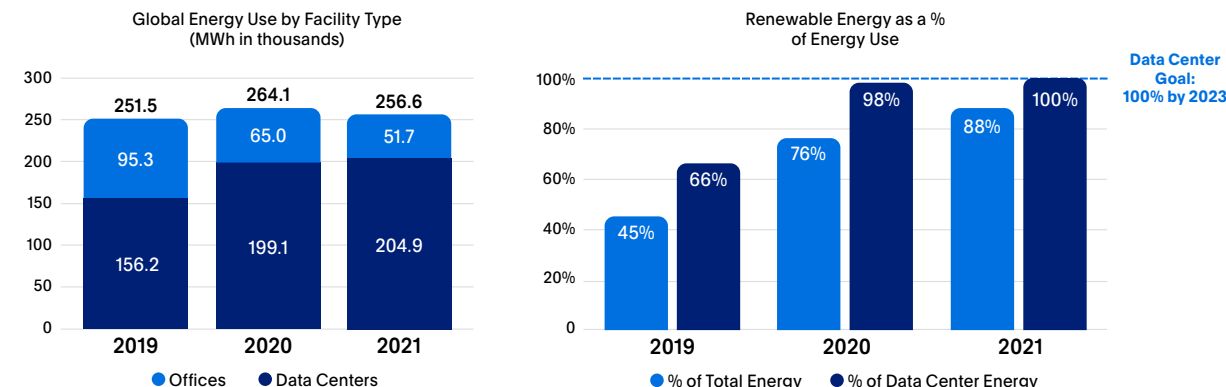
Managing Emissions Across our Supply Chain

As part of our validated SBT, we committed to engaging with our supply chain so that 75% of our vendors by spend set their own SBTs by 2025.⁸⁷ This will help us reach our long-term goal of net-zero GHG emissions by 2040 by reducing the Scope 3 emissions associated with the products and services we procure.

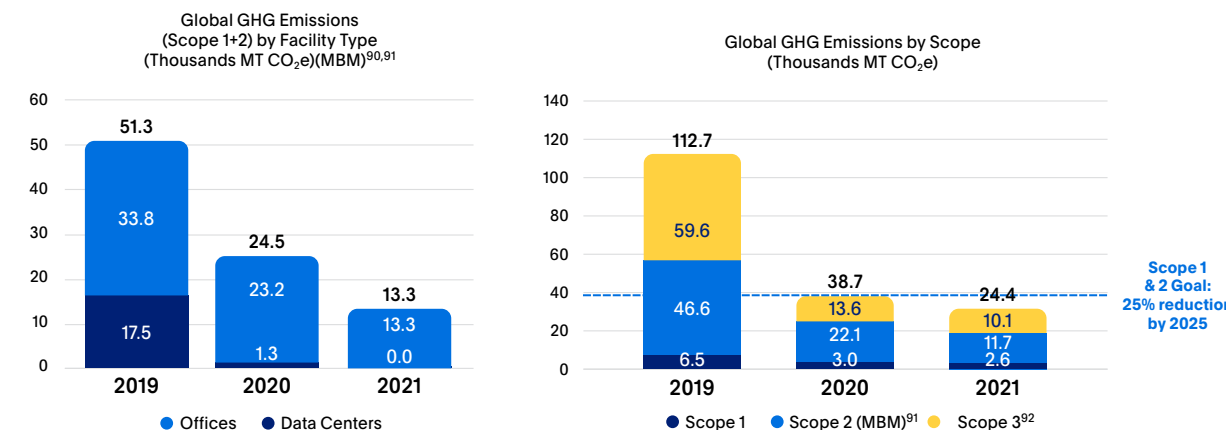
Engaged 200+ vendors on climate change

In partnership with [CDP Supply Chain](#), in 2021 we engaged with more than 200 vendors and deployed targeted communications and trainings to teach them about GHG inventories, target setting and other best practices. **Over 40% of our vendors by spend reported specific activities to reduce their GHG emissions.**⁸⁸ We also engaged directly with our top business travel vendors to encourage climate pledges, with over 50% by spend committed to establishing sustainable business travel programs. We will continue to enhance our initiatives in 2022, including climate change education and resources for third-party managers and vendors.

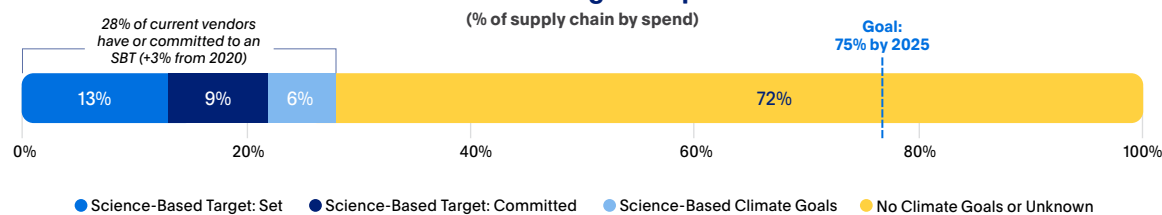
Energy Use & Renewable Energy⁸⁹



GHG Emissions⁸⁹



Vendor GHG Target Snapshot⁹³



⁸⁵ Calculation includes operational emissions from all Scope 1 and 2 sources, including corporate jet. ⁸⁶ Global GHG emissions include Scope 1 & 2 emissions calculated by the market-based method, as well as Scope 3 business travel and FERA emissions. ⁸⁷ Our vendor climate engagement efforts cover upstream Scope 3 GHG emissions from purchased goods and services, capital goods, business travel and upstream transportation and distribution. Given the digital nature of our payment services business, downstream activities are not a relevant component of our Scope 3 emissions. ⁸⁸ Based on information submitted to the 2021 CDP Climate Change questionnaire. ⁸⁹ We've revised prior period energy and emissions metrics based on improvements in both data quality and calculation methodology. ⁹⁰ Scope 1 emissions by facility type excluding corporate jet. ⁹¹ Scope 2 emissions data is calculated using the GHG Protocol Market-Based Method (MBM), which includes purchases of off-site renewable energy. ⁹² Scope 3 inventory includes Fuel and Energy Related Activities (FERA) and Business Travel emissions from air, rail, rental car and hotel lodging. See ESG Performance Table for breakout of Scope 3 emissions categories. ⁹³ We have refined our assessment methodology to include all vendors within relevant Scope 3 categories including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

Incorporating Renewable & Efficient Energy Use Across Our Operations

We were once again recognized by the [U.S. EPA's Green Power Partnership](#) as a Top 100 largest renewable energy buyer and are a founding member of the [Clean Energy Buyers Association](#) (formerly the Renewable Energy Buyers Alliance). We continually seek to identify and incorporate energy efficiency measures and renewable energy use across our operations to help drive this progress:

- **Solar Energy:** In 2021, we completed our project to add and upgrade solar panels at our headquarters in San Jose, CA, resulting in a **year-over-year reduction of 235,000 kWh from October 2020 to October 2021** and projected annual savings of more than \$400,000.
- **Green Energy Purchases:** In 2021, our site in Bengaluru, India, leveraged a landlord sponsored Carbon Credit program that will enable **75% carbon offset** moving forward, and in 2022, our facilities in San Jose, CA and Scottsdale, AZ will use **100% renewable energy** through participation in their local utility providers' Green Energy programs.
- **Cloud Computing:** While most of our computing occurs at PayPal data centers, we **began migrating to cloud service providers who either have or are committed to achieving 100% renewable energy**. This transition supports both improvements in computing and storage efficiency, as well as energy consumption.

Retired solar panels were donated to and installed at the offices of Bay Area nonprofit, Resource Area for Teachers, helping cut their solar project costs in half

Driving Climate Innovation

We are exploring opportunities to enable more environmentally friendly financial services and e-commerce for consumers and merchants in alignment with our mission.

Assessing & Mitigating the Climate Impacts of Crypto

We believe that blockchain technology has the potential to deliver innovative, positive social impact. Given the distributed and decentralized nature of these assets and protocols, no single actor can mitigate the climate impacts of certain cryptocurrency networks alone. Ongoing work across the industry value chain is essential to drive real impact. We are pleased to see the advent of more energy-efficient crypto protocols, such as those based on proof-of-stake.⁹⁴

In 2021, we consulted with climate accounting experts, academics, ESG investors and blockchain industry stakeholders to assess the climate impacts associated with crypto assets and contribute to the emerging best practices in climate accounting measurement. We support efforts to develop GHG emissions accounting guidance that is consistent with recognized and widely adopted accounting frameworks and have used [recent research](#) from Crypto Carbon Ratings Institute and South Pole to begin preliminary estimating our own impact.⁹⁶

In addition to starting to assess the climate impacts of our crypto services, we are also exploring climate mitigation strategies consistent with our net-zero goal and SBTs. These include opportunities to invest in product innovations, engage with custodians and service providers and fund climate impact projects that both compensate for our crypto climate footprint and enable climate resilience.

<10%
initial estimate
of total Scope 3
emissions from
crypto⁹⁵

Enabling More Sustainable E-commerce with Happy Returns

With the addition of Happy Returns as a PayPal service, customers have access to a network of Return Bars where online returns are aggregated into reusable totes that help reduce cardboard waste and greenhouse gas emissions when compared to returns by mail — **saving 120,000 pounds of carbon dioxide for every one million returns.**⁹⁷ For more on how Happy Returns enables cost savings for merchants, see [Social Innovation](#).

Leading Through Advocacy

Partnerships are essential to realizing an equitable transition to net-zero. PayPal works closely with advocacy partners — such as [Ceres](#) and the [We Mean Business Coalition](#) — to advance climate policies that are aligned with the goal of a 1.5°C future and that help promote a just transition for vulnerable populations or those adversely impacted by the move to a carbon-free economy.

Directly and through our partners, PayPal advocates for the U.S. to pursue ambitious legislation that would accelerate the transition to 100% renewable energy, among other issues.⁹⁸ PayPal also submitted [public comments](#) on the SEC's climate disclosure request for information in support of a mandatory climate reporting rule. To find out more about PayPal's public policy positions on climate change, please visit our [Government Relations website](#).



Understanding & Disclosing Our Climate Risk

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 emerging global regulations across our value chain.

Our Global Incident Preparedness and Response and Safety and Security teams continuously monitor and evaluate acute and chronic physical risk to our operations, and coordinate the development, maintenance and execution of emergency response plans across our global sites, including scenario planning and incident response procedures.

Additionally, we continue to prioritize the transition to clean energy and promote vendor engagement to reduce the risks from current and emerging legal and regulatory requirements with respect to climate change (e.g., carbon pricing) that may result in increased compliance requirements on our business and supply chain.

For more information on our climate-related risks and opportunities, see our [Task Force on Climate-related Financial Disclosures \(TCFD\) Index](#) and our response to the [2021 CDP climate questionnaire](#).

