Assessing & Prioritizing Our ESG Topics

Our ESG strategy is based on the periodic significance assessment and prioritization of non-financial risks and opportunities identified by our business and our stakeholders as important for PayPal’s long-term success.

Building on our ESG significance assessment conducted in 2020, we annually review our ESG significance map. In 2022, we reaffirmed our 18 key ESG topics, including eight designated as priorities for PayPal to drive long-term business performance and impact based on stakeholder feedback.

The findings from our ESG significance assessment serve as an important input to inform how we strategically deploy resources across the enterprise and refine our ESG-related programs.

2022 ESG Significance Map

Engaging Our Stakeholders

An essential aspect of effectively managing our key ESG topics, as well as informing our significance assessment, is our strategic approach to stakeholder engagement.

We value the regular input we receive from our global workforce, customers, investors, regulators, partners, suppliers and other stakeholders in seeking to continuously refine our ESG program. In late 2022, we completed our second investor-focused perception study to understand how investors view PayPal’s ESG strategy, investment case and communication efforts. We observed notable improvements since our inaugural study in 2019. The feedback helped inform our latest ESG significance assessment and reinforced the importance of aligning our financial and non-financial disclosures.

4.38 out of 5

2022 ESG engagement rating from investors (+23% from 2019)

Key ESG-Related Engagement Topics

**Investors:** Succession planning, executive compensation, intersection of ESG and business strategies, data privacy, cybersecurity, Board and risk oversight

**Customers:** ESG approach, product education, business ethics, climate change, supplier diversity

**Employees:** Business strategy, product innovation, sustainability, workplace inclusion, community engagement

**Regulators:** Cybersecurity, risk oversight, ESG strategy, climate change

**Partners:** Civic engagement, small business support, employee wellness, climate change

**Suppliers:** Business ethics, climate change, diversity

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1. As used throughout the 2022 Global Impact Report, the term “significance” and variations thereof refer to significance within the context of our ESG strategies, activities, progress, metrics and performance. Such term is distinct from, and does not refer to, concepts of materiality used in securities or other applicable law, and use of such term in such context shall have no effect with respect to such securities.

2. As designated by those topics in the shaded upper-right hand quadrant of our ESG significance map.

3. Study participants provided an overall rating of 4.38 (5=excellent) for PayPal’s ESG engagement approach, representing significant improvement from the 3.56 rating in 2019.