

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

PayPal Holdings, Inc. (PayPal) is a leading technology platform and digital payments company that enables digital and mobile payments on behalf of consumers and merchants worldwide. PayPal is headquartered in the United States with operations in more than 30 countries. We provide safer and simpler ways for businesses of all sizes to accept payments from merchant websites, mobile devices, and applications, and at offline retail locations, through a wide range of payment solutions.

We are 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 our PayPal, PayPal Credit, Braintree, Simility, Hyperwallet, Venmo, Xoom, and iZettle products, compose our proprietary Payments Platform. We operate a global, two-sided network that connects merchants and consumers with over 300 million active accounts across more than 200 markets

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	Yes	2 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Brazil
- Canada
- China
- China, Hong Kong Special Administrative Region
- France
- Germany
- Guatemala
- India
- Ireland
- Israel
- Italy
- Japan
- Luxembourg
- Malaysia
- Mexico
- Netherlands
- Philippines
- Poland
- Russian Federation
- Singapore
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	As specified in its publicly available Charter, the Corporate Governance and Nominating Committee of PayPal's Board of Directors provides oversight to environmental, social and governance (ESG) matters, including climate-related issues. For example, in 2019 the Committee was involved in and supportive of our decision to set a public goal to achieve 100% renewable energy for our data centers by 2023, as well as our commitment to setting a science-based emissions target within the next two years as part of our commitment to the Science Based Targets initiative (SBTi).

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	PayPal leadership provides quarterly updates to the Board's Corporate Governance and Nominating Committee on ESG-related matters, including specific climate-related issues. Pertinent updates are then shared with the full Board. This includes regular reporting on performance objectives, future strategies, stakeholder engagements, and other key implementation updates. For example, in 2019, PayPal leadership briefed the Committee on our annual emissions reporting and progress, the release of our initial public goal to achieve 100% renewable energy for our data centers by 2023, and our commitment to set a science-based target validated by the SBTi by 2021.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Business Affairs and Legal Officer)	<Not Applicable>	Other, please specify (Development and execution of broad ESG strategy and programs including climate change.)	<Not Applicable>	Quarterly
Other, please specify (ESG Steering committee)	<Not Applicable>	Other, please specify (Strategic oversight of the implementation of PayPal's ESG strategy and reporting efforts including climate-related risks and opportunities.)	<Not Applicable>	Quarterly
Other, please specify (Environmental Working Group)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our Chief Business Affairs and Legal Officer is part of the executive leadership team at PayPal, reporting directly to the President & CEO. This executive officer has responsibilities over Corporate Affairs, including our social innovation and corporate citizenship activities, as well as legal matters and our human resource and diversity & inclusion initiatives. Therefore, it was decided to expand this role's duties to also include the management and execution of our enterprise-wide ESG strategy, including climate-related issues, in close collaboration with other senior executives including our Chief Financial Officer, Chief Technology Officer, and Chief Risk Officer, who are also involved in the strategy. These senior leaders and their teams provide regular updates to the Board and associated Committees on climate- and ESG-related topics. These senior executives also receive quarterly updates from PayPal's ESG Steering Committee on relevant programmatic matters based on reports from the cross-functional Environmental Working Group chaired by the Global Environmental Sustainability Lead. In addition, the Chief Business Affairs and Legal Officer, as part of its role to oversee Corporate Affairs, also supervises the development and execution of the Environmental Sustainability program and related initiatives. This includes implementation of our Environmental Management System and other actions to mitigate our environmental impacts, employee engagement activities, and innovations that help the broader PayPal community address environmental challenges such as new product ideas to promote consumer climate action.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	5	
Long-term	5	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

PayPal uses a number of methods to define substantive financial or strategic impact when considering risks and opportunities, including those related to climate change, across our global business. For example, we consider potential qualitative and quantitative impacts on our financial condition and results of operations, including impacts to our balance sheet or income statement. However, we also recognize the importance of intangible value and consider impacts related to brand value, reputational risk, future business opportunities, and customer expectations, among others. When reviewing potential risk and opportunities, senior leaders at PayPal evaluate a comprehensive set of data points including those described above to define the magnitude of the impact and consult internal experts on next steps.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