⁹⁴ Both of these models are called "consensus mechanisms" and are a current requirement to confirm transactions that take place on a blockchain, without the need for a third party. Proof-of-work networks require intensive processing power and electricity, whereas proof-of-stake blockchains require less processing power and thus less electricity.

⁹⁵ Based on initial evaluations to size our proportionate share of GHG emissions from cryptocurrencies as part of our Scope 3 emissions footprint based on the South Pole and Crypto Carbon Ratings Institute published accounting framework.

⁹⁶ South Pole and Crypto Carbon Ratings Institute, [Accounting for Cryptocurrency Climate Impacts](#), 2022.

⁹⁷ Yorke Engineering: [Reducing Greenhouse Gas Emissions Through Consolidated Returns Shipments](#), 2018.

⁹⁸ Including a Nationally Determined Contribution, a national Clean Energy Standard and a Clean Energy Rule in Arizona and legislation in Illinois.

Managing Our Natural Resources

We are committed to being responsible stewards of our planet’s resources and ecosystems. Natural resource management means efficient use of water throughout our global operations, diverting waste from landfills and executing on our zero-landfill strategy for electronic waste (e-waste).

Tracking & Managing Water Use

Given the digital nature of our business, we consume relatively low volumes of water on a revenue intensity and per-employee basis. Furthermore, the COVID-19 pandemic has resulted in lower-than-normal domestic water use across our offices. Nevertheless, our facility management teams continue to identify water efficiency and conservation opportunities.

For example, we expect to use half as much water in restrooms compared to conventional water usage rates thanks to our investment in hands-free, low-flow faucets and fixtures and updated building water efficiency standards across our fully managed office locations globally.⁹⁹

In 2021, we also **enhanced our global water management procedures and water consumption tracking practices**, allowing PayPal for the first time to accurately track its global water consumption.

2021 WATER CONSUMPTION:

77.6M

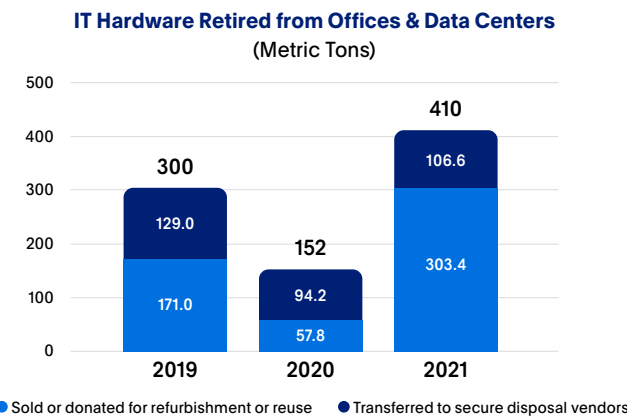
gallons of water consumed across facilities under PayPal’s operational control¹⁰⁰

Reducing Our Waste

Diverting office waste from landfill through sustainable sourcing, recycling and composting is an essential part of our commitment to natural resources stewardship. In 2021, office closures due to COVID-19 resulted in the near elimination of ongoing waste from our office operations.

We continued to drive forward our vision for responsible e-waste management by working with our disposal service providers to better understand their commitments to the environment, their efforts to measure impact and their supply chain improvement initiatives. For both offices and data center electronics, our IT asset disposal service providers maintain certification to the R2, e-Stewards or WEEE standard for responsible e-waste management.

In 2021, our IT asset management teams retired over **410 metric tons of IT hardware** across our global offices and data centers,¹⁰¹ 74% of which were donated or sold for refurbishment and reuse and 26% were transferred to our secure disposal vendors for disassembly and recycling in accordance with responsible e-waste practices. We also directly donated **over 660 computer monitors** to nonprofits across the world to be reused in the operations of charitable causes, furthering our social impact efforts.



Engaging Employees on Sustainability

We actively engage employees on important sustainability issues to build understanding and advocacy of PayPal’s environmental initiatives among our workforce.

- The PayPal Zettle team sponsored a **Hack Week event focused on innovations for climate action**, generating contributions from 76 employees on 11 climate-related innovation projects, such as rethinking Zettle packaging.
- With Global Earth Day and National Kids at Work Day in the U.S. both occurring on April 22, 2021, we seized the opportunity to celebrate our culture of sustainability with **worldwide service learning** for PayPal kids, their parents and all employees.
- In collaboration with SankalpTaru Foundation, **PayPal Dharma achieved its goal to plant 5K trees across India**, supporting local farming communities through a rural livelihood model and reflecting our commitment to enabling equitable climate transition. Starting in 2022, PayPal also plans to plant a tree for each India employee’s work anniversary.
- In response to the wildfires in Jerusalem, PayPal partnered with Keren Kaymeth Lelsrael to **plant over 400 trees**, one for every PayPal employee in Israel.

“As a Community Impact Leader, I help mobilize employees in India and beyond to make a meaningful impact in our communities, including taking climate action. Through our partnership [with SankalpTaru Foundation], we aim to create a sustainable income for rural communities and plant fruit-bearing, medicinal and shade-bearing trees.”

Wisnu Visvanathan
Senior Manager, Global Sanctions Investigations
Bangalore, India



PayPal Dharma tree planting in India

PayPal Israel donates furniture to 29 local nonprofits

In late 2021, the PayPal Israel team worked with local surplus and used goods donation service Social Delivery to **distribute over 600 office furniture items to 29 NGOs** that support underserved communities including refugees, special education schools, new immigrants, psychiatric hospitals, at-risk youth, rehab centers and homeless rehabilitation.

⁹⁹ We expect an approximately 50% reduction in restroom water use across our fully managed offices relative to standard flow-rate fixtures and faucets. For office locations where the landlord manages operations, we’re engaging with building management to encourage adoption of our water standards through our green leasing practices — with many sites already meeting these standards.

¹⁰⁰ Water consumption data collected from facilities under PayPal’s operational control utilizing direct reporting and estimated data.

¹⁰¹ 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.



Responsible Business Practices

Building and maintaining the trust of our stakeholders is critical to our long-term growth and value creation. Operating a business consistently, ethically and with integrity is paramount to sustaining and growing that trust. Our enterprise-wide focus on responsible innovation guides our approach to product development, platform security, data management and privacy and compliance and ethics.

We take a comprehensive approach to risk management across our operations to ensure we are good stewards of our customers' information. We are committed to protecting human rights and hold ourselves to the highest standards of integrity internally through our policies, procedures and processes, and externally through public policy and advocacy.

SDGs in This Section:



Responsible Business Practices Highlights

- Formally integrated ESG topics into our enterprise-wide risk taxonomy
- **100%** completion of our 2021 Annual Compliance and Ethics Training courses
- Introduced an automated self-service privacy portal to customers in over **50** countries
- Launched an online consumer security education resource center
- Achieved a record low transaction loss rate of **0.09%**¹⁰²
- Collaborated with leading organizations, such as the Anti-Defamation League and the Alan Turing Institute, to field cross-sector research aimed at combating global financial crimes

"At PayPal, we believe that doing right by our customers, employees and the communities we serve is the foundation for long-term growth and success. That is why the core values of inclusivity, integrity and responsible innovation are deeply embedded in our risk management, ethics and compliance programs and upheld through robust governance, processes, controls and culture."



Fiachre O'Neill
SVP, Chief Risk & Compliance Officer
Bellevue, WA, U.S.

Notable Awards & Recognitions

Morning Consult's Most Trusted Brands

Newsweek America's Most Responsible Companies 2021

Investor's Business Daily 25 Most Trusted Tech Companies

2021 CPA Zicklin Index – Trend Setter¹⁰³

¹⁰²Transaction loss rate represents transaction losses (including expensing associated with buyer and seller protection programs, fraud and chargebacks) divided by our total payment volume.

¹⁰³The CPA Zicklin Index of Corporate Political Accountability and Disclosure is a measure of electoral spending transparency and accountability among the U.S.'s largest public corporations.

Responsible Business Practices

- Managing Risk & Compliance
- Upholding Business Ethics
- Safeguarding Data Privacy & Security
- Protecting Our Customers & Platform
- Partnering to Advance Security & Protection Capabilities

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 and our Board of Directors is responsible for risk oversight, with the Audit, Risk and Compliance (ARC) Committee overseeing and reviewing our overall risk management framework. Our internal audit program provides independent assurance and is externally assessed by the Institute of Internal Auditors (IIA) to ensure it conforms with the IIA Code of Ethics and Standards.

Our Enterprise Risk and Compliance Management Program reflects PayPal’s programmatic approach to identifying, measuring, managing, monitoring and reporting key risks facing our company, including financial crime compliance, regulatory compliance, business continuity, technology, cybersecurity, privacy, operational, credit, capital structure, strategic and reputational risks. In 2021, we formalized our Enterprise Risk Appetite Statement, which sets forth PayPal’s risk tolerance through qualitative risk statements and risk appetite metrics, including risk triggers, and enables us to apply and cascade a consistent global approach to risk appetite across our legal entities.

Our risk management committees oversee the implementation and execution of the Enterprise Risk and Compliance Management Program, including the Enterprise Risk Management Committee (ERMC). The ERMC is the highest-level risk management committee and is co-chaired by PayPal’s EVP, Risk, Platform Services and Legal and PayPal’s Chief Risk and Compliance Officer. They regularly review and discuss the overall effectiveness of the Enterprise Risk and



Compliance Management 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 will continue enhancing our risk management approach globally. For example, in 2022, in collaboration with teams across Europe, we conducted an initial climate risk assessment to identify potential areas of prudential risk exposure in the region. This work is instrumental in meeting current and emerging regulatory obligations and will help inform climate risk assessments in other regions.

Committing to Political Transparency

PayPal’s commitment to the ESG tenets of transparent disclosure and strong governance extends to our lobbying and political transparency policies and practices. We have adopted many of the best practices put forth by the Center for Political Accountability (CPA) in their Zicklin Index,¹⁰⁴ which goes beyond state and federal disclosure requirements and, in 2021, we achieved a weighted score of 90 out of 100, placing us within the Index’s “Trend Setters” category.

WEIGHTED SCORE OF
90
IN CPA ZICKLIN INDEX

The Governance Committee oversees our political contributions, lobbying expenditures and interactions with government officials. To ensure consistency with the company’s business objectives and public policy priorities, the committee reviews and discusses with management, at least annually, 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](#).

Protecting the Health & Safety of our People

As part of our risk management procedures, we implement strong programs of personal safety, 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 are in alignment 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 continuous improvements of our EHS program and regularly conduct reviews to ensure that our global sites comply with all relevant local and national EHS regulatory requirements.

In 2021, our global pandemic response steering committee, made up of executive leaders from across the organization, developed new procedures to ensure the continued safety of our people and prepared plans for safely returning to our offices. The EHS team oversaw the ongoing implementation of COVID-19 safety procedures for essential workers at our sites and for the health and safety of all our employees.



¹⁰⁴ The CPA Zicklin Index of Corporate Political Accountability and Disclosure is a measure of electoral spending transparency and accountability among the U.S.’s largest public corporations.

