



PayPal Ireland: 2021/2022 Gender Pay Gap Report

Introduction

Inclusion is a core value at PayPal and a guiding principle for not only how we operate, but the basis for our mission to democratize financial services to ensure that everyone, regardless of background or economic standing, has access to affordable, convenient, and secure products and services to take control of their financial lives. We are deeply committed to maintaining a global team of employees that reflect the communities where we work and live, and the diversity of the customers we serve.

Our commitment to diversity and inclusion goes hand in hand with pay equity at PayPal and remains a top priority for our leadership team. Together, we will continue to embed equity and inclusion in all aspects of the employee life cycle to enable decisions and actions that drive us forward in living our cultural value of inclusion, because it is central to who we are.

We understand that to create innovative products for our customers and provide value to our stockholders, we must attract, engage 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 compensation data annually and report pay equity globally.

The gender pay gap and pay equity are different concepts. Pay equity is the difference between men and women's earnings for performing the same or similar work. The gender pay gap is the difference in the average hourly wage of men and women across an organization, regardless of factors such as their role, seniority, work location, etc.

For the first time, employers in Ireland with more than 250 employees are required by law to publish their gender pay gap and gender bonus gap figures in December 2022 and annually thereafter. The report is based on data gathered on a 'snapshot' date in June 2022. PayPal Ireland's snapshot date is June 16, 2022.



Results¹

The **gender pay gap** measures the difference² between men's and women's hourly remuneration as of June 16, 2022. 'Hourly remuneration' includes salary, incentives, cash allowances, on-call payments, etc.

PayPal Ireland's mean hourly pay gap is **14.0%**, and the median hourly pay gap is **6.4%**. These are aggregated data, which do not reflect employees' roles, levels, experience or performance.

PayPal Ireland's mean hourly pay gap for employees in part-time roles is **11.7%** which means the average hourly pay for women is lower than men. The median hourly pay gap is **2.5%**, 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. For 'list', see 'PAY QUARTILES' in explanatory Note 1 below.

The proportion of men receiving bonus pay is **99.6%** and **99.3%** for women. The **gender bonus gap** is the difference in bonus pay received by men and women in the 12-months reporting period leading up to the snapshot date of June 16, 2022. 'Incentive pay' includes bonus, commission, granted stock awards, recognition awards, referral bonuses, etc. The mean bonus pay gap is **27.1%** and the median bonus pay gap is **1.7%**.

The proportion of men eligible for benefits in kind is **100%** and **100%** for women.

This report is based on data collected on the snapshot date of June 16, 2022 for permanent (fixed hourly and part-time) employees only and does not include temporary employees.

¹There are six different pieces of information that are required for the gender pay gap report:

GENDER PAY GAP, MEAN AND MEDIAN - This is the difference in hourly pay between men and women, as at the June 16, 2022 '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 difference in bonus pay received by men and women in the 12-months leading up to the snapshot date, expressed as a percentage of the bonus 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.

GENDER PAY GAP, MEAN AND MEDIAN (EMPLOYEES ON PART-TIME CONTRACT EMPLOYMENT CONTRACTS) - This is the difference in hourly pay between men and women on part time employment contracts, as at the June 16, 2022 '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.

BONUS PAY PROPORTION - This refers to the percentage of men who were paid a bonus, and the percentage of women who were paid a bonus.

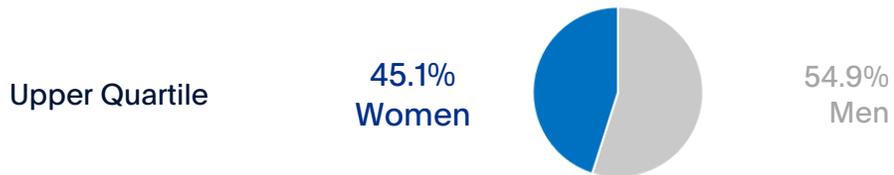
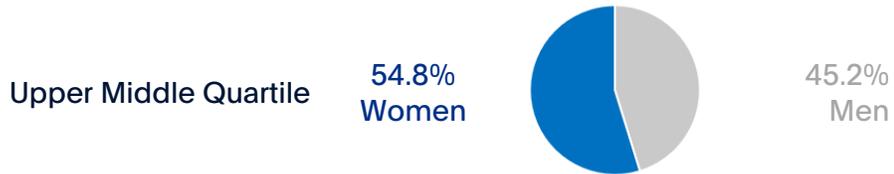
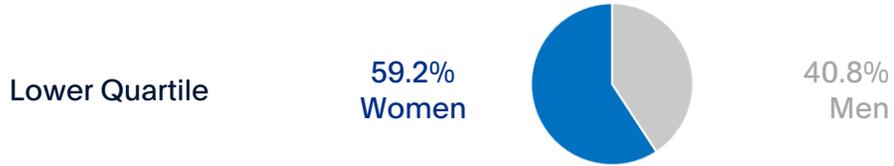
EMPLOYEES RECEIVING BENEFITS IN KIND - This refers to the percentage of all relevant employees of the male gender who are eligible for benefits in kind (Employee Stock Purchase Plan, Private Medical Insurance for instance) and the percentage of all relevant employees of the female gender who are eligible for such benefits.

