

JUNE  
2012

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UN Global Compact Report

# eBay Inc. Communication on Progress

**Dear Mr. Secretary-General:**

Since 2006, eBay Inc. has endorsed and actively participated in the United Nations Global Compact. In the years that have followed, our company has grown and changed significantly, and the broader commerce and technology industries in which we operate have also radically transformed. And while our business and operating environment will continue to evolve, our commitment to the Global Compact and its principles for how business should operate remains unwavering.

eBay has been built on the conviction that we are more than just a company. Through our employees, technologies and global network, we believe eBay has the capacity and opportunity—as well as the responsibility—to create and enable positive change in the world. Today, we are committed to integrating social innovation in everything we do and everywhere we operate by creating economic opportunity, enabling greener commerce and embedding charitable giving in our business models. As eBay and commerce continue to evolve, our founding spirit is more critical than ever in ensuring that both our business and society continue to grow and thrive.

eBay's involvement with the Global Compact demonstrates the value we place on driving positive social impact through our core business. As we continue to grow our company and innovate new programs and initiatives around the world, the Global Compact will remain an important framework through which we measure and share our performance.

What follows is eBay's latest Communication on Progress, which outlines our activities across the Global Compact's key focus areas of human rights, labor standards, the environment and anti-corruption since our last report in 2010. I am pleased with our efforts and achievements to date, and look forward to sharing even more progress in the years to come.



Sincerely,

A handwritten signature in black ink that reads "John Donahoe". The signature is written in a cursive, flowing style.

**John Donahoe**  
*President and CEO, eBay Inc.*

# HUMAN RIGHTS

## eBay Approach

As eBay strives to innovate within a fast-changing commerce landscape, we believe that our founding principles and fundamental beliefs as a purpose-driven enterprise are more important than ever in defining who we are to our customers, partners, and stakeholders.

These beliefs—we create opportunity, we make a difference, and we care—reflect a fundamental belief in the worth and value of *people*, as shared by the United Nations and articulated in their Universal Declaration of Human Rights. We reflect this in not only the way we conduct our business and the ethical standards that we hold ourselves to, but also in the way that we treat our customers and the information that they share with us, as well as the inclusive nature of our business model and our efforts to extend their benefits to underserved communities. Additionally, we extend our commitment to upholding human rights principles beyond our core business efforts to innovative programs that engage our employees in community development projects around the world, as detailed in our recent accomplishments.

## Recent Accomplishments

### Compliance and Regulatory Practices

eBay's Code of Business Conduct reflects our values and expectations for employees including the legal requirements that we must meet. To educate our employees around our Code of Business Conduct, our Office of Compliance and Ethics conducts formal, annual company-wide training, as well as other periodic training. In 2010, 97% of our employees completed this training. In 2011, 98% of our employees completed this training.

To ensure the integration of the eBay founding values in each and every employee we hire, we also conduct new employee training campaigns. 6,500 employees were provided this training in 2011.

In 2012, eBay will be launching a newly revised Code of Business Conduct policy that will have a localized training component and will be translated into the local languages of our employees around the world.

eBay's global network of Business Ethics Officers (BEOs), who are charged with answering questions about and enforcing eBay's Code of Business Conduct, continued to expand with our business throughout 2010 and 2011.

In 2011 and 2012, **eBay was recognized** as one of the world's most ethical companies by the Ethisphere Institute, a leading business ethics think tank. eBay is among approximately 100 global companies chosen for the designation in a year with a record number of nominations for

the award. The results are based on a review of companies' social responsibility efforts, corporate governance, and business practices.

### Privacy

eBay operates a **Global Privacy Office**, a centrally managed team tasked with handling privacy matters for all of eBay's products and companies across the globe. Its purpose is to promote trust in the eBay brand through transparent, consistent, and reliable use of personal information.

eBay is a founding member of the Consumer Privacy Law Forum, now the Business Forum for Consumer Privacy, which helped draft US federal privacy legislation to protect consumers and provide consistency for business.

