

Reproductive Rights and Data Privacy

WHEREAS: Following revocation of the constitutional right to an abortion in June 2022, policymakers are concerned about the use of personal digital data for the enforcement of state laws that ban or limit abortion access.

Law enforcement frequently relies on digital consumer data. While PayPal does not publicly report figures on law enforcement requests, Alphabet and Meta alone collectively received around 110,000 requests in the second half of 2021. Each complied with about 80 percent of those requests.¹ In 2022, Meta satisfied a Nebraska police warrant for private Facebook messages from a mother facing felony charges for allegedly helping her daughter terminate a pregnancy,² receiving significant negative press.

PayPal collects sensitive personal digital information from consumers such as geolocation data, internet activity, and commercial information. This data may be accessed without consumer consent by states that criminalize abortion. The Company's privacy statement allows PayPal to "share personal information with . . . law enforcement when accompanied by a subpoena or other legal documentation that requires PayPal or members of our corporate family to respond."³ Braintree, a subsidiary of PayPal, similarly permits such disclosures when "assisting law enforcement agencies."⁴ However, law enforcement data requests may seek evidence of consumer acts that are inappropriate for PayPal to voluntarily share – for example, customers' financial activities that were legal in the state where they occurred, but illegal in the consumer's state of residence, such as purchasing abortifacients.

PayPal is not immune to abortion-related law enforcement requests that may create significant reputational, financial, and legal risks. PayPal already complies with "deletion rights" under California law, wherein consumers may request the Company delete personal data that it is not legally required to retain. There is a strong brand benefit to meeting the privacy expectations of a vast majority of consumers.⁵

RESOLVED: Shareholders request our Board issue a public report detailing known and potential risks and costs to the Company of fulfilling information requests relating to PayPal customers for the enforcement of state laws criminalizing abortion access, and setting forth any strategies beyond legal compliance the Company may deploy to minimize or mitigate these risks. The report should be produced at reasonable

¹ <https://transparencyreport.google.com/user-data/overview?hl=en>;
<https://transparency.fb.com/data/government-data-requests/country/us/>

² <https://www.npr.org/2022/08/12/1117092169/nebraska-cops-used-facebook-messages-to-investigate-an-alleged-illegal-abortion>

³ https://www.paypal.com/us/legalhub/privacy-full?locale.x=en_US

⁴ <https://www.braintreepayments.com/legal/data-protection-addendum>;
https://braintree.com/docs/privacy_policy.html

⁵ <https://www.businesswire.com/news/home/20220928005430/en/Survey-Reveals-95-of-Consumers-Demand-that-Brands-Protect-their-Data-and-Privacy-to-Build-Trusted-Sustainable-Relationships>

expense, exclude proprietary or privileged information, and published within one year of the annual meeting.

SUPPORTING STATEMENT: Shareholders recommend, at board discretion, that input from reproductive rights and civil liberties organizations be solicited and reflected in the report, and that the report contain, regarding reproductive health related issues:

- (1) An assessment of the feasibility of a nationwide data privacy policy wherein consumers would have “deletion rights”;
- (2) An evaluation of the benefits of notifying consumers about law enforcement information requests regarding their data prior to, and with sufficient time for consumer response, before complying with any such request; and,
- (3) Metrics on government requests for customer data received by the Company, including categories of requests and consumer data produced.