



**PayPal**

2019  
**GLOBAL  
IMPACT**  
REPORT



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Advancing our  
mission to create a  
more inclusive world



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## Message from Our President & CEO



As I write this letter, the world is facing challenges at an unprecedented scale due to the significant and ongoing effects of the global coronavirus (COVID-19) pandemic. The global nature of this virus has shined a light on how interconnected we are and the critical need for leadership – across sectors and industries – as we work together to deliver meaningful support for those who are most vulnerable in our communities.

In this period of uncertainty, PayPal remains steadfast in our mission and committed to deploying our products, services, and resources to help address the hardships that our employees, customers, and communities are

navigating. Together, with public, private, and nonprofit partners, we continue to lead and support relief efforts, and are actively working to find innovative ways to draw on our technology and capabilities to serve our stakeholders.

Our initiatives to support COVID-19 relief efforts reflect our employees' hard work over the last five years to strengthen our platform and services, build our capabilities, and forge strong partnerships with key stakeholders. We are now working to leverage our platform to support the needs of our global workforce navigating new work/life realities, provide needed relief to small business customers struggling to maintain sales and sustain their workforces, assist governments in providing loans and stimulus payments, and make meaningful contributions to the relief organizations on the front lines of this pandemic. We are fortunate to be in the position to make a difference and I am grateful to our teams for their continued focus on ensuring the resilience of our platform to support our global customers.

We will continue to do our part during the COVID-19 pandemic to help our employees, customers, and partners persevere during this difficult time. In doing so, we are guided and inspired by PayPal's mission and values, and our conviction that we have a responsibility to make a positive difference for all our stakeholders. This commitment has also driven our Environment, Social, and Governance (ESG) priorities, and the work and programs set out in our 2019 Global Impact Report.

### 2019: ADVANCING OUR MISSION AND LIVING OUR VALUES

In 2019, we prioritized initiatives aligned with our mission and values and worked to integrate key ESG factors into the very fabric of our business. Throughout the year, we introduced new wellness and engagement programs for our employees, advanced our cross-sector social impact partnership strategy, expanded our capabilities to support charitable giving, advanced our thought leadership on financial health, and made further commitments to our communities and our planet. The current COVID-19 crisis and its long-term effects on vulnerable populations has made this work even more urgent and necessary than ever before.

### Strengthening our Commitment to Employees

With a focus on Total Wellness, we introduced a number of initiatives in 2019 to improve the financial health of our most important constituency – our employees. In October, we increased our already competitive wages for certain colleagues to help create a path to financial stability; restructured health care policies to reduce the cost of benefits by almost 60% for roughly half of our employees; made every full-time employee a PayPal stockholder to ensure that our workforce can benefit from the company's success; and rolled out new financial education resources to help our employees take more control of their financial health.

At the time, we had no way of knowing how significant this initiative would be in helping our colleagues weather the financial strain caused by this pandemic. To ensure our employees continue to have the financial security needed to prioritize their own physical and mental well-being in these times, we have since made additional commitments, including the introduction of our Crisis Leave Program to support the specific needs of PayPal employees and their families, part-time and flexible work-from-home arrangements, and continued pay for those unable to complete their job duties due to an office closure or illness on the part of themselves or their loved ones.

### Supporting Those Impacted By COVID-19

Across PayPal, we've come together to support our customers and communities through this global crisis. We're drawing on our capabilities and resources to make a difference, and working to do our part to help those who are most vulnerable.

- **Prioritizing employee health and safety** and creating new measures to support their evolving needs with flexibility and empathy, including the development of a Crisis Leave Program.
- **Serving and helping our customers**, particularly small businesses facing extreme hardship, by transforming our products, waiving fees, doubling rewards, and providing other dedicated programs and resources to support our consumers, merchants, and partners.
- **Partnering with governments**, including the delivery of needed funds directly to our customers through stimulus check distribution and providing access to small business loans through the US SBA Paycheck Protection Program.
- **Empowering global generosity** by enabling our employees, customers, and partners to help others whether through contributing to charitable relief organizations, matching programs for employee donations, or facilitating other corporate initiatives and campaigns that are supporting relief and recovery efforts.

For the latest information on our initiatives, please visit the [PayPal Newsroom](#), our [COVID-19 relief page](#), or the [PayPal fundraising website](#).





Complementary to these efforts, we also continued to focus on building a culture of belonging and reinforced our core values of Collaboration, Inclusion, Innovation, and Wellness with our team of more than 23,000 global employees. We recognize that fostering a diverse and inclusive workplace is essential to not only recruit and retain talented employees, but also to design products and services that meet the diverse needs of our customers around the globe.

### Leveraging our Platform for Social Good

Our mission, vision, and values continue to guide everything we do. We want everyone to be able to fully and fairly participate in the global economy, and we firmly believe this starts with financial inclusion. By providing tools and resources for people and businesses to access and contribute to their communities, we have the opportunity to drive real impact to help create a more inclusive, dynamic, and equal world. To that end, we have consistently embraced responsible, values-driven innovation to address the challenges our customers face.

At the start of 2019, the US government shutdown threatened the financial stability of thousands of furloughed federal employees struggling to pay rent, purchase groceries, and care for their families. This prompted PayPal to take action, committing to fund up to \$25 million in interest-free cash advances to those impacted. We also quickly mobilized to launch global disaster relief efforts and fundraising campaigns in partnership with the PayPal Giving Fund to address the devastating impacts of wildfires, floods, hurricanes, and earthquakes throughout the year. For example, together with our partners we launched a global campaign and helped raise more than AUD \$100 million for Australia bushfire relief efforts.

Perhaps the most inspiring highlight was seeing our employees and customers come together to support communities and causes around the world. In 2019, we helped 40 million customers contribute nearly \$16 billion to nonprofits, schools, and crowdfunders – including well over \$10 billion to charitable organizations – via PayPal's giving platforms. Their considerable contributions and personal fundraising efforts in response to difficult and sometimes disastrous events directly benefitted individuals and organizations serving some of our most underrepresented communities. In addition to monetary donations, thousands of PayPal employees volunteered almost 50,000 hours of their time to support local organizations.

I'm grateful to the entire PayPal community for their generosity, and I encourage those who can to consider supporting our ongoing COVID-19 [fundraising campaigns](#).

### Partnering to Drive Innovation at Scale

Consistent with our partnership strategy, we continued to actively pursue opportunities to collaborate across sectors to extend the reach of our collective efforts for shared constituencies. This customer centric approach has redefined our market opportunity and has delivered shared value and impact for PayPal and all of our key stakeholders.

Through PayPal Ventures, we continued to make disciplined strategic investments in early- to mid-stage companies to drive ecosystem impact and long-term innovation. In March 2019, we announced an investment in Ellevest, a digital investment platform built by women, for women. Later in the year, we partnered with European neo-bank Monese – an innovative banking solution for the financially underserved – to make their card a funding source in the PayPal wallet.

This work has continued into 2020, with the announcement of our collaboration with Polaris to establish a Financial Intelligence Unit to combat human trafficking and enable prosecutions

related to financial crimes. We also announced the formation of a research initiative designed to better understand illegal firearm trafficking and financing in the US, in partnership with the University of Chicago Crime Lab and the Center on Crime and Community Resilience at Northeastern University. And importantly, we have partnered with the US Treasury to enable the quick and secure disbursement of stimulus checks directly to PayPal Cash Plus accounts, and provided access to small business loans through the US Small Business Administration (SBA) Paycheck Protection Program to support individuals and communities impacted by COVID-19.

### Embracing our Opportunity for Climate Action

Financial health and security are at the heart of PayPal's mission and are critical to the resilience of individuals, organizations, and communities impacted by a changing climate. Research shows the destabilizing effects of climate change disproportionately impact the economically vulnerable and financially underserved. To protect those among us who are most at risk, it is incumbent upon the private sector to find ways to manage our environmental impact and to work in coordinated action with public and nonprofit partners to address this growing issue that has no boundaries.

We've made significant progress toward our goal to use 100 percent renewable energy in our data centers by 2023, reaching 65 percent in 2019. We also continued to support sustainable product innovation through PayPal's core business and in our family of products with the launch of the iZettle Ocean Card Reader, made entirely of recycled ocean plastics.

### 2020: OUR SIGHTS SET HIGH

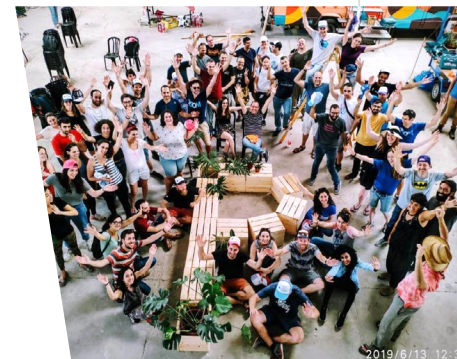
While the future remains uncertain, one thing is clear: the coronavirus pandemic serves as a clarion call for private sector leaders to step up and take a stand on matters that are shaping our collective future. For the digital payments sector in particular, we have a greater role – and a greater obligation – than ever before. Global governments and health agencies are continuing to turn to digital payments as a means for both supporting businesses and families, and for mitigating in-person contact to prevent the spread of the coronavirus. We're seeing a surge of new measures across the globe, from Europe to Africa to Asia, accelerating the shift of payment transactions toward mobile and away from cash. We have a critical leadership role to play in supporting this transformation – particularly for those who have been underserved by the financial system for far too long.

Going forward, we have the opportunity to build on the efforts shared in this Global Impact Report to ensure that PayPal and our products and services play an even more significant role in the lives of families, businesses, and communities worldwide. I've never been more inspired by the difference we can make for our customers, or more excited about our potential for even greater social impact.

Thank you,

Dan Schulman

President and CEO, PayPal Holdings, Inc.



2019/6/13 12:00





## A Message from Our Chief Business Affairs & Legal Officer

In 2019, employees across PayPal worked together to help us achieve success for our customers, our communities, and everyone who touches our business. Now, in light of the global COVID-19 pandemic, we are

continuously seeking new ways to support our employees, contribute to our communities, and help our customers.

One of the most powerful initiatives launched this past year focused on the financial health of our employees — the heartbeat of our Company. We launched our Employee Financial Wellness program to promote financial security for every employee at PayPal, regardless of position, location, or level. Through this initiative, we raised

wages, expanded benefits, reduced healthcare costs for many, and started no-cost financial planning and education programs. We also made sure that every employee had the opportunity to benefit directly from the Company's success through equity-based grants.

We also conducted our first comprehensive Environmental, Social, and Governance (ESG) materiality and prioritization assessment to ensure we remain focused on those topics that are important to our mission and our stakeholders. We recognize that strong oversight and management of key non-financial risks and opportunities that impact society, the environment, and our global business strategy will help us achieve long-term success for all stakeholders.

And while we are proud of our achievements in 2019, we also understand there is still much more for us to do as we strive to build a more inclusive and equitable global economy in which all individuals and businesses have the opportunity to prosper.

Louise Pentland

*EVP, Chief Business Affairs and Legal Officer  
Executive Leader for PayPal's ESG program*

## About PayPal

PayPal Holdings, Inc. ("PayPal" or "the Company"; NASDAQ: PYPL) is a leading technology platform and digital payments company that enables digital and mobile payments on behalf of consumers and merchants worldwide.

PayPal is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our goal is to enable our consumers and merchants to manage and move their money anywhere in the world, anytime, on any platform, and using any device. Our combined payment solutions, including PayPal, PayPal Credit, Braintree, Honey, Simility, Hyperwallet, Venmo, Xoom, and iZettle products and services, comprise our proprietary Payments Platform. We operate a global, two-sided network that connects merchants and consumers with 305 million active accounts (consisting of 281 million active consumer accounts and 24 million active merchant accounts) across more than 200 markets.

Visit the [PayPal Newsroom](#) to learn more about the Company and read our latest updates.

venmo xoom

honey P PayPal

Braintree simility

H HYPERWALLET iZettle





## ABOUT THIS REPORT

Our 2019 Global Impact Report primarily covers calendar year 2019 environmental, social, and governance (ESG) strategies, activities, progress, metrics, and performance, unless otherwise noted. We've made substantial progress on our overall strategy, including the completion of our first comprehensive ESG materiality and prioritization assessment and further analysis on our contributions to achieving the [U.N. Sustainable Development Goals](#) (SDGs).

We've also integrated feedback from a diverse set of stakeholders, peer company best practices, industry standards, and various international frameworks. We welcome additional comments as we continue to enhance our disclosures.

We're committed to regular, transparent communication of our ESG progress and will share case studies, impact updates, and articles on an ongoing basis through our [Global Impact website](#) and other key resources.

While this report highlights our recent progress, please visit our [Global Impact website](#) and [Additional Resources](#) section for other available information. Questions or requests for additional information on our ESG strategy and program can be submitted to [ESG@paypal.com](mailto:ESG@paypal.com).

