

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

PayPal Group

("PayPal")

Introduction

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It is a real problem for millions of people around the world, including many in developed countries, who are being kept and exploited in various forms of slavery. Every company is at risk of being involved in this crime through its own operations and its supply chains. At PayPal, we have a zero-tolerance approach to modern slavery, and are fully committed to preventing slavery and human trafficking in our operations and supply chains. We have taken steps to tackle modern slavery, as outlined in our statement. This statement sets out the actions that we have taken to better understand all potential modern slavery risks related to our business, and to implement steps to prevent slavery and human trafficking during the financial year 2018.

Our business and supply chains

PayPal is committed to the highest standards when engaging suppliers to our business. PayPal inc (NASDAQ:PYPL), a company which provides payment solutions, is available in more than 200 markets around the world,

PayPal's supply chain consists of the procurement of various indirect goods and services. . As part of this, the supply chains also consists of a select number of reputable recruitment agencies for the supply of personnel which is reviewed on an ad hoc basis..

PayPal generally establishes a relationship of trust and integrity with all its suppliers, which is built upon mutually beneficial factors. PayPal's supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, as well as requesting references where necessary.

Policies

PayPal currently operates the following policies for identifying and preventing slavery and human trafficking in our operations:

- Whistleblowing Policy - PayPal encourages all employees, customers and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation. PayPal provides a confidential helpline to protect the identity of the whistleblowers.

- Code of Conduct – PayPal’s encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chains.
- Third Party Code of Conduct and Ethics – PayPal encourages ethical business practices and social and environmental awareness which includes provisions around labor and human rights. PayPal expects Third Parties to comply fully with the Code. PayPal may take measures to ensure compliance and address potential instances of non-compliance with the Code.

PayPal strives to continually develop and improve its existing policies and processes to ensure that appropriate systems are put in place to better evaluate and be more effective at preventing modern slavery in our supply chains.

Supplier due diligence

PayPal conducts due diligence on all new suppliers during on-boarding and on existing suppliers at regular intervals. This includes:

- Assessing risks in the provision of particular services
- Auditing the suppliers, and their health and safety standards, labour relations and employee contracts
- Requiring improvements to substandard employment practices
- Sanctioning suppliers that fail to improve their performance in line with our requirements.

In addition, and as part of PayPal’s risk assessment, other than low risk category of services, we require all suppliers to attest that:

- They don’t use any form of forced, compulsory or slave labour
- Their employees work voluntarily and are entitled to leave work
- They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment
- They don’t require employees to post a deposit/bond and don’t withhold their salaries for any reasons
- They don’t require employees to surrender their passports or work permits as a condition of employment.

PayPal intends to assess its policies and procedures each year to consider whether alternative or additional provisions would be required in order to measure the effectiveness of PayPal’s actions.

This statement is made on behalf of all the obligated entities within the PayPal Group.



SIGNATURE DIRECTOR
THOMAS W. BROWN

Date: April 17, 2019