

UK Gender Pay Gap Reporting 2024

Introduction

We are deeply committed to building a global team of employees that reflects the communities where we work and live, and the diversity of the customers we serve. Our diversity, inclusion, and equity principles (which we refer to collectively as “Belonging”) are not only critical to our success but also deeply embedded in our people, our culture, and our business.

We understand that to create innovative products for our customers and provide value to our stockholders, we must attract, develop, and retain diverse talent globally. Ensuring that all employees are paid fairly and equitably for their contributions to our company is an important part of this.

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

The ‘gender pay gap’ and ‘equal pay’ referenced in this report have two distinct meanings. Equal pay is the difference between men’s and women’s earnings for performing the same or similar work. Gender pay measures the average pay for men and women across the company, regardless of factors such as role, seniority, work location, etc.

Reporting Requirements

Employers in the UK with at least 250 employees* are required by law to publish their gender pay gap and gender bonus gap figures annually. There are six different pieces of information that are required:

GENDER PAY GAP: MEAN & MEDIAN - This is the difference in hourly pay between men and women on April 5, 2023 (the ‘snapshot’ date), expressed as a percentage of hourly pay for men. This means that a positive number indicates men have a higher hourly pay than women; a negative number means the reverse.

GENDER BONUS GAP: MEAN & MEDIAN - This is the difference in average incentive pay received by men and women in the 12 months leading up to the snapshot date, expressed as a percentage of incentive pay received by men. A positive number indicates men have a higher average than women; a negative number means the reverse.

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

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

*In 2023 PayPal UK Limited, a regulated entity, was set up. However, as PayPal UK Limited employs fewer than 250 employees, it is not currently required to publish a gender pay gap report. This report relates to PayPal Limited, UK Branch.

Results

The **gender pay gap** measures the difference between men and women's hourly earnings in the pay period in which the snapshot date falls. 'Earnings' may include salary, incentive pay, cash allowances, on-call payments, etc. PayPal's mean hourly pay gap is **4.6%** and the median hourly pay gap is **1.2%**.

The **gender bonus gap** measures the difference in incentive pay received by men and women in the 12month period leading up to the snapshot date. 'Incentive pay' may include bonus pay, sales commission, vested equity awards, recognition awards, referral bonuses, etc. PayPal's mean bonus pay gap is **23.7%** and the median bonus pay gap is **21.9%**

	Gender Pay Gap		Gender Bonus Gap	
	Mean	Median	Mean	Median
5th April 2023	4.6%	1.2%	23.7%	21.9%
5th April 2022	-0.4%	0.1%	15.0%	13.9%
5th April 2021	-0.8%	29.5%	10.9%	31.9%

The 'MEAN' refers to the sum of all the values divided by the number of values.

The 'MEDIAN' refers to the middle value when all the numbers are ranked in order of lowest to highest.

The proportion of men receiving incentive pay in this reporting period is **99.0%** vs. **97.4%** of women. All PayPal employees are eligible to participate in a short-term incentive plan, subject to plan terms and conditions. The employees receiving zero incentive pay were new hires that did not meet minimum service criteria in that plan year. 67% of these new hires were women, accounting for the higher proportion of women not receiving incentive pay.

	Proportion of Employees Receiving Incentive Pay	
	Male	Female
5th April 2023	99.0%	97.4%
5th April 2022	93.4%	90.5%
5th April 2021	90.7%	92.2%

Pay quartiles show the percentage of men and women in four equal sized groups based on their hourly pay. This gives an indication of women's representation at different levels of the organisation.

	Proportion of Males and Females by Pay Quartile							
	Lower Quartile		Lower Mid Quartile		Upper Mid Quartile		Upper Quartile	
	Male	Female	Male	Female	Male	Female	Male	Female
5th April 2023	64%	36%	49%	51%	54%	46%	63%	37%
5th April 2022	61%	39%	57%	43%	55%	45%	63%	37%
5th April 2021	57%	43%	59%	41%	60%	40%	67%	33%



Understanding Our Results

PayPal employs less than 400 employees in the UK and therefore a small number of changes in the demographic can significantly impact the overall gender pay gap results. However, we are encouraged to see several measures indicating directional improvement.