In 2007, eBay invented AdChoice, recognized as an industry-leading solution for providing transparency and choice in the field of behavioral targeting, with prominent notice and a persistent opt-out.

eBay was the first e-commerce company to receive approval of its Binding Corporate Rules to transfer data outside the EU.

In 2009, the Ponemon Institute Survey rated eBay as the most trusted brand for privacy by consumers.



## GIVE Teams

In communities around the world where eBay has business operations, employees are involved in promoting and managing charitable giving and volunteerism. Through eBay Foundation **GIVE Teams**, employees are directly involved in recommending grants to organizations that are the most important to them. eBay has 20 GIVE Teams in 11 countries that make grant recommendations and provide financial support to charitable organizations.

Through a grant from eBay Foundation's GIVE Team in Shanghai, funds are supporting the project "Kiki's Kindergarten," with the mission to improve the integration of Tibetan blind children into society by giving them an early opportunity to develop motor and social skills. The project is helping to address the isolation and neglect that many children with disabilities encounter. The school is focused on bridging the cultural gap between those who can and those who can't see and teaching children skills to become more independent.

## Accessibility

In 2010 and 2011, as part of our ongoing commitment to support and expand the base of more than 25 million entrepreneurs and small business owners doing business on eBay.com, we continued our efforts to deliver an **accessible eBay platform** that creates opportunities for people of all abilities.

In 2011, eBay and the **National Federation for the Blind** launched a pilot training and mentorship program to empower the visually impaired to launch their own e-commerce businesses using eBay.

Early success of the pilot program has encouraged the launch of a new phase of the program.

The program is expanding to establish a Successful Entrepreneurship program to serve an even broader audience of special access needs. The first ever visually-impaired Education Specialists trained by eBay are already working within the visually-impaired community with the goal of teaching others to help themselves, using the eBay platform.

## 2011 Holiday Gift

At the end of 2011, John Donahoe, President and CEO of eBay Inc., announced the annual company charity contribution which, in addition to helping families around the world, also offered a select number of employees the chance to personally make a difference. Through a partnership with Habitat for Humanity, eBay sponsored four **Habitat Global Village** home-building trips, deploying 60 employees worldwide on week-long volunteer trips to work alongside Habitat future homeowners to help build or break ground on safe, affordable shelter for more than 150 families in Brazil, India and China.



# LABOR

## eBay Approach

As stated in our 2010 Communication on Progress, we are proud to operate a company whose workplace is characterized by fairness and mutual respect, and guided by a set of principles, as described in our Code of Business Conduct, that articulate nondiscriminatory hiring and employment policies.

At eBay, we find value in empowering a diverse workplace. We believe that in order to nurture and inspire the entrepreneurial and innovative spirit that defines our company and our global employee base, we must uphold a respectful and discrimination-free culture. This includes fair and equal treatment of our employees across gender, race, religion, national origin, pregnancy status, age, marital or veterans status, sexual orientation, gender identity or on any other basis protected by law. In 2010 and 2011, we have extended that commitment through a series of programs and policies articulated in our recent accomplishments that follow.

In addition to our global employment policies, we are committed to leveraging our unique business models to create economic opportunities and build the labor market around the world. We extend our commitment to the Principles laid out in the ILO Declaration on Fundamental Principles and Rights at Work through unique programs that provide employment opportunities to not only small business and entrepreneurs in the developed world, but individuals and communities in emerging and undeveloped markets.

## Recent Accomplishments

In early 2012, eBay was recognized as a Great Place to Work across Europe, making lists published by the Great Place to Work Institute in the Netherlands, Switzerland, the United Kingdom and Germany.

Also in 2012, eBay ranked 80/100 on the world's most reputable companies based on a survey of 47,000 global consumers conducted by Reputation Institute.

### Creating Opportunities for Women in the Workplace

In 2010, we launched the Women's Initiative Network (WIN) program, which helps women to build lasting, successful careers at eBay. WIN is committed to providing opportunities, tools and resources that enable women to learn, grow and develop.