### Our ESG strategy is centered on four primary focus areas:



#### SOCIAL INNOVATION

Our work to create a more inclusive global economy →



#### EMPLOYEES & CULTURE

How we live our core values throughout our workforce →



#### ENVIRONMENTAL SUSTAINABILITY

How we responsibly manage and reduce our environmental impact →



#### RESPONSIBLE BUSINESS PRACTICES

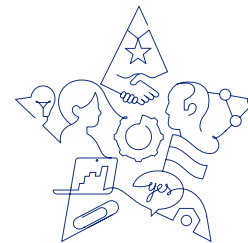
Our approach to operating our business ethically and responsibly →

## OUR MISSION, VISION, AND VALUES

We believe that now is the time to reimagine money and 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 embrace our purpose to equip every individual and business with the financial services and commerce solutions needed to participate and thrive in the global economy. Across PayPal, we recognize our responsibility to empower people with opportunities to improve their financial health.

This mission is fueled by our core values of Collaboration, Inclusion, Innovation, and Wellness. Our operating philosophy is based on these principles. They foster the development of new, innovative products and are the driving force behind our One Team workplace culture. Together, they provide opportunities for our employees, consumers, merchants, vendors, and partners worldwide.

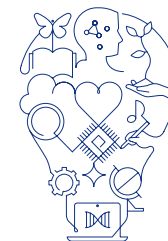
### COLLABORATION



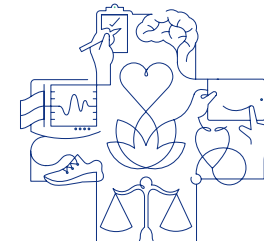
### INCLUSION



### INNOVATION



### WELLNESS





## 2019 Key Highlights

Across our business, 2019 was a year of growth, development, and progress. We worked diligently to promote an inclusive and diverse workforce, expand our business, advance financial health, minimize our environmental impact, and ensure every aspect of our business operates responsibly.

### BUSINESS STRATEGY

In 2019, we continued to expand and deepen our two-sided network. By year end, we added 37 million net new active accounts. We also launched strategic relationships with some of the world's largest marketplaces and platforms, such as [Instagram](#), [Uber](#), and [MercadoLibre](#), and further invested in products and services like [Venmo](#) and [Xoom](#). We also completed our acquisition of [GoPay](#), becoming the first foreign payments platform licensed to provide online payment services in China and began integrating [iZettle](#) throughout our operations.

In late 2019, we announced the acquisition of [Honey](#), a rapidly growing technology platform that offers tools to help people save money when they shop online. Last year, Honey helped users find more than **\$1B in savings**.

*honey*

Honey enables us to engage with both consumers and merchants at the beginning of their shopping journey, which advances our goal towards daily engagement and enhances the overall value we provide to our customers.

### 2019 Key Financial, Operational, and ESG Metrics

**\$17.8B**

Revenue

(up 15% from 2018)

**305M**

Active accounts

(up 14% from 2018)

**50%**

Diverse Board members<sup>1</sup>

**\$14.5B**

Funding to businesses around the world since 2013

**\$712B**

Total payment volume

(up 23% from 2018)

**12.4B**

Number of payment transactions

(up 25% from 2018)

**65%**

Renewable energy use in our owned and leased data centers

**57%**

Total PayPal employee diversity<sup>2</sup>

**23,200**

Employees

(11,200 were located in the US)

**100%**

Employee completion of annual compliance and ethics training



<sup>1,2</sup> Women or ethnically diverse men.





# 2019 Key Highlights

## Corporate Governance & ESG Oversight



Conducted our inaugural [ESG Materiality and Prioritization Assessment](#) to identify and prioritize key non-financial topics for our business and stakeholders.

Members of our Board and senior leadership team engaged with our workforce on meaningful topics, such as diversity and inclusion, as part of our [International Women's Day](#) celebration.



**50%**  
BOARD  
DIVERSITY

Achieved 50% diversity across our [Board of Directors](#) with the addition of Debbie Messemer.

## Environmental Sustainability



Matched [65% of the energy](#) in data centers with renewable generation, representing significant progress toward our goal of 100% by 2023.

Made progress toward setting a science-based target for greenhouse gas emissions that aligns with the [Paris Climate Agreement](#).



Employees volunteered their time and talents to [address climate-related issues](#) and worked together to develop innovative, sustainable products.

## Social Innovation

43% of PayPal employees participated globally in the [Kiva lending campaign](#) — empowering ~10K low-income entrepreneurs across 36 countries.

**kiva**



Supported individuals and businesses in improving their financial health through our products, including the [PayPal Commerce Platform](#) and PayPal's business financing solutions, as well as investments in companies driving financial wellness such as Tala.

Leveraged the power of our giving platform to process [\\$16B in contributions](#), including well over \$10B to charities, from more than 40 million people globally.

**\$16B**  
ON BEHALF OF  
**40M**  
PEOPLE

## Responsible Business Practices

Partnered with organizations to [combat global financial crimes](#) and support public-private collaboration to better understand the financing mechanisms of illegal firearm sales and disrupt human trafficking cash flows.



Continued to build a strong culture focused on [customer privacy and security](#), including certifying our information security program to ISO 27001 standards.

All PayPal employees completed the annual [compliance and ethics training](#), including sexual harassment awareness and prevention training.



## Employees & Culture

87% of our global employees completed our most recent [Engage survey](#), 7% above our peer benchmark.

**87%**  
COMPLETION  
RATE



Established an [Employee Financial Wellness Program](#) to strengthen the financial health of our employees, while also expanding health and wellness benefits.

Championed a diverse and inclusive work experience for all employees, including the launch of [Believe](#), a new Diversity & Inclusion Community to support employees of all faiths.



**Believe**  
Interfaith @ PayPal

**100%**  
PAY EQUITY

Maintained [100% pay equity](#) for women globally and ethnic pay parity in the US for the fourth year in a row and advocated for inclusive public policies.

# Materiality & ESG Strategy

## OUR FIRST ESG MATERIALITY & PRIORITIZATION ASSESSMENT

In 2019, PayPal undertook an inaugural materiality and prioritization assessment to identify key non-financial topics important to both our business and stakeholders. Partnering with [SustainAbility](#), a think tank and advisory firm, our process followed a three-phased approach:

### Phase I — Research & Landscape Assessment

We first conducted an in-depth internal and external landscape assessment to analyze current company programs and reporting, peer performance, and global economic and ESG trends and standards. This Phase I assessment included research and findings from the [Sustainable Accounting Standards Board](#) (SASB), [Global Reporting Initiative](#) (GRI), [Task Force for Climate-Related Financial Disclosures](#) (TCFD), [U.N. SDGs](#), [U.N. Global Compact](#), [WEF Global Risks Report](#), [SustainAbility's Annual Trends Report](#), and financial and technology peer company disclosures, among others. Based on this assessment, we selected **19 key ESG topics** used in the evaluation.

### Phase II — Stakeholder Mapping & Engagement

We leveraged results from Phase I to define the scope of our stakeholder interviews and surveys. In total, we interviewed or surveyed **130 internal and external stakeholders** to gather feedback on key ESG topics and their intersection with our business and society. We engaged with senior leadership including PayPal's President & CEO Dan Schulman, Corporate Governance and Nominating Committee Chair Gail McGovern, and various C-suite executives and business leaders globally. We also conducted our first ESG employee survey, which generated internal feedback from around the globe and a dozen business units.

Externally, our third-party consultant hosted confidential discussions with stakeholders from non-governmental organizations, peer companies, financial health experts, business trade groups, and customers, among others, to better understand their ESG priorities and expectations of PayPal.

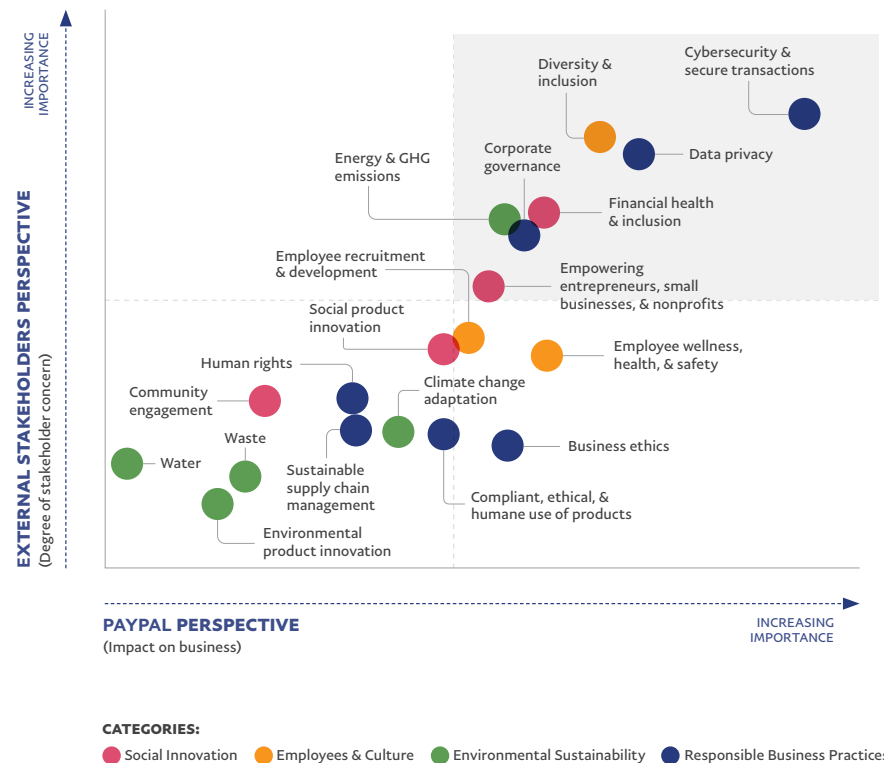
We also conducted an **industry-leading governance perception study**, which included engagement with 24 global investors from North America, Europe, and Asia holding more than \$4 trillion in assets under management. Our goal was to understand how they consider ESG factors in their investment decision-making, their views on PayPal's current ESG program, and recommendations for the future.

### Phase III — Topic Analysis & Prioritization

Based on the landscape research and stakeholder feedback, we prioritized PayPal's 19 key ESG topics by applying a model based on the following five factors:

- 1 impact on our business
- 2 degree of stakeholder concern
- 3 perceived performance
- 4 degree of influence
- 5 societal/environmental impact

Our **materiality matrix** illustrates our findings and denotes each key ESG topic by focus area. The conclusions from this assessment highlight how our mission and values are central to everything we do, reinforce the importance of stakeholder feedback, and will help prioritize our ESG strategy and disclosures going forward.





## ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS

As part of our ESG materiality assessment, we also examined how our business activities and key priority areas align with the [United Nations' Sustainable Development Goals](#) (SDGs). The U.N. SDGs are a collaborative, global effort to protect our planet, end poverty, and help people live in prosperity and peace, and are represented by 17 Global Goals and 189 targets. In 2019, we further refined our initial [U.N. SDG contribution mapping](#) to reflect where we have the greatest influence and contribution through our products, services, and business strategy. Throughout each section of this Global Impact Report, we provide high-level mapping into how our activities further address the broader set of U.N. SDGs. Over time, we will continue to enhance our reporting on this important global effort.

Overall, PayPal makes a direct, positive contribution to 10 of the 17 SDGs, with the greatest influence on the five goals listed below. Meanwhile, we remain focused on responsibly managing our operations and supporting our communities consistent with all of the Global Goals.<sup>3</sup>

### GOAL 1

**Target 1.4:** *Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources*

- We make the management and movement of money more accessible, secure, and affordable so that more people — including the financially underserved and small businesses — have access to economic opportunities.
- We provide digital financial solutions to 305M+ active accounts in 200+ markets globally. We also empowered 47K customers and employees to fund ~\$2.5M in [Kiva](#) loans since 2016.

### GOAL 8

**Target 8.5:** *Achieve full and productive employment and decent work for all women and men, including equal pay for work of equal value*

- We promote the financial health of all employees through our comprehensive Employee Financial Wellness Program.
- In 2019, we maintained 100% pay equity for global women and US ethnic pay parity. We also recruited and developed a diverse talent pool by implementing our diverse hiring program and partnering with organizations including [YearUp](#).

### GOAL 9

**Target 9.3:** *Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit*

- Since 2013, we've provided more than \$14.5B in funding through over 860K loans to more than 290K small- and medium-sized businesses.
- Through our ongoing partnership with [Village Capital](#), we have supported ~250 startups and helped improve the financial health of over 2.8M people and 100K small businesses since 2014.

### GOAL 10

**Target 10.C:** *Reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%*

- Through our digital remittance product, [Xoom](#), we actively support people around the world, particularly immigrants and refugees, with a low-cost money transfer service.
- In 2019, Xoom remittances cost 2.7% on average — significantly less than the global average of around 6.8% according to an analysis from [The World Bank](#).

### GOAL 17

**Target 17.17:** *Encourage and promote effective public, public-private and civil society partnerships*

- We're committed to engaging in public-private partnerships, as demonstrated by our close collaborations with the World Economic Forum, the Financial Health Network, and the CEO Partnership for Economic Inclusion, among others.
- In 2019, we launched [Financial Health for the Future of Work](#), a research project which explored the implications of the future of work on financial services based on interviews with over 100 experts.