In the UK, women make up more than 50% of the total workforce. Within the technology sector, 26% of the workforce are women. On the snapshot date (5 April 2023), 43% of PayPal UK's workforce were women, showing a sustained increase in female representation for the third consecutive year (41% in 2022 and 39% in 2021).

In addition to increased representation, a higher percentage of women were promoted (18% of women vs. 15% of men) resulting in more women in senior positions with higher levels of pay. This progress is reflected in the pay quartiles, with the number of women in the lower pay quartile decreasing (3%), whilst increasing across the middle-lower (+8%) and middle-upper (+1%) quartiles. More women than men were promoted at the Director+ level, but there is more work to do here as the ratio of men to women in the upper pay quartile remains proportionately high compared with the overall ratio of men to women in the workforce (63:37 vs. 57:43).

The higher proportion of men in the upper pay quartile represents a greater number of men in senior roles and long-tenured roles, which are paid more based on the market rates and time in position. Our pay plans are aligned to the seniority of the role, with higher graded roles by their very nature generating a larger salary, annual bonus, and equity awards. Employees with longer tenure have the opportunity to accumulate equity awards yearly, elevating total annual earnings above peers with less tenure.

How We Are Addressing Representation

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

Inclusive Hiring and Talent Development

- To ensure we are addressing potential bias in the workplace, our recruitment process is designed to integrate inclusive hiring practices. We provide our talent acquisition teams and hiring managers with the tools and training they need to be intentional around identifying diverse candidate slates and diverse interview panels.
- Building on the long-standing risk and compliance ratings for each executive and the incorporation of diversity, inclusion and equity (Belonging) considerations as part of our executive compensation program beginning in 2021, we have continued to incorporate Belonging actions and outcomes in our Annual Incentive Plan.



- Businesses are increasingly recognizing the importance of creating a culture of sponsorship in addition to mentorship. PayPal's Unity Employee Resource Group for women and allies launched a sponsorship program targeted toward increased retention and identification of leadership opportunities.

Inclusion@PayPal

- We are not limiting education and investment to hiring alone, we are also committed to supporting all our employees globally with a multi-year, multi-module learning journey, 'Inclusion@PayPal.' Developed by Belonging and learning specialists, the first module in the series focused on providing fundamental learning on our Belonging strategy, helps each person recognize inherent biases and identify opportunities for conscious change. Additional targeted modules further employee understanding and actions for the future, including topics such as code switching and covering, power dynamics in the workplace, micro aggressions and allyship, as well as understanding experiences from the view of various personas.
- PayPal continues to invest in systems to help more accurately understand and pinpoint specific areas across the employee lifecycle where additional support and equitable programs would be useful in driving change across various functions, levels, and geographies.
- We have developed new partnerships to help broaden our talent pipelines, developed targeted employee career development and sponsorship and mentorship programs for underrepresented communities.
- We also host Employee Resource Group (ERG) listening sessions to gather insights and maintain an open line of communication for any concerns that employees may like to raise in a safe space.

PayPal's Investments to Advance Financial Inclusion for Women and Girls

Improving the economic lives of women globally can empower their families, communities, and the overall economy. PayPal has made several notable investments toward advancing access to finance for women and girls around the world through employee volunteering, partnerships, grant making and internal evaluation of the company's policies and benefits.

As part of this ongoing work, PayPal has...

- Completed more than 26,000 employee volunteer hours with organizations that support women and girls such as Black Girl Ventures, Her Academy, Narika, The Cherie Blair Foundation for Women, and more.
- Partnered with Women's World Banking to fund technical assistance and research on topics such as identifying gender biases in credit scoring.
- Invested in the Impact Investment Exchange's Women's Livelihood Bond 6, which employs a financial framework designed to balance risk, returns, and impact and invests in opportunities that support women-focused businesses across five countries and six sectors in the Global South.
- Joined 2X Global, a membership organization focused on catalysing the use of finance to promote gender equality. We employed the 2X criteria for our investment analysis to guide our participation in



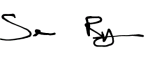
Sweef Capital's Southeast Asia Women's Economic Empowerment Fund and Quona Capital's Quona Opportunity Fund.

- Provided a grant to Opportunity International, a U.S. based nonprofit organization with a 52-year history of empowering women living in poverty to transform their lives and their communities through innovative programs.

Statutory Declaration

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

Signed:

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Sean Byrne

VP, Entity Management
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