In 2011, we hosted the company's inaugural WIN summit in North America, convening women leaders from around the world at our global headquarters in the San Francisco Bay Area. The summit featured guest speakers who discussed the importance of sponsorship and mentorship, work-life balance, and networking.

In 2012, we hosted our second global WIN summit, again assembling women directors and above for three days of intensive lectures, discussions and panels led by industry experts

and eBay leaders on subjects vital to supporting women's professional growth and development at eBay, including sponsorship, transcending gender biases, and risk-taking.

On an ongoing basis, WIN partners with business units to host educational events; offers on-line support, tools, resources and educational materials; and provides support to local grassroots employee groups (like eWIT and eWIN).

### Same Sex Benefits and LGBT Issues

In 2010 and 2011, eBay received a 100% rating from the Human Rights Campaign Corporate Equity Index. We were honored for having strong inclusive policies and programs that support gay, lesbian, bisexual, and transgendered employees.

In 2011, we reviewed our policies and made changes to ensure equity for our LGBT population:

- › **Federal Medical Leave Act** – Extended job/benefits protection to employees who take leave to care for a same-sex domestic partners
- › **Adoption Assistance** – Expanded our adoption assistance program for same sex couples so that eBay will reimburse up to \$5,000 in adoption expenses, and will gross up the amount for taxes.

In 2011, eBay joined the Business Coalition for Immigration Equality – a group that supports the passage of the Uniting American Families Act (UAFSA) that would allow a U.S. citizen or permanent resident to sponsor their same-sex partner for immigration to the U.S.

### Empowering Individuals and Communities around the World

Since 2007, eBay has invested in **MicroPlace**, a PayPal subsidiary that enables socially responsible investments in microfinance to alleviate global poverty.

To date, Microplace has attracted more than 12,300 investors to raise over \$18.4 million USD in fixed-income funds for microfinance, community development and other social impact projects in the US and around the world.

In 2011, MicroPlace began expanding its work with Calvert Foundation in the US, driving investments into the California FreshWorks Fund, dedicated to bringing new grocery stores and other markets that offer healthy food choices to urban food deserts.

In 2012, MicroPlace in partnership with Calvert Foundation provided funding support for WIN-WIN (Women Investing in Women Initiative), a new initiative to support programs that provide child care, education, health care, housing, leadership, and entrepreneurial support to women around the world.

In 2011, eBay Foundation launched **The Opportunity Project**, a global social innovation initiative designed to support and help scale market-based approaches to providing economic opportunity in vulnerable, impoverished communities.

In 2011, eBay Foundation sponsored a competition with Ashoka Changemakers, awarding a total of \$250,000 to five organizations: **Fundacion Paraguaya, Grameen Foundation, Nuru Energy, Solidarium, and Twin Cities RISE.**

In 2011, a team of eBay software engineers designed and built an application to enable voting and engagement for Changemakers' competitions through the Facebook platform.

Also in 2011, eBay Foundation announced a new partnership with **Samasource**, a nonprofit that connects people living in poverty to work via the Internet. Samasource has connected more than 2,500 women, youth, and refugees in the poorest parts of the world to microwork—small tasks like content services, data enrichment and transcription that can be done online using inexpensive computers.

In October 2011, GittiGidiyor launched a partnership with Kadın Eme ini De erlendirme Vakfi – KEDV (Foundation for the Support of Women's Work) to support female entrepreneurs in selling handmade products on the GittyGidiyor platform, an eBay subsidiary in Turkey.



## Supporting Small Business and Entrepreneurs

As part of our eBay marketplaces business, we have, since our inception in 1995, offered a unique and dynamic technology platform that enables individuals all over the world to build and grow small business enterprises. Over the last sixteen years, there are thousands of examples of individuals who have leveraged to platform to not only make a living for themselves, but build businesses that employ, in some cases, hundreds of others, all over the world.

eBay offers a full suite of resources and services to our sellers, including our celebrated eBay Main Street program, a grassroots network that keeps small business owners informed of legislative matters that affect their ability to buy and sell on eBay. To date, more than 250,000 eBay users have participated in the program.

