



2014 (OMMUNI(ATION ON PROGRESS

Prepared for United Nations Global Compact



Dear Mr. Secretary-General,

Since the founding of eBay, we've understood the power of our company to drive not only strong business value, but also positive social and environmental change. This opportunity for dual impact inspired me to join the company and motivates me to stay. And as I've traveled to our offices and spoken with our employees around the world over the past year, I've been reminded that the same is true for the more than 33,000 people who make up eBay Inc. Whether it's our customer support teams who work every day to create economic opportunity with entrepreneurs and businesses of all sizes, or our product and engineering teams who continue to build charitable giving into our commerce platforms – it's embedded in what we do every day. It's who we are.

In 2013, we accelerated significantly as a company. We enabled \$205 billion in commerce volume, ended the year with 143 million active registered accounts on PayPal and 140 million active buyers on eBay, and achieved record results on mobile devices with \$32 billion in enabled commerce volume. While I'm proud of *what* we achieved in 2013, I'm even more pleased about *how* we did it: with a guiding sense of purpose at our core.

Our 2013 Social Innovation Annual Update provides a glimpse into our progress and efforts over the past year – just some of the ways we're continuing to drive strong performance for our shareholders and society. I invite you to read about our approach and stories of impact in the pages that follow. They align with the United Nations Global Compact and its principles for how business should operate, and demonstrate our continued commitment to making meaningful progress across the Global Compact's four key focus areas.

We're entering a period of immense change – in how people will shop and pay, and also in the role and expectations of leading companies like eBay Inc. We remain committed to our Social Innovation efforts and continue to endorse and actively participate in the Global Compact. We believe doing so continues to position us for sustainable growth over the short and long term.

As our business continues to grow and advance, I look forward to capitalizing on the opportunities for impact in front of us. Stay tuned – there's a lot more to come.

Cover photo captions in clockwise order:

eBay Inc. enabled charitable giving following the tornado in Moore Oklahoma. Photo courtesv of Talia Frenkel. American Red Cross.

Mercy Corps became a new partner of The Opportunity Project in September 2013. Photo courtesy of Miguel Samper, Mercy Corps

In May 2013, eBay Inc. opened its third LEED Gold-certified building in Draper, Utah. Photo courtesy of Scot Zimmerman

John Donahoe President & CEO, eBay Inc.

Our Approach to Social Innovation

Our Social Innovation work centers on making positive, lasting impact in three key areas that align with eBay Inc.'s unique focus and resources:

- 1. Creating Economic Opportunity
- 2. Enabling Greener Commerce
- 3. Powering Charitable Giving

In addition, we continually work to engage employees in all we do, raise our voice to affect industry-shifting policy change and run a responsible business every day. We also advance meaningful social change in the world through our eBay Foundation efforts.

We believe our approach to Social Innovation – driving positive social and environmental impact through our core business – aligns with the principles set forth in the United Nations Global Compact. And since our initial endorsement in 2006, it has remained an important framework through which we measure and share our performance.

Our 2013 Social Innovation Annual Update serves as eBay Inc.'s Communication on Progress for this year. In it we articulate key stories of impact and progress toward our goals across all our efforts, including but not limited to the Global Compact's 10 principles relating to human rights, labor, environment and anticorruption. Please use the grid to the right as a guide to locate the information in this document specifically relating to each principle.

HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Employee Engagement > Raising Our Voice > Running a Responsible Business >
Principle 2: make sure that they are not complicit in human rights abuses.	Running a Responsible Business >
LABOR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Running a Responsible Business >
Principle 4: the elimination of all forms of forced and compulsory labor;	Creating Economic Opportunity > Running a Responsible Business >
Principle 5: the effective abolition of child labor; and	Creating Economic Opportunity > Running a Responsible Business >
Principle 6: the elimination of discrimination in respect of employment and occupation.	Creating Economic Opportunity > Raising Our Voice > Running a Responsible Business >
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Enabling Greener Commerce >
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Enabling Greener Commerce > Employee Engagement > Raising Our Voice > Running a Responsible Business >
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Enabling Greener Commerce >
ANTI-CORRUPTION	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Running a Responsible Business >
	3

By way of our global portfolio of businesses, eBay Inc. is committed to building a more open, diverse and inclusive form of commerce.

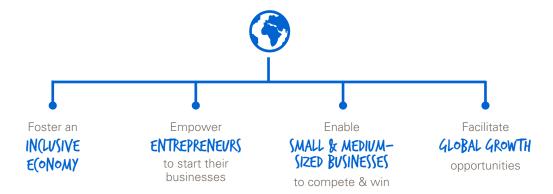


From the moment our founder, Pierre Omidyar, sat down to write the first line of code for ebay.com, we've remained focused on a central, guiding purpose: to connect more people with more opportunity. Even as we've grown and changed over the past two decades, this belief of shared success – between our company and the people we serve – has remained a constant. It's in our DNA, and beyond all the traditional metrics of business performance, it's how we evaluate our success.

That's why over the past year we've embarked on an effort to better understand the ways in which our core business activities work to create economic opportunity in the world. When we launched our Social Innovation strategy and goals last year, our goals for this portion of our work were specific to The Opportunity Project. While this continues to play a critical part of our strategy, we know our capacity for impact is even greater through our business. So, in partnership with our colleagues and stakeholders, we've worked to better define our vision for impact, our strategy to get there and our measures to indicate progress. We still have more to do, but we've made progress. This section provides a status report on what we've done so far, as well as a general snapshot of our collective efforts in 2013.

By way of our global portfolio of businesses, eBay Inc. is committed to building a more open, diverse and inclusive form of commerce. One that supports and encourages businesses of all sizes – from individual entrepreneurs to big brands – to connect and participate in the global economy through technology.

WE DO THIS IN FOUR DISTINCT WAYS:





Over the past year, we've embarked on an effort to better understand the ways in which our core business activities work to create economic opportunity in the world.



And how will we know we've succeeded? At the highest level, it's when the people and businesses that utilize our platforms are able to grow and thrive. We don't produce and sell our own products – we provide tools and technologies that help others do that (and, in turn, build and grow their enterprises). So the composite activity that's happening through our platforms – all the millions of individual buy, sell and pay transactions that we're facilitating at any given time – can serve an interesting dual purpose. In 2013 alone, we enabled \$205 billion in commerce volume, representing 18% of global e-commerce and 2% of global retail. By 2015, we intend to grow this figure to \$300 billion. While we created the enabled commerce volume (ECV) metric to track the health and growth of the eBay Inc. business, we also see it as a critical measure of the opportunity we're creating for entrepreneurs and businesses around the world. In the years ahead, we'll begin to use this as our topline metric, and continue to extract and share other indicators of our progress from within the larger overall ECV figure. At the same time, we remain committed to the goals we set last year specific to the strategic grantmaking efforts of eBay Foundation, and going forward we'll continue to measure our progress on them alongside this new core business goal.

The ECV metric is just a start – we'll continue to refine and go deeper as we move forward. Everything we do as a Social Innovation team is grounded in the core notion that we can drive both business performance and social and environmental impact at the same time. They're not mutually exclusive, but rather intrinsically interwoven and interdependent. Over the next year and beyond, we'll continue to work with our stakeholders inside and outside the company to lean into this question of measurement so that we can better understand the impact we're catalyzing and, more important, where we can have even more.

BUSINESS GOAL

UNLO(K MORE OPPORTUNITY



NEW

GOAL

Enable \$300 billion of global commerce by 2015

WHY IT'S 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.

WHERE WE WERE IN 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.

HOW WE'LL GET TO 2015

With technology driving a commerce revolution, we're focused on delivering tools and technologies that enable merchants of all sizes across the entirety of the \$10 trillion global commerce market to grow and thrive.

IN PROGRESS

EBAY FOUNDATION GOALS

A((ELERATE THE INNOVATOR)



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 new technology for their TaroWorks mobile technology suite.

PROGRESS IN 2013

In 2013, our strategy evolved to include partnerships with accelerators, which has enabled us to identify and impact a broader range of social enterprises. In addition to directly supporting three social enterprises - TaroWorks (Grameen), Samasource, and Kolabo (Mercy Corps) - we supported four more through the GSBI Accelerator Program. Of the seven social enterprises that we've supported, we've collected data indicating that five of them have grown.

HOW WE'LL GET TO 2015

We'll continue to take the dual approach of directly supporting a handful of deeply aligned social enterprises and collaborating with accelerators to reach and impact growth-stage enterprises. We've partnered with Ashoka and Village Capital to support their accelerator programs, which conclude in 2014. We'll work with all of our partners to collect impact data and assess the growth of the social enterprises that we're supporting.

GOAL

Scale 10 social innovations that catalyze economic development

WHY IT'S 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.

ENRICH ENTREPRENEURS



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.

GOAL



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

WHY IT'S IMPORTANT

Nearly one half of the world's population lives on less than \$2/day. Helping them increase their income is a critical step in lifting individuals and communities out of poverty.

PROGRESS IN 2013

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 2013, these tools were used by social enterprises to help more than 52,000 microentrepreneurs manage their businesses. While this exceeds the number of entrepreneurs we set out to reach, we're still in the process of measuring impact on their financial returns.