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 regularly refresh the Code of Conduct to reflect the evolution of our programs, policies and expectations for everyone engaged with PayPal. In our most recent update, we included additional information on our commitment to human rights; enhanced diversity, inclusion, equity and belonging (DIE&B) strategy; customer and employee data management responsibilities; and anti-bribery and corruption efforts.


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 championed by our leadership, who encourage employees to raise ethics concerns, and is actively promoted by the Ombuds/Ethics team during local outreach and awareness sessions. Our Chief Risk and Compliance Officer provides periodic updates to the ARC Committee on significant program metrics and investigations.

Every employee and contractor completes annual compliance and ethics training, which covers areas such as our Code of Conduct, anti-money laundering, information protection awareness, data privacy, 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.

In addition to our Code of Conduct, we ask all employees, third parties and other stakeholders such as contingent workers to abide by our Conflict of Interest, Ethics Reporting and Whistleblower and Anti-Bribery and Corruption policies, among others.

100%

employee completion of annual compliance and ethics training

Managing Our Supply Chain Responsibly

Partnering with third parties whose values align with our own is an important way we demonstrate our commitment to business ethics. PayPal manages a global supply chain of more than 5,000 vendors, partners and other third-party organizations. Due to the digital nature of our business, our supply chain consists primarily of the procurement of various direct and indirect good 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.

All third parties and subcontractors are expected to comply with our [Third-Party Code of Conduct & Ethics](#), which sets 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.

We conduct due diligence on all new suppliers during onboarding and on existing suppliers at regular intervals based on potential material risks to our business. We hold our third-party partners to high standards of ethical behavior and review and investigate potential noncompliance to determine appropriate next steps, which could include termination.

Setting the Foundation for a Responsible Supply Chain Program

In 2021, we collaborated across PayPal to begin integrating ESG considerations across the vendor lifecycle by building on efforts already underway to promote supplier diversity and sustainability. Read more about how we engage suppliers in [Employees & Culture](#) and [Environmental Sustainability](#).



Respecting Human Rights

In early 2021, we concluded our initial human rights impact assessment in partnership with [Article One](#) and identified four human rights risk categories most salient for our company: product misuse, product design, government action and operations.

Our [Code of Conduct](#) outlines our commitment to managing potential human rights risks and opportunities and is informed by our commitment to the [Universal Declaration of Human Rights](#), [U.N. Guiding Principles on Business and Human Rights](#), [International Labor Organization's fundamental conventions](#) and other international standards. Additionally, our U.K. and Australia joint [Modern Slavery Statement](#) highlights the steps we have taken to mitigate and prevent modern slavery and human trafficking practices across our value chain.

In 2022, we are working to formalize an enterprise-wide human rights governance structure and further integrate human rights considerations in key policies and procedures. In addition, we aim to deploy targeted internal human rights trainings for priority teams.



Safeguarding Data Privacy & Security

We embody a privacy-first culture that prioritizes responsible use of data and customer empowerment through transparency, education, platform enhancements and product innovations. We remain committed to providing our customers with a trusted, value-driven experience, which incorporates a proactive approach to data protection and cybersecurity management.

Advancing Our Approach to Privacy & Data Management

Continuing to build a data- and privacy-aware culture

PayPal’s data protection efforts are grounded in a principles-based Privacy Program. We continue to expand our approach to incorporate an ever expanding set of [data management principles](#) centered on PayPal’s critical data elements, including notice and transparency, choice and consent and data lifecycle management. Our Global Privacy and Data Management Organization, part of the Enterprise Risk and Compliance Management Program, develops and maintains enterprise-wide standards established to drive consistency in management and execution of our processing of personal data. These standards are designed to ensure data quality, accountability and standardization.

The Global Privacy and Data Management team, led by our Chief Privacy Officer and Global Head of Data Management, with oversight from the ARC Committee, partners closely with dedicated teams integrated throughout our legal and business departments to establish appropriate controls and work toward deepening our culture of data hygiene and privacy

by design and default. Given the interconnectedness of data within PayPal’s business, we focus our programs on bringing awareness of these complexities and enabling business teams to maintain appropriate context and an end-to-end risk management view, rather than focusing solely on specific data use cases. Our privacy impact assessments help reinforce this perspective into employee decisioning processes and strategies related to the collection, use, minimization and sharing of data. We also require annual employee and contractor training on our privacy and data management practices.

Data is often at the center of acquisitions and strategic investments. It’s essential to pay close attention to privacy and security risk associated with investments and acquired businesses. PayPal dedicates expert privacy resources to conduct due diligence concerning potential acquisitions and strategic investments. The due diligence process involves review of internal and public-facing policies, practices, internal systems that access or store data, data security assessment reports, data processing registrations and submissions to relevant governmental bodies to discover its data practices — past and current.

Strengthening the foundation of our programs

We believe that our data and privacy programs are most effective when they align to our internal business structure and reflect relevant external standards and industry leading practices influenced by dynamic regulatory guidance. We regularly review and enhance our management and oversight policies and procedures to ensure they meet and exceed evolving global regulations. In 2021, we conducted an inventory of our global privacy notices and engaged a third-party organization to inform continued improvements. See our [Legal Hub](#) for our [Privacy Statement](#) for additional information.

Throughout 2021, we worked to ensure strong alignment of policies across PayPal entities and reviewed and updated our procedures related to ensuring appropriate localization, minimization, sharing, use and deletion of data. We also established new oversight and management capabilities in more nascent areas of technology and interest, including artificial intelligence and open banking to ensure a privacy by design approach to personal data use cases.

Taking a platform approach to privacy

We continue to empower our customers by providing them meaningful education on the choices and controls they have about their personal data. Our automated self-service portal enables our customers in over 50 countries across Europe, Australia, Asia and the U.S. to exercise their individual right to access, correct, modify, manage and delete their personal data and marketing choices, as applicable.¹⁰⁵ We are continuing to work on extending these capabilities to other jurisdictions. In 2021, we also added “just in time” data sharing notifications when a customer

pays with Venmo to allow them to make informed decisions about their data. For broader customer education on consumer data privacy matters, please visit our [Privacy Hub](#).

Expanding Employee Engagement with Data Week 2021

In March 2021, we hosted Data Week 2021 — an expansion of our inaugural 2020 Privacy Awareness Week — to expand opportunities for employee engagement with our privacy-first culture by highlighting the cross-cutting impact of data across PayPal and the importance of treating it responsibly. Teammates across the business engaged in interactive experiences to share relevant practices about privacy and data protection. For more information, visit our [website](#).

Sponsoring Research on Customer Data Privacy and Protection Views in U.S. and India

As digital applications and services grow in availability and complexity, it is increasingly important to mitigate vulnerabilities that can result from data sharing — particularly for underresourced populations. PayPal sponsored [research](#) conducted by Decodis, a social research company, to better understand the experiences, attitudes and behaviors that low- to middle-income internet users exhibit as a result of the rapid, global adaptation and expansion of digital services. This early work concluded that consumers can articulate thoughtful and nuanced opinions about their data sharing, and that they have the desire and capacity to increase their knowledge and confidence in participating in the digital world. Future research is expected to uncover deeper insights into potential consumer behavioral changes.



¹⁰⁵ Deletion is available for accounts in good standing that meet the record retention timeline requirements.

Enabling Effective Cybersecurity Management

To ensure the security of our customers and platform, we embrace a proactive security philosophy with strong oversight. Our Chief Information Security Officer leads our cybersecurity management function across our global enterprise, with oversight from the ARC Committee. As part of our Enterprise Risk and Compliance Management Program, our Information Security Program is designed to support the company in identifying, protecting, detecting, responding to and recovering from cybersecurity threats.

PayPal takes threats to the availability, integrity and confidentiality of our customer and employee data seriously. Our Information Security Program reflects our commitment to proactively combating cyber threats, including cryptocurrency vulnerabilities,

ransomware and cloud threats, through data-driven decisions informed by threat research, intelligence and assessments and continuous reduction of the attack surface.

Our security program is informed by relevant industry guidance such as the NIST Cybersecurity Framework and has been ISO 27001 certified for information security management since 2019. PayPal also continues to work and partner with PCI as a member of the Payment Card Industry Security Standards Council (PCI SSC) Board of Advisors, complies with PCI-DSS and maintains a security assessment program that includes annual ISO 27001, PCI-DSS, SOC-1 and SOC-2 reviews performed by independent third parties.

Security program ISO 27001 certified since 2019

We recently rolled out a refreshed and augmented online consumer [Security Center](#), providing educational resources and links for customers to report suspicious or unauthorized transactions as part of our commitment to customer security education awareness.

Our Information Security team has built a rigorous model for performing diligence against both potential acquisitions and strategic investments to enable informed, risk-based decisions. PayPal’s internal audit function also performs program-specific reviews of our information security functions on a periodic basis.

Promoting awareness & education for employees to work securely

We continue to mature and evolve our Information Security Training and Awareness programs to meet the needs of the enterprise and adapt to the changing cyber-threat landscape. In addition to the annual information security compliance training completed by all employees and contractors, ongoing learning opportunities are available to increase security awareness across PayPal, with specific educational programs for our engineers. For example, during Cybersecurity Awareness Month, we host presentations, leadership discussions and employee engagement activities to expand awareness of and more effectively protect against cyber threats.

As part of a broader effort to streamline, strengthen and modernize our internal policies and approach to IT and security risk management, we made numerous structural and documentation-level changes to the policy portfolio throughout 2021. Taken together, these changes help support our vision for a flexible future of work for our employees. As we look ahead to a range of working arrangements across different teams and functions, we will continue to refine our policies and tools to enable more flexible implementation of consistent security standards for our global workforce whether they are remote or on-site.



“My goal is to further our ‘security first’ commitment to PayPal customers. Providing world-class experiences for customers that align with PayPal’s mission and values means ensuring security is built into not only our products and services, but also PayPal’s culture of innovation and collaboration.”

Assaf Keren
Chief Information Security Officer,
VP, Enterprise Cyber Security
Scottsdale, AZ, U.S.



PayPal’s Multilayered Approach to Address Cyber Attack Risks

We continuously monitor emerging cyber threats and conduct quarterly cybersecurity risk assessments to identify and mitigate potential entry points. We have a thorough and established breach response process and our disaster recovery and business continuity plans are reviewed and exercised on at least an annual basis, and more frequently as appropriate for specified systems and business functions.

We also perform 24/7 monitoring and measurement through the **PayPal Command Center**, which oversees system reliability, operations and management across PayPal through multiple global locations, and the **PayPal Cyber Defense Center**, which monitors security issues and vulnerabilities and coordinates with law enforcement to maintain the integrity of PayPal’s production and corporate environments.