PayPal implements an integrated approach to risk management using the Three Lines of Defense model, which includes management, oversight, and independent assurance. Our Enterprise Risk and Compliance Management Program sets PayPal's programmatic approach to identifying, measuring, managing, monitoring, and reporting key risks facing our company. We use established risk management committees to oversee the implementation and execution of our 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. They periodically review and discuss the overall effectiveness of the Enterprise Risk and Compliance Management Program with the Board of Directors and its Audit, Risk, and Compliance Committee. In 2019, we strengthened the linkages between our ESG governance and risk management programs and now regularly report on emerging ESG trends, including climate-related risks, to a subcommittee of the ERMC as part of an annual ESG risk review. This process is overseen by the ESG Steering Committee consisting of senior leaders across PayPal who provide strategic direction and leadership for the continued development of our ESG strategy. The ESG Steering Committee also oversees program implementation through the ESG and Environmental working groups. PayPal's Environmental Working Group, a cross-functional team of employees with responsibility for managing PayPal's environmental impacts, is responsible for completing the annual review of environmental risks and opportunities, including those related to climate change, and reporting the results to the ESG Steering Committee for appropriate consideration.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	PayPal's Environmental Working Group monitors the state of renewable energy regulation in the U.S. as part of our renewable energy procurement strategy for our data centers. Our membership in the Renewable Energy Buyers Alliance is a key enabler of our ability to understand renewable energy regulation in the U.S. markets that is relevant for our data center operations, where the majority of our managed data center presence is located. Additionally, the Environmental Working Group assesses national, state, and local energy and water management and disclosure regulations, such as the San Jose Energy and Water Benchmarking Ordinance for our corporate headquarters and the E.U. Energy Efficiency Directive for several of our European office locations. The Environmental Working Group is implementing a process for monitoring and ensuring compliance with such regulations in the future.
Emerging regulation	Relevant, always included	In addition to leveraging the same measures described above for our climate-related risk assessment for current regulation, the Environmental Working Group partners with our Government Relations team to monitor and, when necessary, advocate on behalf of PayPal where emerging climate-related regulation may impact PayPal's business. For example, in 2019 the California Air Resources Board put forward a proposed Clean Trucks regulation aimed at transitioning trucks and large vehicles to clean fuels. The Environmental Working Group assessed the impact of the proposed rule on PayPal's business operations and its alignment with our own climate policy position. Following our assessment, we engaged through the Silicon Valley Leadership Group to support the proposed rule.
Technology	Not relevant, explanation provided	We do not consider risks from technological improvements or innovations that support the transition to a lower carbon, energy-efficient economy to be relevant. As a company that provides digital payment solutions, our business is not dependent on unproven or as-yet-undeveloped technologies to facilitate climate-related infrastructure upgrades or equipment replacement. Whereas businesses that focus on energy, resource extraction, transportation, or manufacturing may depend on such technologies to ensure viability and competitiveness, we see low-carbon and climate-neutral technology as a meaningful opportunity for our business. We are exploring ways for our digital payments platform to support an equitable transition to a climate-neutral economy and address the disproportionate impacts of climate change on vulnerable communities.
Legal	Not relevant, explanation provided	We do not consider risks from climate-related litigation claims to be relevant at the current time. As a company that provides digital payment solutions, our business has a relatively small climate impact. Our products and services do not directly contribute to climate change in a significant way, compared to companies in other sectors, such as energy, resource extraction, transportation, or manufacturing. We are monitoring the potential for future climate-related litigation risks as our business grows and evolves.
Market	Not relevant, explanation provided	We do not consider climate-driven risks related to shifts in the demand or production of our digital payment solutions to be relevant. Our products and services do not directly contribute to climate change in any significant way, compared to companies in other sectors, such as energy, resource extraction, transportation, or manufacturing. As such, we do not see meaningful climate-related exposure from changes in the availability of inputs to our business operations or demand for digital payments from consumers and merchant.
Reputation	Relevant, sometimes included	Our Environmental Working Group coordinates closely with the Reputation Risk Management team to identify potential climate-related matters, activism, and exposures to our business. We are proactive in our approach to managing the climate impacts of our business and seek to mitigate the potential for any reputational issues by engaging stakeholders to understand and anticipate their climate-related expectations of PayPal. Additionally, we conduct benchmarking research, including monitoring media and social media coverage of other companies facing climate-related reputational issues, to help stay ahead of trends and identify key learnings that may be applicable to PayPal's climate-related strategy.
Acute physical	Relevant, always included	Our Global Safety and Security team develops, maintains, and executes emergency response plans, which include scenario planning and response procedures for disruptive events such as severe weather or wildfires. The Environmental Working Group coordinates with the Global Safety and Security team, as well as local and regional event management teams, to ensure that sites are prepared to address relevant extreme weather events. In 2019, we completed a preliminary water risk screening for our global office and data center locations using the WRI Aqueduct tool. We are exploring opportunities to further quantify risks and refine our understanding of acute and chronic physical climate and extreme-weather related risks to our locations.
Chronic physical	Relevant, always included	Our Environmental Working Group, in partnership with our Global Safety and Security team, is investigating the impact of chronic climate hazards, including the potential impacts of water stress to our direct operations. In 2019, we completed a preliminary water stress screening for our global office and data center locations using the WRI Aqueduct tool. We are exploring opportunities to further quantify risks and refine our understanding of acute and chronic physical climate and extreme-weather related risks to our locations.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We rely on purchased electricity for the operation of our data centers, offices and call centers globally. This purchased electricity has a significant emissions impact. Our global facilities (including offices and data centers) consumed approximately 254,700 MWh of electricity in 2019, resulting in approximately 47,000 metric tons of CO₂e, as reported in our 2019 Global Impact Report. Thus, PayPal is potentially subject to increased energy costs due to jurisdictional carbon pricing schemes (such as California's cap-and-trade-program or the EU emissions trading system), or a direct carbon tax imposed on electricity suppliers. The current impact of carbon pricing on PayPal is relatively minimal. However, carbon pricing schemes will likely be adopted by a growing number of jurisdictions over time, and the stringency of current programs will likely be increased. Thus, the implications of carbon pricing could become more significant for PayPal over the long-term. For example, the adoption of additional carbon market mechanisms by other U.S. states, U.S. Federal carbon tax proposals, Canadian provincial emissions policy, and carbon tax proposals in Singapore, India, and China are emerging regulatory/carbon price schemes that could affect PayPal's cost of energy.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

949000

Potential financial impact figure – maximum (currency)

2391000

Explanation of financial impact figure

To illustrate PayPal's potential direct exposure to carbon pricing, we developed a simple model using 2019 Scope 1 emissions, the current floor price for California Cap & Trade emissions allowances (illustrating a low-end carbon price) and a social cost of carbon estimate from the US EPA (illustrating a high-end carbon price). The current floor price for California's Cap & Trade program is \$16.68 and the social cost of carbon estimate is \$42. This model suggests direct exposure to carbon pricing of approximately \$165,000 to \$416,000. This model is limited in many ways but is illustrative of the likely magnitude of PayPal's direct price exposure. Using the same methodology, our indirect exposure to carbon pricing via Scope 2 emissions from purchased electricity is potentially \$784,000 - \$1,975,000 (assuming that carbon pricing costs are passed directly to PayPal through an electricity supplier). Similarly, this model is limited and only serves to illustrate the potential magnitude of indirect price exposure. Based on these assumptions, we estimate a potential minimum financial impact of \$949,000 (\$165,000 + \$784,000) and a potential maximum financial impact of \$2,391,000 (\$416,000 + \$1,975,000). Since PayPal's Scope 1 and Scope 2 greenhouse gas emissions are relatively low compared to its revenue and market size, there is a likely low impact from carbon pricing mechanisms related to the company's direct operations.

Cost of response to risk**Description of response and explanation of cost calculation**

We are managing these risks by increasing the amount of renewable energy purchased and consumed in PayPal facilities. PayPal's goal to achieve 100% renewable energy for owned and leased data centers by 2023 has resulted in increased renewable energy purchasing. In 2019, we matched 65% of the energy used in our data centers with renewable generation. These renewable energy purchases can help mitigate potential exposure to electricity cost increases due to carbon pricing. For example, a power purchase agreement for solar energy consumed by PayPal facilities in Arizona provides a fixed and predictable energy price for a portion of our total consumption over the contract period. We are also continuing to promote energy conservation and efficiency measures in PayPal's global real estate portfolio. These activities include implementing office efficiency projects for LED lighting, HVAC system optimization, reducing equipment operating hours, implementing green lease provisions to prioritize resource-efficient office space, and improving energy efficiency in data centers. At this time, we are not able to estimate the cost of responding to this risk. Multiple variables, including the future cost of renewable energy, future cost of traditional energy, changes in the cost for and effectiveness of energy-efficient technology, regulation, incentives, and other factors, make it difficult to accurately forecast the net cost (investments less cost savings) of decarbonizing our energy sources and reducing Scope 1 and 2 greenhouse gas emissions. However, we have a high degree of confidence that the benefits, including reputational value and long-term cost savings will outweigh the investment costs.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We acknowledge that climate change may introduce supply chain risks related to increased indirect costs to our business given potential increases in energy and transportation costs. Specifically, emerging carbon regulation could lead to rising fuel prices and increasing energy costs for our suppliers, resulting in higher operating costs to their business and higher prices for the goods and services that PayPal procures including electronic equipment. We procure physical goods, notably IT hardware, to operate our data centers and equip our workforce with computers and other devices. It is widely known that the manufacture and distribution of IT hardware is energy intensive and therefore these vendors have increased sensitivities to changing energy prices. Carbon regulatory regimes, such as cap and trade or carbon tax policies, may increase the cost of energy for our IT hardware suppliers, which may result in higher wholesale and retail prices for the IT hardware that is required to run our business. In addition, increasing physical impacts of climate change, ranging from increased temperatures to extreme precipitation to extreme weather events such as hurricanes, threaten to disrupt these complex, global supply chains resulting in potential business impacts for PayPal's suppliers. Increased costs and reduced revenue for suppliers due to these climate impacts may result in cost increases for products that PayPal procures. Cost increases related to physical climate impacts could compound cost increases related to carbon pricing.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost of response to risk**