Additionally, our PayPal and X.commerce businesses extend our commitment to individuals and enterprises by offering innovative tools and technologies—products like Magento and PayPal Here—to help entrepreneurs grow their businesses, provide access to cutting edge technologies, and compete on a global scale.

# ENVIRONMENT

## eBay Approach

At eBay, we are committed to becoming the leading global engine for greener commerce. We have three key strategic priorities to move us toward that vision: innovating in our buildings and operations, enabling the trade of greener goods on our commerce platforms, and leveraging our voice and size to drive industry-level change.

eBay is a disruptive innovator in our industry and we believe we have the power to create the greenest commerce platform in the world. From building and operating data centers with industry-leading efficiency, to finding cleaner energy to power our business, and making more environmentally-friendly shipping, packaging, and purchasing decisions, we're

continually working to understand and manage the effects of our business on the environment in powerful new ways.

In addition, we are committed to using our platform to make the very act of buying and selling more sustainable. Whether we are using our own business models and platforms to encourage environmental benefits like material reuse and waste reduction, or through partnerships with leading brands to extend the useful life of their products and drive sustainability thinking across industries, we believe we have a critical role to play in shaping a greener and more responsible future for retail.

Finally, as a global business, we recognize—and take seriously—that we have a powerful voice in the broader conversation on the environment. We see transparency and collaboration as key to driving transformational change both in our own business and the world at large, and we believe in lending our voice and influence to shape policy at all levels—local, state, national, and global.

## Recent Accomplishments

### Investing in Sustainable Operations

In June 2011, we installed a 100kW solar array on top of our Denver data center which can generate electricity even when covered with two inches of snow.

In October 2010, we unveiled our Topaz data center in South Jordan, Utah which is one of only a small handful of data centers on U.S. soil to achieve LEED® Gold status by the US Green Building Council. The facility was also recognized by *Green IT Magazine* as their “Environmental Project of the Year”.

eBay achieved industry-leading data center efficiency with our Project Mercury facility in Phoenix, Arizona. Opened in December 2011, the site has been the subject of a case study by The Green Grid, was named one of *InfoWorld's* 15 superstars of sustainable IT for 2012, and was awarded a Green Enterprise IT Award.

In February 2011, we completed a lighting retrofit at our headquarters in San Jose that enables us to avoid nearly 800,000 KWH of power usage and save \$200,000 annually.

In March 2011, we broke ground on a new employee center in Draper, Utah which, when completed, we hope will take its place as our third LEED®-certified facility.

Through our “Zero Waste for Green Space” initiative, we achieved a waste diversion rate of 99% at our San Jose headquarters, meaning that only 1% of what went into a disposal can at both of our San Jose campuses ended up in a landfill.

On an ongoing basis, we provide local and sustainable dining options in San Jose and maintain organic gardens at our facilities in San Jose and Omaha, Nebraska.

Facilities in Dreilinden, Germany and Dublin, Ireland were 100% powered by renewable energy (hydropower and wind, respectively).

### Inspiring Greener Commerce

In the fall of 2010, we launched and completed our eBay Box pilot program, which evolved from a partnership with the US Postal Service in 2007. We are currently applying what we've learned from the pilot to build a greener global shipping program.

In October 2010, we also launched eBay Instant Sale to enable consumers to sell and recycle old

electronics. Since inception, the program has generated nearly 10 million offers. For products that don't have a resale value, the program still provides guaranteed recycling at no cost to the owner.

In July 2011, the program was expanded to Germany and eBay Sofort-Verkauf was launched to bring the electronics recycling program to the European market.

In September 2011, eBay and Patagonia launched a new marketplace for consumers to buy and sell pre-owned Patagonia gear with others who share a common environmental commitment, giving Patagonia's famously durable apparel a second life on eBay. This was the first time a major retail brand and eBay have worked together to promote the buying and selling of pre-owned products. We are currently expanding the model to other categories and brands.