Real-Time Detection and Response	Situational Awareness
Proactive Threat Intelligence	Control Testing
Product Security	Holistic Assessment

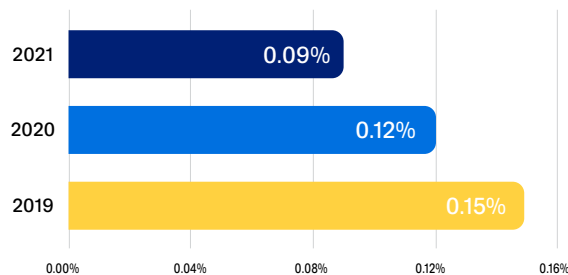


Protecting Our Customers & Platform

Our ongoing investment in systems and processes designed to enhance the safety and security of our products reflects our ambition to be one of the world's most trusted payments brands.

Our fraud risk management capabilities focused on preventing bad actors from entering our ecosystem are continuously evolving, including the ongoing modernization and automation of our technology platform, continued enhancement of our 24/7 Fraud Detection Command 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 **reduce our transaction loss rate¹⁰⁶ to record lows, reaching 0.09% in 2021.**

Annual Transaction Loss Rate¹⁰⁶
(% OF TOTAL PAYMENT VOLUME)



"We believe in being true partners to our merchants and democratizing access to our rich risk intelligence. Over the last three years, we built and launched a suite of Risk-as-a-Service products to allow merchants to better manage their businesses."

Arthi Rajan Makhija
SVP, Global Fraud Risk
San Jose, CA, U.S.



Advancing Understanding and Protection of Fraud Risks

A recent study, "[The Real Cost of Online Fraud](#)," by Ponemon Institute and sponsored by PayPal provides an overview of the post-pandemic fraud landscape, challenges companies face in mitigating the risk of fraud and the financial losses associated with online fraud. The research found that COVID-19 has seriously affected an organization's ability to protect online transactions, with only one-third of respondents rating high or very high program effectiveness, down from nearly one-half prior to the pandemic. Notably, organizations are losing \$4.5M annually, on average, due to fraudulent transactions.

This research underscores the critical importance of our Risk-as-a-Service offerings for our merchants to offer advanced fraud mitigation and chargeback seller protection programs. **Over 30K merchants are actively using one or more of our fraud protection services**, and we are working to continue expanding these services to marketplace and partner solutions in future years.

PayPal Germany Jointly Develops Guide for Safe Online Shopping

In 2021, PayPal Germany joined the nonprofit alliance, Deutschland sicher im Netz (DsiN/Germany Secure on the Web), to support the education of consumers regarding safe online shopping and fraud prevention. PayPal and DsiN jointly developed a [security guide](#) aimed at consumers who are inexperienced in online shopping.

Investing in enhanced platform security

In 2021, we launched [Fraud Protection Advanced](#), an enhanced, customizable tool that helps merchants identify, investigate, resolve and mitigate fraud using our machine learning and analytics capabilities. We expect our recent acquisition of Chargehound to further enable our commitment and capabilities to efficiently resolve customer disputes globally, specifically chargeback disputes.

We also continue to invest in programs that integrate digital identity with financials into a centralized wallet in a secure, convenient and inclusive way. This work builds on our efforts to further support increased customer adoption of passwordless checkout, **which reached over 50% of transactions in 2021.**¹⁰⁷

We strive to ensure our platform is safe and secure for all to use and expect all customers to comply with our [Acceptable Use Policy](#), which outlines prohibited activities and conduct, including the use of our services to promote hate, violence and intolerance (including racial intolerance). We take this responsibility seriously and conduct independent investigations of product misuse using all available information, while also working to proactively identify instances of noncompliance.



¹⁰⁶Transaction loss rate represents transaction losses (including expensing associated with buyer and seller protection programs, fraud and chargebacks) divided by our total payment volume.

¹⁰⁷Adoption rate excludes use by countries regulated under the Strong Customer Authentication requirements.

Partnering to Advance Security & Protection Capabilities

We recognize that, with our leadership position in the digital payments landscape, it is our responsibility to both protect our customers from fraud and financial crime, as well as advance the broader security ecosystem. We work with industry and multisector partners, as well as actively participate in relevant associations, to better understand and mitigate emerging cyber threats to enable a more secure digital economy for all.

Contributing to Global Security Research

Our active memberships and sponsorships include Anti-Phishing Working Group (APWG), Financial Services Information Sharing and Analysis Center, founding member of the FIDO Alliance, Cyber Risk Institute, Global Cyber Alliance, Cloud Security Alliance and National Cyber-Forensics Training Alliance.



In 2021, we continued to field research with leading research groups, peer companies and universities to help enable a more secure digital economy, including:

- Our **longstanding work with the APWG**, which saw the launch of [APWG PhishFarm](#), an initiative that brings the anti-phishing research findings of PayPal and Arizona State University to the larger ecosystem to improve browser block lists to better protect users from deceptive phishing websites. This cross-industry partnership with support from Facebook, Hitachi, PayPal and RSA has potentially far-reaching impact for all internet users.
- [Research](#) in the emerging field of **quantum computing in partnership with D-Wave and IBM**, expanding our understanding of this new technology and how PayPal might leverage it to secure our platform and improve fair lending practices.

- In partnership with **Georgia Institute of Technology**, **focusing on FIDO2 passwordless authentication** to better understand the risk factors the fintech industry should consider in detecting and preventing fraud for those using passwordless authentication methods.
- Working to improve customer protection through research into **enhanced phishing detection with North Carolina State University** as phishing tactics evolve and become more sophisticated.

Collaborating to Combat Global Financial Crimes

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

We also look to extend the reach of our signature capabilities beyond PayPal by establishing multisector partnerships to make an even greater positive impact. In 2021, this included:

- Announcing a **new research initiative with the [Anti-Defamation League](#)** to address the urgent need to understand how extremists and hate movements throughout the U.S. attempt to leverage financial platforms to fund criminal activity.

- Funding **research at the [Alan Turing Institute](#)** in the U.K. to help reduce the use of cryptocurrencies for illegal commerce. Understanding the patterns of centralization and decentralization around dark web marketplaces will help in modeling the behavior of illicit trade networks that use blockchain currencies for unlawful payments.
- Working transnationally to **tackle the financial exploitation of elderly or otherwise vulnerable individuals** to proactively identify and detect potential cases and building partnerships with external experts to help educate and train our workforce and enable new customer protection activities.

We continuously look for new opportunities to utilize our data, relationships and investigation teams to further protect our customers and communities. We employ our internal expertise and external partnerships with organizations and government agencies to identify, interrupt and enable prosecutions for those who traffic opioids and illegal drugs, launder money, defraud our customers, engage in human trafficking and child exploitation and enable terrorist or extremist activities. This model will continue to be an important lever as we work to stop global financial crimes.

Our Global Investigations team acts as a liaison and resource for law enforcement, intelligence agencies and other financial institutions. In 2021, PayPal released an upgraded version of our U.S. Safety Hub — [the PayPal Law Enforcement Portal](#) — which enables law enforcement to quickly and seamlessly seek lawful access to PayPal data. We anticipate expanding the upgraded portal to the global law enforcement community in 2022.

“The PayPal-Turing project will enable us to better understand the role of dark web marketplaces within the Bitcoin economy, a necessary step towards devising more efficient strategies to combat illicit activities.”

Dr. Andrea Baronchelli
Associate Professor in Applied Mathematics at City University of London, Token Economy Theme Lead The Alan Turing Institute

**The
Alan Turing
Institute**



Appendix

ESG Framework Alignment

We are committed to advancing our ESG strategy and disclosures by ensuring they reflect input from our stakeholders, as well as industry best practices and guidance from international standards setters.

We annually report on the company's activities to advance the U.N. Sustainable Development Goals (SDGs) and include a comprehensive 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 change.

Our reporting is aligned to the Value Reporting Foundation's SASB standards, the Global Reporting Initiative (GRI) standards, the U.N. Global Compact Ten Principles (UNGC) and the World Economic Forum's Stakeholder Capitalism Metrics (SCM) framework.

All references apply to PayPal's global operations in the year ended December 31, 2021, unless otherwise noted. We are committed to ongoing transparency and will continue to assess opportunities to evolve our ESG reporting approach.

Independent Limited Assurance Statement

Bureau Veritas UK provided an independent limited assurance opinion on select 2021 ESG metrics to demonstrate our continued commitment to accurate and transparent reporting. The full assurance statement including

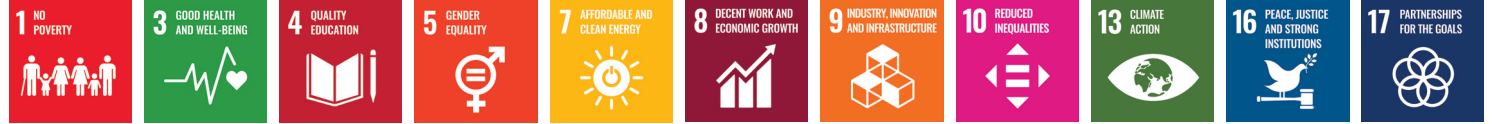
Additional Resources

Beyond this report, we provide additional materials and documents that further demonstrate our ESG strategies, activities, progress and performance.

Contents

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





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 to help their collective advancement.

We annually assess our net contributions to the SDGs based on [priority ESG topics](#), the degree of potential influence and a mapping of our core business and ESG activities, outcomes and impact 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.¹⁰⁸

As a member of the U.N. Global Compact (UNGC), we work to operate in alignment with 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 Ten Principles, please see the [our ESG Performance Metrics Table](#).



PayPal is a signatory to the Women's Empowerment Principles and the private sector lead for the [U.N. Women's Generation Equality Forum's Economic Justice and Rights Action Coalition](#). In support of advancing financial inclusion and economic empowerment for women and girls around the world, we announced a **\$108M** commitment over the next five years. For more information, please see [Social Innovation](#).