<sup>3</sup> Targets have been restated for brevity. For more information on the U.N. Sustainable Development Goals, [click here](#).





## Corporate Governance & ESG Oversight

Effective corporate governance practices are critical to executing our business strategy and driving long-term, sustainable value creation. Our governance framework drives sound company oversight, ensures Board and management accountability, engenders public trust, and allows PayPal to adapt to the dynamic, competitive environment in which we operate. We apply the same approach to the management and oversight of our key ESG risks and opportunities consistent with our mission, vision, and values.

### CORPORATE GOVERNANCE

Our Company is overseen by a diverse, independent, and well-functioning Board of Directors with the right mix of skills, experiences, diversity, and backgrounds. As responsible stewards of stockholders' interests, our directors bring valuable insights, perspectives, and expertise to the Board. Senior executives provide regular, in-depth business and strategy updates to the Board. 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, and capital allocation, as well as ESG issues.

Our commitment to strong corporate governance is exhibited by our disclosure in our annual [Proxy Statement](#). Our Proxy Statement provides detailed information on our Board structure and composition, stockholder rights and engagement, executive compensation, and other key governance topics.

### Key Governance Provisions

Strong Board independence — 11 of 12 directors are independent

Independent Chairman with robust responsibilities

Majority vote standard for uncontested director elections

Stockholder right to call a special meeting

Simple majority vote standard for charter/bylaw amendments and mergers/business combinations

Diverse Board in which 6 of 12 directors are women or ethnically diverse men

Separate Chairman and CEO roles

All directors stand for annual election

Strong stockholder engagement practices

Proxy access for qualifying stockholders

Robust stock ownership requirements for our executive officers and directors

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



### PayPal's Board of Directors:<sup>4</sup>

**Back:** David M. Moffett, Jonathan Christodoro, John J. Donahoe, David W. Dorman, Rodney C. Adkins, Wences Casares

**Front:** Belinda Johnson, Ann M. Sarnoff, Daniel H. Schulman, Gail J. McGovern, Deborah M. Messemer, and Frank D. Yeary

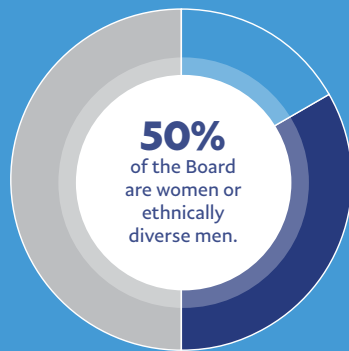
<sup>4</sup> Wences Casares informed the Company that he would not stand for re-election at the 2020 Annual Meeting of Stockholders.



## Inspiring Diversity Across PayPal

We continue to demonstrate a strong commitment to diversity and inclusion, from our workforce to our Board. Since becoming an independent public company in July 2015, we've added five directors to our Board — all from diverse backgrounds. In 2019, half of our Board was made of up of either women or ethnically diverse men.<sup>5</sup>

The Board also promotes inclusion across the workplace. For example, for International Women's Day 2019, we hosted a fireside chat with Board members Gail McGovern, Debbie Messemer, and Ann Sarnoff, along with Louise Pentland, our Chief Business Affairs & Legal Officer, to discuss gender balance and how to create change in the workplace.



■ ETHNIC ■ GENDER

## ESG GOVERNANCE FRAMEWORK

We employ a decentralized approach to the functional management of ESG topics across PayPal, with strong oversight by our Board of Directors and executive leadership team. While the full Board reviews and engages on ESG matters that impact business strategy, general oversight of ESG focus areas is the responsibility of the Corporate Governance and Nominating Committee. The other principal Board committees are responsible for oversight of ESG issues associated with their respective areas of responsibility. For example, oversight of the Company's risk framework and enterprise-wide compliance program, including privacy and cybersecurity matters, is the responsibility of the Audit, Risk, and Compliance Committee. Oversight of pay equity and diversity and inclusion efforts is the responsibility of the Compensation Committee.

Our Board ensures that it is well-informed on current and emerging ESG topics by educating directors on relevant ESG issues through quarterly briefings from management, considering relevant experience in director recruiting such as human capital management, and receiving feedback from relevant

stakeholders such as our investors and employees on ESG risks and opportunities.

Our Chief Business Affairs and Legal Officer directs and manages the execution of our enterprise ESG strategy, in close collaboration with other senior executives. Our internal ESG governance framework facilitates cross-functional ESG program management and development, which enables us to integrate key ESG considerations across the enterprise. An ESG steering committee and cross-functional working groups with representatives from more than 20 functions are responsible for overall program implementation.

As an essential part of our long-term strategy, we continue to expand our internal ESG expertise, advance our programmatic and reporting activities, and identify new partnership opportunities to advance our key ESG issues. In 2019, we reinforced the linkages between our governance and risk management programs and now regularly report on emerging ESG trends to a subcommittee of the internal Enterprise Risk Management Committee.



<sup>5</sup> As of the Company's 2020 Annual Meeting of Stockholders, our board diversity is 45 percent, with the departure of Wences Casares.

<sup>6</sup> In collaboration with members of PayPal's senior leadership team, including the Chief Financial Officer, Chief Risk Officer, and Chief Technology Officer.



## Social Innovation

Building upon our mission to democratize financial services, we deploy our unique capabilities, resources, and expertise to drive positive lasting impact and to help catalyze advances in global financial wellness for individuals, businesses, and nonprofits around the world. This includes our platform to power giving globally and support for the communities where we live and work. While we provide highlights of our efforts on the next few pages, additional information can be found on our [Social Innovation website](#).

### IMPROVING FINANCIAL HEALTH

We're using the power of our business, platform, and workforce to improve financial health on a global scale. We forge partnerships with like-minded organizations, lead and fund critical research, invest strategically, and help bring innovative and transformative products to market.

#### Strategic Partnerships



Since 2014, we've collaborated with [Village Capital](#) to provide training and support for ~250 FinTech startups — almost 60 in 2019 alone — helping them raise over \$900M in follow-on investment and create 1,200+ jobs worldwide.

Participants received hands-on support from 2,000 leaders in financial services and other fields, including over 750 volunteer hours from experts across PayPal.

These startups have gone on to reach over 2.8M people and 100K small businesses with products and services that improve economic mobility and financial resiliency.

RAISED  
**\$900M**  
IN ADDITIONAL  
FINANCING

**750 HRS**  
OF VOLUNTEER  
TIME

**2.8M**  
PEOPLE  
IMPACTED



We continued our partnership with [Kiva](#) to lend money to low-income entrepreneurs and students around the world and provide no-fee processing for all loans. Since 2016, 47K+ customers and employees have made ~\$2.5M in loans through PayPal's lending campaigns and 50%+ were first-time depositors who Kiva estimates will generate an additional \$13M in loans.



**43%** of our global workforce participated in the Kiva lending campaign in 2019 — our highest-level employee engagement initiative this year — raising \$245K+ in microloans for nearly 10K underserved entrepreneurs.



**Over 80% of the loans went to women borrowers** like Estela from Timore-Leste and Hodriana from the Dominican Republic, to support their local shops.

#### Thought Leadership & Advocacy

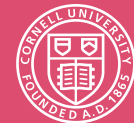
In 2019, we advanced research in financial health through collaborative, international engagements.

Launched research on [Financial Health for the Future of Work](#) to highlight the needs of our evolving workforce and advocate for reforms and innovations across retail financial services. For example, we found that only 46% of small business owners reported making consistent income each month, compared to 72% of all survey respondents.



Published a series of research papers analyzing [inclusive globalization](#) among small businesses and how they leverage digital tools and platforms for international growth.

Created the [History of E-commerce](#) podcast with Cornell University, to commemorate the 25th anniversary of the first e-commerce transaction.



Hosted our second annual [US Small Business Month](#) partnering with 1.3K individuals from academia, trade associations, and government to engage with over 2K entrepreneurs across 10 states — doubling our engagement from 2018.

**2K**  
ENTREPRENEURS

**10**  
STATES



As a [World Economic Forum](#) Strategic Partner, we supported the organization's mission to advance public-private dialogue and contributed to the Forum's Steering Committee to promote global financial inclusion.





## Products & Services

### EMPOWERING SMALL-TO MEDIUM-SIZED BUSINESSES

#### Access to capital for businesses around the world

Since 2013, PayPal has provided business owners with over \$14.5B in funding through 860K+ loans to 290K+ small- and medium-sized businesses (SMBs) worldwide.

OVER  
**\$14.5B**  
IN FUNDING

**70%**

of PayPal Working Capital distributed to businesses in the 10% of US cities that lost 10 or more brick-and-mortar bank branches since 2008.<sup>7</sup>

**2X**

the share of PayPal Working Capital goes to women-owned SMBs versus traditional SMB financing.<sup>8</sup>

**88%**

of PayPal Business Loan borrowers saw a revenue boost in the first three months after accepting their loan.<sup>9</sup>

#### Efficient tools to manage and grow their businesses



Launched the PayPal Commerce Platform for marketplace and crowdfunding platforms, which brings together a comprehensive set of technologies, tools, services, and financing for businesses, big and small, around the globe.

#### Faster access and use of money for businesses

Helped small businesses find ways to instantly access their money for better cash flow support through Funds Now, available to more than 4.5M businesses across 14 countries, and Instant Transfer, which now enables customers in 17 countries to transfer funds to bank accounts and eligible debit cards.

**4.5M**  
BUSINESSES

### INTERNATIONAL MONEY TRANSFERS



Xoom enables faster, safer, and more affordable remittances for people around the world, which is particularly important for immigrants and refugees who send money to other countries to support their loved ones.

**160**  
MARKETS

In 2019, Xoom raised send limits to \$50K in the US and Canada, and expanded its international money transfer service to more than 160 markets (including 38 new send markets across the U.K. and Europe).

**2.7%**  
AVERAGE  
REMITTANCE  
COST

On average, Xoom remittances cost 2.7% in 2019 — significantly less than the global average of around 6.8% reported in late 2019.<sup>10</sup>

### AFFORDABLE SOLUTIONS FOR THE FINANCIALLY UNDERSERVED

Through strategic alliances with Walmart and Ria, we enabled Americans to use Xoom to send money domestically for cash pickup at nearly 5K locations across the US.

**5K**  
LOCATIONS



In 2019, we launched a Federal Relief Program, which committed \$25M for interest-free cash advances of up to \$500 to help furloughed federal workers during the US government shutdown.

Leveraged partnerships with organizations such as Prosperity Now, a network of financial health nonprofit organizations across the US, to help us better understand the needs of the financially underserved and improve our products and features.



## Investments

Through PayPal Ventures, we have made strategic investments in innovative companies such as Acorns, Dosh, Monese, Raisin, and Tala, reinforcing our commitment to support entrepreneurship and deliver new customer financial solutions.



For example, Tala provides people without a formal credit history with access to credit through their mobile app.



<sup>7,8</sup> PayPal, *Alternative SMB Financing: Fueling Underserved Entrepreneurs*, p. 5-6. Available [here](#).

<sup>9</sup> Internal PayPal Business Loan Impact Survey, Q2 2018.

<sup>10</sup> World Bank, *Remittance Prices Worldwide*, December 2019. Available [here](#).



## POWERING GIVING

We are committed to harnessing the power of our technology and scale to help nonprofits raise mission-critical funds and provide new ways for people to connect and give to the causes they care about — anytime, anywhere, and in any amount.

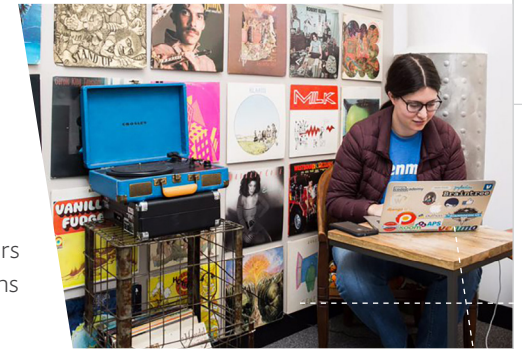
With the combined power of our platform and the generosity of our customers, in 2019 we helped more than **40M individuals contribute nearly \$16B** to charitable organizations, elementary/secondary schools and public universities, as well as to causes through personal fundraising.

### Innovative Giving Solutions

New generations are driving changes in charitable giving and we are committed to developing innovative tools to meet these evolving needs. In 2019, we introduced **Give at Checkout** in the US, U.K., Canada, and Australia, allowing donors to contribute directly to causes they care about when shopping online. We plan to further scale Give at Checkout to PayPal customers globally in 2020.

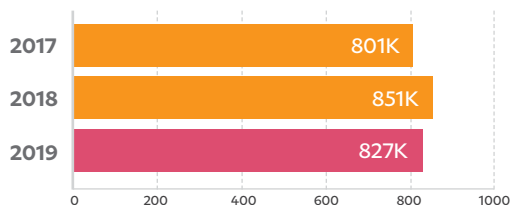
We also help individuals give to causes via personal fundraising or crowdfunding. In 2019, **more than 6M donations were made to individuals to support personal causes** using PayPal donate buttons or using PayPal on a donation-based crowdfunding platform.<sup>11</sup> We recognize this is an emerging area of charitable giving and expect this volume to continue to grow over time.