200000

Description of response and explanation of cost calculation

We conducted a Scope 3 emissions screening of categories that are relevant to PayPal's business and completed a preliminary estimation of indirect (Scope 3) emissions in our supply chain from purchased goods and services, capital goods, and upstream transportation and distribution. We also measured business travel emissions using activity data for air travel, rail, rental cars, and hotels. Estimating our Scope 3 emissions allows us to better understand and manage our overall climate impacts, and also provides a proxy indicator for potential carbon pricing implications in our supply chain. We are evaluating strategies for engaging our vendors on measurement and management of their own emissions as part of our science-based target setting process for GHG emissions. We are also considering the benefits and costs associated with implementing a third-party vendor engagement platform to enable activity-based Scope 3 emissions calculation and to provide vendor-specific information about climate action strategies, emissions targets and emissions reductions initiatives. Based on our preliminary research on third-party engagement platforms, we estimate the annual cost to be \$200,000 for licensing. We are continuing to gather additional information to develop a more detailed estimate of costs for licensing and implementing such a platform. We are working to refine our Scope 3 supply chain emissions estimate, so that we may better: 1) understand which procurement categories contribute most significantly to our Scope 3 emissions, 2) determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions, and 3) quantify the likely size of indirect costs from carbon pricing to our business.

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We acknowledge that climate change may introduce physical risks to our direct operations. These physical risks are primarily acute, resulting from increased frequency and severity of extreme weather events, and may also be chronic, resulting from increases in global temperature and changes in precipitation and overall weather patterns. Acute risks could be realized through climate events such as hurricanes, floods or wildfires, which may negatively impact our facilities. These climate hazards could cause direct facility damage and operational losses, potentially resulting in repair costs or increased insurance costs. These hazards could impact employee commuting and site access. For example, while PayPal's San Jose headquarters is not located within a floodplain, urban flooding related to extreme precipitation is a risk in areas adjacent to

the facility. These flooding events could impact transportation in the area, limiting the ability of staff to travel to this office location. Further, in 2015, our office in Chennai, India experienced significant disruption from localized severe flooding. Our office operations were impacted for several days. PayPal was able to maintain business continuity by leveraging staff and resources from other office locations. However, this example illustrates the potential for extreme weather events, which are likely to be more frequent and more severe in a changing climate, to impact our business operations. Chronic physical climate risk could result in increased operating costs for our facilities and disruption of our business operations. Increasing average global temperatures will result in any increasing number of cooling degree days in key areas. An increasing number of cooling degree days will result in higher energy consumption (and thus, energy costs) to properly maintain office, call center, or data center temperatures at appropriate levels. Energy consumption impacts will be more pronounced for data centers given their significant energy consumption and existing cooling demand. These data centers also rely on fresh water for cooling. Climate change may impact water availability at PayPal data center locations, potentially limiting the amount of water available for cooling purposes. If a data center does not have access to sufficient water (i.e. due to consumption limits established by a water supplier in drought conditions), business operations may be impacted.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Geographically distinct data center locations result in significant service redundancies and all data center sites are equipped with back-up power generation systems, ensuring that customers would still be able to access the PayPal network of products in the unlikely event of a facility disruption due to extreme weather. Additionally, improved remote work capabilities across the company reduces potential risks related to employee commuting and site access. Our Global Safety and Security team develops, maintains, and executes emergency response plans, which include scenario planning and response procedures for disruptive events. We are also investigating the impact of chronic climate hazards, including the potential impacts of water stress to our direct operations. We periodically update our emergency response plans for addressing extreme weather impacts to our office and data center operations. To illustrate a specific example of our location resilience and response efforts, we worked with our landlord in Chennai, India to implement flood prevention measures to mitigate the impact of similar such events in the future following the 2015 flooding event at that location. We installed flood barriers on all building and garage entrances, elevated thresholds on entryways for critical infrastructure, installed emergency pumping equipment, and installed additional life safety and protective equipment. In 2019, we completed a preliminary water stress screening for our global office and data center locations using the WRI Aqueduct tool. We are exploring opportunities to further quantify risks and refine our understanding climate and extreme-weather related risks to our physical locations.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Increased use of clean energy)

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We believe opportunities exist within our facilities and data center operations to reduce operating costs through energy, water, and resource efficiency measures. Our Science-Based Target-setting process for GHG emissions will further incentivize internal projects that reduce both operating costs and emissions. While utility expenses are not a significant component of PayPal's indirect costs, we recognize the value of pursuing efficiency projects that meet financial and operational feasibility criteria as an opportunity to continually optimize the ongoing cost of maintaining our physical infrastructure. Additionally, we believe procuring renewable energy for our data centers and other facilities positions our brand favorably with consumers, employees, investors, and other stakeholders who prioritize responsible business practices. As an important component of our overall commitment to environmental sustainability, we are committed to achieving 100% renewable energy for our data centers by 2023 and in 2019,

65% of the energy supporting our owned and leased data centers was matched with renewable energy. Procuring renewable electricity will reduce our reliance on electricity generated from fossil fuel-based sources. Policies designed to place a price on carbon will likely increase the cost of electricity generated with fossil fuel. Thus, increased renewable energy procurement reduces our exposure to potential cost increases.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

949000

Potential financial impact figure – maximum (currency)

2391000

Explanation of financial impact figure

PayPal's actions will allow us to avoid exposure to additional costs associated with carbon pricing. To illustrate our potential direct exposure to carbon pricing, we developed a simple model using 2019 Scope 1 emissions, the current floor price for California Cap & Trade emissions allowances (illustrating a low-end carbon price) and a social cost of carbon estimate from the US EPA (illustrating a high-end carbon price). The current floor price for California's Cap & Trade program is \$16.68 and the social cost of carbon estimate is \$42. This model suggests direct exposure to carbon pricing of approximately \$165,000 to \$416,000. This model is limited in many ways but is illustrative of the likely magnitude of PayPal's direct price exposure. Using the same methodology, our indirect exposure to carbon pricing via Scope 2 emissions from purchased electricity is potentially \$784,000 - \$1,975,000 (assuming that carbon pricing costs are passed directly to PayPal through an electricity supplier). Similarly, this model is limited and only serves to illustrate the potential magnitude of indirect price exposure. Based on these assumptions, we estimate a potential minimum financial impact of \$949,000 (\$165,000 + \$784,000) and a potential maximum financial impact of \$2,391,000 (\$416,000 + \$1,975,000).

