



SOCIAL INNOVATION 2014

OUR IMPACT OVER THE LAST TWO YEARS

ebay inc™

Since our founding, we've believed we have a unique opportunity to create positive social and environmental impact through our business.

A dedication to creating value for our shareholders and society is woven into the fabric of the company — it's part of who we are. In 2012, we developed a Social Innovation strategy and set three-year goals across three focus areas: Creating Economic Opportunity, Enabling Greener Commerce, and Powering Giving. In the years since, we've continued to formalize our Social Innovation efforts and accelerate our impact.

Following a strategic review of the company's growth strategies and structure, eBay Inc. made the decision to separate eBay and PayPal into independent, publicly traded companies in 2015. For more than a decade eBay and PayPal have mutually benefited from being part of one company. However, we believe that creating two standalone businesses best positions each company to capitalize on their respective growth opportunities in the rapidly changing global commerce and payments landscape, and is the best path for creating sustainable shareholder value.

Given these changes, we're closing our current Social Innovation goals and developing new strategies to guide this work at eBay and PayPal going forward. Although we're closing these goals sooner than expected, we've made substantial progress, meeting several of our goals early and laying a strong foundation from which both companies can build. In the pages that follow you'll find updates and final numbers on our goals, along with statements from our new CEOs, Devin Wenig and Dan Schulman, discussing the opportunities they see moving forward and their commitment to using the unique assets of each company to drive meaningful social and environmental impact. Additional information about our Social Innovation work can be found on the corporate websites of eBay and PayPal.

ECONOMIC OPPORTUNITY GOALS

UNLOCK MORE OPPORTUNITY



GOAL:

Enable \$300 billion of global commerce

WHY IT IS IMPORTANT

While we created the Enabled Commerce Volume (ECV) metric to track the health and growth of the eBay Inc. business on the whole, we also see it as an important indicator of the opportunity we're creating for entrepreneurs and businesses around the world through our core business activities.

BASELINE 2013

Enabled Commerce Volume includes Marketplaces GMV (excluding Vehicles and Real Estate), Payments Merchant Services TPV and eBay Enterprise Merchandise Sales not earned on eBay or paid for via PayPal or Bill Me Later during the period. It excludes volume transacted through the Magento platform. In 2013, eBay Inc. enabled more than \$205 billion in commerce volume.

PROGRESS IN 2014

In 2014, eBay Inc. enabled \$255 billion in commerce volume.

ACCELERATE THE INNOVATORS



GOAL:

Scale 10 social innovations that catalyze economic development

WHY IT IS IMPORTANT

If we're going to meet today's most pressing social challenges, we have to find a way to help social ventures accelerate their impact and remove barriers for scaling.

BASELINE 2012

eBay Foundation initiated partnerships with Samasource and Grameen Foundation in 2012. The support for Samasource focused on enhancing their technology and general operations. With Grameen Foundation, we funded the development of their TaroWorks mobile technology suite aimed at improving the efficiency of social enterprises serving the poor in remote and rural locations.

PROGRESS IN 2014

In 2014, we expanded our portfolio of grant partners to seven organizations, including three intermediary organizations that accelerate social enterprises. This enabled us to extend our support to more than 60 organizations with solutions that improve livelihoods for the poor. And we continued to fund TaroWorks, which is now reaching 61 organizations across 24 countries.

OVERALL PROGRESS & ACCOMPLISHMENTS

In the year since we set this shared business and social impact goal, we grew ECV by 24%. We believe this growth in the global commerce we enabled through our businesses demonstrates an increase in the opportunity we facilitated for entrepreneurs and businesses all across the globe.

13 of the social enterprises that we've supported have increased their impact and we expect that number to grow as others complete their accelerator programs. We're pleased to have met this goal one year early and excited to see these social enterprises continue to scale as they refine their operations.

ECONOMIC OPPORTUNITY GOALS

ENRICH ENTREPRENEURS



GOAL:

Help > 10,000 low income entrepreneurs achieve increased financial returns

WHY IT IS IMPORTANT

Nearly one half of the world's population lives on less than \$2.50/day. Helping them increase their income is a critical step in lifting individuals, and communities, out of poverty.

BASELINE 2012

In 2012, eBay Foundation signed a grant agreement with Grameen Foundation intended to support and expand the businesses of 1,500 - 2,500 microentrepreneurs.

PROGRESS IN 2014

Through our partnership with Grameen Foundation, we funded the development of mobile technology tools within their TaroWorks suite, which are designed to help microenterprises operate more efficiently and grow. In 2014 our efforts focused in part on helping grow adoption of TaroWorks. Their portfolio has grown to include 61 organizations that are supporting over 155,000 microentrepreneurs.

