

UK Gender Pay Gap Report 2022

Introduction

We are deeply committed to building a global team of employees that reflect the communities where we work and live, and the diversity of the customers we serve.

[Our Diversity, Inclusion, Equity & Belonging \(DIE&B\)](#) principles are not only critical to our success but also deeply embedded in our people, our culture and our business. We understand that to create innovative products for our customers and provide value to our stockholders, we must attract, develop and retain diverse talent globally. Ensuring that all employees are paid fairly and equitably for their contributions to our company is an important part of this.

At PayPal, total compensation includes a number of elements such as base pay, cash bonus or commission, and equity in the company. We review total compensation data annually and have reported equal pay for employees globally for the last five years.

The gender pay gap and equal pay are two different issues. Equal Pay is the difference between men and women's earnings for performing the same or similar work. Gender pay is a measure of the average pay for men and women across an organisation, regardless of factors such as their role, seniority, work location, etc.

Reporting Requirements

Employers with more than 250 employees are required by law to publish their gender pay gap and gender bonus gap figures annually. There are six different pieces of information that are required:

GENDER PAY GAP, MEAN AND MEDIAN - This is the difference in hourly pay between men and women, as at the April 2021 'snapshot' date, expressed as a percentage of the hourly pay for men. This means that a positive number indicates men earn more than women; a negative number means the reverse.

GENDER BONUS GAP, MEAN AND MEDIAN - This refers to the average incentive pay received by men and women in the 12-months leading up to the snapshot date, expressed as a percentage of the incentive pay received by men. As with the gender pay gap, a positive number indicates men earn more than women; a negative number means the reverse.

BONUS PAY PROPORTION – This refers to men who received a bonus expressed as a percentage of the total number of bonus eligible men, and women who received a bonus expressed as a percentage of the total number of bonus eligible women.

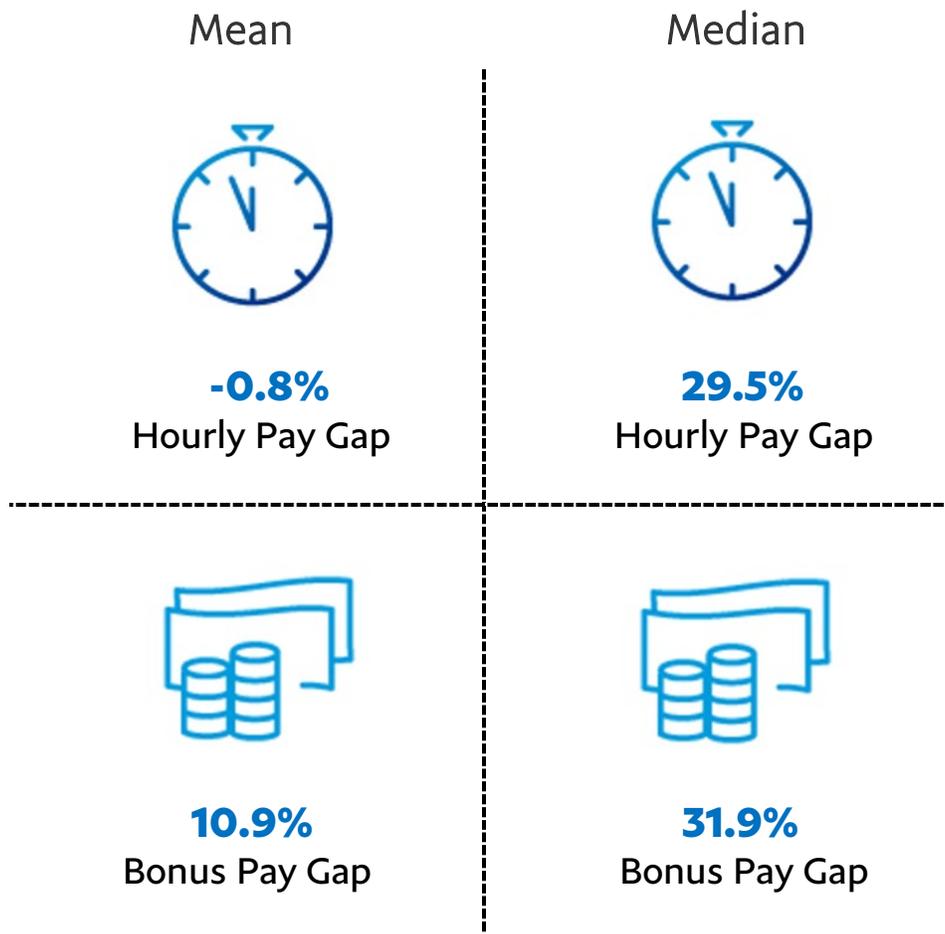
PAY QUANTILES – All employees are ranked in order from the lowest to the highest hourly rate of pay and the list is divided into four equal groups or 'quartiles' (referred to as the lower quartile, the lower middle quartile, the upper middle quartile and the upper quartile).