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

We continue to develop our environmental management system with a clear focus on reducing our GHGs and energy use, improving water management, and implementing better waste management practices. These reductions are likely to result in measurable reductions to operating costs across our global operations. For example, energy management projects such as LED lighting retrofits in office facilities have already generated financial benefits. Overall, energy efficiency projects implemented in PayPal office locations in 2019 are expected to result in measurable cost savings. Across our global data center and office sites, our site managers investigate opportunities for efficiency as a regular part of their site management duties. Identified projects that meet financial and operational feasibility criteria are budgeted and implemented, as part of a continuous improvement process that optimizes the ongoing cost of maintaining our physical infrastructure. We are also making significant progress toward meeting our 100% renewable energy goal for data centers. In 2019, we entered into agreements to procure renewable energy from a data center colocation provider, which helped PayPal increase data center renewables from 49% in 2018 to 65% in 2019. We will continue to explore opportunities to procure renewable energy solutions for additional facilities in our global real estate portfolio to complement ongoing energy efficiency and conservation initiatives. At this time, we are not able to estimate the cost of responding to this opportunity. Multiple variables, including the future cost of renewable energy, future cost of traditional energy, changes in the cost for and effectiveness of energy-efficient technology, regulation, incentives, and other factors, make it difficult to accurately forecast the net cost (investments less cost savings) of decarbonizing our energy sources and reducing Scope 1 and 2 greenhouse gas emissions. However, we have a high degree of confidence that the benefits, including reputational value and long-term cost savings will outweigh the investment costs.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We believe opportunities exist within our supply chain to reduce operating expenses by sourcing energy and resource-efficient products and services. We are currently taking steps to identify and prioritize these product categories and services. The procurement of resource-efficient goods and services could reduce our operating costs, reduce our Scope 3 emissions impact, and further stimulate the broader market for low-carbon goods and services. For example, as a technology company, PayPal purchases and uses a large amount of IT hardware infrastructure. Sourcing IT assets that bear the EPEAT or EPA ENERGY STAR label for our data center and corporate IT hardware could result in an IT asset portfolio with lower overall embodied energy and other resources and environmental impacts.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

During the reporting year, we conducted a Scope 3 emissions screening of categories that are relevant to PayPal's business and completed a preliminary estimation of indirect (Scope 3) emissions in our supply chain from purchased goods and services, capital goods, and upstream transportation and distribution. We are currently evaluating alternative strategies for engaging vendors on measurement and management of their own emissions as part of our Science Based Target-setting for GHG emissions. This information will allow us to better understand the nature of the current carbon intensity by sourcing category and will inform future product and service selection. In 2019, our IT asset management team began development of a strategy for environmental responsibility within our IT asset supply chain. We are developing a better understanding of the responsibility dimensions of IT asset sourcing and exploring opportunities to engage IT asset suppliers on environmental and climate impact of the products they provide.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

We believe climate innovation opportunities may have the potential to enhance our value proposition for consumers and merchants who use the PayPal platform. Additionally, we believe the potential creation of new climate solutions may serve the needs of additional market segments affected by the changing climate. For example, our digital payments platform could facilitate payments for ecosystem services or the expansion of voluntary carbon markets. Our technology can also 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.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

At PayPal, innovation is one of our core values and a strategic dimension of our approach to environmental sustainability and climate action. Our cross-functional Environmental Working Group collaborates closely with PayPal's Innovation Lab to identify and invest in ideas to manage our climate impact and empower customers and communities to address the causes and consequences of a changing climate. For example, when Australia experienced destructive wildfires in December 2019, PayPal's remittances and charitable giving platform enabled critical financial resources to reach the impacted communities. PayPal helped raise more than AUD \$100 million as part of a global giving campaign with our partners. PayPal actively supports innovation for climate action. In 2019, a team of employees with an idea to promote consumer climate action won PayPal's inaugural Global Innovation Tournament. Their idea was chosen by employees and executives out of 1,500 submissions. The team has been working with PayPal's Innovation Lab and Environmental Working Group since October 2019 to develop a product for integrating climate awareness and action into our platform.

Comment**C3. Business Strategy**

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

As a digital payments company, PayPal's greenhouse gas emissions footprint is relatively small. PayPal's customers are also diverse in terms of geography and economic sector, mitigating direct risks and impacts from climate change on PayPal's business. Thus, overall risk to PayPal's business from climate change is likely low. However, we are aware of potential risks and opportunities for our business related to climate change. These risks and opportunities will continue to inform our strategy. We are currently developing our low-carbon transition plan as part of setting a Science-Based Target (SBT) for our company-wide greenhouse gas emissions, including all emissions sources from Scope 1, 2, and 3. We are on track to set our SBT by 2021 within the timeframe set by the Science based Targets Initiative.