SDG	Target	Relevance	2021 Selected Progress
GOAL 1: No Poverty	Target 1.4: 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, enabling greater economic access to populations globally.	<ul style="list-style-type: none"> Invested in innovative fintech to expand access to financial resources. Enabled well over \$19B in donations through the PayPal Giving Platform.
GOAL 5: Gender Equality	Target 5.1: End all forms of discrimination against all women and girls everywhere Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	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"> Committed to \$108M by 2026 to advance the economic empowerment of women and girls. Advocated for U.S. national paid leave policy and greater protections for pregnant workers. Achieved 44% global gender diversity across our workforce and 33% gender diversity of our Board.
GOAL 8: Decent Work and Economic Growth	Target 8.5: Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	We advance policy, develop products and enact initiatives to improve the financial wellness of our customers and employees around the world.	<ul style="list-style-type: none"> Maintained 100% global gender pay equity and U.S. ethnic pay equity. Introduced our new PayPal app with enhanced money management features to our 392M active consumer accounts. Helped support startups in Nigeria and Mexico working to provide affordable financing to farmers.
GOAL 9: Industry, Innovation and Infrastructure	Target 9.3: 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 SMBs globally through access to capital and tools to drive business growth.	<ul style="list-style-type: none"> Facilitated access to \$24.2B in capital to SMBs through more than 1.2M loans since 2013. Continued to help SMBs reach additional markets, such as partnering with Aboriginal-led Welcome to Country in Australia.
GOAL 10: Reduced Inequality	Target 10.2: Empower and promote the social, economic and political inclusion of all Target 10.C: Reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%	Through investments, thought leadership and product enhancements, we are driving greater equity for underserved individuals and minority-owned businesses.	<ul style="list-style-type: none"> Allocated 100% of our \$535M commitment to racial justice. Authored white papers and released new research highlighting opportunities to reduce the racial wealth gap.¹⁰⁹ Maintained average international remittance costs below 3% (2.8% in 2021).
GOAL 13: Climate Action	Target 13.2: Integrate climate change measures into national policies, strategies and planning Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	We engage with policymakers and partners across our value chain to reduce our climate impact and build climate resilience.	<ul style="list-style-type: none"> Engaged with over 200 vendors to drive climate action across our supply chain. Advocated for legislation in the U.S. to accelerate the transition to renewable energy. Funded and led the formation of the Digital Finance for Climate Resilience (DF4CR) Task Force.
GOAL 17: Partnerships for the Goals	Target 17.17: Encourage and promote effective public, public-private and civil society partnerships	Partnerships can amplify our capabilities and global reach to advance our mission and enable positive impacts on society.	<ul style="list-style-type: none"> Continued our partnerships with UNGC, World Resources Institute, JUST Capital, Polaris and others, and established new relationships (e.g., U.N. Generation Equality Forum, Alan Turing Institute, Reimagine Main Street) to drive impact.

¹⁰⁸In 2021, our increased focus on leveraging PayPal's unique capabilities to support an equitable climate transition and advocate for ambitious climate policy led us to include SDG Goal 13 (Climate Action) in our list of global goals where we make the greatest positive impact.

¹⁰⁹[Potential of Corporate Venture Capital to Narrowing the Racial Wealth Gap and Reducing the Racial Financial Health Gap: The Opportunity for Responsible Fintech.](#)



PayPal’s 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. To view our full TCFD Index, please see [here](#).

Governance	Strategy	Risk Management	Metrics & Targets
<p>Overview of PayPal’s governance structure and oversight of climate-related risks and opportunities</p>	<p>Discussion of the actual and potential impacts of climate-related risks and opportunities on PayPal’s business, strategy and financial planning</p>	<p>Description of how PayPal identifies, assesses and manages climate-related risks</p>	<p>Disclosure of the metrics and targets PayPal uses to assess and manage relevant climate-related risks and opportunities</p>
<ul style="list-style-type: none"> • The Corporate Governance and Nominating Committee of PayPal’s Board oversees ESG matters, including environmental sustainability management, with responsibilities such as reviewing progress in developing and implementing strategies for managing material environmental topics (inclusive of climate-related risks and opportunities) and overseeing the establishment of and progress toward fulfilling public environmental sustainability commitments. • Management and designated internal leaders provide regular updates to the Board and relevant committees on climate- and ESG-related topics. 	<ul style="list-style-type: none"> • PayPal considers both transitional and physical risks in the short-term (0-3 years), medium-term (3-5 years) and long-term (5-10 years). • PayPal’s GHG emissions footprint is relatively small and therefore the overall risk to PayPal’s business from climate change is likely low. However, the company recognizes the potential physical and transition risks for its operations and supply chain. • 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 climate-neutral economy. • Our short-term roadmap for climate action includes conducting climate-related scenario exercises with internal and external stakeholders. 	<ul style="list-style-type: none"> • ESG-related risks, including reputational and climate-related risks, are integrated in our enterprise risk assessment. • Led by our Environmental Working Group, teams across PayPal consider and track how current and emerging regulations may impact climate-related risks and opportunities. We also identify and prioritize material ESG risks and opportunities through our materiality assessment, refreshed annually. • 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. • The Enterprise Risk Management Committee, co-chaired by PayPal’s Chief Risk and Compliance Officer and EVP, Risk, Platform Services and Legal, and delegated subcommittees oversee the implementation and execution of our program. • An ESG Steering Committee consisting of senior leaders across PayPal regularly reports on emerging ESG trends, including climate-related risks, to a subcommittee of the ERMC. 	<ul style="list-style-type: none"> • PayPal tracks climate-related metrics related to total energy consumed, percentage renewable energy and Scope 1, 2 and 3 greenhouse gas (GHG) emissions. <ul style="list-style-type: none"> – In 2021, we established ambitious, measurable science-based emissions reduction targets informed by stakeholder consultation and validated by the Science Based Targets initiative (SBTi) to demonstrate progress towards our goal of reaching net-zero GHG emissions across our operations and value chain by 2040: <ul style="list-style-type: none"> • Reduce absolute operational GHG emissions by 25% by 2025 (from a 2019 base year) • Engage 75% of our suppliers, by spend, to set science-based targets by 2025 • Match 100% of our data center energy use with renewable energy sources by 2023 (achieved in 2021)



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 55](#).

ESG Performance Metrics Table

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 Value Reporting Foundation’s SASB standards for the Software & IT Services and Consumer Finance industries;¹¹⁰ the Ten Principles of the United Nations Global Compact (UNGC); and the World Economic Forum’s Stakeholder Capitalism Metrics (SCM).¹¹¹ Disclosures are organized by our four ESG pillars — Employees & Culture, Social Innovation, Environmental Sustainability and Responsible Business Practices — and aligned to the ESG topics identified in our materiality assessment.¹¹² The GRI disclosures in this table represent our GRI content index, prepared in accordance with the 2021 Universal Standards. We map our 2021 ESG performance metrics to the recommended SCM core metrics, as appropriate, with select inclusion of expanded metrics.¹¹³ We will continue to evaluate opportunities for future reporting enhancements.

Description	FY21 ¹¹⁴	FY20	FY19	GRI	SASB	UNGC	SCM
ABOUT PAYPAL							
<i>Organization & Reporting Practices</i>							
Organizational details	About PayPal, page 4			2-1			
Activities, value chain and other business relationships	About PayPal, pages 4-5 2021 Annual Report/Business, pages 2-6			2-6			
Mission, vision and values	About PayPal/Living Our Values, page 5 Mission, Vision & Values webpage			Setting purpose, purpose-led management			
Statement on sustainable development strategy	Message from Our President & CEO, page 3			2-22 Setting purpose, purpose-led management			
Active accounts (in millions)	426	377	305	FN-CF-000.A ¹¹⁵			
Active consumer accounts (in millions)	392	348	281				
Active merchant accounts (in millions)	34	29	24				
Net new active accounts (in millions)	48.9	72.7	37.3				
Total payment volume (in billions)	\$1,250	\$936	\$712	TC-SI-000.A ¹¹⁵			
Number of payment transactions (in billions)	19.3	15.4	12.4	TC-SI-000.A ¹¹⁵			
Annual revenue (in billions)	\$25.37	\$21.45	\$17.77	201-1 Economic contribution			
Markets served ¹¹⁶	200+	200+	200+	2-1, 2-6			
Additional operational and financial results	2021 Annual Report/Management’s Discussion and Analysis of Financial Condition and Results of Operations, pages 28-46			201-1 Financial investment contribution disclosure			
Commitment to innovation	About PayPal, pages 4-6 ; Employees & Culture/Multiple references, pages 12, 19 ; Social Innovation/Multiple references, pages 20-21, 26 ; Environmental Sustainability/Multiple references, pages 29-30, 32 ; Responsible Business Practices/Safeguarding Data Privacy & Security, page 37 ; Appendix/Supporting the U.N. Sustainable Development Goals, page 42 2021 Annual Report/Business, pages 8-9			Principle 9			
Total research and development expenses (in billions)	\$1.6	\$1.4	\$1.1	Total R&D expenses			

(continued)

¹¹⁰ We selected metrics from both sets of SASB industry standards that reflect topics 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 relevancy to our business and our current disclosures.

¹¹¹ For additional information on select historical data not reported within the 2020 Global Impact Report, please see PayPal’s previous Global Impact Reports, Annual Reports and Proxy Statements.

¹¹² We include metrics for the eight ESG topics designated priority issues for PayPal in our materiality assessment, as well as for other select material ESG topics based on the relevancy to our business, current company disclosures and designated reporting frameworks.

¹¹³ We do not report on all themes and metrics based on relevancy to our business and our current disclosures.

¹¹⁴ Each italicized response references an external document or resource.

¹¹⁵ Modified activity metric to provide relevant business information.

¹¹⁶ 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	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
ABOUT PAYPAL (cont.)							
<i>Organization & Reporting Practices (cont.)</i>							
Total tax paid (in millions)	\$474	\$565	\$665	201-1			Total tax paid
	2021 Annual Report/Management's Discussion and Analysis of Financial Condition and Results of Operations, page 41						
Effective tax rate	-1.7%	17%	18%				
Membership associations	Multiple references throughout report, pages 12, 13, 15, 23, 26, 29, 30, 39, 40 PayPal Inc. Trade Associations (Federal & State)			2-28			
Approach to stakeholder engagement	About PayPal/Identifying & Prioritizing Our Material ESG Issues, page 6 2022 Proxy Statement/Multiple references, pages 29-31, 38-39			2-29			Material issues impacting stakeholders
Process to determine material topics	About PayPal/Identifying & Prioritizing Our Material ESG Issues, page 6			3-1			Material issues impacting stakeholders
List of material topics	About PayPal/Identifying & Prioritizing Our Material ESG Issues, page 6 2022 Proxy Statement/ESG Strategy, page 38			3-2			Material issues impacting stakeholders
Reporting period, frequency and contact point	This report covers calendar year 2021. PayPal's ESG reporting follows an annual cycle. For questions, please contact ESG@paypal.com .			2-3			
Entities included in the organization's sustainability reporting	About PayPal, page 4 2021 Annual Report/Business, page 3			2-2			
Restatement of information	Included throughout the report as necessary.			2-4			
External assurance	Appendix/Independent Limited Assurance Statement, page 55			2-5			
<i>Corporate Governance</i>							
Governance structure and approach	About PayPal/Upholding Strong Corporate Governance & ESG Oversight, pages 7-8			2-9, 2-12		Principle 7	Governance body composition
Independent Directors (% of Board)	91.67%	90.91%	91.67%	2-9			Governance body composition
Board diversity (% of Board) ¹¹⁷	50.0%	45.0%	50.0%	2-9, 405-1			Governance body composition
Gender diversity (% of women on the Board)	33.0%	36.4%	-				
Ethnic diversity (% of Board identifying as ethnically diverse) ¹¹⁸	16.7%	9.1%	-				
Composition, nomination and selection of the highest governance body	About PayPal/Upholding Strong Corporate Governance & ESG Oversight, page 7 2022 Proxy Statement/Election of Directors, pages 12-22			2-10, 2-11			Governance body composition
Highest governance body's role in managing and reporting impacts	About PayPal/Upholding Strong Corporate Governance & ESG Oversight, page 7-8 2022 Proxy Statement/ESG Governance Structure, page 37			2-13, 2-14			Economic, environmental and social topics in capital allocation framework
Conflicts of interest	2022 Proxy Statement/Multiple references, pages 22, 32-33			2-15			
Collective knowledge of the highest governance body	About PayPal/Upholding Strong Corporate Governance & ESG Oversight, page 8 2022 Proxy Statement/Multiple references, pages 14, 16-21, 31, 37			2-17			Governance body composition
Evaluation of performance of the highest governance body	2022 Proxy Statement/Board and Committee Evaluations, page 29			2-18			
Remuneration policies and process	2022 Proxy Statement/Multiple references, pages 34-36, 52-77			2-19, 2-20			Remuneration
CEO pay ratio	382:1	278:1	367:1	2-21			Wage level

(continued)

¹¹⁷ Diverse is defined as women and ethnically diverse men based on U.S. EEO-1 defined categories.

