



Report of Independent Accountants

To the Board of Directors of Etsy, Inc.

We have reviewed the accompanying Etsy, Inc. (Etsy) management assertion that the sustainability metrics in management's assertion as of or for the years ended December 31, 2021, 2020, and 2019 are presented in conformity with the assessment criteria set forth in management's assertion. Etsy's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintained a comprehensive system of quality control.

Greenhouse gas (GHG) emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emission factors that are used in mathematical models to calculate GHG emissions, and the inability of those models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the other sustainability metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, Etsy has estimated GHG emissions for certain emission sources for which no primary usage data is available.

As discussed in management's assertion, in 2021, Etsy applied different criteria and measurement methods for Scope 3 Category 1 - Purchased Goods and Services.

Based on our review, we are not aware of any material modifications that should be made to Etsy's management assertion in order for it to be fairly stated.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

February 24, 2022

Management Assertion

Management of Etsy, Inc. (Etsy) is responsible for the completeness, accuracy and validity of the sustainability metrics (the “metrics”) contained in this assertion as of or for the years ended December 31, 2019, 2020, and 2021.

Management is responsible for the collection, quantification and presentation of the metrics as of or for the years ended December 31, 2019, 2020, and 2021 and for the selection or development of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics.

With respect to the metrics identified below, management of Etsy asserts that such metrics are presented in conformity with the assessment criteria set forth below. The figures presented below have been rounded to the nearest whole number unless otherwise indicated.

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
Total Energy Consumed for Scope 1 and 2 Activities (MWh)	<p>Direct and Indirect Energy Consumed</p> <p>Direct energy consumed: Total Megawatt hours (“MWh”) of on-site renewable energy consumption, and direct energy purchased, which is natural gas, for the reporting year.</p> <p>Indirect energy consumed: Total MWh of indirect energy purchased, including purchased electricity, heat and steam generated off-site for the reporting year.</p>	Total energy consumed - 9,857 MWh	Total energy consumed - 4,488 MWh	Total energy consumed - 3,405 MWh
Scope 1 GHG Emissions (tCO ₂ e) from direct energy consumed and fugitive emissions from refrigerant gas loss	<p>Metric tonnes of carbon dioxide equivalent emissions (tCO₂e) for the reporting year, based on direct Scope 1 energy consumed and fugitive emissions from refrigerant gas loss.</p> <p>Scope 1 emissions are based on the stationary combustion of natural gas multiplied by their associated emission factor and fugitive emissions from refrigerant gas loss.</p>	Scope 1 - 371 tCO ₂ e	Scope 1 - 294 tCO ₂ e	Scope 1 - 350 tCO ₂ e

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
Scope 2 GHG Emissions (tCO ₂ e) from indirect energy consumed	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on Scope 2 indirect energy consumed Scope 2 emissions are the result of the use of purchased electricity, heat and steam generated off-site, multiplied by the associated emission factor.	Scope 2 Market - 652 tCO ₂ e Scope 2 - Location - 1,859 tCO ₂ e	Scope 2 Market - 4 tCO ₂ e Scope 2 - Location - 914 tCO ₂ e	Scope 2 - Market - 0 tCO ₂ e Scope 2 - Location - 420 tCO ₂ e
Total Scope 1 and Scope 2 GHG Emissions (tCO ₂ e)		Market - 1,023 tCO ₂ e Location - 2,230 tCO ₂ e	Market - 298 tCO ₂ e Location - 1,208 tCO ₂ e	Market - 350 tCO ₂ e Location - 770 tCO ₂ e
Scope 3 Category 1 Purchased Goods & Services (excluding computing)	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on the energy consumed from our purchased goods and services which are not captured by another scope or category of GHG emissions. Emissions associated with purchased goods and services from Cloud Computing and Other Computing are presented separately as a subset of this category and not included in this emission value.	Not calculated during reporting year	Purchased goods & services (excluding computing) - 76,451 tCO ₂ e*	Purchased goods & services (excluding computing) - 97,302 tCO ₂ e
Scope 3 Category 1 Purchased Goods and Services - cloud computing - GCP (Etsy only)	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on the energy consumed by our Google Cloud Platform (GCP) computing activities. Includes emissions associated with Etsy's Google cloud computing activities. Emissions exclude Reverb's cloud computing activities. Those emissions are categorized as Other Computing emissions and reported separately as a subset of purchased	Not calculated during reporting year	Not calculated during reporting year	Cloud computing - GCP (Etsy Only) 13,623 tCO ₂ e