Results

The **gender pay gap** measures the difference between men and women's hourly earnings as of April 2021. 'Earnings' include salary, incentives, cash allowances, on-call payments, etc. PayPal's mean hourly pay gap is **-0.8%** which means the average hourly pay for women is higher than men. The median hourly pay gap is **29.5%**, which means when hourly pay is ranked lowest to highest, the middle value in the list for women is lower than the middle value in the list for men.

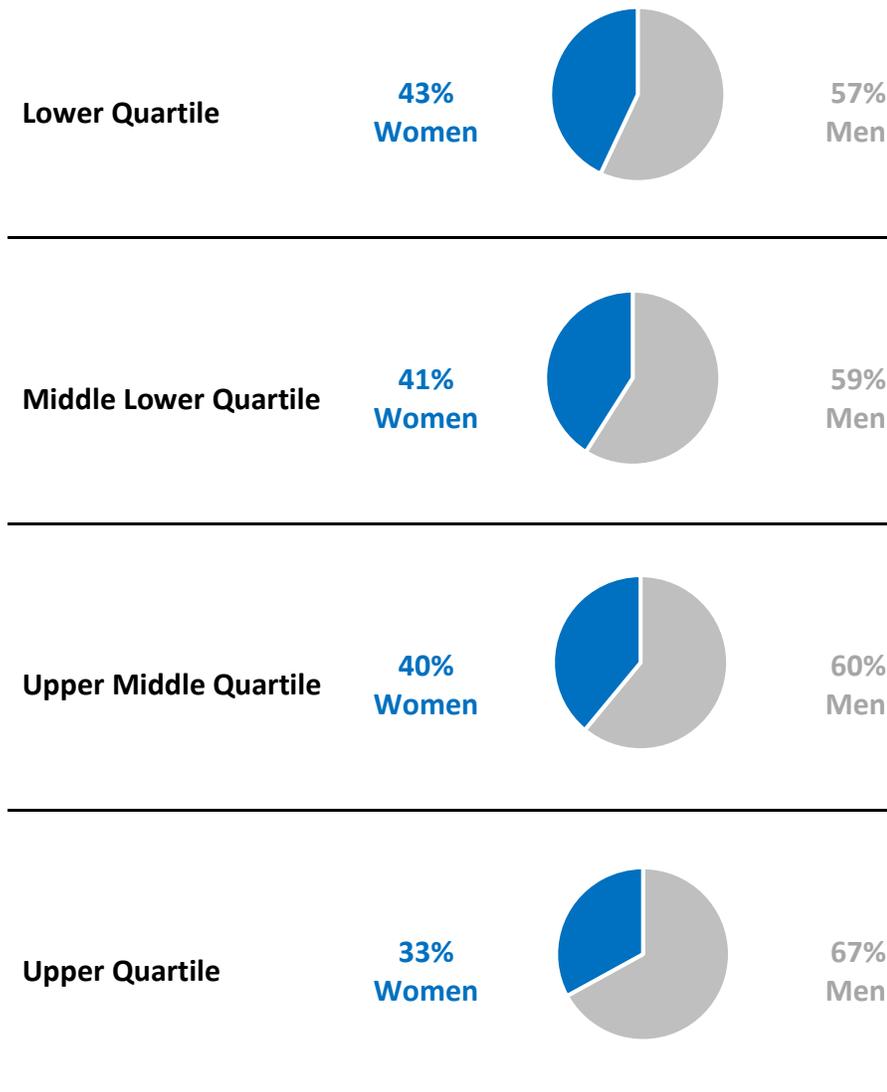
The **gender bonus gap** is the difference in incentive pay received by men and women in the 12-month reporting period. 'Incentive pay' includes bonus, commission, vested stock awards, recognition awards, referral bonuses, etc. The mean bonus pay gap is **10.9%** and the median bonus pay gap is **31.9%**

The proportion of men receiving incentive/bonus pay is **90.7%** and **92.2%** for women. The population who did not receive incentive pay were predominantly new hires who were not employed long enough to receive incentive pay in the reporting period.



NB: The MEAN refers to the sum of all the values divided by the number of values.
The MEDIAN refers to the middle value when all the numbers are ranked in order of lowest to highest.