HOW WE'LL GET TO 2015

We'll continue to support TaroWorks in 2014, as well as other social enterprises that are serving microentrepreneurs. We'll also continue working to assess the impact of our support and if we confirm that we've exceeded our goal, we'll consider developing a new target for 2015.

DRIVE E(ONOMI(PARTI(IPATION



GOAL



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

WHY IT'S 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 through the project reach up to 250,000 people with more affordable products and services.

PROGRESS IN 2013

Through our grant partnerships with Grameen Foundation and GSBI, we estimate that we've reached more than 2.2 million people living in poverty. The programs that we've funded have enabled these individuals to purchase affordable products like solar lanterns and cookstoves, eyeglasses, and purification devices that provide access to clean water.

HOW WE'LL GET TO 2015

We plan to continue supporting our existing partners, each of whom is projecting growth in the number of people they'll reach by the end of 2015. In addition, we expect to bring on new partners that align with our strategy of increasing access to affordable goods and services through networks of microentrepreneur field agents.



Fostering an Inclusive Economy

From a farmer in Indonesia to a young entrepreneur selling leather jackets in one of Mumbai's largest slums, we believe everyone across the globe should have the ability to earn an income and be self-sufficient. We know that when people have the opportunity to connect to global markets and contribute in the economy, good things happen. Individuals are able to provide for themselves and their families, and strengthen their communities. In the process, countries grow and become more prosperous. Our technology and platforms enable everyone – of all skills and abilities, and in virtually every corner of the world – to participate in the global economy. In addition to our business activities, we reach some of the most marginalized populations through strategic investments from The Opportunity Project, an eBay Foundation initiative.

THE OPPORTUNITY PROJECT

eBay Foundation launched The Opportunity Project three years ago to extend the social impact that our business intrinsically creates. The initiative combines strategic grantmaking and skills-based employee volunteerism to scale market-based approaches that unlock economic opportunity for the underserved in the U.S. and in emerging markets.

Through The Opportunity Project, we support social enterprises that help micro and small businesses grow, increase the number of quality jobs, and expand access to affordable goods and services. In 2013, we supported 30+ social enterprises directly and through partnerships with intermediary organizations.



A((ESSIBILITY

We remain committed to delivering an accessible eBay platform that creates opportunities for people of all abilities. Building from our continued work with the National Federation for the Blind, in 2013 we collaborated with The Hadley School for the Blind to develop a new educational module for visually impaired entrepreneurs. Called "Selling on eBay," the course has an enrollment rate five times higher than the average Hadley class.

Learn More >





SUPPORT TE(HNOLOGY-DRIVEN INNOVATIONS

(OLLABORATE WITH A((ELERATOR)

STRENGTHEN THE SO(IAL ENTERPRISE E(OSYSTEM



Built mobile tools to help social enterprises improve access to customers and market information for microentrepreneurs



The Globalizer on economic inclusion helped Ashoka Fellows scale their ventures



Hosted an event in Recife, Brazil on "Opportunities in Technology for the Base of the Pyramid"



Started a social enterprise to help small businesses access web-based business services and reach new customers



Helped social enterprises refine their business plans and prepare to raise investment capital

samasource.

Used a proprietary platform to connect unemployed women and youth in India with web-based work

% VillageCapital

Accelerator will focus on scaling social enterprises that serve the unbanked and underbanked; launches in 2014

Impacted 52,000 MI(ROENTREPRENEURS and 2.2 MILLION INDIVIDUALS



Supporting Technology-Driven Innovations

Innovative technology can make markets work better for the poor by increasing incomes and serving unmet customer needs, and by linking them with products and services that improve their lives. Through The Opportunity Project, eBay Foundation provided direct support to the following organizations developing novel technology solutions to improve the lives of the poor in emerging markets.



Grameen Foundation

Through its TaroWorks project, Grameen Foundation developed a suite of Android-based mobile technology tools to help social enterprises improve access to markets and information for microentrepreneurs. In 2013, these tools were piloted in the agriculture sector to help 6,400 smallholder farmers track their sales in real time, get paid sooner and earn better prices for their crops. The tools were then extended to an additional nine social enterprises working with microentrepreneurs in various sectors, as well as NGOs providing critical support and services to the poor. In total, Grameen impacted 37 social enterprises and organizations, 52,175 microentrepreneurs and close to 2 million people living in poverty.

HoneyCare uses TaroWorks to manage 15,000 beekeeping microfranchises. Photo courtesy of Karim Kara, HoneyCare Africa.



Mercy Corps

In September of last year, we announced our support of a new social enterprise that will help small businesses easily and affordably get their business online. Officially launching in Indonesia as Kolabo in 2014, it will work with business owners to create their websites and provide additional digital marketing services to help drive traffic to their sites and customers to their doors.

Kolabo is helping entrepreneurs in Indonesia participate in the emerging digital economy. Photo courtesy of Kolabo , Mercy Corps.



Samasource

In 2013, our funding enabled Samasource to train and pay 364 workers in India and strengthen their operations and infrastructure. Their workers reported a 362% increase in average monthly income at the five-month follow-up survey mark. We also funded Samasource's first India summit, bringing together their four delivery centers to share best practices.

Leila Janah, Samasource's CEO, with a young woman employed at their delivery center in Kolkata, India. Photo courtesy of Samasource.



Collaborating with Accelerators

Early-stage social entrepreneurs need a variety of support to help them grow. Accelerators fill that gap by providing consulting, technology assistance, access to a network of mentors and investors, training and financial support.



Ashoka

We funded a Globalizer program that brought together 20 of Ashoka's most advanced Fellows with a strong model of economic inclusion. Each Fellow was matched with advisors who worked with them over a three-month period to build their strategies for scaling. The program culminated in 2014 with a three-day summit in Chennai, India where they received targeted strategic advice from a set of mentors and worked together to address some of the greatest systemic barriers to scale in their industry.

Latif Nathani, General Manager of eBay India (at right), offers strategic advice to Ashoka Fellow Brendan Martin. Photo courtesy of Ashoka.



Global Social Benefit Institute (GSBI)

We funded the participation of four social enterprises in GSBI's Accelerator to help prepare them to raise investment capital. Over the course of seven months, the social entrepreneurs worked with mentors to refine their business models. In August, the social entrepreneurs traveled to Santa Clara University for a nine-day, in-residence boot camp, during which they had the opportunity to pitch their businesses to potential investors. Since then, one of the enterprises has raised an additional \$750,000 in investment capital and a \$250,000 grant. In total, these four enterprises positively affected more than 1.3 million people in 2013.

Nitin Gachhayat, Co-founder of Drishtee and a GSBI participant, presents his business to potential investors. Photo courtesy of Charles Barry of Santa Clara University.



Village Capital

We entered into a new partnership with Village Capital to sponsor a FinTech accelerator program focused on providing financial services to the unbanked and underbanked in the U.S. This program will launch in 2014.

11



Strengthening the Social Enterprise Ecosystem

We also seek to bring together like-minded organizations to stimulate cross-industry engagement, inspire collaboration and foster more innovative solutions for the base of the pyramid.



Aspen Network of Development Entrepreneurs (ANDE) in Recife

In November, eBay Foundation and ANDE hosted a forum in Recife, Brazil called "Opportunities in Technology for the Base of the Pyramid." More than 125 people, from impact investing firms and social enterprises to NGOs and government agencies, gathered to discuss building the ecosystem for social businesses in the northeast region of the country.

Daniel Izzo, Co-founder of Vox Capital, presented characteristics of the base of the pyramid in Brazil. Photo courtesy of Gabriel Galvão.



DEPLOYING SKILLED VOLUNTEERS

In 2013, we launched a skills-based pilot program that matched four employee teams with projects for nonprofit organizations. The projects averaged five months in duration, with employees dedicating five hours a week to the work. Teams provided a wide range of expertise in HR strategy, information management, go-to-market strategy and messaging and branding. Benefits accrued to both parties as the organizations received valuable insights and actionable plans, and the employees had the opportunity to further hone their skills and work with colleagues from across the company.

Employees in Singapore virtually kick-off their project with Grameen Foundation.



Empowering Entrepreneurs to Start Their Businesses

To-date, we've witnessed countless examples of individuals all across the globe who've leveraged our platforms to make a living for themselves and build businesses that, in some cases, employ hundreds of others. We know, however, that starting and growing an enterprise – much less one that serves thousands of customers in multiple markets or hires other employees – can be a long, complex and expensive process. With the assets and strengths of our portfolio companies, we strive to always be a partner of choice to innovators and entrepreneurs from day one, because we know that when they're able to successfully launch their businesses, good things happen.

Across the business and around the world, we run and support programs that seek to inspire and encourage a new cadre of startups. Whether sponsoring external programs like StartUp Britain or NYC BigApps, collaborating with like-minded companies (as we did to launch EZStore.me in the MENA region) or international governments (as we regularly do through various agreements to jointly support retail entrepreneurs and traders), or organizing our own unique initiatives like the annual Entrepreneur of the Year Award in Canada – mobilizing our resources to empower self-starters truly is a global effort.