¹¹⁸ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
EMPLOYEES & CULTURE							
<i>Employee Recruitment & Development</i>							
Approach to recruiting and managing a global workforce	Employees & Culture/Managing Our Global Workforce, page 11 Employees & Culture webpage Code of Business Conduct & Ethics Joint U.K. and Australia Modern Slavery Statement			2-8, 3-3		Principle 6	
Global employees	30,900	26,500	23,200	2-7			Absolute number and rate of employment
U.S.-based	13,100	12,300	11,200	2-7	TC-SI-330a.1		
Nationalities	154	150	142	2-7	TC-SI-330a.1		
Countries	30+	30+	30+	2-7	TC-SI-330a.1		
Annual turnover rate	15.8% ^{119^}	10.5% [^]	20.3%	401-1			Absolute number and rate of employment
Annual employee survey participation rate ¹²⁰	79% ¹²¹	85%	87%				
Engagement score ¹²²	83 [^]	84 [^]	80		TC-SI-330a.2		
Intent to stay score	80 [^]	82 [^]	78				
Work-life balance score	75	73	-				
Support from management score	85	-	-				
Engaged users on employee learning & development platforms	21,500	17,700	-	404-1			Training provided
Course hours consumed (weekly average)	2,100	1,800	-	404-1			
Self-directed courses accessed	112,500	129,200	-	404-1			
Saved development days (number of days) ¹²³	15,200	14,400	10,900				Monetized impacts of training
<i>Employee Wellness, Health & Safety</i>							
Approach to promoting employee total wellness	Employees & Culture/Managing Our Global Workforce, pages 13-14			3-3, 401-2, 403-1, 403-6			Health and safety
PayPal-defined estimated minimum employee net disposable income (U.S.) ¹²⁴	15% [^]	11% [^]	-	202-1			Living wage
Weighted average PayPal-defined estimated employee net disposable income (global) ¹²⁵	34%	-	-	202-1			Living wage
Collective bargaining agreements	Not applicable			2-30		Principles 1, 3	

(continued)

¹¹⁹ Remaining below [U.S. Bureau of Labor Statistics](#) trends for the financial and technology sectors.

¹²⁰ All scores benchmarked against top technology peers.

¹²¹ While we remained above our benchmark, our participation rate was 6 percentage points lower than 2020. We remain focused on making our surveys more accessible and convenient.

¹²² Whether the employee is happy at PayPal or would recommend PayPal to their friend.

¹²³ Number of development days saved in the year for engineers who completed proactive technical training classes versus individual learning.

¹²⁴ The PayPal-defined estimated net disposable income is the discretionary income remaining for our employees after taxes and typical living expenses are paid. We recently refined our methodology to include additional locations and incorporate equity value at time of grant to provide a more consistent assessment of PayPal's compensation program and remove exogenous market factors. We revised prior period metrics to reflect this update.

¹²⁵ The weighted average of international locations is calculated using the number of employees by location and minimum eNDI across nearly 20 sites.

[^] Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
EMPLOYEES & CULTURE (cont.)							
<i>Diversity, Inclusion, Equity & Belonging (DIE&B)</i>							
Approach to cultivating diversity, equity, inclusion & belonging	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 15 Diversity, Inclusion, Equity & Belonging webpage			3-3		Principles 1, 6	
Pay equity for global females and U.S. ethnic males ¹²⁶	100%	100%	100%	405-2			Pay equality
Inclusion@PayPal training completion rate ¹²⁷	39%	-	-			Principle 6	
Employee Resource Groups (ERGs)	8	8	7				
Participating employees	7,600	6,000	-				
Chapters	135	115	110				
Diverse executive leadership (% of executives) ^{128,129}	55.6%	50.0%	-	405-1			
Gender diversity (% of women on executive leadership team)	22.2%	25.0%	-				
Ethnic diversity (% of executive leadership team) ¹²⁶	44.4%	37.5%	-				
Diverse workforce representation (% of overall U.S. workforce) ¹²⁸	56.1%^	56.5%^	56.9%		TC-SI-330a.3		Diversity and inclusion
Global gender diversity (% of global workforce) ¹³⁰	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 17			2-7, 405-1			Diversity and inclusion
Overall workforce by gender					TC-SI-330a.3		
Female	43.7%^	42.9%^	42.8%				
Male	56.2%	57.1%	57.1%				
Non-binary	0.04%	0.03%	-				
Technical workforce by gender ¹³¹					TC-SI-330a.3		
Female	27.3%	26.9%	27.4%				
Male	72.6%	72.9%	72.5%				
Non-binary	0.05%	0.05%	-				
Professional workforce by gender ¹³²					TC-SI-330a.3		
Female	43.8%	42.9%	42.9%				
Male	56.2%	57.0%	57.1%				
Non-binary	0.04%	0.03%	-				
Leadership by gender ¹³³					TC-SI-330a.3		
Female	33.3%	32.7%	34.7%				
Male	66.7%	67.3%	65.3%				
Non-binary	0.00%	0.00%	-				

(continued)

¹²⁶ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

¹²⁷ Based on period from launch on October 6, 2021 through January 14, 2022.

¹²⁸ Diverse is defined as women and ethnically diverse men based on U.S. EEO-1 defined categories.

¹²⁹ As of December 31.

¹³⁰ Due to rounding and exclusion of employees who do not self-identify, numbers presented may not reflect exact totals. PayPal added non-binary gender status to employee self-ID options in 2020.

¹³¹ Technical roles include employees in engineering, information technology and technology operations.

¹³² Professional is defined as Director and below.

¹³³ Leadership is defined as Senior Director and above.

^ Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
EMPLOYEES & CULTURE (cont.)							
<i>Diversity, Inclusion, Equity & Belonging (DIE&B) (cont.)</i>							
U.S. ethnic diversity (% of U.S. workforce) ¹³⁴	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 17 PayPal EEO-1 Reports			405-1			Diversity and inclusion
Overall workforce by ethnicity	52.1% [^]	50.2% [^]	48.8%		TC-SI-330a.3		
<i>White</i>	45.2%	47.4%	48.9%				
<i>Asian</i>	33.0%	33.1%	32.6%				
<i>African American or Black</i>	7.4%	6.1%	5.7%				
<i>Hispanic or LatinX</i>	8.6%	8.3%	8.1%				
<i>American Indian or Alaska Native</i>	0.3%	0.2%	0.3%				
<i>Native Hawaiian or Other Pacific Islander</i>	0.3%	0.3%	0.3%				
<i>Two or More Races</i>	2.5%	2.2%	1.9%				
Technical workforce by ethnicity ¹³⁵	67.5%	67.1%	67.2%		TC-SI-330a.3		
<i>White</i>	29.4%	29.8%	30.1%				
<i>Asian</i>	59.0%	58.9%	59.6%				
<i>African American or Black</i>	2.3%	2.0%	2.1%				
<i>Hispanic or LatinX</i>	4.2%	4.2%	3.9%				
<i>American Indian or Alaska Native</i>	0.1%	0.1%	0.1%				
<i>Native Hawaiian or Other Pacific Islander</i>	0.2%	0.3%	0.3%				
<i>Two or More Races</i>	1.6%	1.5%	1.3%				
Professional workforce by ethnicity ¹³⁶	52.3%	50.3%	49.0%		TC-SI-330a.3		
<i>White</i>	45.0%	47.2%	48.8%				
<i>Asian</i>	33.1%	33.2%	32.7%				
<i>African American or Black</i>	7.5%	6.1%	5.7%				
<i>Hispanic or LatinX</i>	8.7%	8.3%	8.2%				
<i>American Indian or Alaska Native</i>	0.3%	0.2%	0.3%				
<i>Native Hawaiian or Other Pacific Islander</i>	0.3%	0.3%	0.3%				
<i>Two or More Races</i>	2.5%	2.2%	1.9%				

(continued)

¹³⁴ 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 Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

¹³⁵ Technical roles include employees in engineering, information technology and technology operations.

¹³⁶ Professional is defined as Director and below.

[^] Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
EMPLOYEES & CULTURE (cont.)							
<i>Diversity, Inclusion, Equity & Belonging (DIE&B) (cont.)</i>							
Leadership by ethnicity ¹³⁷	37.4%	36.6%	35.6%		TC-SI-330a.3		
White	58.5%	60.9%	62.7%				
Asian	27.0%	26.3%	27.2%				
African American or Black	4.0%	3.0%	2.5%				
Hispanic or LatinX	4.5%	5.8%	4.2%				
American Indian or Alaska Native	0.0%	0.0%	0.0%				
Native Hawaiian or Other Pacific Islander	0.2%	0.0%	0.0%				
Two or More Races	1.7%	1.5%	1.7%				
Ethnically diverse women by role (% of U.S. workforce) ¹³⁸	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 17 PayPal EEO-1 Reports			405-1	TC-SI-330a.3		Diversity and inclusion
Overall workforce	22.9%	20.8%	–				
Technical workforce ¹³⁹	22.1%	21.6%	–				
Professional workforce ¹⁴⁰	23.1%	20.9%	–				
Leadership	13.4%	11.4%	–				
Ethnically diverse men by role (% of U.S. workforce) ¹³⁸	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 17 PayPal EEO-1 Reports			405-1	TC-SI-330a.3		Diversity and inclusion
Overall workforce	29.1%	29.3%	–				
Technical workforce	45.4%	45.4%	–				
Professional workforce	29.2%	29.4%	–				
Leadership	24.0%	25.3%	–				
Underrepresented minorities by role (% of U.S. workforce) ¹⁴¹	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 17 PayPal EEO-1 Reports			405-1	TC-SI-330a.3		Diversity and inclusion
Overall workforce	19.1%	17.1%	16.3%				
Technical workforce	8.5%	8.1%	7.6%				
Professional workforce	19.2%	17.1%	16.3%				
Leadership	10.4%	10.4%	8.4%				
U.S. veteran status (% of overall workforce) ¹⁴²	3.6%	4.0%	–				Diversity and inclusion
Global disability (% of overall workforce) ¹⁴³	1.6%	1.5%	–				Diversity and inclusion
U.S. LGBTQ+ (% of overall workforce) ¹⁴⁴	3.0%	–	–				Diversity and inclusion

(continued)

¹³⁷ Leadership is defined as Senior Director and above.