We seek to develop a detailed understanding of how business risks and opportunities are shaped by various climate scenarios. While we have not yet completed climate-related scenario analysis, our short-term roadmap for climate action includes conducting climate-related scenario exercises with internal and external stakeholders. These exercises will likely address both physical risks and transitional risks and opportunities. Our plans for climate-related scenario analysis will be informed by our current understanding of the potentially most relevant risks and opportunities for our business, as well as by the emissions reduction pathways that will be established in our forthcoming Science-Based Target. We will have more specific information about our plans for climate-related scenario analysis as our climate action strategy develops.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We believe climate innovation can enhance our value proposition for PayPal users and also serve the needs of additional markets impacted by climate change over the short, medium, and long-term time horizons. As part of PayPal's mission to democratize financial services, we are exploring opportunities for our digital payments technology to support an equitable transition to a climate-neutral economy. We believe that financial security is critical to the resilience of individuals, organizations, and communities impacted by a changing climate. As the destabilizing effects of climate change are disproportionately borne by the financially underserved, there is an opportunity for PayPal to build economic resilience for impacted communities in the 200 global markets where our products are available. Innovation is a strategic dimension of our approach to environmental sustainability and climate action. Through collaborations between our Environmental Working Group and Innovation Lab, in 2019 we began actively investigating options for integrating consumer climate action into digital payments products. PayPal's digital payments products can also enable effective and timely financial responses to climate-influenced natural disasters. Our disaster fundraising team actively monitors global events, including extreme weather activity, and evaluates PayPal's ability to mobilize our users and leverage our fundraising capabilities. Where response and recovery needs align with our capabilities, we launch campaigns to aid in the delivery of relief and resilience to communities facing climate-influenced disasters. These capabilities are likely to become increasingly important to our overall disaster response efforts as climate change influences the frequency and severity of extreme weather events globally. For example, when Australia experienced destructive wildfires in December 2019, PayPal's payments technologies enabled critical financial resources to reach the impacted communities. PayPal helped raise more than AUD \$100 million as part of a global giving campaign with our partners and on our own platform. This strong response by the PayPal community of customers and partners helps inform our strategy regarding the use of our products in responding to increasingly damaging climate-influenced disasters.
Supply chain and/or value chain	Evaluation in progress	We are undergoing a process to consider the magnitude of our supply chain risks and appropriate steps for managing those risks over the medium- and long-term. We expect this evaluation to be completed within the next two years. We have conducted a screening of Scope 3 emissions categories that are relevant to PayPal's business and completed a preliminary estimation of indirect (Scope 3) emissions in our supply chain from purchased goods and services, capital goods, and upstream transportation and distribution. We have also measured business travel emissions using activity data for air travel, rail, rental cars, and hotels. In addition, we are evaluating alternative strategies for engaging our vendors on measurement and management of their own emissions as part of our Science Based Target-setting for GHG emissions. We are also considering the benefits and costs associated with implementing a third-party vendor engagement platform to enable activity-based Scope 3 emissions calculation and to gather vendor-specific information about climate action strategies, emissions targets and emissions reductions initiatives. These strategies for value chain engagement will enable us to actively manage and mitigate the environmental impact associated with our procurement. We expect to launch a climate-focused supplier engagement program within the next two years.
Investment in R&D	Not evaluated	Innovation is a strategic dimension of our approach to environmental sustainability and climate action. Our cross-functional Environmental Working Group collaborates closely with PayPal's Innovation Lab to identify and invest in ideas to manage our climate impact and empower consumers and communities to address the causes and consequences of a changing climate. We have not yet evaluated the role of climate-related risks and opportunities in our research and development strategy. However, our work in product innovation has yielded some initial impressions of where opportunities may lie for future research and development investments.
Operations	Yes	PayPal's climate action strategy prioritizes reduction of Scope 1 & 2 greenhouse gas emissions within our operations over the short, medium, and long-term. Operational efficiency presents climate-related opportunities and mitigates risk. We annually measure and report operational emissions from our facilities around the world. Our data center team has publicly committed to matching 100% of the energy used by our data centers with renewable generation by 2023. As of year-end 2019, 65% of the energy used by our global data centers was matched with renewable generation. Setting a 100% renewable generation goal for data centers, along with working to set an SBT, mitigates business and reputational risk associated with climate change. Renewable energy purchases for our data centers, combined with energy efficiency and conservation actions in the global real estate portfolio, helps to mitigate risk associated with energy price fluctuations while improving overall corporate efficiency. Renewable energy and energy management are integrated with the operational strategies for both our data center and real estate and facilities teams. Our 2019 total GHG emissions were approximately 10% lower than 2018, driven primarily by the renewable energy strategy in place for our data centers. Moving forward, we believe there is a reasonable likelihood of continued operational emissions reductions as our operational strategy for climate action yields further results. Our global real estate and facilities team identifies and pursues any financially prudent energy efficiency investments across our portfolio of offices. For example, in 2019 the PayPal Ireland facilities team decided to complete an LED retrofit of our office in Dundalk, Ireland and the introduction of enhanced space conditioning and night shift operating practices in Dublin, Ireland. These initiatives have collectively saved approximately 80,000 Euros annually and eliminated hundreds of metric tons of CO2e emissions from our natural gas usage.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs	Climate risks and opportunities are already impacting how PayPal plans for indirect business costs. This is demonstrated by our financial planning for renewable energy procurement. PayPal is committed to matching 100% of the energy used by its data centers with renewable energy generation by 2023. As a result, our financial planning for data center energy expenses reflects the costs of procuring renewable energy. It is difficult to quantify the size and direction (positive or negative) of renewable energy procurement costs since commitments to renewable energy are often long-term in nature. While near term energy costs may increase due to a premium for "green power", the long-term nature of power purchase agreements can result in lower energy cost over the life of the agreement, relative to traditional energy generation sources. For example, a power purchase agreement signed in 2017 that provides renewable electricity to facilities in Arizona required a 20-year financial commitment. However, this long-term contract will result in stable energy costs compared to the purchase of a comparable amount of energy through traditional commercial electricity tariffs. The long-term contract also provides predictability and may result in lower future cost for renewable energy credits (RECs) which are used to meet our data center renewable energy commitment. Given uncertainties in renewable energy prices and markets, PayPal will continue to reassess financial planning for data center energy to prioritize low-cost and emissions-free energy resources. Climate risks and opportunities are relevant to our indirect cost planning over the short, medium and long term.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

NA

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	Over the past year, we have demonstrated meaningful greenhouse gas (GHG) emissions reductions. Importantly, we increased data center renewable energy from 49% in 2018 to 65% in 2019, which largely contributed to a 10% decrease in total GHG emissions from all Scope 1 and Scope 2, as well as Scope 3 emissions from business travel. In addition, our total energy use remained relatively flat, despite continued expansion of our global business. Total GHG emissions from Scope 1, Scope 2, and Scope 3 business travel sources stood at 89,000 MT CO ₂ e in 2019, versus 99,600 MT CO ₂ e in 2018. Over the next five years, we expect our GHG emissions from direct operations (Scope 1 and 2) to decrease as we deliver on our science-based target (SBT) which is currently under development to align with the 'well-below' 2° Celsius or 1.5° Celsius pathway for emissions reductions. Emissions reductions associated with these pathways correspond to an estimated 12.5% - 21% reduction in Scope 1 and 2 emissions over the next five years based on methodology from the Science Based Targets initiative. A significant portion of these reductions will likely result from increased procurement of renewable energy for data centers and other facilities. This renewable energy procurement will help meet our goal of matching 100% of energy used in data centers with renewable energy by 2023. We also expect our Scope 3 emissions to be influenced over the next five years by supplier engagement, as we intend to encourage vendors within our supply chain to set their own science-based targets.	In April 2019 PayPal publicly committed, via the Science Based Targets Initiative (SBTI), to setting a science-based GHG target. Since then, PayPal's Environmental Working Group (EWG) has completed baseline greenhouse gas measurement for Scope 1 and 2 sources in calendar year 2019, conducted a screening of relevant Scope 3 emissions categories, and developed a provisional estimate of emissions from relevant Scope 3 categories for calendar year 2019. The EWG has engaged employees with responsibility for our global sourcing (i.e., supply chain), real estate and facilities (i.e., offices), data centers, and other key functional areas as part of the target-setting process. We are developing emissions reduction strategies and stakeholder engagement initiatives, assessing feasibility of alternate science-based emissions pathways ('well-below' 2° Celsius and 1.5° Celsius), and preparing for formal validation of our targets for Scope 1, 2, and 3 emissions consistent with criteria and methods of the Science-Based Targets initiative. We expect to publicly announce our validated Science-Based Target in Q2 2021.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: energy carrier

All energy carriers

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

49

Target year

2023

Figure or percentage in target year

100

Figure or percentage in reporting year

65

% of target achieved [auto-calculated]

31.3725490196078

Target status in reporting year

Underway

Is this target part of an emissions target?