One resource we've started to share with the startup community is our office space. Over the past year we've quadrupled the number of inoffice incubators we operate, in turn supporting even more entrepreneurs with free work space, access to events and opportunities to connect
and work with eBay Inc. employees. Take a peek into our incubators and some of the innovators we've supported through them:



Start Tank BostonBoston, MA, USA

Started: December 2012

Total startups supported: 41 (23 new in 2013)

For example:

CO Everywhere, an app that lets you draw on a map and immediately connect to all of the real-time, unfiltered moments happening inside that area.



Start Tank Chennai

Chennai, India

Started: September 2013

Total startups supported: 2

For example:

Fantain Sports, a new business working to enhance sports fans' experiences via a deeply social, mobile-first platform that integrates sports teams and franchises, real-time events, merchandise access, tickets and more

FRIENDS OF EBAY

Friends of eBay New York, NY, USA

Started: January 2013

Total startups supported: 17

For example:

Evenly, a service to help friends split bills and other expenses. After graduating from Friends of eBay, they were acquired by another payments company.



eBay Big Data Lab

Tel Aviv, Israel

Started: November 2013

Total startups supported: 2

For example:

SparkBeyond Ltd., a startup leveraging collective human knowledge (e.g., structured facts from Wikipedia, existing opensource code or unstructured data) to enable the creation of smarter predictive models.



In 2013, PayPal acquired Braintree, the payment provider of choice for some of today's most innovative technology startups (many of whom also happen to be emerging leaders in the "collaborative consumption" space). With Braintree a part of the eBay Inc. family, we've continued to deepen our commitment to developers and tech entrepreneurs, helping lead the transition to a new economy. In 2013, we launched two new programs to inspire and engage this specific community:

Battle Hacks



PayPal launched a global hackathon competition, expanding its annual CharityHack in London to a multi-city series that ran for several months. Starting in Berlin and traveling to 10 cities before culminating in a World Final 24-hour hackathon in San Jose, California, developers put their coding skills to work to come up with the best application to address a local social challenge of their choice. The video chronicles the World Finals and announcement of the \$100,000 grand prize winner – but what's even more important is the impact. Since winning the Austin Battle Hack, PayPup (an app that lets users adopt dogs virtually) has been implemented by every dog shelter in the state of Texas.

Watch Video >

Startup Blueprint



PayPal was the first payments company to open up its APIs for developers in 2009. This year, we built on that commitment by launching the Startup Blueprint program in partnership with several of the world's top accelerators, incubators and venture capitalists. The program offers key benefits such as \$50,000 in waived transaction fees (around \$1.5 million in total payments volume); mentorship. workshops and one-on-one time with PayPal employees for advice on technical and business topics; and white-glove support from PayPal's customer service and developer relations teams. In addition, with the Braintree acquisition, startups can get transaction fees waived for up to an additional \$100,000 in total payments volume through their Ignition program. One of the participating startups is 3D Hubs, a collaborative production platform connecting the world's creators and makers with 3D printer owners whose machines are underutilized.

Photo courtesy of 3D Hubs.

COMMUNITY OF SUPPORT

We know that one of the most important things we can provide entrepreneurs as they're starting out is a trusted and encouraging community of support. Through in-person resources like our seller meet-ups, and virtual information and tools like our eBay and PayPal for Business initiatives, we're always working to connect new and veteran business owners to learn and grow from each other.

14



Enabling Small and Medium-Sized Businesses to Compete and Win

Small and medium-sized businesses (SMBs) contribute significantly to the vitality and resilience of any community, big or small. As they build and grow, they help propel their economies forward through job creation, product and services innovation, and local investments. And while countless studies have enumerated the economic benefits of a thriving SMB sector, individual businesses still face significant barriers to greater success. As a segment, these enterprises represent a critical mass of our commercial sellers and merchants, and we're committed to providing them with the tools and technologies they need to, in turn, contribute even more to the communities of which they're a part.

Cutting-edge commerce and payments innovation shouldn't be reserved for the biggest retailers and brands. Since day one we've understood the power of technology to keep merchants of all sizes in the game. We remain focused on this purpose and are increasingly looking at ways we can extend these digital tools to traditionally offline enterprises. Explore some of the innovations we've been working on over the past year with the SMB community specifically in mind:



PAYPAL DIGITAL WALLET

Check-In >

Order Ahead >

Pay at Table >

Line of Credit with Bill Me Later >

PAYPAL POS

PayPal Here Credit Card Reader >

PayPal Here iPad App >

Partner Solutions >

Payment Code >

Beacon >

CUSTOMER FINANCING

Online >

(PayPal-provided free promotional advertising)

In-store >

(Offered through PayPal Digital Wallet)

MAGENTO

Magento Go >
Community Edition >
Enterprise Edition >

RETAIL INNOVATIONS

eBay Hire >

Retail Associate Platform >

eBay Selling Assistant >

Martha Stewart American Made >

Telegraphe Café, a coffee shop in New York City owned and operated by Anne and Bruno Abhikhzir, serves its customers through PayPal-enabled, tablet-powered registers. In 2013, they were one of the first merchants to pilot Beacon, a Bluetooth Low Energy device that connects to a customer's PayPal app when they enter a store and enables them to pay completely hands-free.



According to a report released last August by the Federal Reserve Bank of Cleveland, the total value of small business loans in the fourth quarter of 2012 was 78% less than in the second quarter in 2007. SMBs need faster, easier ways to secure critical capital at defining moments in their development, so we've begun experimenting with new ways to help our customers fund their growing businesses.

This year in the U.S., we piloted PayPal Working Capital, a new loan program for SMB customers with strong PayPal sales histories. The initiative uses WebBank as the lender and allows small business owners to access a business loan within minutes without a credit check, repay with a share of their sales and pay for the loan with one, affordable fixed fee. Since the pilot program launched, thousands of businesses have successfully borrowed tens of millions of dollars, which includes a significant number of repeat customers. Steve Contratto, owner of CF Sales, leveraged his PayPal Working Capital loan to stock up on inventory just before Christmas, boosting holiday sales and growing his business by 40% that month. Steve's story demonstrates how access to capital can boost SMB growth.



PAYPAL WORKING (APITAL SU((ESS STORY: (F SALES

After spending weeks of time and energy trying to get a traditional bank loan to buy more inventory, Steve Contratto, owner of CF Sales, had finally given up. A few years later, he applied for a PayPal Working Capital business loan. Within minutes, he had \$20,000 in his PayPal account.

Watch Video >

In addition to the Working Capital program, eBay China also partnered with Ping An Financial Technology to develop a new loan program supporting Greater China sellers who want to expand their cross-border trade.

EBAY MAIN STREET

We believe we can be a voice for the SMB community we serve and a catalyst for action on the issues most important to them.

Learn more >



Facilitating Global Growth Opportunities

International trade has traditionally been the privilege of the largest players. The Internet and the services that exist because of it – technologies like eBay and PayPal – are changing this. Now, merchants of all sizes can turn their businesses into multinational enterprises, serving customers around the world with as little as an Internet connection.

Over the past two years, eBay Inc. has conducted a research initiative entitled Commerce 3.0, which looks into the effect of technology on entrepreneurs and businesses and their ability to engage in global trade, as well as the profound economic and social impacts that result when they do. In 2013, we released a number of new Commerce 3.0 reports, including one specific to businesses in the developing world. The findings (some of which you can see in the infographic below) have been remarkable in their consistency: technology-enabled businesses export at a higher rate, reach more markets and have higher survivability rates than their traditional, offline counterparts. Put simply, the Internet is leveling the playing field for everyone. And eBay Inc.'s platforms not only reduce barriers to cross-border trade, but also help keep more businesses afloat.



(OMMER(E 3.0 FOR DEVELOPMENT

Technology and the Internet foster exponential growth in developing markets, increasing jobs and wealth around the world.

Learn More >

We know the transformative power of access to international markets and inclusivity in the global economy. Individuals can provide for themselves, their families and their broader communities, and countries can grow and become more prosperous. As worldwide customer appetite for foreign and global goods continues to grow, the opportunity for entrepreneurs and businesses to tap into this demand and have even more impact is also increasing. Through ongoing strategic initiatives like the Global Shipping Program, innovative new programming like the Israeli Exporters program and our ongoing advocacy on behalf of Internet-enabled businesses everywhere, we're actively working to advance a new, more connected and participatory model for global trade.

A Note on Microplace: Since 2007, we've enabled people to invest more than \$58 million to help individuals and communities around the world through our Microplace platform. While proud of our results, they haven't scaled to the widespread social impact we aspire to achieve through all our business efforts. Therefore, we made the difficult decision to stop offering new sales of investments through the platform, effective January 14, 2014. All existing investments will continue to be serviced until they mature or are redeemed.

We're committed to running our technology platforms, facilities and systems in ways that challenge business as usual while radically reducing our environmental impacts.