¹³⁸ Ethnically diverse includes U.S. EEO-1 defined categories Asian, African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

¹³⁹ Technical roles include employees in engineering, information technology and technology operations.

¹⁴⁰ Professional is defined as Director and below.

¹⁴¹ Underrepresented minorities includes African American or Black, Hispanic or LatinX, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or Two or More Races.

¹⁴² U.S. employees who have self-identified as "Non-Protected Veterans" and "Protected Veterans."

¹⁴³ Global employees who have self-identified as having a disability in countries where it is legally allowed or required to disclose.

¹⁴⁴ U.S. employees who have self-identified as LGBTQ+. This self-identify question was launched on July 22, 2021, and about 6% of the US employees responded as of December 31, 2021. Measures to promote this self-ID question are in place in 2022 and the representation % may vary based on broaden adoption among US employees.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
EMPLOYEES & CULTURE (cont.)							
<i>Community Engagement</i>							
Approach to engaging employees for community impact	Employees & Culture/Empowering Community Impact, page 18			3-3			
Total community investments (in millions) ¹⁴⁵	\$38.3	\$32.9	\$18.4	201-1		Economic contribution	
Employee volunteer hours	83,700	51,200	50,000				
Workforce engaged in community impact activities ¹⁴⁶	79%	50%	53%				
Nonprofits supported through PayPal grants	300+	400+	375+				
Locations of nonprofit grant recipients (# of countries)	55+	45+	20+				
SOCIAL INNOVATION							
<i>Financial Health & Inclusion</i>							
Approach to promoting financial health	Social Innovation/Promoting Financial Health, page 25			3-3			
Significant economic impacts	Social Innovation/Promoting Financial Health, page 25			203-2		Significant indirect economic impacts	
Average remittance costs	2.80%^	2.95%	2.82%			Principle 1	
<i>Empowering Entrepreneurs, Small Businesses & Nonprofits</i>							
Approach to driving economic empowerment and generosity	Social Innovation/Driving Economic Empowerment, pages 21, 27			3-3			
Cumulative access to capital facilitated for small- and medium-sized businesses (SMBs) (in billions)	\$24.2^	\$20.7^	\$16.0				
Annual access to capital for SMBs (in billions) ¹⁴⁷	\$3.6^	\$4.6^	\$5.7				
Loans facilitated to SMBs (total since 2013) (in millions)	1.2	1.1	0.9				
\$535M Commitment to Address Economic Equality	Social Innovation/Taking Action for Racial Equity & Justice, page 24			203-2		Principle 1 Significant indirect economic impacts	
<i>Advancing Social Justice</i>							
Total funds allocated (in millions)	\$535	\$300+	-				
Empowerment Grants – Awardees still operating (% of total awardees)	99% ¹⁴⁸	90%	-				
Nonprofit Partner Grants – Businesses still operating (% of businesses served)	90% ¹⁴⁹	80%	-				
Funds raised for nonprofits and causes (in billions) ¹⁵⁰	\$19.3^	\$17.1	\$15.7				
Funds raised for nonprofits (in billions) ¹⁵¹	\$18.6	\$16.7^	\$15.4				
Funds raised for causes via personal or business fundraising (in millions)	\$773.5	\$393.7	\$284.5				
Total number of donors (in millions)	56.1^	52.3	41.6				
Personal fundraising campaign donors (in millions) ¹⁵²	8.2	4.4	3.4				

(continued)

¹⁴⁵ Includes donations, matching gifts, grants and in-kind donations.

¹⁴⁶ Percentage of global workforce that participated in community impact initiatives or activities including volunteering, giving and/or actions to integrate impact and sustainability into their daily lives.

¹⁴⁷ Through PayPal Business Loans, PayPal Working Capital in the U.S., U.K., Australia and Germany, and the U.S. Small Business Administration (SBA) Paycheck Protection Program.

¹⁴⁸ Based on a survey conducted by the Association for Enterprise Opportunity from September – October 2021 of 1,391 grant awardees with a 25% response rate, resulting in a confidence rate of over 95% with a 5% margin of error.

¹⁴⁹ Percentage of Black-owned businesses served with reported outcomes that are still operating as of September 2021. Based on our 12-month impact survey of 20 nonprofit partners, of which 18 nonprofit partners reported output data and at least nonprofit partners reported outcomes data.

¹⁵⁰ 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.

¹⁵¹ Does not include funds raised through personal fundraising.

¹⁵² Number of distinct senders to personal causes using PayPal donate buttons or using PayPal on a donation-based crowdfunding platform, where sender is a PayPal member.

^ Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
SOCIAL INNOVATION (cont.)							
<i>Empowering Entrepreneurs, Small Businesses & Nonprofits (cont.)</i>							
Nonprofits and causes supported (in millions) ¹⁵³	1.4	1.3	1.1				
Nonprofits supported (in millions) ¹⁵⁴	1.1	1.1	0.9				
Funds raised through PayPal Digital Wallet (in millions)	\$182.4	\$126.8	\$65.6				
Funds raised through Generosity Network (in millions) ¹⁵⁵	\$26.2	\$2.9	–				
Causes supported through Generosity Network ¹⁵⁶	453,500	40,000	–				
Total number of donations through Give at Checkout (in millions) ¹⁵⁷	27.0	11.3	2.8				
Holiday Giving donations (in billions) ¹⁵⁸	\$2.8	\$2.7	\$2.0				
Customers who donated (in millions)	13.7	13.6	10.4				
Giving Tuesday donations (in millions)	\$188.3	\$186.1	\$132.4				
Customers who donated (in millions)	1.6	1.8	1.4				
ENVIRONMENTAL SUSTAINABILITY							
<i>Climate Change Adaptation</i>							
Approach to climate equity and resilience	Environmental Sustainability/Driving Climate Adaptation & Resilience, page 30			3-3		Principle 1	
<i>Climate Change Mitigation</i>							
Approach to climate change mitigation	Environmental Sustainability/Prioritizing Climate Mitigation: Net-Zero by 2040, page 31 Environmental Sustainability webpage Environmental Sustainability Policy			3-3, 302-4		Principles 7, 8	Paris-aligned GHG emissions targets
Integration of environmental considerations into strategic planning for data center needs	Environmental Sustainability/Prioritizing Climate Mitigation: Net-Zero by 2040, page 31 Environmental Sustainability webpage				TC-SI-130a.3	Principles 7, 8	
TCFD implementation	Environmental Sustainability/Prioritizing Climate Mitigation: Net-Zero by 2040, page 32 ; TCFD Summary, page 43 TCFD Index			201-2			TCFD implementation Integrating risk and opportunity into business process
Reduction in absolute operational greenhouse gas (GHG) emissions (% since 2019 baseline) ¹⁵⁹	73.1% [^]	52.7%	–	305-5			Paris-aligned GHG emissions targets
Vendors with science-based targets (% of vendors by spend) ¹⁶⁰	27.9% [^]	25.4%	–				
Global energy use (MWh in thousands) ¹⁶¹	256.6 [^]	264.1 [^]	251.5 [^]	302-1	TC-SI-130a.1		
Offices	51.7	65.0	95.3				
Data centers	204.9	199.1	156.2				

(continued)

¹⁵³ Number of distinct nonprofits or causes receiving a donation, across PayPal and Braintree platforms.

¹⁵⁴ Total number of nonprofit accounts supported each year.

¹⁵⁵ Funds raised for campaigns created for personal causes and charities on the Generosity Network platform, launched in September 2020.

¹⁵⁶ Number of campaigns created for personal causes and charities on the Generosity Network platform, launched in September 2020.

¹⁵⁷ 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. Give at Checkout feature launched in 2019.

¹⁵⁸ The holiday season is defined as the Tuesday before U.S. Thanksgiving through New Year's Eve, or November 23, 2021 to December 31, 2021.

¹⁵⁹ 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, business travel resumes and the company continues to grow.

¹⁶⁰ Vendor climate engagement metrics are based on our assessment of all vendors within relevant Scope 3 categories, including purchased goods and services, capital goods, business travel and upstream transportation and distribution.

¹⁶¹ We've revised prior period energy and emissions metrics based on improvements in both data quality and calculation methodology.

[^] Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
ENVIRONMENTAL SUSTAINABILITY (cont.)							
<i>Climate Change Mitigation (cont.)</i>							
Renewable energy (% of energy use)	88%	76%^	45%^		TC-SI-130a.1	Principle 8	
Office energy (% of energy use)	40%	11%	11%				
Data center energy (% of energy use)	100%^	98%^	66%^				
GHG emissions by Scope (MTCO ₂ e in thousands) ¹⁶²	24.4	38.7	112.7				GHG emissions
Scope 1	2.6^	3.0^	6.5^	305-1			
Scope 2 (MBM) ¹⁶³	11.7^	22.1^	46.6^	305-2			
Scope 3	10.1^	13.6^	59.6^	305-3			
<i>Business Travel</i> ¹⁶⁴	0.8^	2.5^	32.1				
<i>Fuel and Energy-Related Activities (FERA) (MBM)</i>	9.3^	11.0^	27.4				
GHG emissions by Scope (MTCO ₂ e in thousands, LBM)							GHG emissions
Scope 2	99.0	108.6	99.0	305-2			
Scope 3 FERA	34.4	–	–	305-3			
GHG emissions (Scope 1&2) by facility type (MTCO ₂ e in thousands, MBM) ^{163,165}	13.3	24.5	53.1				GHG emissions
Offices	13.3	23.2	33.8				
Data centers	0.0	1.3	17.5				
Carbon intensity per transaction (grams CO ₂) ¹⁶⁶	0.7	1.6	4.3	305-4			
<i>Natural Resource Management</i>							
Approach to managing natural resources	Environmental Sustainability/Managing Our Natural Resources, page 33 Environmental Sustainability webpage			3-3		Principles 7, 8	
Total water consumed (gallons) (in millions) ¹⁶⁷	77.6	–	–	303-5	TC-SI-130a.2		Water consumption and withdrawal in water-stressed areas
IT hardware retired (metric tons)	410 ¹⁶⁸	152	300	306-3			
Sold or donated for refurbishment and reuse	74%	38%	57%	306-4			
Transferred to secure disposal vendors	26%	62%	43%	306-5			
IT asset disposal service providers certified	100%	100%	100%				

(continued)

¹⁶² We've revised prior period energy and emissions metrics based on improvements in both data quality and calculation methodology.

¹⁶³ Scope 2 emissions data is calculated using the GHG Protocol Market-Based Method (MBM), which includes purchases of off-site renewable energy.