PAY QUARTILES - 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).

²The 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 PayPal Ireland in each pay quartile:





Understanding our results

The data was analyzed in aggregate, without factoring in role, level, experience, or performance, each of which influence pay rates. In PayPal's opinion, there are four additional reasons for the difference relating to remuneration that are referable to gender in PayPal Ireland:

- The ratio of men to women in the PayPal Ireland workforce is 47:53³. However, 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.
- Less than a third of employees in roles that utilize STEM skills are women, according to the Central Statistics Office in Ireland. PayPal Ireland observes the same trend internally and has more men in engineering roles, which are paid more (base pay, annual equity) based on market rates, as opposed to most non-engineering roles.
- Ninety per cent of part-time roles at PayPal are performed by women. This impacts the overall gender pay gap calculations (the ordinary pay and bonus pay).
- Circa seven per cent of women employed by PayPal Ireland were on maternity leave between 2021 and 2022. While PayPal Ireland supplements the maternity allowances paid by the Irish Government Department of Social Welfare to employees on maternity leave, (sometimes referred to as "top up pay"), those women generally remain on unpaid leave for a period of time and see their remuneration impacted. This impacts the overall mean and median results of female employees because the pay data used in this analysis is actual.

How we are addressing representation

PayPal is committed to taking measures to eliminate or reduce such pay differences globally.

Inclusive Hiring and Talent Development

- To ensure that PayPal are addressing potential bias in the workplace, we have reimagined and redesigned our recruitment and performance management processes to integrate inclusive hiring practices. Hiring wise, we are providing our talent acquisition teams and managers with the tools and training they need to be intentional around reducing potential bias and diversifying candidate slates and interview panels. Performance wise, we have also embedded tools and training that help employees and managers mitigate bias and subjectivity throughout the performance management process in our annual performance and reward cycle in 2022.
- In 2022, we revamped our Diversity, Inclusion, Equity & Belonging (DIE&B) external partnership selection process and investment which helped us broaden our talent pipelines. We are currently evaluating and adding new regional partners for 2023.
- In 2021, PayPal's Compensation Committee began embedding DIE&B considerations into our executive compensation program with an emphasis on tracking progress on our DIE&B program adoption and efforts on

³ The report published on December 16, 2022 was amended in January 2023 to correct a numerical transcription error in this paragraph in respect of the ratio of men to women. This transcription error does not impact any calculations or GPG reported figures.

increasing percentage of our underrepresented full-time employee population which includes female employees.

Businesses are increasingly recognizing the importance of creating a culture of sponsorship in addition to mentorship. In 2021, PayPal's Unity Employee Resource Group for women and allies launched a pilot sponsorship program targeted toward increased retention and identifying leadership opportunities. Built on the success of that pilot, PayPal scaled the program across enterprise, targeting female talent in Senior Director and above roles in 2022. We will expand the enterprise-wide sponsorship program to top talent in managerial roles in 2023.

Inclusion@PayPal

- PayPal are not limiting education and investment to hiring alone; we are also committed to supporting our employees globally with a multi-year, multi-module learning journey, Inclusion@PayPal. Developed by DIE&B and our enterprise Learning & Development teams, the learning journey was 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.
- In 2022, we launched two new micromodules that built on the foundations and paired with two moments that matter to the employee's experience: the launch of the Enterprise Sponsorship Program in July 2022 (mentioned above) and our Annual Performance Cycle in September 2022, respectively.
- We are planning additional targeted modules to further employee understanding and actions for the future, including topics such as allyship, intersectionality, and understanding experiences from the view of various personas.

Operational Inclusion Work

- PayPal continues to invest in systems and employee listening surveys 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. Our employees are encouraged to participate in our Employee Resource Groups, which regularly host fireside chats and candid conversations where employees can learn new ideas and express their perspectives.

United Nations Partnership

- In June 2021, we announced a commitment of more than US\$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 US\$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 US\$7 million in partnerships to increase access to microloans for women entrepreneurs around the world.
- PayPal will contribute US\$1 million to raise awareness and provide incentives to mobilize donations to civil society organizations that support gender equality through the 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.

PayPal's recognition

PayPal was included on Forbes' second annual World's Top Female-Friendly Companies list in 2022⁴, which recognizes the companies leading the way in supporting women inside and outside of the workforce. To determine the list, Forbes and Statista asked employees to evaluate their company on supportive policies for women in the workplace, balanced recruitment and related topics. This is PayPal's second year on the list, moving up 84 spots from #207 in 2021.

⁴ Forbes World's Top Female-Friendly Companies 2022: <https://www.forbes.com/lists/female-friendly-companies/?sh=1d53381e4dcd>