In February 2012, we re-imagined and re-launched the green.ebay.com site, fusing our old sites—the content-focused eBay Green Team site and the shopping-focused [green.eBay.com](http://www.ebay.com/greenteam)—into one comprehensive, informative, and idea-rich experience.

In April 2012, we also launched eBay Green Driving, a new site aggregating tools and resources, as well as eBay's unique green vehicle and parts inventory, to enable drivers to reduce their environmental impact.

## Employee Green Teams

The eBay Green Team started in 2007 as a group of 40 passionate eBay employees who wanted to make the company a truly green place to work. Since then, the team has grown to more than 2,800 employees in over 35 offices around the world, promoting sustainable business practices within eBay, volunteering in the community, and supporting environmental programs that reduce the company's ecological footprint.

In 2011 alone, Green Teams from San Jose to Tel Aviv tackled a variety of programs that reduce energy consumption, encourage more sustainable forms of transportation, and engage employees in community events. In Bern, Switzerland and Tel Aviv, Israel, Green Teams launched bike-sharing programs; in Singapore, the local team transitioned the entire office to biodegradable dishes and flatware; and in Scottsdale, Arizona and San Jose, California, Green Teams launched the company's first electric vehicle charging stations.



## Industry Partnerships & Advocacy

In 2010, eBay joined the Steering Committee for BICEP—Businesses for Innovative Climate and Energy Policy. Through our involvement, we help to set the climate advocacy agenda for a group of more than 20 member companies.

In March 2012, we worked with Republican State Senator Mark Madsen to develop and pass legislation in Utah allowing non-utility energy consumers (like eBay) to buy and transmit power directly from renewable energy developers.

In addition, eBay has openly advocated for the following policies:

- › Signed on to the 2 Degree Challenge Communiqué for Rio+20
- › Showed public support for Kerry-Lieberman climate legislation in the summer of 2010
- › Demonstrated public support for AB32 and opposition to Proposition 23 in California during the fall of 2010

We collaborate regularly with nonprofit advocates, peer companies, and other stakeholders through memberships and affiliations such as:

- › Business for Innovative Climate & Energy Policy, a project of Ceres
- › BSR (which stands for Business for Social Responsibility)
- › GreenBiz Executive Network
- › The Green Grid Advisory Board
- › Data Center Pulse
- › Forum for the Future

# ANTI-CORRUPTION

## eBay Approach

At eBay, we have a strict policy of doing business based on the merits of our services, not based on any form of bribery, or any other corrupt or unethical business practice. Our Code of Business Conduct outlines our policies and principles on bribery and extortion in countries around the world.

The United States and countries around the world strictly prohibit the bribery of government officials, and we abide by these laws and regulations. We educate our employees to ensure that they do not intentionally or inadvertently make any unlawful payment, kickback, or gift to any US or foreign government official or candidate for office in order to get or keep business.

As a money transmitter, our PayPal business is also committed to actively deterring and detecting money laundering (AML) and terrorist financing activities. Using a sophisticated system of controls, we aggressively work to report and identify any abnormalities in the transaction system that could be indicators of corrupt activity, coordinating with law enforcement and regulators around the world in this effort.

We are proactive in enhancing our current policies to meet regulatory expectations as new geographies, products and services, monitoring authorities or jurisdictional requirements are introduced or developed.

## Recent Accomplishments

We operate a 24-hour help line that employees can call or email to make anonymous reports of violations, or ask questions about our anti-bribery and AML policies, as well as Code of Business Conduct. Additionally, our Business Ethic Officers are able to provide in-person assistance and guidance to employees who wish to raise concerns.

We treat all reports as confidential to the extent permitted by laws, and have a strict no-retaliation policy for those who reported misconduct in good faith.

As of 2012, no eBay employees were cited for infraction of our anti-bribery policies.

We hired an Anti-Corruption Officer based in Asia who is focused on building out a robust compliance program, which ensures that eBay complies with all applicable anti-corruption laws around the world.

In 2012, we updated our mandatory AML training, adding an online compliance component, and hired compliance training managers focusing on our high risk regions.

This year, eBay extended our online AML training to contractors, employees, and vendors.

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