Enabling Greener Commerce

As a global company, we're committed to running our technology platforms, facilities and systems in ways that challenge business as usual and break down conventions, continually improving the service we provide to our customers while radically reducing our environmental impacts. We believe that as our business grows, we have the opportunity to use our footprint as a laboratory for innovations that do not take more from the planet than we can give back.

OUR APPROACH IS TWO-FOLD:



We work to make our operations and the tools and services we provide to our customers as efficient and environmentally responsible as possible, and leverage our unique assets and role in the global marketplace to have the greatest influence and Earth-positive impacts along the commerce value chain.

The four Greener Commerce goals we committed to last year guided our efforts in 2013, and we made some excellent progress towards achieving each of them. From more than doubling our on-site generation of cleaner energy to significantly expanding the number of people engaging with our eco-minded commerce programs, the momentum was clear. Along the way we learned some profound lessons that we're already using to evolve and expand our strategy, and we're more excited than ever about the possibilities that lie ahead.



As our business grows, we have the opportunity to use our footprint as a laboratory for innovations that don't take more from the planet than we can give back.

IN PROGRESS

RUN (LEANER

ON SCHEDULE

BASELINE 2012

1.4% of total U.S. electricity came from cleaner sources in 2012, 5.6% globally. Sources include solar and fuel cells at our San Jose North campus location as well as green power purchases in Dreilinden and Dublin.

GOAL



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

WHY IT'S IMPORTANT

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

PROGRESS IN 2013

7.5% of total global electricity came from cleaner sources. This included a new fuel cell installation for our Utah data center and 100% renewable power purchased for our Utah customer service center, as well as our offices in Dublin, Ireland and Berlin and Dreilinden, Germany.

HOW WE'LL GET TO 2015

Prioritize cleaner energy investments where they make business sense and where grid electricity is particularly carbon-intensive.

DRIVE EFFICIENCY





GOAL

Achieve 10% reduction in carbon per transaction in 2013

WHY IT'S 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 2013

As we worked with the metric in 2013, we identified the need to adjust the methodology. In Q4 we engaged a third party to audit and verify the modified methodology. At the time of this filling, the results of this audit are pending.

HOW WE'LL GET TO 2015

The third-party audit will be complete in Q3 2014. Werre confident that the overall result will be a more robust metric. Upon audit completion, 2013 results will be published, along with a new carbon intensity goal.

EXPAND THE COMMUNITY

GOAL MET



GOAL

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

WHY IT'S IMPORTANT

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

BASELINE 2012

In 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 of the following programs: Patagonia Common Threads, PGA Trade-In Network, Half.com Textbook Rentals, and Instant Sale in Germany.

PROGRESS IN 2013

At the close of 2013, we had met and exceeded our goal. We increased the number of users participating in these programs from 315,206 in 2012 to 367,114 in 2013 - a year-over-year increase of 16%.

GOING FORWARD

We are challenging ourselves to think more broadly about eBay Ino's ability to influence the way commerce is done. Our current programs and partnerships will continue to evolve and push the boundaries of our platform, but we know that our capacity for impact is greatest through our core business efforts.

SHIP GREENER





GOAL

Incorporate environmental criteria into global shipping vendor contracts in 2013

WHY IT'S 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 2013

In 2013, eBay Inc. created our first global Supplier Code of Business Conduct & Ethics. 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.

GOING FORWARD

In addition to encouraging environmental responsibility by our shipping partners, we'll continue to focus on making our own shipping operations more efficient and, via eBay Enterprise, lowering the shipping footprint of our customers.



Making Our Platform Greener

ENERGY & CLIMATE

Each day, eBay Inc. connects hundreds of millions of individuals and retailers around the world through our portfolio of businesses. We're keenly aware that the energy we use to power these connections (and our overall business operations) produces greenhouse gas (GHG) emissions that contribute to global climate change as well as other environmental challenges. In our mission to create the world's greenest commerce platform, we're committed to being open about our impact, as well as reducing it through efficiency and expanded use of cleaner energy.

Our strategy for conserving energy and reducing carbon emissions throughout our operations is threefold:

- 1. Strive for radical efficiency in our facilities and processes
- 2. Generate on-site clean energy when and where it makes sense
- 3. Procure additional clean energy from off-site sources

Though the growth of our business increased our overall energy use and carbon emissions in 2013, the rate of that increase was significantly reduced by acting on all three fronts. We created a new way to measure the carbon intensity of our online platform (and gained insights into how to reduce it), vastly increased our on-site clean energy portfolio and made the largest purchase of off-site renewable energy in eBay Inc.'s history. And we're just getting started.



Our newest data center opened in September 2013 in Salt Lake City, UT.



The new data center is one of the first to use cleaner energy fuel cells as its primary power source.



Our largest solar array came online in 2013 at our Salt Lake City data center.



Enabling Greener Commerce

OUR GLOBAL FOOTPRINT

2013 Totals



MWh

21.86 MWh/Employee

0.00004332 MWh/Revenue



CARBON

300,193 Tonnes of CO_ae

9.44 CO₂e/Employee

0.000019 CO₂e/\$ Revenue

CO₂e by Geography

237,860

Americas 35,402

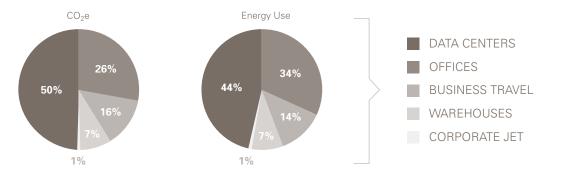
Asia-Pacific

26,930 Europe, Middle East & Africa

Energy Use & CO2e contribution by source

(metric tonnes)

SCOPE 3

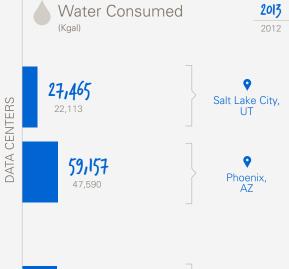




40,218



Scope 3: All other "indirect" emissions, such as business travel, not covered by Scope 2





CAMPUSES





DATA CENTERS

Data centers are eBay Inc.'s factories and are responsible for nearly half of our GHG footprint and energy consumption. We continue to prioritize best-in-class technical infrastructure that delivers world-class user experiences while at the same time raising the bar for data center efficiency. In 2013, we opened our latest state-of-the-art data center in Salt Lake City, Utah. Not only does this facility push the limits of efficiency, it's also one of the first data centers in the world to use 100% on-site clean energy as primary power. Each year the new 6-megawatt fuel cell array will generate about 1.75 million kilowatt-hours of electricity – that's many times cleaner than the local utility grid electricity. We also have an additional 5 MW of off-site clean energy under development and expect to have 100% clean power at the Salt Lake City location by the end of 2015.

In addition to radical innovations in how we build, operate and power our data center portfolio, our Digital Service Efficiency metric helps us understand the energy use and carbon associated with customer actions on our eBay Marketplaces platform. It also allows us to fine-tune our technical infrastructure in real time. After working with the new metric throughout 2013, we engaged Price Waterhouse Coopers to audit the methodology and data collection approach. This validation and the process improvements put in place as a result will help us broaden the use of the metric throughout our platform engineering teams.







WORKPI ACE

eBay Inc.'s more than 185 offices worldwide represent a significant portion of our environmental footprint, but they're also innovation hubs for making our vision of a Greener Platform a reality. We continue to find opportunities on multiple fronts – our buildings, waste reduction, employee travel - to expand our business while shrinking our impact.

From our office buildings to our data centers, every facility we've built from the ground up has been designed and constructed with the environment in mind. In 2013, we doubled the number of facilities certified Gold under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) framework, including our customer service center in Salt Lake City and our new office in Bangalore, India. In cases where we've purchased existing buildings or are leasing space, our facilities teams and local employee Green Teams are working hand-inhand to reduce our footprint through energy efficiency investments, lighting retrofits and other improvements.

At many of our offices globally, we're reducing waste sent to landfills through aggressive recycling and composting programs. At our San Jose headquarters, our Zero Waste for Green Space program has completely eliminated employee waste bins and achieved landfill diversion rates of over 90%. Local teams in offices around the world have followed San Jose's lead, getting creative in their efforts to reduce waste by running promotions that encourage employees to use durables instead of disposables and start recycling and composting. In 2013, our Dublin, Ireland sites successfully diverted 89% of waste from landfill, and implemented other measures such as composting and spent battery and old cell phone returns.

Our corporate IT and data center teams have also set the bar high: both partner only with e-Steward-certified providers to recycle all our old hardware and other electronic waste. And our data center team is actively involved in programs with our hardware vendors to reduce not only packaging waste but also responsibly recycle the thousands of data center servers and other spent equipment.



Our third LEED Gold-certified building in Draper, from Utah Business Magazine in November 2013. Photo courtesy of Scot Zimmerman.



Our new office in Bangalore, India is also our first Design & Construction.