OVERALL PROGRESS & ACCOMPLISHMENTS

TaroWorks has helped the organizations and entrepreneurs they serve operate more efficiently and grow. One organization using TaroWorks has helped more than 15,000 smallholder farmers, with an average income increase of \$510/yr. Another organization has helped 5,000 smallholder farmers increase their revenue by 30 - 45%. In addition, organizations that we supported through the GSBI Accelerator have helped more than 301,000 beneficiaries increase their incomes.

DRIVE ECONOMIC PARTICIPATION



GOAL:

Expand access to goods and services for > 5 million people living in poverty

WHY IT IS IMPORTANT

Most of the 3+ billion people who make up the world's poor face significant barriers: not only do they lack access to markets and financial services, they also pay disproportionately higher prices for goods and services than the rest of the world's population.

BASELINE 2012

In 2012, eBay Foundation signed a grant agreement with Grameen Foundation to help the entrepreneurs that we're supporting reach up to 250,00 people with more affordable products and services.

PROGRESS IN 2014

By partnering with accelerators and supporting more social enterprises, we've seen a significant increase in the number of beneficiaries whose lives have been impacted. In 2014, we were able to help more than 5 million people access more affordable goods and services.

Since 2012, we've helped more than 7 million people living in poverty, and have exceeded our goal one year early. The programs that we've funded have enabled individuals to make purchases that benefit their entire households, ranging from durable goods like solar cookstoves and water purification devices to more affordable and responsible financial products.

GREENER COMMERCE GOALS

RUN CLEANER ↑ 8%

GOAL:

Source at least 8% of eBay Inc. electricity use from cleaner sources by 2015

WHY IT IS IMPORTANT

Using cleaner sources of energy is our best and most impactful opportunity for reducing eBay Inc.'s environment footprint.

BASELINE 2012

1.4% of total U.S. electricity came from cleaner sources in 2012, 5.6% globally.

PROGRESS IN 2014

In 2014 our cleaner energy sources included on-site generation from solar and fuel cells, as well as 100% renewable power purchased for our office facilities in Utah, Dublin, Ireland, Istanbul, Turkey and Berlin and Dreilinden, Germany.

DRIVE EFFICIENCY ↓ 10%

GOAL:

Achieve 10% reduction in carbon per transaction in 2013

WHY IT IS IMPORTANT

Data centers are eBay Inc.'s 'factories,' and becoming the greenest commerce platform in the world means making them as efficient as possible.

BASELINE 2012

Using our newly developed Digital Service Efficiency metric, we calculated a baseline of 45.8 grams of carbon per 1,000 ebay.com customer transactions.

PROGRESS IN 2014

We completed a review of the DSE metric by a third party and improved our ability to accurately count customer-initiated transactions. We've opted to further test and operationalize its use before resuming our external disclosures.

OVERALL PROGRESS & ACCOMPLISHMENTS

We met and exceeded this goal in 2014, one year early. We increased the amount of electricity coming from cleaner sources to 14.2% globally.

Through our efforts to develop, launch and operationalize this metric over the past two years, we've increased transparency throughout the business, which has helped improve our day-to-day management and decision making.

GREENER COMMERCE GOALS

EXPAND THE COMMUNITY



GOAL:

Realize 10% growth in number of users that engage with our greener commerce programs

WHY IT IS IMPORTANT

We aim to affect the people behind the transactions, not just the products themselves.

BASELINE 2012

We identified attributes necessary for a program to be deemed 'green' (measurable environmental impact, green messaging, etc.) and developed specific 'people' metrics associated with each. 315,206 people participated in these programs in 2012.

PROGRESS IN 2014

At the close of 2013, we had met and exceeded our goal. We increased the number of users participating in these programs to 367,114 — a year-over-year increase of 16%.

SHIP GREENER



GOAL:

Incorporate environmental criteria into global shipping vendor contracts in 2013

WHY IT IS IMPORTANT

Operating under eBay Inc. values extends beyond just our own employees. To affect real change, we need to get everyone, including our suppliers, on board.

BASELINE 2012

In 2012, we undertook a project to assess the scope of our global shipping footprint and identify ways to make it greener. We developed draft criteria as a first step in working with vendors to report and improve environmental performance.

PROGRESS IN 2014

In 2013, eBay Inc. created our first global Supplier Code of Conduct. The environment section of this code incorporates a number of key criteria developed as part of our work to develop supplier requirements for Global Shipping.