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
	goods and services.			
Scope 3 Category 1 Purchased Goods and Services - other computing	<p>Metric tonnes of carbon dioxide equivalent emissions (tCO₂e) for the reporting year, based on the energy consumed by our cloud computing activities, excluding GCP computing.</p> <p>Includes emissions associated with Reverb's Amazon Web Services (AWS) cloud computing activities not provided by GCP. Emissions exclude GCP computing activities.</p>	Not calculated during reporting year	Other computing - 488 tCO ₂ e	Other computing - 466 tCO ₂ e
Scope 3 Category 6 Business Travel - air travel	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on energy consumed by our air travel providers in transporting our employees.	Air travel - 1,217 tCO ₂ e	Air travel - 153 tCO ₂ e	Air travel - 67 tCO ₂ e
Scope 3 Category 8 GHG Emissions (tCO ₂ e) (indirect) from cloud computing (Etsy only)	<p>Metric tonnes of carbon dioxide equivalent emissions (tCO₂e) for the reporting year, based on the energy consumed by our cloud computing activities.</p> <p>Emissions exclude Reverb's cloud computing activities in 2020. Those emissions are included in Scope 3 - Category 1 GHG Emissions from purchased goods and services.</p>	Cloud Computing - GCP (Etsy only) - 29 tCO ₂ e	Cloud Computing - GCP (Etsy only) - 0 tCO ₂ e	Not calculated during reporting year
Scope 3 Category 9 GHG Emissions (tCO ₂ e) (indirect) from shipping	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on the energy consumed by our shipping carriers in delivering products.	Shipping - 154,078 tCO ₂ e	Shipping - 303,218 tCO ₂ e	Shipping - 363,361 tCO ₂ e
Scope 3 Category 9 GHG Emissions (tCO ₂ e)	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the	Not calculated during reporting year	Packaging - 53,489 tCO ₂ e	Packaging - 63,645 tCO ₂ e

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
(indirect) from packaging	reporting year, based on the lifecycle emissions from the packaging material used to ship products.			
Scope 3 Category 11 GHG Emissions (tCO ₂ e) (indirect) from end user energy use	Metric tonnes of carbon dioxide equivalent emissions (tCO ₂ e) for the reporting year, based on the energy consumed from usage of our online platform by buyers and sellers and other users globally on personal devices (mobile devices and laptops).	Not calculated during reporting year	End user Energy Use - 4,127 tCO ₂ e	End user energy use - 6,560 tCO ₂ e
Gender diversity by job category (global)	<p>The gender diversity of the global workforce by job category, according to the gender as self-reported by the employee and recorded in Etsy's Human Resources system for the reporting year.</p> <p><u>Definitions</u> Additional Genders: An alternative to 'Female' or 'Male' as self-reported by the employee</p> <p>Not Declared: Employee chose to not self-identify their gender.</p> <p>Leadership: Defined as those employees at the Director-level and above</p> <p>Tech: Defined as those employees who work on Product, Engineering, Analytics and HR Information and Financial Systems Administration teams</p> <p>Engineering: Defined as those employees with roles in the</p>	<p>Overall Gender % (global): Female – 48.3% Male – 44.8% Additional Genders – 1.7% Not Declared – 5.2%</p> <p>Leadership Gender %: Female – 42.7% Male – 55.7% Additional Genders – 0.0% Not Declared – 1.6%</p> <p>Tech Gender %: Female – 37% Male – 55.2% Additional Genders – 2.1% Not Declared – 5.7%</p> <p>Engineering Gender %: Female – 31.6% Male – 59.2% Additional Genders – 2.7% Not Declared – 6.5%</p> <p>Other Business Roles Gender %: Female – 61%</p>	<p>Overall Gender % (global): Female – 47.7% Male – 45.3% Additional Genders – 2.0% Not Declared – 5.0%</p> <p>Leadership Gender %: Female – 43.7% Male – 55.0% Additional Genders – 0.0% Not Declared – 1.3%</p> <p>Tech Gender %: Female – 36.8% Male – 54.9% Additional Genders – 2.7% Not Declared – 5.6%</p> <p>Engineering Gender %: Female – 30.3% Male – 60.2% Additional Genders – 3.3% Not Declared – 6.2%</p> <p>Other Business Roles Gender %: Female – 62%</p>	<p>Overall Gender % (global): Female – 46.9% Male – 46.2% Additional Genders – 2.2% Not Declared – 4.8%</p> <p>Leadership Gender %: Female – 47.7% Male – 48.2% Additional Genders – 1.0% Not Declared – 3.0%</p> <p>Tech Gender %: Female – 37.7% Male – 54.7% Additional Genders – 2.4% Not Declared – 5.3%</p> <p>Engineering Gender %: Female – 30.3% Male – 60.7% Additional Genders – 2.8% Not Declared – 6.2%</p> <p>Other Business Roles Gender %: Female – 60.8%</p>