As companies seek new ways to both engage with customers and act as good corporate citizens, PayPal is actively partnering with them to enable innovative giving opportunities for their customers. Our [Partner Fundraising Platform](#) enables businesses to integrate giving into their sites and offers consumers opportunities to support the organizations they choose across the internet and on PayPal's website and app.

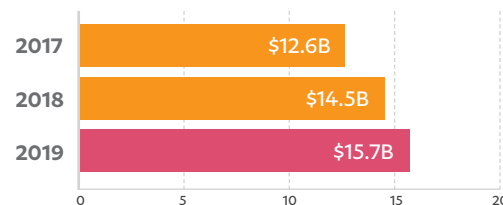


### Powering Giving: By the Numbers<sup>12</sup>

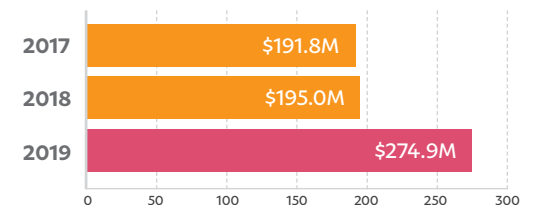
Number of nonprofits supported<sup>13, 14</sup>



Funds raised for nonprofits (\$US in billions)<sup>15</sup>



Funds raised for causes via personal fundraising (\$US in millions)



**8%** increase in funds raised for nonprofits from 2018 to 2019

**\$72** the average amount contributed to nonprofits or causes

**2M+** donations made to support nonprofits through Give at Checkout

**3.2M** people contributed to causes via personal fundraising campaigns

**40%** increase in funds raised for causes via personal fundraising

<sup>11</sup> PayPal and Venmo were used in millions of additional transactions to give money to an individual in need. Our current methodology does not include all volume in this category. We plan to continue to work on enhancing our giving categorizations and calculations.

<sup>12</sup> We have updated our giving methodology to present a more 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 from personal fundraising campaigns. By way of comparison, the data presented in our 2018 Global Impact Report only included funds processed by PayPal to charities and other nonprofit organizations. The historical data in this report has been revised to conform to this revised presentation.

<sup>13</sup> Represents the total number of nonprofit accounts supported each year.

<sup>14, 15</sup> Does not include funds raised through personal fundraising.



In addition to raising funds via the Donate button on their own website, nonprofits can use this platform to raise funds on the sites of partnering companies such as Facebook, GoFundMe, and Airbnb — and on our own PayPal site. PayPal Giving Fund, a 501(c)(3) public charity and the linchpin of the Partner Fundraising Platform, is focused on ensuring that our fundraising efforts are compliant with local laws and regulations.



The Partner Fundraising Platform helped raise over \$250M in 14 countries in 2019, an increase of 40% from 2018.



PayPal partnered with Airbnb and their [Open Homes Fund](#) to allow hosts to donate a portion of their proceeds to help people find temporary housing in times of need.



We enabled our fundraising platform in Brazil and launched local campaigns to raise funds from customers in support of Amazon rainforest fire relief and toward holiday giving.

## GivingTuesday

[GivingTuesday](#) is a global giving movement empowering people and organizations to transform their communities and create the world they want to live in. PayPal has partnered with GivingTuesday since its inception in 2012, enabling donations, measuring impact, and spreading awareness.

**10%**  
increase in  
GivingTuesday  
contributions  
from 2018

This year, our PayPal New York office was honored to host the GivingTuesday Global Headquarters to raise awareness and celebrate this global giving movement. 2019 was an exceptional year, as PayPal set a new record by surpassing \$130M in giving for the first time on GivingTuesday alone. We also matched donations made on our site resulting in an additional \$1M donated to charity.

During the holiday season, more than **15M PayPal customers across 191 markets donated \$1.9B to charitable causes.**

## Disaster Relief

During times of crisis, we look to support our impacted consumers and merchants with information, fee waivers, and financial support. We also donate PayPal funds and leverage our fundraising platform to mobilize customer-driven support for responding charities. As a global company, we are committed to supporting relief efforts worldwide.

In 2019, we raised funds to support disaster relief efforts related to Cyclone Idai in Mozambique, the Notre-Dame Cathedral fire in Paris, Hurricane Dorian in the Bahamas and US, the Amazon rainforest fires in Brazil, the California wildfires, and the Australian bushfires.



For example, we launched a global campaign to raise funds to support bushfire relief in November 2019. Thanks to the generosity of the PayPal community, when the fires worsened in early 2020, PayPal and partners such as Facebook, GoFundMe, and Humble Bundle were able to raise more than AUD\$100M to support local responding charities. PayPal also directly contributed AUD\$500K to critical organizations for relief and recovery work related to the bushfires.

**AUD  
\$100M** RAISED  
FOR LOCAL  
CHARITIES







## STRENGTHENING OUR COMMUNITIES

Along with nonprofit partners, we work to strengthen our communities through targeted volunteering, grantmaking, and mentoring. By utilizing the power of PayPal employees throughout the world, we are making a significant impact globally and driving local employee engagement in causes they care about.

Our employees actively serve the needs of our local communities through GIVE Team activities and other volunteer opportunities. We match charitable donations and volunteer hours for each employee up to \$2.5K annually.

### Skills-Based Volunteering

In 2019, our employees participated in a variety of skills-based programs and causes:

- Through our partnership with [Cherie Blair Foundation for Women](#), **100 employees** mentored women entrepreneurs from all backgrounds for more than **1,800 hours**.
- Employees provided over **250 hours** of business advice to entrepreneurs participating in one of [Village Capital's Finance Forward](#) programs around the world.
- PayPal employees provided **850 skills-based volunteer hours** to various [Network for Teaching Entrepreneurship](#) (NFTE) initiatives in 2019, including **250+ hours** of business and career mentoring to students by participating in seven US field trips and a Product Discovery workshop at the Annual Teacher Summit.
- We hosted [Opportunity Hack](#) events in India, Singapore, and the US. More than **160 employees** used their technology and business skills to help **40+ nonprofits** address challenges and strengthen their communities.
- PayPal's legal team increased their pro bono legal hours and other services for nonprofits and their clients by 50% compared to 2018, with over **850 pro bono hours** completed in 2019.

## Continuing to Grow Our Partnerships

We granted [YearUp](#) and [Pivotal](#) \$125K each to continue their meaningful work in helping underserved youth build skills, join the workforce, and attain long-term financial health. In 2019, we increased our cohort of YearUp interns by 30%, expanded internship opportunities to more offices, and converted about one-third of YearUp interns to full-time employees.

We also expanded our partnership with NFTE by increasing the number of student field trips in the US, supporting the US National Competition in addition to the San Jose and Bay Area Regional Competitions, and participating for the first time in the [World Series of Innovation](#) (WSI). Through the WSI, we challenged youth around the world to think of a product, service or initiative that can help advance equality for all, aligned with U.N. SDG 10 (Reducing Inequalities). Employees from across PayPal participated in these skills-based events, serving as expert judges and career mentors.



Dan Schulman, along with the Mayor of San Jose, Sam Liccardo, participated in PayPal's event spotlighting Pivotal and YearUp.

**\$18M**

in funds contributed to organizations in 2019 (+40% from 2018), including donations, matching gifts, grants, and in-kind contributions

**NEARLY  
50K**

hours volunteered by PayPal employees (+67% from 2018)

**53%**

of workforce engaged in social impact and innovation activities to help strengthen our communities

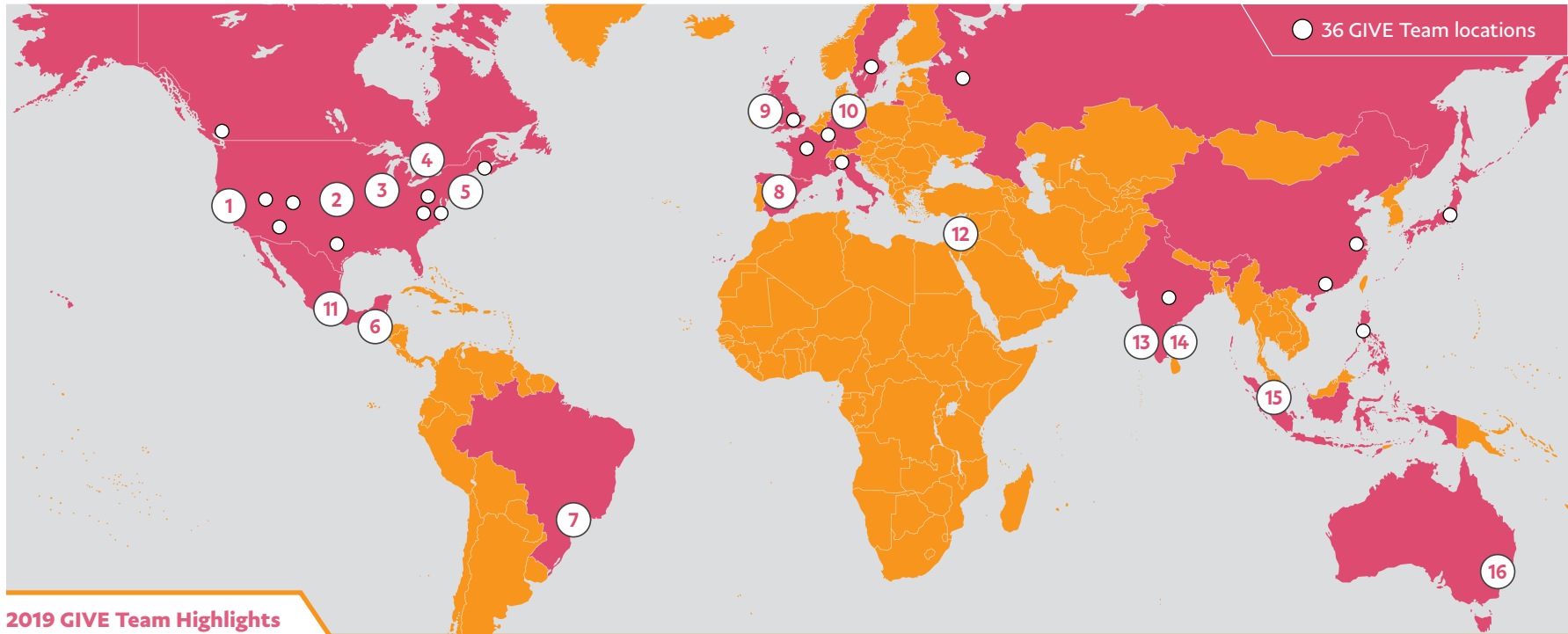
**375+**

nonprofit organizations in 20+ countries received support through PayPal grants



## GIVE Teams Around the World

Our [36 PayPal GIVE Teams](#) empower our employees to bring their own personal passions to their communities by partnering with local nonprofits to make a positive social or environmental impact through volunteering, employee-sourced local grants, and fundraising.



### 2019 GIVE Team Highlights

Examples of initiatives, programs, and events from our 2019 Give Teams include:

- 1 **San Jose** — Cleared brush to mitigate local fire danger

- 2 **Omaha** — Worked to end hunger at the Food Bank for the Heartland



- 3 **Chicago** — Granted ~350 gifts to underserved schools through Letters to Santa program

- 4 **Toronto** — Supported children in need through a toy drive and volunteer day

- 5 **New York** — Partnered with Kiron to provide mentorship and support



- 6 **Guatemala** — Volunteered at three local public schools

- 7 **Brazil** — Fundraised to support Amazon rainforest fire efforts

- 8 **Spain** — Taught financial literacy to youth

- 9 **Ireland** — Conducted local beach clean-up

- 10 **Germany** — Hosted Village Capital Fintech for Refugees Summit

- 11 **Mexico** — Taught financial literacy to the women of the Mazahua community



- 12 **Israel** — Empowered the differently-abled through a partnership with "The Design Terminal"

- 13 **Bangalore, India** — Established four Global Blood drives for Asia-Pacific region

- 14 **Chennai, India** — Hosted 6th Annual 'Girls in Tech' Day



- 15 **Singapore** — Built two homes for those in need

- 16 **Australia** — Fundraised to support bushfire recovery efforts



## Employees & Culture

Our employees are our most important stakeholders. By attracting, retaining, and developing diverse talent, we foster a strong culture of customer champions. We seek to reinforce our core values of Collaboration, Inclusion, Innovation, and Wellness throughout the employee lifecycle and support an integrated approach to benefits and pay-for-performance compensation.

### GLOBAL TALENT RECRUITMENT, RETENTION & DEVELOPMENT

Our focus on total employee wellness is the latest example of how we strive to live our mission and values every day. Finding new ways to help our employees thrive is an ongoing journey, and we're committed to continuing to engage our workforce while adjusting our strategy to reflect ongoing feedback.

