



# Modern Slavery Statement – FY 2024

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# 1. Introduction

PayPal Holdings, Inc., (“we” or “our”; NASDAQ: PYPL), is a leading technology platform that enables digital payments and simplifies commerce experiences for consumers and merchants worldwide. Unless otherwise expressly stated or the context otherwise requires, references to “we,” “our,” “us,” “the Company,” or “PayPal” refer to PayPal Holdings, Inc. and its consolidated subsidiaries.

Acts of modern slavery<sup>1</sup> (“modern slavery practices”, “slavery”, or “human trafficking”) are directly opposed to our mission and values. PayPal is fully committed to operating responsibly in line with the high ethical standards we set for our company. Our practices aim to align with internationally recognized standards such as the Universal Declaration of Human Rights. We do not tolerate any forms of modern slavery in relation to the use of our products and services, through our business operations, and across our supply chain.

This Modern Slavery Statement applies to PayPal Australia Pty Limited, ACN 111 195 389 (“PPAU” or “PayPal Australia”), a reporting entity under the *Australian Modern Slavery Act 2018* (Cth) (“Australian MSA”), and PayPal UK Ltd (“PPUK”), a reporting entity under the United Kingdom’s (“UK”) *Modern Slavery Act 2015* (“UK MSA”) and covers the period 1 January 2024 to 31 December 2024 (“Reporting Period”).<sup>2</sup> This statement has been approved by PPAU’s and PPUK’s Board of Directors, being the two principal governing bodies for these two reporting entities. The statement has been signed by a director on each of the PPAU and PPUK Boards.

The information described in this statement applies to all PayPal entities, unless otherwise specified.

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<sup>1</sup> According to Australia’s Modern Slavery Act 2018 (Cth) *modern slavery* includes eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services. As outlined in the [Modern Slavery Act 2018 Guidance for Reporting Entities](#) modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, PayPal recognises that these practices may also be illegal and harmful, and may be present in some situations of modern slavery. Our use of the term “modern slavery” is also intended to align with *slavery and human trafficking* as defined by section 54(12) of the UK Modern Slavery Act 2015.

<sup>2</sup> PayPal’s previous Modern Slavery Statement is available [here](#).

## 2. Structure, Operations, and Supply Chain

PayPal's mission is to revolutionize commerce globally. Our products are designed to enable digital payments and simplify commerce experiences to make selling, shopping, and sending and receiving money simple, personalized, and secure, online or offline, including mobile. We operate a global, two-sided network at scale that connects consumers and merchants with 434 million active accounts across approximately 200 markets, as of December 31, 2024. We help consumers transact quickly and securely with merchants, manage their financial lives, and send to and receive money from friends and family around the globe. We help merchants connect with customers, increase conversion rates and sales, and grow their businesses in the markets where our services are available. PayPal is headquartered in San Jose, California, US, and employed approximately 24,400 individuals located across 28 countries, as of December 31, 2024.

PPAU is a proprietary limited company incorporated in Australia with ACN 111 195 389 and does not own or control any other entities. Its registered office is at Level 24, 1 York Street, Sydney, Australia and includes 117 local employees, as of December 31, 2024. PayPal Australia holds an Australian Financial Services Licence (AFSL No. 304962) and is also a limited Authorised Deposit-Taking Institution that has obtained an authority from the Australian Prudential Regulatory Authority to provide purchased payment facilities. PPAU's core business is as a digital wallet provider that allows buyers and sellers to send and receive payments online. PPAU's digital wallet business process enables two entities, a sender and a receiver, to be party to an online payment transaction using their existing linked financial instruments, such as credit cards, debit cards and bank accounts. Customers can store balance in their PPAU accounts and can withdraw those funds to a linked bank account, pay for goods and services or make person to person (P2P) transactions within the PPAU networks using their PPAU account. No interest is paid on customers' stored value accounts, consistent with PPAU's limited ADI authorisation. PPAU is wholly owned by PayPal Pte. Ltd, a Singaporean entity, whose ultimate parent entity is PayPal Holdings Inc.