Photo courtesy of Symmetrics Development

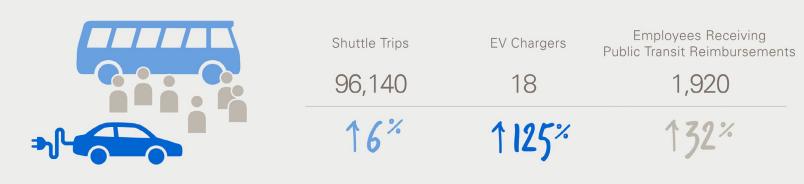


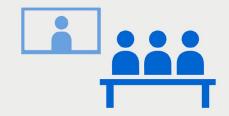
EMPLOYEE TRAVEL

We're also cutting the environmental impact of employee commuting by promoting and incentivizing transit use, biking and ridesharing, as well as supporting the use of lower-impact transportation technologies. Locations around the world offer a variety of other ways to get cars off the road completely: preferred parking for carpools and low-emission cars in Salt Lake City; and bike share programs in Omaha, Nebraska, Tel Aviv, Israel and Dreilinden, Germany. In 2013, we continued to increase the number of electric vehicle charging stations at eBay Inc., and the shuttles used at our San Jose, California headquarters are powered by biodiesel.

We're also using video conferencing and other telecommunications technology to support global collaboration while eliminating a significant amount of business-related travel. In 2013, we expanded our number of video conferencing systems from 570 to 716 worldwide and increased the number of virtual meetings by 137%. In many cases, those meetings represent trips that didn't have to be taken, whether across town or across the world.

SHRINKING OUR TRAVEL IMPACTS (2012-2013)





126%	1137%
Number of Video	Number of
Conferencing Rooms	Video Conferences

Enabling Greener Commerce

SHIPPING

Online commerce is made possible by shipping, and all of that shipping has environmental consequences. But it also presents significant opportunities to change things for the better. eBay Inc. is committed to helping our customers provide world-class shipping performance while at the same time using our scale to identify possibilities to make environmental sustainability a core principle for shipping initiatives. In 2012 we outlined our key focus areas:

- Establish environmental criteria for our shipping partners
- Promote the use of sustainable packaging materials and design
- Optimize our shipping networks (logistics) and modes of transportation
- Run efficient fulfillment centers

We also set a goal to incorporate environmental criteria into global shipping vendor contracts by the end of 2013. These criteria are now outlined in eBay Inc.'s first company-wide Supplier Code of Business Conduct and Ethics. It makes clear our requirement that all suppliers (including those providing fulfillment services) conduct themselves with integrity and environmental responsibility, as well as in accordance with labor and human rights regulations.

In addition to encouraging environmental responsibility from our shipping partners, we have a growing opportunity to lower the impact of our own shipping operations and, via eBay Enterprise, the shipping footprint of our customers.



eBay Enterprise operates more than 3 million square feet of fulfillment space across seven facilities, supported by advanced systems and best practices honed over the years that set the industry standard for performance — enabling us to process tens of millions of packages annually.



Building a Greener Marketplace

PROGRESS IN 2013

As a global enabler of commerce, we're acutely aware that commerce breeds consumption. and that consumption and environmental responsibility often stand at odds with one another. Today, a global paradigm for 'green shopping' is emerging: one still grounded in the choices people make when they buy, but increasingly focused on how people shop and their fundamental relationship with products. Last year, we developed an infographic with our friends at Collaborative Lab to help visualize some of the effects of the "circular economy" on eBay Inc. and highlight a few key programs that have worked to accelerate the positive impact of our business.

In 2012, we set out to increase the number of users that engaged with these Greener Commerce programs by 10% before 2015 and found that we exceeded our goal after just one year. In 2012, we had 315,206 users participating in programs with clear upfront environmental messaging, and at the end of 2013 this number increased to 367,114 users. While we saw a decline in the number of users renting textbooks on Half.com, the success of programs like our partnership with Patagonia (which expanded to the U.K. in May 2013), and our German Instant Sale electronics trade-in platform (which saw a 271% increase in the number of users who traded in old devices) meant an overall year-over-year increase of over 16%.

We know that how things are made is important and that what consumers buy will have varying degrees of impact on our planet. In 2013, we embarked on a research initiative using eBay Marketplaces data to better understand the effect of environmental messaging throughout different stages of the buying cycle (pre-purchase through post-purchase). As eBay continues to connect people to the things they care about, we hope this multi-year research engagement will help us better leverage our technology and market insights to connect customers to products built with intention.

PROGRAM ENGAGEMENT

2013 2012



PATAGONIA

of pledgers

YOY

69,028



PGA TRADE-IN NETWORK

of unique buyers & PGA Pro Sellers

YOY



HALF.COM TEXTBOOK

of unique renters

YOY



INSTANT SALE GERMANY

of unique users who traded in devices

YOY

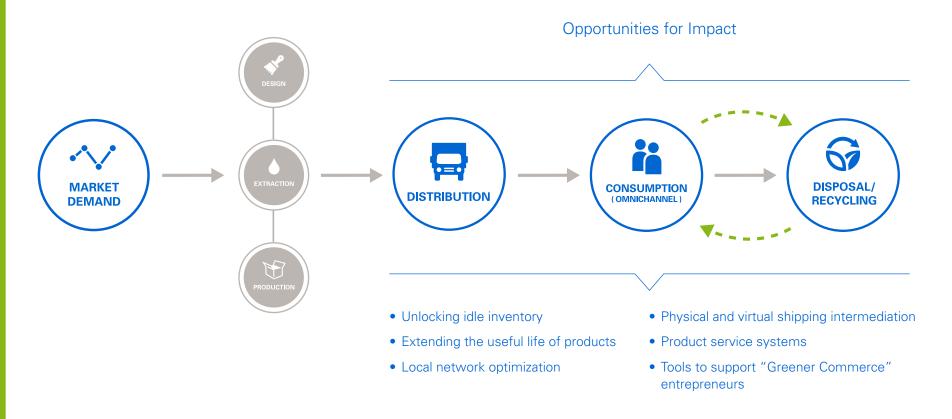


LOOKING FORWARD

Since realizing our initial goal in increasing users of specific Greener Commerce programs, we've begun to challenge ourselves to think more broadly about eBay Inc.'s ability to influence the way commerce is done. While our current programs and partnerships will continue to evolve and push the boundaries of our platform, we know that our capacity for impact is greatest through our core business efforts.

Since we don't manufacture or distribute our own products, we know that we need to be smart about where we can leverage our unique assets to have the greatest influence and impact along the commerce value chain.

EBAY INC. OPPORTUNITIES ALONG THE COMMERCE VALUE CHAIN





SOME BIG IDEAS WE ARE EXPLORING:



MARKET DEMAND

How might sharing market insights help influence manufacturing practices and consumer purchasing? What if we shared which products have persistent durability? Which ones, based on marketplace activity, provide value over and over again, even after they've changed hands?



DISTRIBUTION

What if we were able to better match local inventory with immediate buyer demands so as to reduce the environmental impact of expedited shipping? We're exploring some of this now with our enterprise inventory management system and local delivery efforts.



DISPOSAL/RECYCLING

As brands explore various take-back programs, how might we leverage our fulfillment services to support them? For instance, if we're currently processing item returns, how might we also facilitate a take-back program for unwanted items to either send them back to the retailer for proper recycling or help get them back into the commerce ecosystem where they can provide additional value to someone else?

As the "collaborative" or "sharing" economy movement picks up speed and reach, we're accelerating our efforts to share the lessons we've learned over our 19-year history – using technology to enable peer-to-peer commerce and a community of trust, scaling a secure global marketplace and working with government to partner around new business models that bring social and environmental benefit. In 2014, we plan to leverage industry events to actively share our perspective and best practices with entrepreneurs and SMBs in this space. We'll also engage with stakeholders to learn more about emerging trends and discuss how eBay Inc. can best contribute and leverage our technology and community assets to have a positive impact in this new economy.

We're pioneering new giving solutions that take advantage of each business's unique assets to rally our customers in support of charitable causes.



Powering Giving

At eBay Inc., our approach to charitable giving is grounded in what we do best – technology-enabled commerce. By way of PayPal, eBay and the rest of our global portfolio, we're pioneering new giving solutions that take advantage of each business's unique assets to rally our customers in support of charitable causes. Through our people, technology and scale, we foster powerful connections, resulting in new and enduring sources of support for causes around the world. And as we jointly work to drive the next generation of commerce, we're committed to building a worldwide network for good that inspires and enables everyone – whether individuals, nonprofits or global brands – to take action.



Last year, we put forward simple, but aggressive goals for 2015:

- To double the number of donors that take action
- To double the funds generated for charitable organizations
- And to double the number of organizations that benefit from our programs

During 2013, we made significant advancements, realizing double-digit growth across all three metrics. Along the way, we gained valuable insights into donor behavior that not only led to important enhancements in our existing portfolio of programs, but also laid the foundation for the development of new ways to increase the flow of resources to organizations around the world. We're proud of what we've accomplished and we're humbled by the immense opportunity before us to unleash a level of charitable giving never seen before.



Through our people, technology and scale, we foster powerful connections, resulting in new and enduring sources of support for causes around the world.

N PROGRESS

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'S IMPORTANT

We believe that the good that we do as a company is only the beginning - our bigger opportunity is to enable our hudreds 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 2013

37.1 million customers took action on behalf of a charitable organization through our programs and platforms in 2013, a 14.5% increase over 2012.