#### Promoting Workforce Wellness

We champion a flexible, balanced work culture, comprehensive leave and benefits, and resources and tools for financial wellness. 2019 highlights include:

- Launched the Mind Yourself program to **support employee mental health** by providing access to self-detection and professional help in Ireland, China, and US with the goal to expand to all PayPal offices by 2021. This supplements our existing resources to support employee mental and emotional health, including the [Employee Assistance Program](#) and the [meQuilibrium](#) program.
- Introduced [Vida](#), a new, zero-cost, secure **online wellness coaching program** to connect employees with coaches, experts, and resources to help them achieve their unique wellness goals.
- Announced [Cleo](#), a new global benefit for 2020 that provides resources and advice to **support new parents or those seeking adoption or surrogacy support**. This initiative adds to current programs in place, including Rethink which **supports parents of kids with developmental disabilities**.
- **Enhanced leave and support policies**, including expanding parental bonding leave and paid time off in Europe, introducing an elder care program in India, and enhancing short-term disability insurance in the US.

### Employee Financial Wellness Program

Based on global survey results, employee focus groups, and an analysis of applications to our Employee Relief Fund, in 2019, we made it a strategic priority to strengthen the financial wellness of all employees.

PayPal fundamentally embraces the concept that if we are committed to improving the financial health of our customers, we must also ensure that our employees have the same opportunities. We believe that by supporting our employees, we're even better positioned to serve our customers and deliver on our mission. This dedication is reflected in a new comprehensive program designed to build financial security, improve financial health, and allow all employees to benefit from our business success. The program represents an ongoing commitment for future progress to serve our employees and our mission.

Highlights of the program include:

- **Raised wages, where appropriate, to support financial wellness** and help employees move beyond living paycheck to paycheck.
- Gave every employee, regardless of position, **an ownership stake in PayPal** by granting equity awards to employees who had never received an award and ensured that all employees are now eligible for annual performance-based stock grants.
- **Bolstered retirement plans** in Japan to align with best practices and maintained our **Employee Relief Fund** for employees with urgent financial hardships.
- **Lowered the cost of US healthcare benefits** for hourly-wage earners an average of nearly 60%. We also introduced a **Health Reimbursement Account** for these employees to cover plan deductibles.
- Offered **financial planning and education** for all employees globally with personalized tools and resources at no additional cost.





## Expanding Engagement Globally

In 2019, we reimagined our approach to employee surveys by making our feedback process more agile, enabling managers to take real-time actions, and leveraging advanced human capital analytics to inform future strategies.

Key findings from the surveys included:

**87%**

of our employees participated in latest engagement survey.<sup>16</sup>

**83%**

believe PayPal is a diverse place to work.<sup>17</sup>

**81%**

noted they were inspired by PayPal's mission and vision.

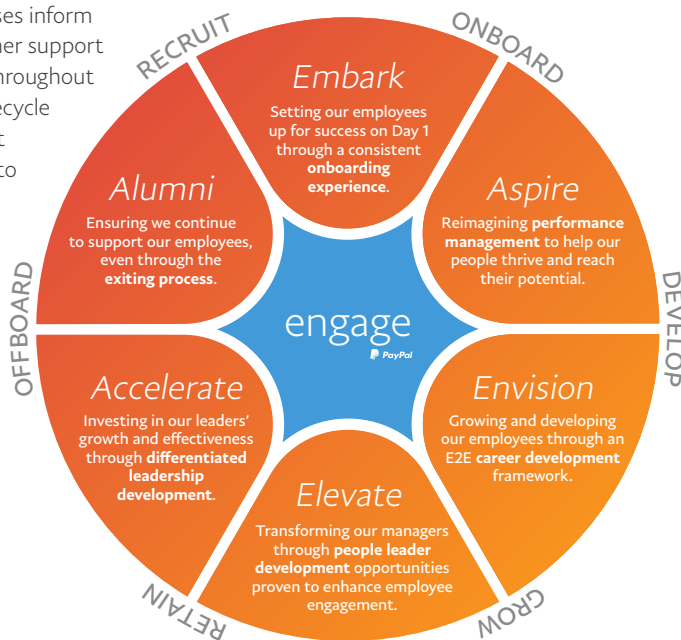
**83%**

expressed their excitement about PayPal's future.

**81%**

indicated they would recommend PayPal to their peers and/or are happy at PayPal.<sup>18</sup>

These results and other feedback processes inform how we can further support our employees throughout the employee lifecycle from recruitment to development to offboarding.



In 2019, we focused on expanding existing programs and introducing new tools aimed at enhancing the employee experience in meaningful ways. Examples include:

- Opened a customer service location in Manila, Philippines, where we received the [RAD Award](#) for the most **effective and inclusive candidate experience**.
- Expanded the **Embark New Hire Experience**, our global onboarding program, to **14 global locations with 120 in-business facilitators**. Embark is designed to enhance the employee experience from day one, with a focus on longer-term engagement, productivity, and retention. In 2020, we plan to scale the program globally to Brazil, Australia, and the Philippines.
- Launched a new performance feedback tool that provides an easy, intuitive way for peers, partners, and managers to give and receive feedback all year round. This tool helped power a **75 percent increase in peer-to-peer employee feedback** compared to 2018, complementing the formal performance processes for all employees.

In 2019, we incorporated our employee **Financial Immersion experience** into our Embark onboarding process in the US and product Innovation Showcase globally to enable our employees to better understand the needs of our customers.

## Investing in Learning & Development

In 2019, we introduced new opportunities for future, current, and new employees to develop and build their knowledge and skills across PayPal and the payments industry. Highlights include:

- Introduced **unlimited access to LinkedIn Learning**, an on-demand online learning solution for all PayPal employees. In 2019, PayPal employees globally completed an average of **300 courses weekly**.
- Continued to scale the **Emerging Leader Program**, an eight-week long program designed to build future leadership at PayPal through a residence program and professional development planning. **150 employees** benefited from the program in 2019, and we are aiming to double participation and expand it globally in 2020.
- Developed the [Women Luminaries Program](#) in Singapore to **help address the gender diversity gap in technology**. Through the program, we partnered with local universities to provide tuition scholarships, mentoring, internships, technical workshops/courses, and networking. We also connected with five higher-education institutions in Singapore to **launch a fintech course program** to provide the next generation with a strong foundation on e-payments.

<sup>16, 17</sup> While some employee engagement questions are customized for PayPal, both employee participation and diverse workplace were 7 percent higher than our benchmark of technology peers.

<sup>18</sup> Above the industry benchmark of 69 percent for top technology companies.





## DIVERSITY & INCLUSION

To achieve our mission and ensure that everyone can participate fully in the digital economy, we must continue to promote diversity, equity, and inclusion in everything we do. For PayPal, this begins by establishing a workplace that reflects the world we live in and the customers we serve and that celebrates the incredible variety of experiences, capabilities, talents, and interests of our employees.

As we've grown to over 23,000 employees, representing more than 140 nationalities located in more than 30 countries, we remain committed to promoting inclusion around the world. We embrace a diverse workforce that includes people of different ethnic and cultural backgrounds, gender identity and expression, sexual orientation, veteran status, abilities, and those who bring diversity of thought, opinion, experience, and leadership styles — and all other characteristics — that make people unique.

Building a diverse and inclusive workforce continues to be a top priority for PayPal. We take this responsibility seriously and are committed to driving improvements in this area over time.

**100%**

global gender pay equity and US ethnic pay equity for fourth year in a row



**23,200**

(US: 11,200)  
Total Employees



**140+**

Total  
Nationalities



**30+**

Total  
Countries



**50**

Office  
Locations

## 2019 Diversity & Inclusion Highlights

In 2019, we continued to promote activities, policies, and programs to further equity and inclusion in our workplace, our communities, and our planet. Examples include:

- Maintained **100% pay equity** in salary and bonuses globally for women and men, as well as US ethnic pay equity. We undertake rigorous assessments at least annually with external consultants and legal counsel to ensure we deliver internal pay equity throughout the Company, which is paramount to our success and at the core of our values.
- Completed **Conscious Inclusion training** for over 90% of all global employees as of the end of 2019 through in-person and virtual training at 15 global sites, in nine languages. Building upon this momentum, we will be launching inclusive leadership training for managers in 2020.
- **Supported diversity in the public forum** by championing the U.N. LGBTI Standards of Conduct, joining the HRC Business Coalition for the Equality Act, signing onto amicus briefs including support of the Deferred Action for Childhood Arrivals (DACA) program and LGBTQ rights in housing, employment, and education, and advocating for policies of inclusion such as support of the Fairness for High-Skilled Immigrants Act and the Pregnant Workers Fairness Act.
- Became one of the first in-house legal departments to **support the Mansfield Rule**, which targets candidate slates that are at least 50% composed of lawyers from historically underrepresented groups for at least 70% of all new US legal roles and matters. We also plan to **expand our company-wide diverse hiring program** in 2020 to all open positions.
- Concluded the first full year of our **Supplier Diversity Program** with significant growth of our Tier 1 diverse suppliers reaching 9% of total spend, with expansion to Tier 2 planned for 2020. In 2019, we were recognized by the Women's Business Enterprise National Council for supporting women-led businesses.
- Worked with our partner in Sao Paulo, Sitel, to hire Venezuelan refugees at our Brazilian site and invested in companies like Ellevest that **serve the financial needs of diverse communities**.





## Diversity & Inclusion Communities

Our Diversity & Inclusion (D&I) Communities promote an inclusive workplace culture and encourage engagement across the employee lifecycle from recruitment to development. In 2019, **we expanded to seven communities across more than 110 global chapters consisting of thousands of employees.**



Sponsored Techstars Startup Weekend Latinx in New York to provide **experiential education for entrepreneurs**, including nearly 50 participants who pitched 25 ideas working on six different startup teams. Hosted Mujeres de HACE, a women's leadership program geared to empower high potential Latina professionals.



Launched a new Champion Program that hosted 300+ students at 12 events across the US to engage and recruit underrepresented students in collaboration with the National Society of Black Engineers and other groups. In Dublin, Ireland, hosted the **first ever community Entrepreneur Deck Workshop** with African Diaspora businesses to learn about online payments and tools to grow their business.



Beginning on World Autism Awareness Day, **introduced the Safe Spaces series** to create a place to discuss personal experiences and share coping mechanisms with fellow employees in a safe environment. Held three events across multiple offices in the US and Europe, with plans for expansion to additional global offices in 2020.



Through our partnership with Out in Tech Digital Corps, **provided web services to over 100 LGBTQ+ organizations** around the world over the last three years. Hosted a fireside chat with Arlan Hamilton, the Founder of Backstage Capital, on overcoming adversity and promoting inclusion.



Joined the Veteran Jobs Mission coalition to support hiring **one million US military veterans**. Continued to build out a formal mentoring platform to help veterans transitioning to the private sector with career development and networking.



Through **Women Who Build**, empowered and provided resources for women in technology. Since 2017, membership has grown 35% with chapters in 40 offices and over 3,000 members.



Our **newest D&I Community** launched in late 2019 with employee celebrations during the fall for the Sikh faith and over the December holiday season.

## Diversity & Inclusion Recognition

We've had much to celebrate as we were recognized with several notable awards that highlight our efforts to build a more inclusive workplace and world.