PPUK is a limited company, incorporated in England and Wales with company number 14741686. It is authorised and regulated in the UK by the Financial Conduct Authority (FCA) as an electronic

money institution (firm reference number 994790); in relation to its regulated consumer credit activities (firm reference number 996405); and for the provision of cryptocurrency services (firm reference number 1000741). PPUK is wholly owned by PayPal Pte. Ltd, a Singaporean entity, whose ultimate parent entity is PayPal Holdings Inc.

PayPal's supply chain includes thousands of vendors, partners, and other third-party organisations globally ("third-parties"). Due to the digital nature of PayPal's payments service business, our supply chain consists primarily of the procurement of various direct and indirect goods and services (such as IT infrastructure, marketing, real estate, consulting and legal services, labour, and outsourcing) and corporate partnerships. PayPal relies on a global network of suppliers to deliver our products and services to customers around the world. We work with a small number of third parties to manufacture certain goods (e.g., Zettle card readers) and do not directly manufacture any physical goods.

### **3. Identifying & Addressing Modern Slavery Risks across the PayPal Value Chain**

#### **3.1 Corporate-Level Approach to Human Rights**

PayPal aims to conduct regular and ongoing human rights due diligence to identify and mitigate human rights-related risks, including those related to modern slavery. Through a human rights saliency assessment, which was conducted in partnership with an external human rights advisory firm, PayPal has identified four categories of human rights risks most relevant to our business: Product Misuse, Product Design, Government Action, and Operations. The findings of the assessment continue to help guide our approach to managing potential human rights issues, including modern slavery, in relation to our products and services, operations, and supply chain.

This human rights saliency assessment was essential to establishing PayPal's broader project plan beginning in 2021 to further refine and enhance the Company's commitment to respect human rights, which includes updating appropriate policies and procedures, developing employee

learning opportunities on human rights, and formalizing internal structures and processes for assessing and addressing human rights risks.

Specifically, the assessment identified three areas of PayPal's business and operations that pose a higher potential risk of causing, contributing to, or being directly linked to modern slavery and human trafficking risks:

1. Customer misuse of PayPal's products and services;
2. Contingent workers at our physical operations, such as for janitorial, security, and cafeteria services; and
3. Third-party employment in our supply chains, including for device and promotional item manufacturing (e.g., Zettle card readers, PayPal merchandise, etc.) and provision of back-end IT and customer services.

PayPal considers that these three areas continued to be areas of higher risk during the Reporting Period. Our due diligence efforts for each of these salient areas is described in the sections below.

### 3.2 Use of PayPal's Products & Services

Customer misuse of our products and services for illegal activities facilitated through direct transactions and/or money laundering present potential modern slavery risks for the Company. We have various policies, procedures and agreements designed to combat and prevent the illicit use of our products and services, including activities related to modern slavery. These include advanced analytics, risk-based logic, and detection rules to identify and prioritise risks to PayPal; enhanced customer verification and screening controls; transaction monitoring; and investigations into suspicious activity by subject matter experts in human trafficking and human exploitation. Additionally, our analytics systems consider and use various metrics and information to distinguish, monitor, and assess these risks, including but not limited to, PayPal website content, account data linking, buyer monitoring, key words, patterns, and reporting on violations of our Acceptable Use Policies ("AUP").

At the time of opening a PayPal account, customers are required to agree to the PayPal User Agreement, which governs the customer's use of PayPal services and is reviewed and updated on a regular basis. The agreement expressly states that the PayPal services may not be used for violating any law, statute, ordinance, or regulation or for the financial exploitation of a crime. Our [Australia User Agreement](#) and [UK User Agreement](#) are the contracts that exist between PayPal and its users in Australia and the UK, respectively, and govern the use of PayPal accounts and services in those respective markets. These User Agreements include and incorporate PayPal's Australian and UK AUPs respectively, thereby binding each user to the terms of the AUPs. In order to use PayPal services, our merchants are also required to agree to Commercial Entity Agreements with our banking partners, which include similar contractual obligations prohibiting the use of the PayPal services for illegal purposes and activities. Additional information about our agreements can be found in the PayPal [Australia Legal Hub](#) and [UK Legal Hub](#).