HOW WE'LL GET TO 2015

We'll look to further expand our programs internationally, further embed giving features into our core product experiences, and enhance our offerings through incentives, personalization and relevance, making them more accessable and attractive to our customers.

GENERATE MORE FUNDS



BASELINE 2012

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

GOAL



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

WHY IT'S 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.

PROGRESS IN 2013

\$4.9 billion generated for charitable organizations through our giving programs and platforms in 2013, a 32.4% increase over 2012.

HOW WE'LL GET TO 2015

By leveraging our core technologies and business processes; expanding our partnerships with merchants, celebrities and brands; and, embedding charitable giving into all of our commerce experiences, we believe we have the potential to significantly increase the funds raised for charitable organizations over time.

BENEFIT MORE (HARITIES





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

GOAL







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

WHY IT'S 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.

PROGRESS IN 2013

More than 396,000 charities benefitted from our giving programs and platforms in 2013, a 19.3% increase over 2012.

HOW WE'LL GET TO 2015

By consolidating and streamlining our charity on-boarding flows, cross-promoting our offerings so they're more easily findable, and enhancing the value proposition of participation for charities, we have a huge opportunity to create value for twice as many charities by 2015.



Empowering People to Give

Our platforms and technologies are used by millions of people around the world. This represents an incredible opportunity to increase the volume and scale of philanthropic behavior by giving people easy ways to connect with – and give to – their favorite causes as they go about their daily lives. We're embedding charitable giving opportunities into commerce experiences across our portfolio so that we can harness the promise for shared value held by the intersection of cause and commerce.

OVER 6.6 MILLION

Individuals in 211 countries took at least one charitable action on eBay.com in 2013

The countries with the greatest number of donors in 2013 were:

UNITED STATES

GERMANY

UNITED KINGDOM

AUSTRALIA

CANADA



35M

consumers around the world made a payment to a charity using PayPal

>2M

Customers made a donation at checkout on eBay

17.5M

Charitable listings on eBay created by 124K unique users

1.3M

Live charitable listings on any given day

>57M

Individual payments processed for charities by PayPal

14.5% IN(REASE in the number of customers that took action through our programs and platforms

Powering Giving

We connect people with easy ways to support the causes they care about most:



Give at Checkout

eBay's Give@Checkout program provides a simple way for buyers to add a donation each time they use PayPal to make a purchase. During 2013, more than 2 million eBay customers used the program to support their favorite causes, like Muttville Senior Dog Rescue.



Donate a Percentage of Sales

The eBay Giving Works (U.S.) and eBay for Charity (U.K.) programs make it possible for sellers to donate a portion of their proceeds to their favorite organizations. eBay credits fees proportional to the amount donated and ensures 100% of each donation reaches the donor's selected nonprofit. More than 142,000 unique sellers created over 17.5 million charitable listings for organizations like Children's Discovery Museum in 2013.



Participate in Customer Appeals

Time and again we've seen how generous our customers can be when presented the opportunity. In 2013, PayPal encouraged its customers to give through a series of direct appeals. Highlights include a campaign that raised millions for Typhoon Haiyan relief and recovery, as well as Stamp Out Checks, which provided a more efficient way to donate in the busy holiday giving season. Each donation made through PayPal was matched by \$5.52 (the cost of 12 U.S. postage stamps), raising more than \$780,000.

Photo courtesy of Jarkko Mikkonen, Finnish Red Cross.



Buy to Give

On any given day, there are more than 1.3 million charitable listings on eBay, each contributing critical resources to organizations, large and small. Buyers get something they love and do a whole lot of good at the same time. For example, purchases of tickets from StubHub's "Give and Go" program generated \$868,000 during 2013 to support "Rising Stars" partners, like Roots of Music, a nonprofit that helps ensure the long-term sustainability of arts and recreation programs in some of America's communities most in need



RAISING FUNDS & (HANGING LIVES

Long-time eBay seller Danna Crawford describes how eBay Giving Works makes it easy to give.

Watch Video >



Enabling Nonprofits to Raise Mission Critical Funds

eBay Inc. is driving the future of commerce through cutting-edge technologies that revolutionize the way people shop and pay. In addition to giving nonprofits access to our networks of potential donors, we're committed to extending our business capabilities to charitable organizations to help them grow and thrive.

378K

Charities used PayPal to accept donations

32K

Charities participating in eBay giving programs globally



Globally, the total value of PayPal mobile payments to charities grew 232 % YoY

\$4.9B

Processed for charities by PayPal

\$85.IM

Raised by eBay buyers and sellers globally

TOP TEN (OVNTRIES

Processing donations via PayPal (in USD):

- 1. UNITED STATES
- 2. UNITED KINGDOM
- 3. CANADA
- 4. AUSTRALIA
- 5. FRANCE

- 6. GERMANY
- 7. ITALY
- 8. IRELAND
- 9. SPAIN
- 10. CHINA

32.4% IN(REASE in funds generated for charitable organizations 19.3% IN(REASE in the number of charities benefitting

Powering Giving

We connect nonprofits with tools and our networks of customers to help them raise more funds:



Make Fundraising Easy and Cost-Effective

With a growing base of 143 million active accounts in 193 markets, PayPal helps causes of all sizes and varieties cultivate the communities of supporters they need to extend their impacts.

During 2013, hundreds of thousands of charities around the globe tapped into PayPal's suite of fundraising tools to take their efforts to the next level. In just 12 months, we processed \$4.9 billion in donations and other payments for them, up over 25% from the year before. As new platforms and technologies become increasingly important for organizations to reach current and potential donors, we continue to provide solutions that make giving quicker, simpler, safer and more delightful for their donors, wherever they may be.



Help Charities Turn In-kind Goods into Cash

Over time, eBay Marketplace has evolved into a powerful driver and enabler of global commerce, creating opportunity for individuals and businesses alike. We believe nonprofit organizations should be able to realize those same benefits and we understand our unique role in making it happen.

In addition to offering charities access to millions of potential supporters through our customer giving programs, we provide a suite of selling tools that help them turn donated goods and services into funding they can use to support their mission. Unique listing features build awareness of charitable items and the organizations benefitting them, ensuring that organizations maximize the value of each item sold. And eBay credits basic fees when charitable items sell, making it free to participate.

Powering Giving

STORIES OF SUCCESS



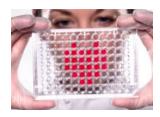
Comic Relief

In 2013, mobile payments to charities via PayPal grew over 230% from the previous year. On the 25th anniversary of Comic Relief's Red Nose Day, participants across the U.K. raised more than \$113 million in 24 hours to help people in need across the U.K. and Africa. For the first time, over half of the donations they received via PayPal were made from smartphones and tablets.



Children's Miracle Network

Children's Miracle Network Hospitals Volunteer teams took to the streets in five cities to raise donations for the more than one million children who had to spend their holiday season in the hospital. The "Miracle Teams" leveraged technology, including PayPal Here credit card swipers, iPads and Segway scooters, to achieve fundraising success.



British Heart Foundation

The British Heart Foundation expanded its eBay shop in 2013 to include the sale of unusual, unique and designer items sourced from its network of 700 shops and stores, resulting in an increase in weekly sales of over 400%. Since 2006, the eBay community has contributed over £1m to the organization's life-saving research and preventative programs.



FUNDRAISING ON EBAY: BRIGHT PINK

Lindsay Avnar, Founder and Executive Director of Bright Pink, talks about the organization's efforts to raise awareness and support for the fight against breast cancer.

Watch Video >



Helping Partners Extend Their Positive Impact

We've seen the positive impact our charitable programs can have on our business, our customers and society. By extending our capabilities and platforms to others – brands, celebrities, and fundraising platforms – we believe we can create a multiplying effect on the good that can be done.

We connect partners with our platforms and solutions to extend their impact:



Tony Hawk Foundation

Since 2004, Tony Hawk has used eBay Giving Works to raise nearly \$280,000 for his Tony Hawk Foundation. In 2013, the sale of unique items and experiences donated by Tony's vast network of friends and colleagues raised nearly \$50,000 for the Foundation's programs, which focus on the creation of public skateboard parks in low-income communities in the U.S. and overseas.



DC Comics

DC Comics partnered with comic book artist and DC Comics co-publisher, Jim Lee, to create several one-of-a-kind pieces of comic book art, including a Justice League themed Kia Sorento. Sales of the items generated over \$79,000 for Save the Children, International Rescue Committee and Mercy Corps.



Network for Good

PayPal has teamed up with leading online fundraising providers to make it safe and easy for people to donate wherever – and whenever – they are inspired to take action. During 2013, Network for Good leveraged PayPal's suite of web and mobile donation features to achieve unprecedented results for the nonprofits it serves, raising over \$190 million for thousands of organizations, large and small.



THE POWER OF ONE LUN(H: WARREN BUFFETT AND GLIDE

Warren Buffett talks about his 15-year partnership with GLIDE, the organization for which he auctions a lunch with himself on eBay. To-date, the partnership has raised over \$16 million.