The proportion of men and women in each pay quartile:



Understanding our results

Unequal representation of women is a challenge for PayPal and the tech industry in general. In April 2021, the ratio of men to women in the PayPal UK workforce was 61:39 with more men than women at almost every career level. The proportion of women working at PayPal is higher than the average for the UK tech industry (69:31 source: ONS) but we continue to focus on attracting and retaining female talent with the objective of achieving equal representation.

The number of women represented in the lower, lower-middle and upper-middle pay quartiles broadly align with the overall ratio of men to women in the PayPal UK workforce (61:39). However, the number of women in the upper quartile is disproportionately lower (i.e. 33% vs 39%). There are more men in senior roles and long-tenured roles, which are paid more based on the market rates and time in position. Our pay plans are aligned to the seniority of the role, with our higher graded roles by their very nature, generating a larger salary, annual bonus and equity awards.

Men and women have an equal opportunity to earn a bonus, but those in senior roles have higher bonus and equity awards, additionally those with longer tenure may have the opportunity to accumulate equity awards year on year, elevating total annual earnings above peers with less tenure. With fluctuations in the PayPal stock price, the reported cash value of equity awards can be significantly different for employees receiving awards of equal grant values but granted on different dates.

We are a relatively small employer in the UK, so a few new hires and leavers can easily impact the overall results.

How we are addressing representation

Inclusion is one of PayPal's core values, and we recognize that while we've made progress, we remain at the beginning of a multi-year journey. In addition to the work we're doing across inclusive hiring, sponsorship, learning resources, our external partnerships and operational progress, we also want to recognize the critical importance of providing women the space and opportunity to speak. We believe that creating a sense of psychological safety so that our employees are able to speak authentically to their lived experiences is invaluable in strengthening our culture of inclusion as well as helping everyone to feel seen, heard, and valued.

Inclusive Hiring and Talent Development

- To ensure we're addressing bias in the workplace, we've reimagined and redesigned our recruitment process to integrate inclusive hiring practices. We're providing our talent acquisition teams and managers the tools and training they need to be intentional around identifying diverse candidate slates and diverse interview panels
- In 2021, PayPal's Compensation Committee began embedding DIE&B considerations into our executive compensation program
- Businesses are increasingly recognizing the importance of creating a culture of sponsorship in addition to mentorship. PayPal's Unity Employee Resource Group for women and allies launched a pilot sponsorship program targeted toward increased retention and identifying leadership opportunities.

Inclusion@PayPal

- We're not limiting education and investment to hiring alone, we're also committed to supporting our employees globally with a multi-year, multi-module learning journey, Inclusion@PayPal. Developed by DIE&B and learning specialists, the learning launched in the fourth quarter of 2021, with the first module in the series focused on providing fundamental learning on our DIE&B strategy and to help each person recognize inherent biases and identify opportunities for conscious changes.
- We are planning additional targeted modules to further employee understanding and actions for the future, including topics such as code switching and covering, power dynamics in the workplace, and understanding experiences from the view of various personas.

Operational Inclusion Work

- PayPal continues to invest in systems to help more accurately understand and pinpoint specific areas across the employee lifecycle where additional support and equitable programs would be useful in driving change across various functions, levels, geographies, etc.

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- In 2021, we embarked on new partnerships to help broaden our talent pipelines and developed targeted employee career development and sponsorship and mentorship programs for underrepresented communities.
- We also host Employee Resource Group (ERG) listening sessions to gather insights and maintain an open line of communication for any concerns that employees may like to raise in a safe space with the comfort that voices will be heard and acted upon.

United Nations Partnership

- In June 2021 we announced commitment of more than \$100 million to advance financial inclusion and economic empowerment for women and girls around the world over the next five years.
- In support of its mission to build a more inclusive economy, PayPal was selected to join the Generation Equality initiative as a private sector lead for the Economic Justice and Rights Action Coalition in November 2020.
- PayPal will deposit \$100 million of its capital into investment funds and depository institutions that are led by women or focused on serving women, as well as other endeavors that can produce greater financial health or economic empowerment of women, among other gender equality outcomes.
- PayPal will invest \$7 million in partnerships to increase access to microloans for women entrepreneurs around the world.
- PayPal will contribute \$1 million to raise awareness and provide incentives to mobilize donations to civil society organizations that support gender equality through PayPal Giving Fund. As part of this, PayPal will recruit gender equality-focused charities to its platform in at least 34 countries by 2023 to further advance resource mobilization for Sustainable Development Goal 5.

Statutory Declaration

I confirm that the information and data in this report are accurate and in line with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Signed:

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