No. We are in the process of setting a validated Science-Based Target. Currently, we do not have any emissions targets. However, we expect to publicly announce our validated Science-Based Target in Q2 2021 and anticipate that our renewable energy goal will complement that target in future years.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

In 2019, we took meaningful steps toward establishing a climate mitigation program by announcing our goal for 100% renewable energy for data centers and committing publicly to setting a Science-Based Target. We prioritized reductions to our data center emissions footprint since approximately two-thirds of our annual energy use is from these sources. PayPal's data center team has demonstrated substantive progress on advancing our data center renewable energy procurement, reaching 65% renewable energy in 2019 vs 49% renewable energy in 2018. We are also well on the way to setting our Science-Based Target and we expect to publicly announce our validated Target in Q2 2021.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	
To be implemented*	0	
Implementation commenced*	0	
Implemented*	3	10058.9
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Non-energy industrial process emissions reductions	Process material efficiency
--	-----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

9.9

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9010

Investment required (unit currency – as specified in C0.4)

250

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

In partnership with our on-site food catering vendor, the PayPal facilities team at our Omaha office location implemented a Total Oil Management Program for cooking oil used in the building cafeteria. This initiative uses advanced oil recovery and recycling technology to reduce the volume of cooking oil required for cooking on an annual basis. This initiative results in greenhouse gas emissions reductions as well as cost savings.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

100

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

83900

Investment required (unit currency – as specified in C0.4)

387084

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The PayPal facilities team in Ireland implemented a building energy management in 2019 that has resulted in significant reduction of natural gas and electricity use. The team installed an LED lighting control system, implemented free cooling to limit HVAC energy use, and eliminated night shift cleaning at our office locations in Dundalk and Dublin, Ireland. The collective cost savings is equivalent to 83,900 Euros per year, with over 100 metric tons of CO2e savings as well.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

9949

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

6-10 years

Comment

We are making significant progress toward meeting our 100% renewable energy goal for data centers. In 2019, we entered into agreements to procure renewable energy from a data center colocation provider, which helped PayPal increase data center renewables from 49% in 2018 to 65% in 2019. Our increase in renewable energy procurement in 2019 resulted in approximately 9,949 MT CO₂e savings. Renewable energy purchases for data centers, combined with energy efficiency and conservation actions in the global real estate portfolio, mitigates risk associated with energy price fluctuations while improving overall corporate efficiency.

C4.3c**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Financial optimization calculations	Our real estate and facilities team uses total lifecycle cost and simple payback analysis, as well as environmental sustainability considerations, to determine the financial feasibility of implementing energy efficiency projects. In partnership with our Environmental Working Group, the facilities team is developing an energy management initiative aimed at identifying, evaluating, budgeting, and implementing additional efficiency measures across our global portfolio of office locations.
Employee engagement	Our employees care deeply about the environment and volunteer their time and skills throughout the year to address sustainability issues. PayPal's GIVE Teams program sponsors teams of passionate employees who focus on environmental sustainability and other causes in our offices and communities around the world. Our GIVE Teams partner with the Environmental Working Group and our real estate and facilities team to identify energy efficiency and renewable energy opportunities across our office locations. For example, in 2019, our Ireland GIVE Team supported the facilities team with an employee energy management awareness survey as part of the Energy Management System ISO 50001 recertification for our Dublin, Ireland office.

C4.5**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

C5. Emissions methodology**C5.1****(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).****Scope 1****Base year start**

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO₂e)

9897

Comment**Scope 2 (location-based)****Base year start****Base year end****Base year emissions (metric tons CO₂e)****Comment****Scope 2 (market-based)****Base year start**

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO₂e)

47911

Comment

Scope 2 MBM emissions have been restated from the figure previously disclosed in our 2019 Global Impact Report to reflect additional non-material Scope 2 MBM emissions information. The restated base year emissions of 47,911 MT CO₂e represents a 1.9% increase versus the previously disclosed figure of 47,005 MT CO₂e disclosed in our 2019 Global Impact Report.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

9897

Start date

January 1 2019

End date

December 31 2019

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

10642

Start date

January 1 2018

End date

December 31 2018

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

9551

Start date

January 1 2017

End date

December 31 2017

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are not reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We use the market-based method of accounting for Scope 2 GHG emissions, consistent with the GHG Protocol Corporate Standard's Scope 2 Guidance.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

<Not Applicable>

Scope 2, market-based (if applicable)

47911

Start date

January 1 2019

End date

December 31 2019

Comment

Scope 2 MBM emissions have been restated from the figure previously disclosed in our 2019 Global Impact Report to reflect additional non-material Scope 2 MBM emissions information. The restated base year emissions of 47,911 MT CO2e represents a 1.9% increase versus the previously disclosed figure of 47,005 MT CO2e disclosed in our 2019 Global Impact Report.

Past year 1

Scope 2, location-based

<Not Applicable>

Scope 2, market-based (if applicable)

57860

Start date

January 1 2018

End date

December 31 2018

Comment

Past year 2

Scope 2, location-based

<Not Applicable>

Scope 2, market-based (if applicable)

57800

Start date

January 1 2017

End date

December 31 2017

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of purchased goods and services and determined that this emissions category is relevant to PayPal. We have also completed a preliminary estimation of Scope 3 emissions from purchased goods and services. We are working to refine our approach to managing purchased goods and services emissions so that we may better understand which procurement categories contribute most significantly to Scope 3 emissions and determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of capital goods and determined that this emissions category is relevant to PayPal. We have also completed a preliminary estimate of Scope 3 emissions from capital goods. We are working to refine our approach to managing capital goods emissions to better understand which procurement categories contribute most significantly to Scope 3 emissions and determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of fuel and energy-related activities and determined that this emissions category is relevant to PayPal. We have also completed a preliminary estimation of Scope 3 emissions from fuel and energy-related activities. We are working to refine our approach to managing fuel and energy-related activities emissions to better understand which procurement categories contribute most significantly to Scope 3 emissions and determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of upstream transportation and distribution and determined that this emissions category is relevant to PayPal. We have also completed a preliminary estimation of Scope 3 emissions from upstream transportation and distribution. We are working to refine our approach to managing upstream transportation and distribution emissions to better understand which procurement categories contribute most significantly to Scope 3 emissions and determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of waste generated in operations and determined that this emissions category is relevant to PayPal. We have included waste generated in operations within our preliminary estimation of Scope 3 emissions from purchased goods and services, as described above. We are working to refine our approach to managing waste generated in operations emissions to better understand which procurement categories contribute most significantly to Scope 3 emissions and determine which vendor engagement strategies will be most effective in reducing Scope 3 emissions.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