PayPal's skilled and trained analysts and investigators review potential risks and undertake investigations to take appropriate actions for flagged accounts and activities. Outcomes of these investigations can range from providing customer education, to limiting or terminating customer accounts, to reporting potential illicit transactions to external parties. In Australia, PPAU reports suspicious matters including suspected sexual servitude, child exploitation material, and labour trafficking to the Australian Transaction Reports and Analysis Centre ("AUSTRAC"). In the UK, PPUK reports sellers/buyers of CSAM (child sex abuse material) to the National Crime Agency (NCA) via Suspicious Activity Reports (SARS). Further, we devote significant resources globally to financial crime compliance, and we work closely with law enforcement officials in their efforts to identify, investigate, and stop illegal activity. Across the globe, PayPal works collaboratively with government, law enforcement, and other financial services to combat human trafficking. Specifically, in the UK, PayPal is a member of the Joint Money Laundering International Taskforce ("JMLIT") and in AU, PayPal is a founding member of the Fintel Alliance (see Section 5.2 Stakeholder Engagement). Both organizations are public-private partnerships designed to increase the resilience of the financial sector to financial exploitation and support law enforcement investigations into serious and organized crime. Finally, PayPal also works collaboratively with

several non-governmental organizations to combat human trafficking in the forms of labour trafficking and sex trafficking.

### 3.3 PayPal's Physical Operations

As a financial technology services provider, our physical operations are primarily conducted out of corporate offices and customer service operations centres. Third parties provide essential services such as janitorial, security, and cafeteria support to our facilities. Vendors supporting PayPal's operations are subject to third-party due diligence activities and other specific third-party agreements referenced in Section 3.4. Additionally, we continue to implement and/or enhance policies to guide our employees, vendors and suppliers, including an Enterprise Ethics and Whistleblower Reporting Policy that allows employees to report concerns confidentially and training programs to identify signs of exploitation and is reviewed and approved at least annually. The Policy not only applies to current employees, but also to former employees, company shareholders, board members, interns, employees of contractors or suppliers, customers, and job applicants. PPAU has a specific "Australia Whistleblowing Addendum" to this policy that is reviewed and approved by the PPAU Board at least annually, including in the 2024 Reporting Period.

Our Code of Business Conduct and Ethics ("Code of Conduct") underpins PayPal's commitment to lawful and ethical behaviour. It sets the standards we expect from our employees and third parties and clearly emphasizes that we are fully committed to preventing modern slavery practices and respecting human rights in relation to the use of our products and services, and across our business operations and supply chain and that we respect the rights enshrined in the Universal Declaration of Human Rights and work to align our efforts with the U.N. Guiding Principles on Business and Human Rights and other international standards. All our employees are trained on the Code of Conduct and are encouraged to speak up through internal channels if they suspect any violation. The Code of Conduct is reviewed at least annually to reflect evolving expectations, policies, and programs. In 2024, PayPal reviewed and updated its Code of Conduct (effective June 1, 2024), with a number of amendments, including to the section entitled "We Respect and Value Each

Other”. Among other things, this section details PayPal’s commitment to compensating all employees fairly and equitably and PayPal striving to create a work environment free of all forms of discrimination, intimidation and harassment.

We contractually require contingent workers to act in accordance with our Code of Conduct (including the sections on human rights and modern slavery, pay equity and discrimination, intimidation and harassment noted above) and other specific third-party agreements referenced in Section 3.4. We strive to maintain the highest standards of employee conduct and ethical behaviour across our global operations. We require all PayPal employees and contingent workers to complete our annual compliance training.

In addition, the health and safety of our employees, other onsite visitors, and third parties are of paramount importance to PayPal. PayPal’s Environmental Health & Safety (“EHS”) Policy & Procedures (applicable to PPAU and PPUK) are in alignment with ISO 45001 International Standard for Occupational Health and Safety, apply to all PayPal facilities and functional areas, and undergo regular reviews to ensure we provide a safe workplace.

### 3.4 Third-Party Due Diligence

PayPal’s global supply chain consists primarily of banking and payments partnerships, and the purchase of goods and services (e.g., technology, facilities, labour, consulting). It includes a limited number of third parties that support the development of physical goods such as the Zettle card readers, PayPal branded goods, and marketing materials.