¹⁶⁴ As part of our commitment to sustainable business travel, we have worked directly with preferred travel vendors to refine our emissions calculation methodology for 2021. 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.

¹⁶⁵ Scope 1 emissions by facility type excluded corporate jet.

¹⁶⁶ Calculation includes operational emissions from all Scope 1 and 2 sources, including corporate jet.

¹⁶⁷ Water consumption data collected from facilities under PayPal's operational control utilizing direct reporting and extrapolated data.

¹⁶⁸ This increase was due to the shutdown of a major data center and refresh activities that occurred across our office locations. Additionally, COVID-19 significantly impacted our ability to process disposals in 2020.

^ Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
RESPONSIBLE BUSINESS PRACTICES							
<i>Business Ethics</i>							
Approach to upholding business ethics	Responsible Business Practices/Upholding Business Ethics, page 36 Responsible Business Practices webpage			3-3			Protected ethics advice and reporting mechanisms
Risk and compliance management	Responsible Business Practices/Managing Risk & Compliance, page 35 2021 Annual Report/Risk Factors, pages 12-26			2-27			Integrating risk and opportunity into business process
Anti-corruption policies and procedures	Code of Business Conduct & Ethics, pages 30-32, 40			205-2		Principle 10	Anti-corruption
Monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	2021 Annual Report/Legal Proceedings, pages 96-97			206-1	TC-SI-520a.1		Monetary losses from unethical behavior
Employee completion of annual compliance and ethics training (% of total workforce)	100%^	100%	100%	2-24, 205-2		Principles 6, 10	Anti-corruption
Communication of critical concerns	Code of Business Conduct & Ethics, page 7			2-16			
Processes to remediate negative impacts	Code of Business Conduct & Ethics			2-25			
Mechanisms for seeking advice and raising concerns	Code of Business Conduct & Ethics, page 7			2-26		Principle 6	Protected ethics advice and reporting mechanisms
Policy commitments	Responsible Business Practices/Upholding Business Ethics, page 36 Code of Business Conduct & Ethics Environmental Sustainability Policy			2-23		Principles 1, 2, 6, 7, 10	
Embedding policy commitments	Responsible Business Practices/Upholding Business Ethics, page 36 Code of Business Conduct & Ethics			2-24			
Approach to upholding human rights	Responsible Business Practices/Upholding Business Ethics, page 36 Code of Business Conduct & Ethics, page 47 Joint U.K. and Australia Modern Slavery Statement			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/Managing Risk & Compliance, page 35 Political Engagement and Transparency Policy Political Spending and Lobbying Disclosures			415-1			Alignment of strategy and policies to lobbying
Business continuity risks related to disruptions of operations	Responsible Business Practices/Managing Risk & Compliance, page 35 2021 Annual Report/Risk Factors, pages 18-26				TC-SI-550a.2		Integrating risk and opportunity into business process
<i>Sustainable Supply Chain Management</i>							
Approach to sustainable supply chain management	Employees & Culture/Cultivating Diversity, Inclusion, Equity & Belonging, page 15 ; Environmental Sustainability/Prioritizing Climate Mitigation: Net-Zero by 2040, page 31 ; Responsible Business Practices/Upholding Business Ethics, page 36 Supplier Diversity Program Third Party Code of Business Conduct & Ethics			2-6, 3-3		Principles 1, 4, 5, 6, 8	

(continued)

^ Received limited external assurance in current and/or previous reporting period.



Description	FY21	FY20	FY19	GRI	SASB	UNGC	SCM
RESPONSIBLE BUSINESS PRACTICES (cont.)							
<i>Data Privacy</i>							
Approach, policies and practices relating to user privacy	Responsible Business Practices/Safeguarding Data Privacy & Security, page 37 Responsible Business Practices webpage PayPal Privacy Statement Privacy Hub			3-3	TC-SI-220a.1	Principle 1	
Monetary losses as a result of legal proceedings associated with user privacy	2021 Annual Report/Legal Proceedings, pages 96-97			418-1	TC-SI-220a.3 FN-CF-220a.2		
<i>Cybersecurity & Secure Transactions</i>							
Approach to identifying and addressing data security risks	Responsible Business Practices/Safeguarding Data Privacy & Security, page 38 Responsible Business Practices webpage			3-3	TC-SI-230a.2 FN-CF-230a.3		
Transaction loss rate ¹⁶⁹	0.09%	0.12%	0.15%		FN-CF230a.2		
Compliant, ethical & humane use of our products	Responsible Business Practices/Protecting Our Customers & Platform, page 39 Acceptable Use Policy			3-3		Principles 1, 2	

¹⁶⁹ 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).

Independent Limited Assurance Statement



INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of PayPal

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 "2021 Global Impact Report" ('the Report')¹. This Assurance Statement applies to the related information included within the scope of work described below.

Scope of Work

The scope of our work was limited to assurance over the accuracy of the ESG performance data listed below and included in the Report. Subject to Limitations and Exclusions set out below, our verification includes all operations under PayPal's control for the reporting period covering January 1, 2021 to December 31, 2021 for the following indicators ('Selected Information')²:

Employees & Culture

- Employee Participation rate (%)³
- Employee Engagement score³
- Intent to Stay score³
- Overall Workforce Diversity (%)³
- Global Gender Diversity (%)³
- US Ethnicity Diversity (%)³
- Average Turnover Rate (%)³
- Estimated Minimum Employee Net Disposable Income, U.S. (%)

Social Innovation

- Funds raised for non-profits and personal causes (USD)
- No. of donors who gave to non-profits and personal causes
- Total Capital to SMBs (USD) in 2021
- Total Capital to SMBs since 2013 (USD)
- Total number of Loans issued since 2013
- Average International Remittance Costs (%)

¹ GIR is a downloadable PDF available via the official PayPal website

² All metrics are global unless otherwise stated

³ 10-K report metrics

Responsible Business Practices

- Annual Compliance and Ethics training completed (%)

Environmental Sustainability

- Greenhouse Gas (GHG) Emissions Scope 1 (MT⁴ CO2e)
- Greenhouse Gas (GHG) Emissions Scope 2 (MT⁴ CO2e) Location based & Market based
- Greenhouse Gas (GHG) Emissions – Scope 3 (Emissions from business travel) (MT⁴ CO2e)
- Greenhouse Gas (GHG) Emissions Scope 3 (Fuel and Energy Related Activities not in S1/2) (MT⁴ CO2e) Location based and Market based
- Global Energy Use (renewable and non-renewable) (MWh)
- Renewable Energy as a % of total energy use
- Renewable Energy as a % of data centre energy use
- Reduction in operational GHG Emissions (% since 2019)
- Vendors with science-based targets (% of vendors by spend)

Reporting criteria

The Selected Information has been prepared in accordance with internal definitions set for PayPal's ESG Indicators. The GHG emissions data has been prepared taking into consideration The GHG Protocol Corporate Accounting Standard (revised edition).

Limitations and Exclusions

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

- the appropriateness of the reporting criteria;
- any activities outside the defined reporting period subject to the exception expressly stated in the Scope of verification; and
- any other information included in the Report other than the Scope of verification defined above.

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.

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.

⁴ Metric Tonnes

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, issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of the independent verification, Bureau Veritas undertook the following activities remotely:

- conducting interviews with PayPal personnel responsible for the Selected Information;
- reviewing the data collection and consolidation processes used to compile the 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's systems for quantitative data aggregation and analysis, including where applicable the underlying activity data, conversions, and emission factors applied.

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.

Conclusion

On the basis of our methodology and the activities described above, nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

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

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 certified⁵ 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 requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)⁶, 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.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with PayPal.



Bureau Veritas UK Ltd Version 1.0

April 22, 2022, London

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⁵ Certificate available on request

⁶ International Federation of Inspection Agencies – Compliance Code – Third Edition

Additional Resources



General Disclosures

- [Global Impact website](#)
- [2022 Proxy Statement & 2021 Annual Report](#)
- [Investor Relations](#)
- [About PayPal](#)
- [PayPal Newsroom](#)
- [Corporate Governance](#)
- [Policies and Other Disclosures](#)
- [ESG Principles in Practice](#)
- [Mission, Vision & Values](#)
- [Family of Brands](#)
- [PayPal Global Markets](#)
- [COVID-19 Response](#)
- [PayPal Ventures](#)



Employees & Culture

- [Employees & Culture](#)
- [Diversity, Inclusion, Equity & Belonging](#)
- [U.S. EEO-1 Reports](#)
- [Community Impact Teams](#)
- [PayPal Global Benefits](#)
- [PayPal Careers](#)
- [Supplier Diversity](#)
- [Worker Financial Wellness Initiative](#)
- [PayPal Launches Looking Up Podcast](#)
- [PayPal Employees Award Grants to More Than 75 Nonprofits Around the World](#)



Social Innovation

- [Social Innovation](#)
- [Advancing Social Justice](#)
- [Small Business Spotlight Series](#)
- [Maggie Lena Walker Award](#)
- [About PayPal Products](#)
- [PayPal Giving Platform](#)
- [Cue\\$ti3n de Lana video series](#)
- [Spend Smarter Online Guide](#)
- [PayPal commits to strategic investments supporting economic empowerment of women and girls](#)
- [Progress on Our Commitment to Racial Equity and Social Justice](#)
- [PayPal Invests Additional \\$50 Million in Black and LatinX-Led Venture Capital Funds](#)
- [PayPal Deposits \\$135 Million in Financial Institutions Serving Black and Underserved Communities](#)



Environmental Sustainability

- [Environmental Sustainability](#)
- [Environmental Sustainability Policy](#)
- [PayPal to Reach Net-Zero Greenhouse Gas Emissions by 2040](#)
- [Accounting for Cryptocurrency Climate Impacts](#)
- [PayPal's 2021 CDP Climate Change Response](#)
- [TCFD Index](#)
- [New Global Climate Task Force Launches Framework for Digital Financial Solutions to Improve the Climate Resilience of One Billion People](#)



Responsible Business Practices

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



Thought Leadership & Advocacy

- [PayPal Small Business Month](#)
- [Reducing the Racial Financial Health Gap: The Opportunity for Responsible Fintech](#)
- [PayPal-Morning Consult Small Business Confidence Index](#)
- [PayPal Business Of Change: Recovery and Rebuild](#)
- [The Digital Opportunity: COVID-19 Pandemic Impact on European SMEs](#)
- [The Potential of Corporate Venture Capital in Narrowing the Racial Wealth Gap](#)
- [Digital Currencies and Financial Health](#)
- [Third Wave of FinTech Innovation](#)
- [How Low- to Middle-Income Internet Users View Data Privacy and Protection: New Research From India and the United States](#)
- [PayPal fielded continuing research in the emerging field of quantum computing in partnership with D-Wave and IBM](#)
- [The Real Cost of Online Fraud](#)
- [PhishFarm: A Scalable Framework for Measuring the Effectiveness of Evasion Techniques Against Browser Phishing Blacklists](#)