32130.06

Emissions calculation methodology

Business travel Scope 3 emissions were calculated in accordance with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Following DEFRA's 2019 guidance accompanying its conversion factors, air mileage is categorized by short, medium and long haul distances (i.e., <300 miles, between 300 and <2,300 miles or > or equal 2,300 miles, respectively). Flights were also categorized by seat class (i.e., business, first, premium economy, economy and average). Appropriate DEFRA Conversion Factors for Business Travel are applied to each distance type to calculate MT CO2e for air travel emissions. All travel data were summed and multiplied by relevant DEFRA Emission Factors to calculate MT CO2e. Resultant travel emissions are summed to provide a total for Business Travel emissions. Specifics on each business travel data aspect is detailed below: • Air Travel Emissions: [(short haul selected class air mileage x DEFRA 2019 short haul selected class emission factor)+(medium haul selected class air mileage x DEFRA 2019 medium haul selected class emission factor)+(long haul selected class air mileage x DEFRA 2019 long haul selected class emission factor)] • Employee Mileage Emissions: (vehicle-miles reimbursed x Passenger car vehicle-miles emission factor) • Public Transit Emissions: [(bus passenger miles x DEFRA 2019 bus passenger miles emission factor)+(intercity rail passenger miles x DEFRA 2019 intercity rail passenger miles emission factor)+(ferry passenger miles x DEFRA 2019 ferry passenger miles emission factor)] • Rental Cars Emissions: (rental car gasoline consumed x DEFRA 2019 gasoline consumption emission factor) • Hotel Stay Emissions: (number of hotel night within specific region x DEFRA 2019 for regional hotel night emission factor)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

We have calculated business travel emissions using actual activity data obtained from business travel vendors for air travel, rail, rental cars, and hotels. We are working with our business travel vendors to enhance measurement and management of Scope 3 business travel emissions, including development of vendor engagement strategies to encourage adoption of emissions reduction measures, such as operational efficiency, low-carbon fuel use, traveler awareness and incentives, and other sustainable management practices.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have conducted a Scope 3 screening of employee commuting and determined that this emissions category is relevant to PayPal. We have also completed a preliminary estimation of Scope 3 emissions from employee commuting. We are working to refine our approach to managing employee commuting emissions so that we may better understand which Scope 3 categories contribute most significantly to Scope 3 emissions and determine which employee engagement strategies will be most effective in reducing employee commuting emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have quantified emissions associated with upstream leased assets, including leased facilities, within our Scope 1 and Scope 2 inventory.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a Software and Services business, substantially all of PayPal's products and services are digital and therefore emissions from downstream transportation and distribution are not relevant under any of the criteria in the Scope 3 Standard.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a Software and Services business, substantially all of PayPal's products and services digital and the processing of sold products is not relevant under any of the criteria in the Scope 3 Standard.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from use of sold products are negligible (<<1% of scope 3 emissions). This category is not relevant under any of the criteria in the Scope 3 Standard.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a Software and Services business, substantially all of PayPal's products and services are digital and end-of-life treatment is not relevant under any of the criteria in the Scope 3 Standard.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

PayPal does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

PayPal does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

PayPal's business is the enablement of digital and mobile payments. As such, investing is not a significant part of our business and is not relevant under any criteria in the Scope 3 Standard.

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

NA

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

NA

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000032531

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

57808

Metric denominator

unit total revenue

Metric denominator: Unit total

1777000000

Scope 2 figure used

Market-based

% change from previous year

25

Direction of change

Decreased

Reason for change

Annual Scope 1 and 2 GHG emissions decreased by approximately 18%, while revenue increased by approximately 13%. The reduction in total emissions was due primarily to increases in renewable energy procured to meet PayPal's goal of 100% renewable energy in data centers by 2023.

Intensity figure

2.4917241379

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

57808

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

23200

Scope 2 figure used

Market-based

% change from previous year

20.7

Direction of change

Decreased

Reason for change

While the number of FTE increased by approximately 6%, annual Scope 1 and 2 GHG emissions decreased by approximately 18%. A reduction in total emissions was due primarily to increases in renewable energy procured to meet PayPal's goal of 100% renewable energy in data centers by 2023.

Intensity figure

0.0139365819

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

57808

Metric denominator

square foot

Metric denominator: Unit total

4147932

Scope 2 figure used

Market-based

% change from previous year

28.82

Direction of change

Decreased

Reason for change

PayPal's global real estate portfolio square footage increased by 19% while annual Scope 1 and 2 GHG emissions decreased by approximately 18%. A reduction in total emissions was due primarily to increases in renewable energy procured to meet PayPal's goal of 100% renewable energy in data centers by 2023.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	6006	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	2	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	18	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify (Refrigerants)	3870	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Brazil	0
Canada	0
Guatemala	3
Mexico	0
United States of America	5841
China	4
India	1398
Israel	10
Japan	0
Malaysia	0
Philippines	0
Singapore	0
Turkey	0
France	0
Germany	15
Ireland	2538
Italy	0
Luxembourg	1
Netherlands	0
Poland	1
Russian Federation	0
Spain	1
Sweden	0
United Kingdom of Great Britain and Northern Ireland	86
Australia	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Offices	6974		
Data Centers	1122		
Corporate Jet	1800		

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Brazil		66.54	567	0
Canada		176.47	1237	0
Guatemala		114.14	361	0
Mexico		95.54	199	0
United States of America		34945.47	199802	102134
China		656.58	1034	0
India		7372.52	10190	0
Israel		1009.54	1810	0
Japan		87.85	167	0
Malaysia		232.04	355	0
Philippines		813.55	1210	0
Singapore				
Turkey		23.68	69	0
France		716.18	1038	0
Germany		673.78	1071	773
Ireland		0	9469	9469
Italy		65.76	137	0
Luxembourg				
Luxembourg		126.29	333	333
Poland				
Poland				
Poland		16.92	20	0
Russian Federation		42.41	121	0
Spain		39.65	88	0
Sweden		11.4	366	0
United Kingdom of Great Britain and Northern Ireland		0	952	952
Australia		277.5	372	0
Singapore		346.87	874	0
Netherlands		0	0	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By facility
- By activity