PayPal applies a risk-based due diligence approach for the responsible management of third parties that considers country and industry risk assessments of potential political, social, human rights, and other material risks to our business. We conduct due diligence on all new third parties during onboarding and on existing third parties at regular intervals. Our Third-Party Management Team is responsible for developing, maintaining, and overseeing our due diligence and risk assessment process for all third parties. In addition, our separate Third-Party Risk Management Team defines the policies and standards for third-party risk management and due diligence and



collaborates with functional partners on the Company's end-to-end third-party management process.

PayPal's third-party selection and onboarding procedures include due diligence of the third-party's reputation, respect for the law, compliance with health, safety, and environmental standards, as well as requesting references where appropriate. During this process, third parties are expected to comply with PayPal's Third-Party Code of Conduct & Ethics or provide their own contractual obligations affirming that:

- They maintain compliance with all applicable laws, statutes, regulations, and codes relating to modern slavery in the country or countries in which they operate;
- They do not knowingly employ individuals who are not authorised to work, as determined by governing laws, and do not use any form of forced, compulsory, child, or slave labour;
- They ensure that neither their officers nor employees have been convicted of any offence involving modern slavery;
- Every employee is treated with respect and dignity and is not subject to any physical, sexual, physiological, or verbal harassment or abuse;
- Employees are paid applicable legal wages under humane conditions;
- Employees work voluntarily and are entitled to leave work;
- Each employee is provided with an employment contract that contains a reasonable notice period for terminating employment, when not already incorporated in their employment category;
- Employees are not required to post a deposit/bond and employers do not withhold their salaries for any reason not required by local laws and regulations;
- Employees are not required to surrender their passports or work permits as a condition of employment; and
- They include in their contracts with sub-contractors anti-slavery provisions that ensure similar compliance with all applicable laws, statutes, regulations, and codes relating to modern slavery and human trafficking.

Once onboarded, PayPal Third-Party Engagement Managers support the engagement and oversee ongoing due diligence, including:

- Risk assessments relating to the provision of particular services or products;
- Evaluations of risks related to sub-contracting, physical security, materiality, and consumer compliance; and
- Supporting third parties on their health and safety standards, labour relations, and employee contracts.

PayPal requires ongoing third-party due diligence based on the inherent risk level of third-party engagements. Critical and/or high inherent risk engagements must be reviewed annually, moderately high and moderate risk engagements must be reviewed every two years, and low inherent risk engagements must be reviewed every three years. PayPal continuously reviews its reassessment requirements and capabilities including by implementing new systems and capabilities to enhance our due diligence process.

If third parties fail to meet our expectations, including in relation to modern slavery, we will engage with them to improve substandard practices. Should third parties fail to improve their performance in line with our requirements and expected timelines, the issue will be promptly escalated for further review and investigation.

In the event of a violation of our Code of Conduct and Ethics, depending on the severity, consequences range from engagement with the third party, to removing the third party from PayPal's sites, termination of specific projects, or immediate termination of the third-party relationships with PayPal. Where we suspect that modern slavery practices are occurring in our supply chain, we may also engage with law enforcement, local NGOs, industry bodies, trade unions, or other support organisations. In all cases, we consider the safest outcome for potential victims in evaluating remediation efforts.

## 4. Remediation Process for Modern Slavery Risks

We seek to provide or facilitate access to effective remedies where we may cause or contribute to adverse human rights impacts, including those related to modern slavery. This includes providing a channel to securely report and address concerns, partnering with public and non-profit stakeholders to address modern slavery risks at scale and support appropriate mitigation steps, and internal training for employees to identify, escalate, and address potential modern slavery activities.

### 4.1 Reporting Channel

Our 24-hour Integrity Helpline allows stakeholders—including employees, business partners, customers, and community members—to raise concerns about our practices, including those related to modern slavery. As documented in our Code of Conduct, we have a strict policy of non-retaliation for any individual that raises a concern in good faith. If a concern about modern slavery is identified through our Integrity Helpline, PayPal works to ensure that each case or report is appropriately considered, investigated, and responded to in a timely manner.