Watch Video >



Powering Giving



UK Celebrities

Last year in the U.K., eBay for Charity hit the £50m funds raised milestone. To celebrate, more than 50 celebrities, including Paul McCartney and Harry Styles, raised money for their favorite charity by donating an item for sale on eBay. The effort raised £61,000 for good causes, including £10,000 in match funding from PayPal Giving Fund UK.



Schuberth GmbH

In June 2013, more than 23,000 people were displaced from their homes in the city of Magdeburg, Germany following severe flooding in the region. To assist relief and recovery efforts, locally based Schuberth GmbH – a leading manufacturer of protective headgear – partnered with eBay to auction helmets worn by Formula 1 drivers including Michael Schumacher, Fernando Alonso and Nico Rosberg. The campaign raised more than €100,000 to support the city's rebuilding efforts.

Our more than 33,000 employees around the globe strive to have a positive impact on our customers, our communities and our planet.

Our employees are not only driven by a spirit of innovation and entrepreneurship, but also a guiding sense of purpose. Our more than 33,000 employees around the globe strive to have a positive impact on our customers, our communities and our planet, both through the work they do every day, and through our community engagement programs. In 2013, we added 15 new GIVE Teams and 15 Green Teams, a 65% increase, and we launched Little Bits of Good, an internal platform to promote positive social and environmental actions.





Groups of employee champions have come together to form Green and GIVE Teams in office locations around the world. Green Teams implement projects ranging from recycling initiatives to resource sharing programs to community events like park clean-ups. GIVE Teams serve as the means through which we support mission-driven organizations in communities around the world – employees recommend nonprofits for grant support from eBay Foundation, host charitable fundraising drives and manage volunteer events.



Our employees are not only driven by a spirit of innovation and entrepreneurship, but also a guiding sense of purpose.

Photo caption:

Varsha Shaw, a software engineer for PayPal, led the Waste No Food team at eBay Inc.'s first Opportunity Hack.

GREEN TEAMS

TOTAL TEAMS

NEW TEAMS

Bangalore · Brazil · Brunswick · Florida · Italy Madrid · Mexico · Netanya · NYC · Paris · Prague Santa Monica · Seattle · Tempe · Wisconsin

GIVE TEAMS

TOTAL TEAMS

NEW TEAMS

Barcelona · Brazil · Denver · Georgia · Italy · Kentucky Luxembourg · Los Angeles · Malaysia · Netherlands NYC · Seattle Singapore · Ukraine · Wisconsin



20% OF THE BOSTON OFFICE

participated in a cleanup event at the Charles River Conservancy, and got down and dirty clearing invasive species from the river.



100+ eBay employees in Dublin

PLANTED 1,500 TREES

as part of the '1 Million Trees in One Day' campaign.



Through the Summer of Giving campaign, 753 eBay Inc. employees in Salt Lake City (more than half the office)

VOLUNTEERED 3,269 HOURS

with 26 nonprofit organizations.

Clemens Rath and a team of developers in Berlin created an open-source

for employees and won the Climate



GIVE TEAM ebay inc FOUNDATION

Pink Tea Party was held at the

PavPal office in Ireland

Society. Employees

to support the Irish Cancer

RAISED OVER \$6,400.

Employees in Arizona

DONATED 520 BA(KPA(KS

filled with school supplies to Children First Academy and Assistance League of Phoenix. Children receiving the backpacks are those living at or below poverty level.



The Mumbai, Chennai and Bangalore offices joined together to raise funds and support Save the Children to provide aid to those affected by the massive floods at Uttarakhand.

A total of

USD \$7,000 WAS DONATED

by the employees and matched by eBay Foundation.



CoLab competition hosted by MIT.



Our Austin Green Team hosted Dartmouth's

BIG GREEN BUS TOUR

and did a public park clean-up event, inviting members of the community to join them and also tour the bus and hear from the students.

SKILLS-BASED VOLUNTEERING

Engaging our employees around their core business skills and experience is one way we leverage our resources for even greater social impact. In 2013, we completed a pilot initiative with Taproot Foundation that deployed 20 employees to support four strategic nonprofit partners. We also hosted a 36-hour hackathon in support of over a dozen Bay Area nonprofits. Employees continued to work on several Opportunity Hack projects after the event and will see them to completion in 2014. Through our Small Business Challenge, groups of employees in San Jose, CA and Austin, TX gave 10% of their time to eight nonprofits and five small, local businesses. In a six-month period they fully delivered on projects that helped advance the work of these organizations. Several other groups are working pro bono for our nonprofit partners in local communities around the world.



Aspen Network of Development Entrepreneurs (ANDE)

Praveen Rajkumar explains how a team of four data experts at eBay helped ANDE with a member engagement dashboard and a more efficient way to run reports. This was one of four pilot projects that ran for five months, with employees dedicating about five hours a week to the work. Three of the employee teams were in North America while the fourth was made up of employees in the Singapore office.



Opportunity Hack

More than 80 participants at Opportunity Hack in San Jose worked on 20 projects during the event. One team helped Waste No Food, a nonprofit whose web-based "marketplace" allows the food service industry to donate excess food to qualified charities. The team is developing an app that will connect the businesses with charities and volunteers in real time, before food can spoil.



Small Business Challenge

Team Foster Angels, one of the Small Business Challenge teams in Austin, is seen here with Foster Angels' Executive Director, Liz Wilson, and eBay Inc. CEO, John Donahoe. The organization provides immediate assistance to foster children in the form of basic needs and life-enhancing experiences. The eBay team designed and developed a mobile web application that streamlined the communication process between Foster Angels and the foster care case workers. They also helped Foster Angels develop volunteer, fundraising and social media strategies.



SMALL BUSINESS (HALLENGE IN AUSTIN, TEXAS

Meet the nonprofits and some of the employees involved in the Small Business Challenge in Austin. Hear first-hand how passionate employees volunteered their time for nonprofits that had a need for their professional skills.

Watch Video >

LITTLE BITS OF GOOD

Late in 2013, we launched Little Bits of Good, a digital platform where employees can connect and inspire each other to take actions that have a positive impact on the community and the environment. The site makes it fun and easy for employees to record daily actions, drive toward positive habits and see the collective impact of their efforts.

Registered Users

3,773

>10% of our workforce

Actions Completed

71,311

THE LITTLE BITS OF GOOD PLATFORM LAUNCHED IN NOVEMBER 2013. IN JUST THE LAST 2 MONTHS OF THE YEAR, EMPLOYEES SAVED...



1,483,381 kWh Energy



69M sheets of Paper



292,563 gallons of Water



1,953,399 pounds of CO₂

Enough energy to power all of NYC for 14 minutes

Approximately 845 trees

Enough water to fill 10,449 bathtubs

Equivalent to removing 115 cars from the road for a year

POPULAR ACTIONS TAKEN BY EMPLOYEES



Unplug cell phone charger when not using it



Recycle something at work



Donate items to a local shelter or charity



Contribute to a fundraiser or event hosted by a GIVE team

TOP 5 MOST ACTIVE TEAMS



HOME FOR THE HOLIDAYS (HABITAT FOR HUMANITY)

For the past three years, eBay Inc.'s holiday gift has been a donation made to Habitat for Humanity, and all employees are given the chance to apply for the opportunity to build a home for a family in need. In 2013, 75 employees were chosen to help build homes in China, India, Brazil and the U.S.



Recife, Brazil March 31st - April 7th, 2013



Sichuan, China April 20th - 27th, 2013



Pondicherry, India March 17th - 24th, 2013



Guangdong, China May 4th - 11th, 2013



Miami, USA April 14th - 20th, 2013

To see more photos from all of our Habitat trips visit our Flickr account.

eBay Foundation

The first corporate foundation to be endowed with pre-IPO stock, eBay Foundation was established in 1998, underscoring our early commitment to philanthropy. In 2013, eBay Foundation made a total of \$4.3 million in grants to nonprofit organizations worldwide, bringing our total giving since inception to over \$30 million.

We emphasize two primary areas of focus:

Creating Economic Opportunity

eBay Foundation's strategic grantmaking initiative supports and accelerates market-based approaches that enhance livelihood opportunities, reduce poverty, and give people a better standard of living in the U.S. and in emerging markets. Our efforts, which we refer to as The Opportunity Project, are designed to scale the impact of social enterprises that are focused on helping micro and small business owners increase their incomes, growing the number of quality jobs and/or expanding access to affordable goods and services.

Learn More >



VisionSpring helps restore vision through access to affordable eyeglasses. Its founder participated in the Ashoka Globalizer.

Photo courtesy of Esther Havens, VisionSpring.

Employee Giving

In communities around the world where eBay Inc. has business operations, employees help promote and manage charitable giving and volunteerism.

Through eBay Foundation GIVE Teams,

employees are directly involved in recommending grants to organizations they admire and those that address critical community needs. In 2013, GIVE Teams recommended 283 grants totaling more than \$1 million. Our matching gifts program, with a new higher limit of \$2,500 in 2013, encourages employees to support the nonprofit organizations of their choice by matching both financial contributions and volunteer time.