OVERALL PROGRESS & ACCOMPLISHMENTS

We set this as a three-year goal but were pleased to meet it in 2013, two years early. Since then we've continued to evolve our greener commerce strategy and partnerships, including the launch of a Vaude re-commerce store on eBay Germany for the brand's pre-owned outdoor clothing and gear.

This was a one-year goal and we were pleased to meet it on time in 2013. Since then, we've continued to drive internal awareness and usage of the Supplier Code of Conduct.

EMPOWER MORE DONORS



GOAL:

Double the number of customers that take action on behalf of a charity through our giving programs and platforms

WHY IT IS IMPORTANT

We believe that the good that we do as a company is only the beginning – our bigger opportunity is to enable our hundreds of millions of customers to do more good.

BASELINE 2012

32.4 million customers took action on behalf of a charitable organization through our programs and platforms in 2012.

PROGRESS IN 2014

38.1 million customers took action on behalf of a charitable organization through our programs and platforms in 2014.

GENERATE MORE FUNDS



GOAL:

Double the total value of funds generated for charitable organizations through our giving programs and platforms

WHY IT IS IMPORTANT

Our technology and business processes can spur more innovative, more personalized, and more on-demand forms of giving and help charitable organizations ultimately raise more money towards their missions.

BASELINE 2012

\$3.7 billion generated for charitable organizations through our giving programs and platforms in 2012.

PROGRESS IN 2014

\$5.7 billion generated for charitable organizations through our giving programs and platforms in 2014.

OVERALL PROGRESS & ACCOMPLISHMENTS

We made strides toward further embedding our giving features into some of our core product experiences on eBay and PayPal and progressed our offerings through incentives and personalization in 2014. With this work, we were able to increase the number of customers that took action on behalf of a charity through our giving programs and platforms by 18% since 2012.

In 2014, we launched new relationships with merchants, celebrities and brands and expanded on existing ones to elevate our giving tools and drive more funds to charities, increasing funds by 54% since 2012.

BENEFIT MORE CHARITIES



GOAL:

Double the number of charities that benefit from our giving programs and platforms

WHY IT IS IMPORTANT

We believe that every organization can benefit from our suite of giving programs and platforms, and we're committed to opening them up to as many as we can, regardless of their mission, size or location.

BASELINE 2012

More than 332,000 charities benefited from our giving programs and platforms in 2012.

PROGRESS IN 2014

436,767 charities benefited from our giving programs and platforms in 2014.

OVERALL PROGRESS & ACCOMPLISHMENTS

We realized a 32% increase in the number of charities benefiting from our portfolio of programs since 2012. An initiative designed to consolidate our on-boarding process and cross-promote our offerings is on track to launch in 2015. We're confident this enhancement will lead to even greater growth rates going forward.

We have a lot to celebrate together. Two years into what we originally anticipated to be a three-year journey, we've already generated some incredibly powerful impacts, in partnership with our employees and partners around the world. As the previous pages outline, we've made significant progress on our goals to Create Economic Opportunity, Power Charitable Giving and Enable Greener Commerce – and though we're ending our eBay Inc. Social Innovation work earlier than expected, we're pleased with the foundation we've built for these efforts to grow and thrive at eBay and PayPal going forward.

We're in the midst of immense change – not only in our industries of commerce and financial services, but also in our businesses as eBay and PayPal separate and become their own independently traded companies. We remain deeply committed to our Social Innovation efforts and, in fact, see this as an opportunity to have even more positive impact in the world. We now have two great companies working to drive meaningful, lasting change through their core business operations, and we're excited to take advantage of this enormous potential in the coming months and years.



"EBAY WAS BUILT ON THE IDEA..."

that we can have positive social and environmental impact through our core business. Twenty years later, we remain committed to using our people, technology and global networks to advance meaningful, lasting change in the world. I'm excited for even more good to come."

- Devin Wenig, eBay



"PAYPAL HAS THE OPPORTUNITY..."

to reinvent financial services for so many who live on the edges of our system today. Doing our part to bring about this change is incredibly exciting because we see every day that when we transform money and expand participation, we help empower the progress and potential of people all around the world."

- Dan Schulman, PayPal

We believe our efforts to use our businesses as engines for positive social and environmental impact are a critical part of our work to position both companies for sustainable growth over the short and long term. As eBay and PayPal move forward in their next chapter, we look forward to capitalizing on all our opportunities to generate powerful results for our shareholders and society.

Stay tuned – we're only just getting started and will have a lot of exciting updates to come!