Our Enterprise Ethics and Whistleblower Reporting Policy (Whistleblowing Policy) applies to all employees and to other stakeholders, including third parties that do business with PayPal. The Whistleblowing Policy outlines the rights and responsibilities of employees to raise concerns about improper business conduct, including suspicions relating to modern slavery practices. PayPal prohibits and has zero tolerance for retaliation of any kind against stakeholders for raising a good faith report.

### 4.2 Stakeholder Engagement

Combatting modern slavery requires multi-stakeholder engagement and collaboration. PayPal contributes to these efforts by partnering strategically with organisations that help us drive change at scale.

In 2019, PayPal launched a partnership with Polaris, a leader in combatting human trafficking, to help interrupt human trafficker cash flows and enable prosecutions related to financial crimes, including money laundering. Together, PayPal and Polaris established a Financial Intelligence Unit (FIU) dedicated to these efforts. PayPal also partners with key stakeholders to combat other forms of exploitation, including online child sexual exploitation and abuse. We partner with the International Centre for Missing and Exploited Children ("ICMEC") to protect children from abduction, sexual abuse and exploitation on a global scale, including regional engagement in Australia and Singapore. Additionally, PayPal has been a member of the Internet Watch Foundation ("IWF") since 2004 and supports the IWF in its mission to prevent the re-victimization of children through the removal of sexual abuse and sexually exploitative internet content hosted around the world. PayPal is also a member of the Technology Coalition, where we work collaboratively with several internet-based companies to further prevent and eradicate online child sexual exploitation and abuse through innovation and collective action. In 2024, we continued our partnerships with these organizations.

### 4.3 Training & Capacity Building

Every employee at PayPal completes required annual compliance training, which covers areas such as our Code of Conduct, Anti-Money Laundering, Information Security Awareness, Data Privacy, Safety and Security, and Sexual Harassment Awareness and Prevention. In addition, upon joining PayPal and annually thereafter, our employees must certify that they understand and will comply with the Code of Conduct. This training is designed to ensure that all PayPal employees and contingent workers understand and abide by the Company's policies, including our commitment to respecting human rights. Our Brand Risk Management team also works to educate our broader Global Financial Crimes Compliance team, including our business unit partners, to identify potential policy violations. Further, we provide our employees with access to online training courses, including courses focused on human rights, through our partnerships with LinkedIn Learning and Udemy.

## 5. Measuring the Effectiveness of our Efforts

We continue to develop our approach to mitigating human trafficking and modern slavery risks across our business and remain committed to ongoing improvement and reflection on our efforts.

In 2024, our processes for measuring the effectiveness of our actions included monitoring compliance training completion, adverse events and media pertaining to our third party relationships, modern slavery concerns raised through relevant grievance channels, and customer investigations. For example, over the Reporting Period, 100% of employees completed the annual compliance training the Reporting Period.

In 2025, we plan to refresh our human rights impact assessment and re-launch our human rights working group. The group will work to enhance our approach to effectively assessing and addressing risks related to human trafficking and modern slavery, and we plan to further integrate human rights considerations in key policies and procedures. Alongside these efforts, we will continue to focus on enhancing our evaluation processes to assess, and better inform our understanding of, our modern slavery risks across our value chain, including as described above.

## 6. Process of Consultation

PPAU<sup>3</sup> and PPUK engaged in an active process of consultation in preparing this statement. Experts from across the business identified and reviewed our efforts to mitigate modern slavery risks and provided input on the topic areas addressed in this statement, including reviewing draft statements for any material updates, and providing relevant documentation. Senior executives from PPAU and PPUK were also involved in reviewing and finalising this statement.

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<sup>3</sup> As PPAU does not own or control any other entities, the requirement in Mandatory Criterion Six of the Australian MSA to describe the process of consultation with any entities PPAU owns or controls, is not applicable to this statement.

## 8. Conclusion

PayPal is committed to continually developing and improving our policies and procedures to ensure appropriate systems are in place to effectively prevent modern slavery related to our products, operations, and supply chain.



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