Learn More >



Employees from our Prague office show their support for Movember, raising money and awareness for men's health.



Photo caption

eBay volunteers brought 191 holiday gift bags to migrant children at the Jiaxing Blue Hoover School.

Raising Our Voice

We continue to believe in the power of our voice and global brand to affect industry-shifting policy change. We're active at every level – local, state, national and global – on issues that we believe will make a meaningful difference over the long term.

We align with other global brands through advocacy organizations like Businesses for Innovative Climate and Energy Policy (BICEP), and trade associations like Information Technology Industry Council (ITIC) and Silicon Valley Leadership Group (SVLG) to weigh in on and add our voice to the conversation.

We also regularly join forces with nonprofit advocates, peer companies and other stakeholders through memberships and affiliations such as Business for Social Responsibility (BSR) as well as Forum for the Future. Through these memberships and affiliations, we engage in industry-level problem solving and innovation, publish white papers and share best practices and lessons learned to advance ourselves, our peers and all of our stakeholders toward a better future.



MEMBERSHIPS & AFFILIATIONS

























Photo caption:

Rupert Keeley, SVP of PayPal EMEA, spoke at the World Trade Organization's 2013 Public Forum in Geneva, Switzerland. Photo courtesy of the WTO.

Raising Our Voice

WHAT WE DID IN 2013

SMB Advocacy

We continue to act as a catalyst for action on the issues that are most important to small and medium-sized businesses. Over the past year, we promoted small business exemptions to internet sales tax efforts as well as various policies to promote the growth of technology-enabled cross-border trade. Learn more at eBay Main Street.

International Trade

In December, President Barack Obama appointed John Donahoe to the President's Export Council. In this role, John will advise the President on policies and programs that affect U.S. trade, including opportunities to expand cross border trade for businesses that use eBay Inc. products and services. Learn more here.

Inclusive Economy

In November, eBay Foundation collaborated with ANDE to convene social innovators in Recife, Brazil. More than 125 people from backgrounds as diverse as social enterprise, impact investing and academia gathered to discuss how to build an ecosystem that enables social businesses in the northeast region of Brazil. Learn more here.

Climate

In April, eBay Inc. cosigned BICEP's climate declaration that was presented to Capitol Hill and the Obama Administration. The declaration is a private sector statement that climate change is one of the greatest economic challenges facing American businesses, and action to address climate change opens the door for American economic opportunity. We actively lobbied in support of the declaration and action to address climate issues. Learn more here.

Sustainable Consumption

In partnership with BSR and Futerra, we helped catalyze the Sustainable Lifestyles Frontier Group. The group's first output was a six-step process for building the business case for consumer behavior change. Learn more here.

Equality

Continuing our support of the LGBT community, we joined a business coalition advocating for the passage of the Respect for Marriage Act. The coalition was organized by the Human Rights Campaign, the largest civil rights organization working to achieve equality for lesbian, gay, bisexual and transgender Americans. Learn more here.

Raising Our Voice

DOWNLOADABLE RESEARCH & PAPERS

International Trade

- Commerce 3.0: Australia Perspective
- Commerce 3.0 for Development
- Micro-Multinationals, Global Consumers & the WTO

Data Centers

- eBay Inc.: A Case Study of Organizational Change Underlying Technical Infrastructure Optimization (in partnership with Steyer-Taylor Center for Energy Policy and Finance, Stanford University)
- Analysis of Design Alternatives for Supplying Electric Power to Mission-Critical Loads in Data Centers: Reliability, Environmental, and Efficiency Aspects (in partnership with Department of Electrical and Computer Engineering, University of Illinois at Urbana-Champaign)

Charitable Giving

- Why Mobile Matters: A Guide to the Mobile Web (Network for Good and PayPal Mobile Web White Paper)
- Integrating Cause and Commerce Trends and Takeaways from eBay Inc. (Cause Marketing Forum Webinar)

It should be noted that it's a business reality that some trade associations and other external groups that advocate for non-environment-related polices that are material to the success of eBay Inc. and our customers may at times hold and/or advocate for positions that conflict with our strategy with respect to climate and energy. As these conflicts are identified, our team of internal stakeholders meets regularly to assess the best approach for resolving these issues.

Running a Responsible Business

As we strive 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.

We demonstrate these beliefs through not only our global Social Innovation strategy and approach, but also the ways in which we operate our business every day. We think we can do more than simply meet our legal and regulatory requirements; we see an opportunity to set eBay Inc. apart as a trusted partner of choice for everyone, no matter how they interact with our company. We do this by holding ourselves to the highest ethical standards, treating all of our customers and their personal information with care and empowering an open and diverse workplace.



COMPLIANCE & ETHICS

Our Code of Business Conduct outlines our values and expectations for employees, including the legal requirements we must meet. eBay Inc. has established the Office of Compliance and Ethics to champion our Code and ensure that we meet our shared commitments. In addition to setting policies for the company, the office also conducts formal company-wide trainings, including the annual Code of Business Conduct training required of all employees. A network of Business Ethics Officers around the globe is also available to provide guidance around eBay Inc.'s compliance and ethics requirements, and if employees prefer, they can submit their questions or concerns anonymously through eBay Inc.'s 24-hour Integrity helpline.

eBay Inc. is currently governed by a 12-person Board of Directors, 10 of whom are considered independent under the listing standards of the Nasdaq Global Select Market. You can review the practices and policies that guide our Board and that reflect our strong commitment to our stockholders, community and employees here.

Our executives believe the success of our business is determined by the strength of the values with which it is run. From the highest levels of the company to the summer interns, we believe maintaining high ethical standards is everyone's job.

Photo caption:

Michelle Angier, Director of eBay Inc.'s Women's Initiative Network (WIN), opens the third annual Global WIN Summit

Running a Responsible Business

SUPPLIER CONDUCT

We're committed to conducting our business with the highest ethical standards and expect nothing less from our partners around the world. Our Supplier Code of Business Conduct and Ethics outlines the requirements and guidelines we set forth for all suppliers and vendors to ensure they reflect our values and operate responsibly.

The Code not only makes clear our requirements around business integrity and ethics, but also our expectations relating to environmental responsibility and labor and human rights. These are the same standards to which we hold ourselves accountable and as we continue to grow around the world, it's important to us that all our suppliers, vendors and partners do the same.

Download the Supplier Code of Business Conduct and Ethics

TRUST & SAFFTY

With the high volume of transactions conducted through eBay Inc. businesses every second, building and maintaining trust is critical for our continued success and growth. To maintain the high safety and security standards that we demand for our customers, partners and other stakeholders, we operate the Global Privacy Office, a centrally managed team tasked with handling privacy matters for all of eBay Inc.'s products and companies across the globe.

We also recognize the distinct responsibilities that come along with the unique attributes of our global marketplace. In collaboration with international and domestic law enforcement authorities, regulatory agencies, non-governmental organizations and our community of buyers and sellers, we maintain a list of prohibited and restricted items. And from fashion designers to artists to major global brands, we work closely with all rights owners to protect their intellectual property. Our Verified Rights Owner (VeRO) Program enables owners of IP to quickly and easily report any listings they believe infringe their rights.

We also provide a robust set of resources on topics ranging from identity protection to hardware and software security to help every transaction be as safe and secure as possible. Visit the eBay and PayPal Security Centers for more information.

Running a Responsible Business

DIVERSITY & INCLUSION

eBay Inc. firmly believes that a high-quality, diverse workforce is critical to our success. We strive for a creative and inclusive workplace in which each employee is treated with dignity, courtesy and respect for his or her unique experience and cultural background. We're also committed to hiring, promoting and compensating employees based on their qualifications and demonstrated ability to perform job responsibilities. eBay Inc. promotes equal employment opportunity to all employees and applicants, without regard to age, race, color, national origin, physical or mental disability, gender, religion, sexual orientation, gender identity, marital or veteran status, condition of pregnancy, genetic information or any other legally protected characteristic.

In 2011, we launched the Women's Initiative Network (WIN) program, which supports women in building lasting, successful careers in the company and provides opportunities for women at all levels to learn, grow and develop. Initiated and sponsored by our CEO, John Donahoe, WIN combines year-round programming, resources and advocacy to create awareness of gender diversity issues, encourage sponsorship, foster professional development and deepen connections among women across the organization. Last year, we convened women leaders from around the world at our third annual WIN Summit, a multi-day event consisting of panel discussions, workshops and networking.

2013 AWARDS & RECOGNITIONS

- Utah Sustainable Business Business Sustainability Award
- Fast Company's Most Innovative Companies (Top 10 Spot in Mobile)
- Technology Business Management (TBM) Council Operational Excellence Award
- Interbrand's Best Global Brands (No. 28)
- 100% Rating on the Corporate Equality Index Since 2009
- Fortune World's Most Admired Companies (No. 47)
- Named a Great Place to Work in: France, Germany, Ireland, U.K. and Greater China
- World's Most Ethical Companies (Third Year in a Row)















(ONNE(T WITH US

We're excited to hear the feedback from our employees, customers, partners and other stakeholders on our Social Innovation efforts. Please don't hesitate to reach out with your comments and questions.



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