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Offices		31193.85
Data Centers		16716.82

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Consumption of Purchased Electricity		46564
Consumption of Purchased Steam		1347

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	9949	Decreased	14.5	Renewable energy purchases in 2019 were 113,082 MWh, vs 87,583 MWh in the prior year. This increase in renewable energy purchases resulted in a 9,949 MT CO2e decrease in our Scope 2 MBM emissions in 2019, relative to 2018. This represented a 14.5% decrease in Total Scope 1 and Scope 2 MBM emissions in 2019, relative to 2018. This calculation is as follows: ((57807 [2019 Scope 1 and 2] – 68502 [2018 Scope 1 and 2] + 745 [2019 emissions reductions related to improved refrigerant management]) / 68502) x 100 = - 14.5%
Other emissions reduction activities	745	Decreased	1.08	Improvement in our management of refrigerants combined with the retirement of natural gas-consuming equipment resulted in a decrease in Scope 1 emissions of 745 MT CO2e. This represented a 1.08% decrease in total Scope 1 & 2 emissions in 2019, relative to 2018. This calculation is as follows: ((57807 [2019 Scope 1 and 2] – 68502 [2018 Scope 1 and 2] + 9949 [2019 emissions reductions related renewable energy]) /68502) x 100 = -1.08%.
Divestment	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to divestment.
Acquisitions	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to acquisitions.
Mergers	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to mergers.
Change in output	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to change in output.
Change in methodology	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to change in methodology.
Change in boundary	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to change in boundary.
Change in physical operating conditions	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to change in physical operating conditions.
Unidentified	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to unidentified activities.
Other	0	No change	0	There was no change in gross global Scope 1 and Scope 2 emissions due to other initiatives.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	28987	28987
Consumption of purchased or acquired electricity	<Not Applicable>	112992	111278	224270
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	594	594
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	669	<Not Applicable>	669
Total energy consumption	<Not Applicable>	113661	140859	254520

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

3830

MWh fuel consumed for self-generation of electricity

3830

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.25319

Unit

metric tons CO2e per MWh

Emissions factor source

US EPA GHG Emission Factors for Greenhouse Inventories, March 9th 2018, (XLS file, Table 1) [<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghgemission-factors-hub>] using IPCC AR5 100-year GWP Factors

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

17921

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

17921

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.18123

Unit

metric tons CO2e per MWh

Emissions factor source

US EPA GHG Emission Factors for Greenhouse Inventories, March 9th 2018, (XLS file, Table 1) [<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghgemission-factors-hub>] using IPCC AR5 100-year GWP Factors

Comment

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

7236

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

9.8295

Unit

kg CO2e per gallon

Emissions factor source

US EPA GHG Emission Factors for Greenhouse Inventories, March 9th 2018, (XLS file, Table 2 & Table 5) [<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghgemission-factors-hub>] using IPCC AR5 100-year GWP Factors

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3830	3830	0	0
Heat	17921	17921	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Ireland

MWh consumed accounted for at a zero emission factor

9469

Comment

100% of electricity consumption for facilities in Ireland is matched with EU Guarantees of Origin (GO) via the electricity supplier Electric Ireland

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

62423

Comment

A power purchase agreement with a utility provider in Arizona provides 62,423 MWh of renewable energy from solar generation with a zero emission factor.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

39711

Comment

Renewable energy procured on behalf of PayPal by data center colocation providers in the western U.S., generated principally from solar and wind resources and supported by Renewable Energy Certificates.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Western Europe

MWh consumed accounted for at a zero emission factor

2058

Comment

Renewable energy procured by PayPal through our electricity providers in Luxembourg, Germany, and the U.K., generated from a mix of renewable resources, supported by underlying Guarantees of Origin.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

% of suppliers by number

9.8

% total procurement spend (direct and indirect)

3

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In early 2019, we amended our vendor process to ask all potential suppliers to provide information on their current ESG and climate-related strategy and reporting efforts as part of our RFP process. We selected this cohort for our initial climate-related engagement, given it represents the first formal opportunity for direct engagement with a third-party. It also provides a strong signal to those organizations interested in working with PayPal on our values and standards. The current coverage level is based on those vendors who onboarded with PayPal in 2019 since updating our process. We expect this number to significantly increase over time as we implement a comprehensive supplier engagement strategy as part of our validated science-based target to reduce our GHG emissions footprint.

Impact of engagement, including measures of success

This was a critical first step as we build out a comprehensive approach to supplier engagement on ESG-related topics including climate change. We will be using this information to help us target suppliers for future engagement and to update our policies and programs regarding third-party management.

Comment

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Other

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

PayPal has supported a number of initiatives to advocate for public policies that are aligned with climate science and the Paris Agreement. We are members of "We are Still In" and the "We Mean Business Coalition" and continue to identify opportunities for future engagements. Given the importance of renewable energy availability and distribution to meeting our goal to achieve 100% renewable energy for our data centers by 2023, we also engaged with authorities in Arizona, through a convening group, to support a strong renewable portfolio standard. For example, in 2019, we signed on to a letter to the Arizona Corporation Commission to encourage the expansion and approval of the state's renewable energy standard and tariff. In addition, our Environmental Working Group and Government Relations teams also engaged through the Silicon Valley Leadership Group to support the proposed Clean Truck rule by the California Air Resources Board. We continue to partner with organizations including CERES to identify meaningful opportunities to engage in local, national, and international jurisdictions on climate change policies and programs that are aligned with our mission.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

PayPal implements an integrated approach to its enterprise-wide ESG strategy, which includes climate change. This strategy is overseen by the ESG Steering Committee, of which the Head of Government Relations as well as leaders from Legal, Investor Relations, Sourcing, Technology, and Risk and Platforms along with other relevant departments are members. This Committee is in charge of setting and reviewing the overall ESG strategy for the company. Under this committee are established ESG and Environmental Working Groups to drive initiative development and execution. Members of the Environmental Working Group include representatives from Government Relations, Legal, Communications, Sourcing, Real Estate & Facilities, Data Center Operations, and others. This structure helps ensure that any public policy engagement activities are discussed and aligned across the relevant entities and leadership at PayPal. Lastly, we maintain a small cohort of individuals that are permitted to engage on policy activities that are directly involved with our ESG framework and Environmental Sustainability teams.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

COMBINATION ANNUAL REPORT PROXY 4.8.2020.pdf

Page/Section reference

pages 9, 38-39

Content elements

Governance

Strategy

Risks & opportunities

Other metrics

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

PayPal_2019_Global_Impact_Report_FINAL.pdf

PayPal_2019_Global_Impact_Report_FINAL.pdf

Page/Section reference

p 6-8, 23-25, 31, 33-34

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Head of Global ESG Strategy	Other, please specify (ESG Manager)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms