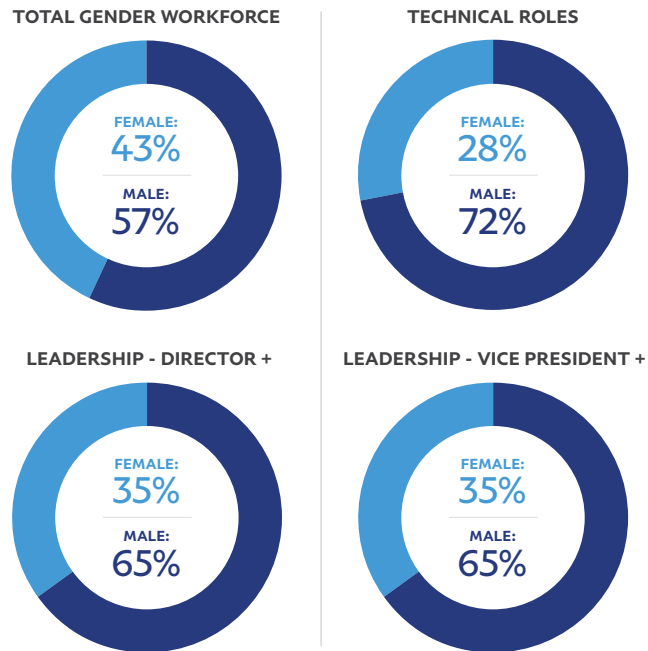
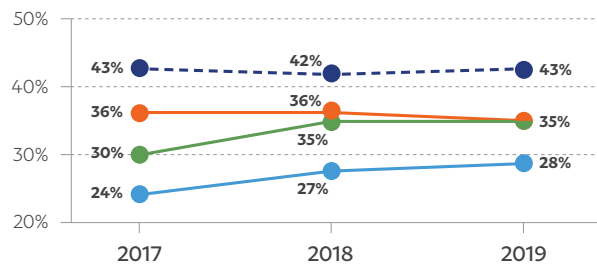
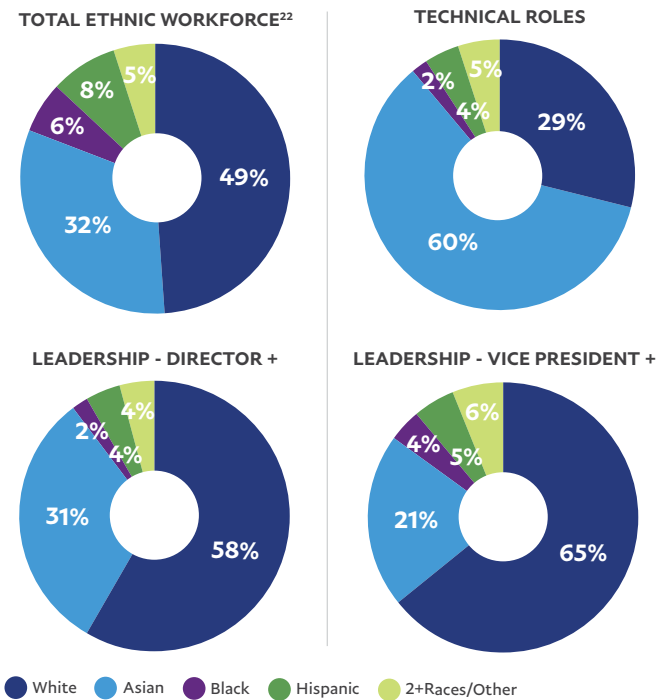
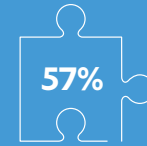
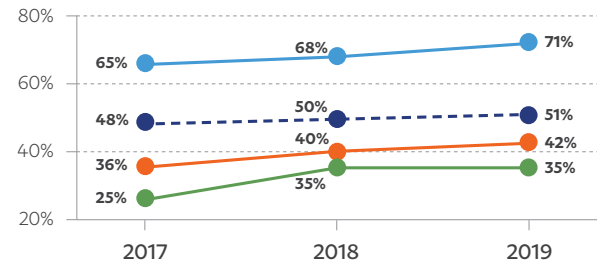


<sup>19</sup> Best 50 Companies to Work for as rated by Women.

<sup>20</sup> Women's Forum of New York Board diversity recognition.

**DIVERSITY & INCLUSION DATA<sup>21</sup>**

Our diversity data is a critical measure for how we assess our performance in building a truly inclusive workforce throughout all parts of the Company. We regularly review best practices to ensure we provide transparent reporting and disclosures on our workforce demographics.

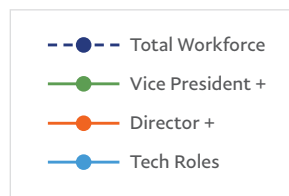
**2019 Global Gender Diversity****Global Gender Diversity**  
Female % of Global Population**2019 US Ethnic Diversity****US Ethnic Diversity**Ethnically Diverse % of US Population<sup>24</sup>**2019 TOTAL DIVERSITY<sup>23</sup>****TRENDS BY THE NUMBERS:**

Since 2015, we have made various improvements in diversity at PayPal:

**15%** Increase in total diversity at VP +

Increase in female tech roles **6%**

**12%** Increase in ethnic minorities at Director +



<sup>21</sup> Beginning with this report, PayPal will present all diversity data on a calendar year reporting cycle. The historical data in this report has been revised to conform to this revised presentation. It excludes acquired companies until integration is completed.

<sup>22</sup> Due to rounding, some figures do not add to 100 percent.

<sup>23</sup> Total diversity is defined as Global female and US ethnically diverse males.

<sup>24</sup> Ethnically diverse data includes Asian, Black, Hispanic, and 2+ Races/Other.



## Environmental Sustainability

Environmental responsibility is a critical part of upholding PayPal's values around the world. In 2019, we advanced our environmental sustainability program by mitigating our greenhouse gas emissions, managing our water consumption and resilience, and enhancing our waste management practices. We also made substantial progress in aligning our environmental management system with international standards, including ISO 14001, submitting our first public survey to CDP ([available here](#)), and engaging our employees and partners on sustainability.

As part of our environmental sustainability strategy, we are committed to full transparency of our climate risks and opportunities in line with the recommendations of the [Task Force on Climate-Related Financial Disclosures](#) (TCFD). Moving forward, we will continue to focus on advancing and improving our environmental reporting and performance.

### OUR APPROACH TO FINANCIAL HEALTH & CLIMATE JUSTICE

We believe that financial security is critical to the resilience of individuals, organizations, and communities impacted by a changing climate. The destabilizing effects of climate change, including increasingly frequent and severe storms, droughts, and heatwaves, are disproportionately borne by the financially underserved.<sup>25</sup>

As part of our mission to democratize financial services, we're exploring opportunities to mobilize our payments platform to support an equitable transition to a climate-neutral economy. For example, our technology can power remittances and charitable giving for communities impacted by wildfires, floods, and other extreme weather disasters, and accelerate the development of markets

for community-based carbon removal projects. We have the opportunity to deliver innovative payment solutions that combat the causes and consequences of a warming planet. At the same time, we are also working to make sure we operate sustainably across our facilities, data centers, and value chain.

### Setting a Science-Based Target

Consistent with our commitment to the [Science Based Targets initiative](#), we continue to make meaningful progress toward establishing a company-wide greenhouse gas emissions reduction goal that aligns with the Paris Climate Agreement. Our cross-functional environmental working group is identifying potential cost-effective emissions reductions activities and building an indirect emissions management strategy for our global supply chain. For example, we continue to transition to LED lighting around the globe, which has reduced energy use and operational costs across many of our offices worldwide. We also joined the [United for the Paris Agreement](#) coalition to reinforce our support for meeting the goals set forth in the global agreement.

### Advancing Renewable Energy

In 2019, we matched 65% of the energy in our data centers with renewable generation, representing significant progress towards our goal of reaching 100% by 2023. We also engaged [Aligned](#), a strategic partner with our data centers, to procure renewable energy for a large portion of our outstanding data center energy footprint beginning in 2020. In addition, we joined the [Renewable Energy Buyers Alliance \(REBA\)](#) as a founding member to share best practices, build relationships, and gather insights into the latest corporate renewable energy procurement trends.

GOAL:  
**100%**  
renewable energy  
use in data centers  
by 2023

2019  
PROGRESS:  
**65%**  
renewable  
energy use



Our commitment to purchasing renewable energy from this facility has resulted in new renewable energy generation in Arizona.

<sup>25</sup> The World Bank Group's 2016 report entitled "Managing the Impacts of Climate Change on Poverty" illustrates the disproportionate impact of climate change on poor communities, which are more vulnerable to its direct and indirect impacts.





## 2019 Energy & Emissions Trends

In 2019, we achieved a 10 percent reduction in total greenhouse gas emissions compared to 2018, driven mainly by the growth in our data center renewable energy use. In addition, our total energy use remained relatively flat, despite continued expansion of our global business. These results provide a strong foundation as we identify and incorporate energy efficiency measures and renewable energy use across our operations and work toward setting a science-based emissions reduction target.

We also made substantial progress advancing our environmental management system in alignment with global standards, including ISO 14001. We enhanced our data management systems, refined reporting processes, and empowered teams to better manage performance. We maintain a strong commitment to continuously improving our environmental management and reporting over time.

## Innovative Products with the Planet in Mind

We introduced the [iZettle Ocean Reader](#), the world's first card reader made from recycled ocean plastics. The innovative product was conceived by several employees passionate about solving complex sustainability issues, and we hope it will inspire other companies to embrace greater use of recycled plastics in their products.

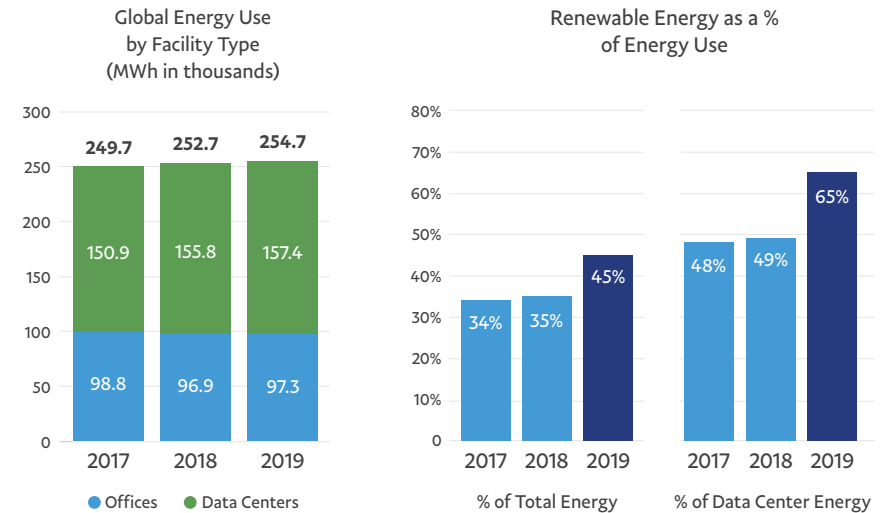
iZettle

We also invest in pioneering businesses such as [Happy Returns](#), a solution focused on aggregated return shipping and logistics using reusable packaging and box-free returns.

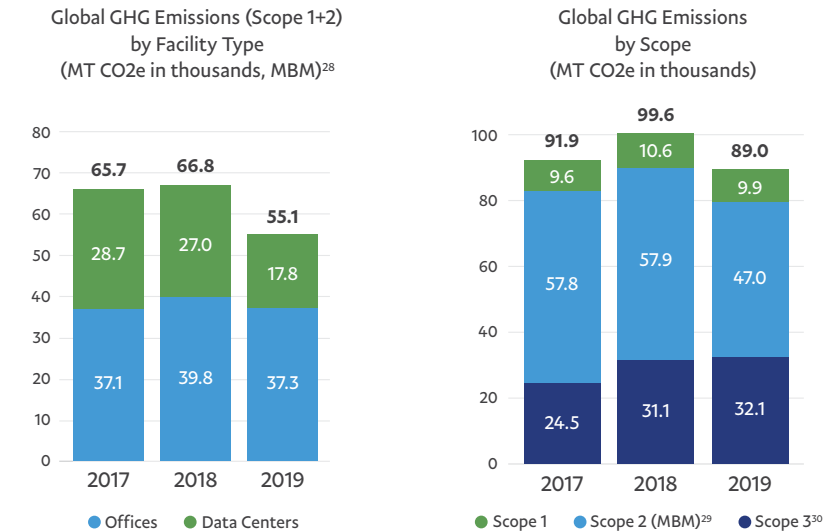
h.  
Happy Returns

iZettle Ocean Reader

## Energy Use & Renewable Energy<sup>26</sup>



## GHG Emissions<sup>27</sup>



<sup>26, 27</sup> We've refined our environmental metrics based on improvements in data quality and availability. Prior period amounts have been revised to conform to the current presentation.

<sup>28</sup> Scope 1 emissions by facility type excludes corporate jet.

<sup>29</sup> Scope 2 emissions data is calculated using the World Resources Institute's GHG Protocol Market-Based Method (MBM), which includes purchases of off-site renewable energy.

<sup>30</sup> Scope 3 inventory includes only business travel emissions from air, rail, rental car, and hotel lodging. In 2019, we expanded business travel emissions coverage to include rental car and hotel lodging information. For comparability, prior years Scope 3 emissions have been revised.



## WATER MANAGEMENT & RESILIENCE

In 2019, we took steps to enhance the effectiveness of water measurement and management across our global facilities. We are not a water-intensive business and consume relatively low volumes of water. We use water in our offices for domestic purposes, landscape irrigation, and operational processes. We've implemented various water conservation measures across our operations, including smart-sensor and low-flow fixtures in our offices and water efficiency monitoring at our data centers.

In 2019, we conducted a water resilience assessment of our global facilities portfolio using analytical tools including the [World Resources Institute Aqueduct tool](#). We also completed a preliminary screening of forward-looking water stress factors for each global region with office and data center locations, which did not reveal any significant gaps in our emergency response plans for water stress-related events. We will periodically update our emergency response plans for addressing extreme weather impacts to our office and data center operations.

## WASTE MANAGEMENT

Nearly all PayPal offices globally have implemented recycling programs, and many have food waste composting as well. We work with local waste hauling providers and municipal jurisdictions to offer waste recycling in locations where it's not currently provided. In 2019, we evaluated and enhanced waste sorting systems for six offices with a focus on increasing diversion from landfills and streamlining waste handling processes, and plan to expand these assessments to additional offices going forward.

We have implemented a zero-landfill strategy for electronic waste (e-waste) throughout our operations. For both data center and office electronics, our IT asset disposal service providers are certified to the [R2](#), [e-Stewards](#), or [WEEE Labex](#) standard for responsible e-waste management. In 2019, our IT asset management teams retired over 300 metric tons of IT hardware across our global offices and data centers, of which 57 percent were sold for refurbishment and reuse. The remaining 43 percent were transferred to our certified disposal vendors for disassembly and recycling in accordance with responsible e-waste practices.

## EMPLOYEE ENGAGEMENT DRIVES SUSTAINABLE IMPACT

Our employees care deeply about the environment and volunteer their time and skills throughout the year to address sustainability issues.

### Winner of our Inaugural Global Innovation Tournament

In 2019, a team of employees won PayPal's first Global Innovation Tournament with an idea to promote consumer climate action. Their idea was chosen by employees and executives out of 1,500 submissions from employees globally which included ideas related to customer communications, workplace inclusion, and international expansion. The team is now working with PayPal's Innovation Lab to develop a product for integrating climate awareness into our platform and encouraging customers to reduce the climate impact of their purchases.



### Global Participation in Climate Action Week

During Climate Action Week in September 2019, PayPal employees volunteered to address climate change in their local communities and around the world. For example, in Mumbai, India, a team of 30 PayPal employees, friends, and family members partnered with renowned local environmental champion Afroz Shah to clean up plastic and other waste from a local public beach.

### Earth Week Volunteering

To celebrate Earth Week in 2019, PayPal offices organized events, including planting trees, cleaning beaches, collecting e-waste, launching enhanced recycling programs, and hosting environmental awareness events. For example, 25 employees in Chennai, India built an herb garden at a local school and planted 60 herbal tree saplings.



### Employee-led Waste Audit in San Jose

25 employees conducted a waste audit at our San Jose campus in 2019. The audit results and recommendations are being used by our facilities team to enhance our waste management practices globally.



## Responsible Business Practices

We understand that preserving our customers' trust is paramount to our long-term success. We must operate all facets of our business with integrity, from our management and Board of Directors to our workforce and our supply chain. We hold ourselves to the highest ethical standards and strive for full compliance with applicable laws and regulations. Central to this commitment is our ongoing work toward creating a culture that values privacy and enhances our cybersecurity efforts across our platforms and operations. We also engage externally to promote these values and practices and have a public policy and advocacy approach that is aligned with our mission and business strategy.

### Business Ethics

Our [Code of Business Conduct & Ethics \(Code\)](#), available in 11 languages, provides guidance for our employees, directors, and third parties on ethical and responsible behavior. We regularly refresh the Code to reflect the evolution of our programs, policies, and expectations for everyone engaged with PayPal.

Our Code 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, including by directly reaching out to a business ethics officer, emailing our Ombuds/Ethics team, or contacting our global Integrity Helpline which is available 24 hours a day, seven days a week in multiple languages. Reports to the Integrity Helpline are confidential and can be made anonymously. The Chief Risk Officer provides periodic updates to the Audit, Risk, and Compliance (ARC) Committee on significant reports or concerns raised and their resolution.

Every employee at PayPal completes annual compliance and ethics training, which covers areas such as our Code, anti-money laundering, data protection, privacy, and safety and security. In 2019, we expanded our training to require sexual harassment awareness and prevention training for all employees. In addition, upon joining PayPal and annually thereafter, our employees must certify that they understand and will comply with the Code.

**100%**  
employee  
completion of  
annual compliance  
and ethics training

We continue to evolve our programs and policies to align with international standards and industry best practices. We recognize that as we continue to expand our geographic footprint and product offerings, strong standards are essential to ensuring that employees, vendors, contractors, and other parties all operate in accordance with PayPal's stated values and policies. For example, we continue to drive progress on our approach to human rights including by conducting a comprehensive supply chain assessment and developing a Global Human Rights Statement aligned with [Universal Declaration of Human Rights](#), [U.N. Guiding Principles on Business and Human Rights](#), and other international standards.

### Supply Chain Standards

We hold our third-party vendors accountable to the same high standards to which we hold ourselves. Our [Third-Party Code of Business Conduct & Ethics](#) not only clarifies our requirements around business integrity and ethics, but also highlights our expectations related to environmental responsibility, labor, and human rights.







*"As a leader in the Risk and Platforms organization and a former Executive Assistant District Attorney at the NY District Attorney's office, I know how essential it is to protect the company, safeguard our customers, and assist law enforcement. At PayPal, it is the tireless commitment of our global team of investigators that enables this work every day. We continuously invest in transformative programs to combat money laundering, terrorism financing, human trafficking, and related financial crimes around the world in partnership with law enforcement and the intelligence community. Altogether, we endeavor to create a safe platform for our global community."*

**Dave Szuchman**  
SVP, Head of Global Financial Crime  
and Customer Protection

## Risk & Compliance

We apply the Three Lines of Defense model for risk management, which includes management, oversight, and independent assurance. Our senior leadership team is responsible for assessing and managing risk. The Board is responsible for risk oversight, with the 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) biennially to confirm its conformance to the IIA Code of Ethics and Standards.

Our Enterprise Risk and Compliance Management Program sets 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. We've established risk management committees to 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 Chief Risk Officer and the Head of Risk and Compliance Oversight who also serves as the Chief Compliance Officer. PayPal's Chief Risk Officer and Chief Compliance Officer regularly review and discuss the overall effectiveness of the Enterprise Risk and Compliance Management Program with the ARC Committee and the Board of Directors.

## Partnerships 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.

In 2019, we partnered with [Polaris](#), a leader in combating human trafficking, to help interrupt human trafficker cash flows and enable prosecutions related to financial crimes, including money laundering. Together, PayPal and Polaris are establishing a [Financial Intelligence Unit](#) (FIU) dedicated to these efforts. In addition, we recently announced our work with Northeastern University and University of Chicago to fund research to improve both industry and government understanding of the payment methods used for [illegal firearm trafficking and financing](#).



**PayPal**

+

**Polaris**

+

**N** | **CCR** Center on Crime and Community Resilience

+

**U** | **URBANLABS** CHICAGO CRIME LAB





## PRIVACY & CYBERSECURITY

As a global payments company, one of our greatest responsibilities is to ensure the appropriate use and protection of our customers' personal data and financial information. As customer champions, we understand that trust is the foundation of our business and we value our customers' confidence in our ability to keep their data secure.

### Fostering a Culture of Privacy

At PayPal, we continuously evaluate our approach to privacy and identify ways we can best serve our customers and further protect their data. Our Global Privacy Program, which is a part of the Enterprise Risk and Compliance Management Program, is based on eight privacy principles that serve as the basis for enterprise-wide standards for collecting, using, disclosing, storing, securing, accessing, transferring, and processing personal data. We also have dedicated teams integrated throughout our business and a Global Privacy team, led by our Chief Privacy Officer, who work toward instilling a culture of "Data Hygiene by Default" and "Privacy by Design."

Through role-based privacy training, the Global Privacy team is responsible for helping encourage and cultivate PayPal's privacy-centric culture throughout the Company, from the Board of Directors to newly acquired companies and their employees. Our culture reinforces the importance of responsible practices for the ethical use of data and values transparency in how we communicate our practices. This is especially important given the rapid pace of technological innovation and the resulting impact on data and privacy.

We embrace the responsibility we have in handling our customers' data and always look for opportunities to not only stay ahead of the regulatory curve, but to exceed customer expectations. We believe that fulfilling our commitment to privacy means providing our customers with information that clearly describes our privacy practices and offering them meaningful choices to direct how their data is used. By consistently employing a privacy-first approach, we are always looking to innovate in ways that best serve our customers, while protecting their data.

For more information please see our [Privacy Statement](#).

## PAYPAL'S PRIVACY PRINCIPLES

The following eight Principles form the foundation of our commitment to the responsible collection, use, and sharing of customer and employee personal data.



### Management

PayPal has established roles and responsibilities for collecting, processing, storing, and sharing personal data.

### Notice & Transparency

PayPal is transparent about how we collect, process, and share personal data.

### Choice & Consent

PayPal provides meaningful choices to customers and employees around how the Company uses or shares personal data.

### Collection

PayPal limits collection of personal data to what is necessary to process customer transactions and to provide our services.

### Use, Retention, & Disposal

PayPal uses and retains personal data for purposes that are aligned with what we tell our customers and employees and we dispose it securely.

### Sharing & Transfer

PayPal only shares personal data when we have consent and only with third parties who meet our strict data protection standards.

### Access & Quality

PayPal maintains accurate and relevant personal data and provides customers and employees access to their personal data.

### Security

PayPal protects personal data and in the event of a personal data breach, PayPal properly and promptly notifies the impacted customers and employees.



## Safeguarding our Customers

PayPal promotes a strong security philosophy across the Company. Our Chief Information Security Officer oversees information security 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 enable continuous information security risk management and support the Company in identifying, protecting, detecting, responding to, and recovering from information security threats. Our Program is informed by relevant industry guidance and achieved ISO 27001 certification for information security management in 2019. We are currently a member of the PCI Security Standards Council Board of Advisors, comply with PCI DSS, and issue annual SOC-1 and SOC-2 reports.

We are constantly adapting to a rapidly changing environment, while pursuing and supporting innovation to strengthen PayPal's security posture and sustain our entire ecosystem. We are at the forefront of a number of innovative industry initiatives to eliminate traditional passwords, reduce phishing attacks, protect against emerging malware on mobile devices, and many others to protect consumers and merchants. For example, PayPal was a founding member of the [Fast Identity Online Alliance](#), a forward-looking initiative to eliminate traditional passwords and improve authentication. We also invest strategically in research and development and nascent technology to strengthen security capabilities inside and outside of the Company. As a founding contributor of the [DMARC initiative](#), an email authentication protocol, PayPal helps to actively reduce phishing attacks against all Internet users.

For additional information, please visit the [PayPal Security Center](#).

## Importance of Political Transparency

We continue to hear from stakeholders about the importance of providing clear disclosures regarding our public policy advocacy and political spending. The Corporate Governance and Nominating Committee oversees our political contributions, lobbying expenditures, and interactions with government officials, and management, review, and oversight is provided by PayPal's Senior Vice President of Corporate Affairs and the Vice President of Global Government Relations.

Our [Public Policy website](#) provides transparent disclosures on our lobbying and political activity including specifics on our political contributions and expenditures such as the Federal political action committee (PAC), state political contributions, trade association memberships, and lobbying information. In addition, we highlight issues central to our business and our customers, such as privacy and cybersecurity, cross border trade, and small business lending.

## Strategic Investments in Customer Protection Companies

We strategically invest in companies such as SafeBreach and Arkose Labs that create innovative solutions for security and fraud protection.



[SafeBreach](#) develops software that simulates breaches and attacks on existing security systems, helping administrators identify and fix security flaws before an attack can occur.



[Arkose Labs](#) provides online fraud prevention technology combining global telemetry, user risk assessments, and sophisticated authentication challenges to help businesses detect and prevent online fraud that costs billions each year.





## SASB & GRI INDEXES

PayPal continues to enhance its environmental, social, and governance (ESG) disclosures to reflect input from our global stakeholders, industry best practices, and international standards. We applied the results of our first comprehensive ESG materiality and prioritization assessment to refine our reporting practices and map our current disclosures to the [Sustainable Accounting Standards Board \(SASB\) Foundation](#) and [Global Reporting Initiative \(GRI\)](#) frameworks. All references apply to the year ending December 31, 2019 and PayPal's global operations, unless otherwise noted. We will continue to assess opportunities to evolve our ESG reporting approach.

## ADDITIONAL RESOURCES

Beyond the contents of this report, we provide a robust list of additional materials, resources, and documents that further demonstrate our ESG strategies, activities, progress, and performance.

**Thank you for reading our 2019 Global Impact Report.** For further information, visit our [Global Impact website](#) or please contact us at [ESG@paypal.com](mailto:ESG@paypal.com) with any questions or feedback.

For more information on PayPal's news and special announcements, visit the [PayPal Newsroom](#). You can follow PayPal on [Twitter](#), [Instagram](#), [LinkedIn](#), and [YouTube](#) for more updates on our programs. You can also check out Dan Schulman's [Never Stand Still](#), a podcast focused on conversations with other leaders and executives about business, innovation, and entrepreneurship.

For information on our latest response to the COVID-19 pandemic, click [here](#).







## SASB Index

This index maps our current disclosures to the Sustainable Accounting Standards Board (SASB) framework, which aims to provide a standard for companies to disclose financially material, decision-useful ESG information for investors. Below we report on relevant key topics from the Software & IT Services and Consumer Finance industry standards.<sup>31</sup> We will evaluate additional topics and metrics for potential future reporting improvements.

Topic	Code	Accounting Metric	Response / Location <sup>32</sup>
Environmental Footprint of Hardware Infrastructure	<b>TC-SI-130a.1</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental Sustainability/Energy data, <a href="#">page 24</a>
	<b>TC-SI-130a.3</b>	Discussion of the integration of environmental considerations into strategic planning for data center needs	Environmental Sustainability/Renewable Energy, <a href="#">pages 23-24</a>
Data Privacy & Freedom of Expression (Customer Privacy)	<b>TC-SI-220a.1</b>	Description of policies and practices relating to behavioral advertising and user privacy	Responsible Business Practices/Privacy, <a href="#">page 28</a> <a href="#">PayPal Privacy Statement</a>
	<b>TC-SI-220a.3</b> <b>FN-CF-220a.2</b>	Total amount of monetary losses as a result of legal proceedings associated with user privacy	<a href="#">2019 Annual Report/Legal Proceedings, page 94</a>
Data Security	<b>TC-SI-230a.2</b> <b>FN-CF-230a.3</b>	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Responsible Business Practices/Security, <a href="#">pages 27 and 29</a>
Recruiting & Managing a Global, Diverse & Skilled Workforce	<b>TC-SI-330a.1</b>	Percentage of employees that are (1) foreign nationals and (2) located offshore	Employees & Culture/Diversity & Inclusion, <a href="#">page 20</a>
	<b>TC-SI-330a.2</b>	Employee engagement as a percentage	Employees & Culture/Employee Engagement, <a href="#">page 19</a>
	<b>TC-SI-330a.3</b>	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Employees & Culture/Diversity & Inclusion data, <a href="#">page 22</a>
Intellectual Property Protection & Competitive Behavior	<b>TC-SI-520a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	<a href="#">2019 Annual Report/Legal Proceedings, page 94</a>
Managing Systemic Risks from Technology Disruptions	<b>TC-SI-550a.2</b>	Description of business continuity risks related to disruptions of operations	<a href="#">2019 Annual Report/Risk Factors, page 12</a>

Code	Activity Metric	Response / Location <sup>33</sup>
<b>FN-CF-000.A</b> <b>TC-SI-000.A</b>	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account (1) Number of licenses or subscriptions, (2) percentage cloud-based	Key Highlights, <a href="#">page 6</a> <a href="#">2019 Annual Report/Business, page 1-2</a> Modified activity metric to provide information on active accounts and other relevant business activity information.

<sup>31</sup> We selected metrics from both sets of SASB industry standards that reflect topics directly applicable to our business and stakeholders. For some topics, we do not report on all accounting metrics based on relevancy to our business and our current disclosures.

<sup>32, 33</sup> Each italicized response/location references an external document or resource.



## GRI Content Index

The Global Reporting Initiative (GRI) Standards represent a best practice for reporting on a range of economic, environmental, and social impacts and topics. We completed an initial mapping to GRI Standards and disclosures in alignment with the core option based on designated priority topics from our business and stakeholders according to our materiality assessment. Below we provide information required for each Standard disclosure and are committed to reviewing our reporting practices over time.

Topic	General Disclosures (Core)	Response/Location <sup>34</sup>
Organizational Profile	<b>102-1:</b> Name of the organization	PayPal Holdings, Inc.
	<b>102-2:</b> Activities, brands, products, and services	About PayPal, <a href="#">page 4</a> <i>2019 Annual Report/Business, pages 1-2</i> <i>2020 Proxy Statement/Company Overview, page 2</i>
	<b>102-3:</b> Location of headquarters	San Jose, California (US)
	<b>102-4:</b> Location of operations	Social Innovation/Strengthening our Communities, <a href="#">page 17</a> <i>2019 Annual Report/Properties, page 30</i> Employees & Culture/Diversity & Inclusion, <a href="#">page 20</a>
	<b>102-5:</b> Ownership and legal form	<i>2019 Annual Report/Business, page 1</i>
	<b>102-6:</b> Markets served	Multiple references throughout GIR, <a href="#">pages 4, 6, 9, and 13</a> <i>PayPal Global Products &amp; Service</i>
	<b>102-7:</b> Scale of the organization	Key Highlights, <a href="#">pages 6-7</a> <i>2020 Proxy Statement/2019 Performance Highlights, pages 3-4</i>
	<b>102-8:</b> Information on employees and other workers	Employees & Culture, <a href="#">pages 18-22</a> <i>2019 Annual Report/Employees, page 8</i>
	<b>102-9:</b> Supply chain	Responsible Business Practices/Supply Chain, <a href="#">page 26</a>
	<b>102-10:</b> Significant changes to the organization and its supply chain	About PayPal, <a href="#">pages 4-5</a> ; Key Highlights, <a href="#">pages 6-7</a> <i>2020 Proxy Statement/2019 Performance Highlights, pages 3-4</i>
	<b>102-11:</b> Precautionary Principle or approach	Responsible Business Practices/Risk & Compliance, <a href="#">pages 26-29</a>
	<b>102-12:</b> External initiatives	Multiple references throughout GIR, <a href="#">pages 9, 12-17, 20-21, 23, 25, 27, 29, and 35</a>
	<b>102-13:</b> Membership of associations	Multiple references throughout GIR, <a href="#">pages 9, 12-17, 20-21, 23, 25, 27, 29, and 35</a>
Strategy	<b>102-14:</b> Statement from senior decision-maker	CEO letter, <a href="#">pages 2-3</a>
Ethics & Integrity	<b>102-16:</b> Values, principles, standards, and norms of behavior	About PayPal, <a href="#">pages 4-5</a> ; Responsible Business Practices/Business Ethics, <a href="#">page 26</a>
Governance	<b>102-18:</b> Governance structure	Corporate Governance, <a href="#">pages 10-11</a> <i>2020 Proxy Statement/Corporate Governance, pages 28-32</i>
Stakeholder Engagement	<b>102-40:</b> List of stakeholder groups	Materiality, <a href="#">page 8</a>
	<b>102-41:</b> Collective bargaining agreements	Not applicable
	<b>102-42:</b> Identifying and selecting stakeholders	Materiality, <a href="#">page 8</a>
	<b>102-43:</b> Approach to stakeholder engagement	Materiality, <a href="#">page 8</a> ; Employees & Culture, <a href="#">pages 18-21</a> <i>2020 Proxy Statement/Stockholder Engagement, pages 28-29</i>
	<b>102-44:</b> Key topics and concerns raised	Materiality, <a href="#">page 8</a> <i>2020 Proxy Statement/Stockholder Engagement, pages 28-29</i>

<sup>34</sup> Each italicized response/location references an external document or resource.



Reporting Practice	<b>102-45:</b> Entities included in the consolidated financial statements	<a href="#">2019 Annual Report/Notes to Consolidated Financial Statements, page 59</a>
	<b>102-46:</b> Defining report content and topic boundaries	About PayPal, <a href="#">pages 4-5</a> ; Materiality, <a href="#">page 8</a>
	<b>102-47:</b> List of material topics	Materiality, <a href="#">page 8</a>
	<b>102-48:</b> Restatements of information	Included throughout report as necessary
	<b>102-49:</b> Changes in reporting	No significant changes
	<b>102-50:</b> Reporting period	Calendar year 2019
	<b>102-51:</b> Date of most recent report	2018 Global Impact Report published April 24, 2019
	<b>102-52:</b> Reporting cycle	Annually
	<b>102-53:</b> Contact point for questions regarding the report	<a href="mailto:ESG@paypal.com">ESG@paypal.com</a>
	<b>102-54:</b> Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
	<b>102-55:</b> GRI content index	GRI Index, <a href="#">pages 32-33</a>
	<b>102-56:</b> External assurance	This report is not externally assured

Topic	Topic Specific Disclosures	Response/Location <sup>35</sup>
Corporate Governance	<b>103-1, 2, 3:</b> Management approach	Corporate Governance, <a href="#">page 10</a>
	<b>102-18:</b> Governance structure	<a href="#">2020 Proxy Statement/Corporate Governance, pages 28-32</a>
Cybersecurity & Secure Transactions	<b>103-1, 2, 3:</b> Management approach	Responsible Business Practices/Security discussion, <a href="#">page 29</a>
Data Privacy	<b>103-1, 2, 3:</b> Management approach	Responsible Business Practices/Privacy discussion, <a href="#">page 28</a>
Diversity & Inclusion	<b>103-1, 2, 3:</b> Management approach	Employees & Culture/Diversity & Inclusion, <a href="#">pages 20-22</a>
	<b>405-1:</b> Diversity of governance bodies and employees	Corporate Governance, <a href="#">page 11</a>
	<b>405-2:</b> Ratio of basic salary and remuneration of women	Employees & Culture/Diversity & Inclusion, <a href="#">page 20</a>
Empowering Entrepreneurs, Small Businesses, & Nonprofits	<b>103-1, 2, 3:</b> Management approach	Social Innovation, <a href="#">pages 12-17</a>
Energy & GHG Emissions	<b>103-1, 2, 3:</b> Management approach	Environmental Sustainability, <a href="#">pages 23-24</a>
	<b>302-1:</b> Energy consumption within the organization	
	<b>302-4:</b> Reduction of energy consumption	
	<b>305-1:</b> Direct (Scope 1) GHG emissions	
Financial Health & Inclusion	<b>305-2:</b> Energy indirect (Scope 2) GHG emissions	Social Innovation, <a href="#">pages 12-17</a> ; Employees & Culture, <a href="#">page 18</a> <a href="#">Our Approach to Social Innovation</a>
	<b>103-1, 2, 3:</b> Management approach	
	<b>203-2:</b> Significant indirect economic impacts	

<sup>35</sup> Each italicized response/location references an external document or resource.



## Additional Resources

### GENERAL DISCLOSURES

- [Global Impact Website](#)
  - [2017 Global Impact Report](#)
  - [2018 Global Impact Report](#)
- [2019 Annual Report/2020 Proxy Statement](#)
- [Investor Relations](#)
- [Corporate Governance](#)
- [Mission | Vision | Values](#)
- [PayPal Global Markets](#)
- [PayPal Newsroom](#)
- [COVID-19 Relief](#)



### EMPLOYEES & CULTURE

- [Diversity & Inclusion at PayPal](#)
- [PayPal Global Benefits](#)
- [PayPal Careers](#)
- [Employee Financial Wellness](#)
- [PayPal Women Luminaries Program](#)
- [International Women's Day with PayPal: A Conversation on Diversity](#)
- [PayPal Launches Fintech Education Program](#)



### ENVIRONMENTAL SUSTAINABILITY

- [Environmental Policy](#)
- [PayPal's 2019 CDP Climate Change Response](#)
- [Global Innovation Tournament](#)
- [iZettle launches world's first card reader made from recycled plastic](#)



### RESPONSIBLE BUSINESS PRACTICES

- [Code of Business Conduct & Ethics](#)
- [Third Party Code of Business Conduct & Ethics](#)
- [PayPal, Polaris Join Forces to Fight Human Trafficking](#)
- [The power of partnership: joining forces to fight financial crime](#)
- [PayPal Funds Research Project on Illegal Firearms Transactions](#)
- [Privacy Statement](#)
- [Security Center](#)
- [Public Policy Advocacy & Transparency](#)
- [UK Modern Slavery Statement](#)



### SOCIAL INNOVATION

- [Social Innovation](#)

#### Products & Services

- [About PayPal Products](#)
- [PayPal Working Capital](#)
- [PayPal Business Loan](#)
- [PayPal launches Xoom in Europe](#)
- [The Next Era of Digital Commerce: The PayPal Commerce Platform](#)
- [PayPal Instant Transfer](#)
- [Giving Customers More Ways to Instantly Access Their Money](#)
- [Ten Billion Dollars & Counting: Helping Small Businesses Globally](#)
- [Stepping Up to Help Federal Workers During the Shutdown](#)



#### Research & Engagement

- [Policy Papers](#)
  - [Financial Health for the Future of Work](#)
  - [Small business participation in cross-border trade](#)
- [PayPal Gives](#)
- [Second Annual PayPal Small Business Month](#)
- [The PayPal-Kiva Partnership](#)
- [PayPal Partners with Village Capital](#)
- [PayPal Partnership with Cherie Blair Foundation for Women](#)
- [NFTE World Series of Innovation](#)
- [CEO Partnership for Economic Inclusion](#)
- [Strengthening Communities Around the World \(YearUp & Pivotal\)](#)

#### Investments & Acquisitions

- [PayPal Ventures](#)
- [Tech Matters Q&A: PayPal Ventures Strategy](#)
- [Investment in MercadoLibre](#)
- [PayPal Completes Acquisition of GoPay](#)
- [PayPal + Honey](#)

#### Powering Giving

- [PayPal — Powering Giving](#)
- [PayPal Giving Fund](#)
- [Partner Fundraising Platform](#)
- [PayPal Surpasses \\$100 Million in Donations this GivingTuesday](#)



## Partnerships & Awards

### KEY PARTNERS & COLLABORATIONS



### AWARDS & RECOGNITIONS

#### Corporate Recognition



#### Workplace & Inclusion\*



#### Leadership Recognition

- **Businessperson of the Year: Dan Schulman (#11)**  
Fortune
- **Changemaker: Dan Schulman**  
Save the Children
- **High Impact Leader of the Year: Dan Schulman**  
Endeavor
- **2019 Empower Players: Dan Schulman**  
DoSomething
- **Top CEOs (#34): Dan Schulman**  
Glassdoor
- **Top 25 Women in Financial Technology: Peggy Alford**  
Financial Technology Report
- **Top Corporate Counsel: Louise Pentland**  
Women Inc. Magazine
- **2020 All-America Executive Team: Most Honored Companies**  
Institutional Investor

\* For a broader list of our Diversity & Inclusion awards, click [here](#).