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
	<p>Engineering Job Family Group included within Tech</p> <p>Other Business Roles: Defined as those employees who work in roles outside of the Tech definition, inclusive of non-Tech Leadership positions</p>	<p>Male – 32.9%</p> <p>Additional Genders – 1.2%</p> <p>Not Declared – 4.9%</p>	<p>Male – 32.7%</p> <p>Additional Genders – 1.0%</p> <p>Not Declared – 4.3%</p>	<p>Male – 33.4%</p> <p>Additional Genders –1.8%</p> <p>Not Declared – 4%</p>
Racial and ethnic diversity by job category (United States workforce only)	<p>The racial and ethnic diversity of the workforce employed in the United States by job category according to the race and ethnicity as self- reported by the employee and recorded in Etsy’s Human Resources systems for the reporting year</p> <p><u>Definitions</u></p> <p>Leadership: Defined as those employees at the Director-level and above</p> <p>Tech: Defined as those employees who work on Product, Engineering, Analytics and HR Information and Financial Systems Administration teams</p> <p>Engineering: Defined as those employees with roles in the Engineering Job Family Group included within Tech</p> <p>Other Business Roles: Defined as those employees who work in roles outside of the Tech definition, and is inclusive of non-Tech Leadership positions</p>	<p>Overall Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native – 0.1%</p> <p>Asian – 15.3%</p> <p>Black or African American – 5.2%</p> <p>Hispanic – 5.2%</p> <p>Two or more races – 3.1%</p> <p>White – 64.6%</p> <p>Not declared – 6.5%</p> <p>Leadership Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native 0%</p> <p>Asian – 15.5%</p> <p>Black or African American – 2.7%</p> <p>Hispanic – 1.8%</p> <p>Two or more races – 2.7%</p> <p>White – 72.7%</p> <p>Not declared – 4.6%</p> <p>Tech Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native 0%</p> <p>Asian – 21.1%</p> <p>Black or African American – 4.6%</p>	<p>Overall Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native – 0.2%</p> <p>Asian – 17.5%</p> <p>Black or African American – 5.9%</p> <p>Hispanic – 6.1%</p> <p>Two or more races – 3.4%</p> <p>White – 63.0%</p> <p>Not declared –3.8%</p> <p>Leadership Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native 0.7%</p> <p>Asian – 14.4%</p> <p>Black or African American – 5.8%</p> <p>Hispanic – 2.2%</p> <p>Two or more races – 3.6%</p> <p>White – 71.9%</p> <p>Not declared – 1.4%</p> <p>Tech Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native - 0.1%</p> <p>Asian – 25.6%</p> <p>Black or African American – 5.0%</p>	<p>Overall Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native – 0.1%</p> <p>Asian – 18.9%</p> <p>Black or African American – 6.1%</p> <p>Hispanic – 6.3%</p> <p>Two or more races – 3.7%</p> <p>White – 61.2%</p> <p>Not declared - 3.7%</p> <p>Leadership Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native – 0.0%</p> <p>Asian – 15.6%</p> <p>Black or African American – 6.1%</p> <p>Hispanic – 3.3%</p> <p>Two or more races – 2.2%</p> <p>White – 70.0%</p> <p>Not declared – 2.8%</p> <p>Tech Race/Ethnicity % (US):</p> <p>American Indian or Alaska Native – .2%</p> <p>Asian – 24.7%</p> <p>Black or African American – 5.4%</p>

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity as of or for the Reporting Year ended December 31, 2019	Metric Quantity as of or for the Reporting Year ended December 31, 2020	Metric Quantity as of or for the Reporting Year ended December 31, 2021
		<p>Hispanic – 4.7% Two or more races – 3.6% White – 58.8% Not declared – 7.2%</p> <p>Engineering Race/Ethnicity % (US): American Indian or Alaska Native 0% Asian – 20.0% Black or African American – 5.1% Hispanic – 5.5% Two or more races – 4.1% White – 58.4% Not declared – 6.9%</p> <p>Other business roles Race/Ethnicity % (US): American Indian or Alaska Native 0.2% Asian – 7.7% Black or African American – 5.9% Hispanic – 5.7% Two or more races – 2.4% White – 72.1% Not declared – 6.0%</p>	<p>Hispanic – 4.6% Two or more races – 4.2% White – 56.4% Not declared – 4.0%</p> <p>Engineering Race/Ethnicity % (US): American Indian or Alaska Native - 0.0% Asian – 22.6% Black or African American – 5.5% Hispanic – 5.5% Two or more races – 4.4% White – 57.5% Not declared – 4.6%</p> <p>Other business roles Race/Ethnicity % (US): American Indian or Alaska Native - 0.2% Asian – 8.0% Black or African American – 7.2% Hispanic – 8.0% Two or more races – 2.5% White – 70.6% Not declared – 3.3%</p>	<p>Hispanic – 5.0% Two or more races – 3.9% White – 57.0% Not declared – 3.8%</p> <p>Engineering Race/Ethnicity % (US): American Indian or Alaska Native – .3% Asian – 24.2% Black or African American – 5.6% Hispanic – 5.6% Two or more races - 4.4% White – 55.6% Not declared – 4.4%</p> <p>Other business roles Race/Ethnicity % (US): American Indian or Alaska Native – 0.0% Asian – 9.8% Black or African American – 7.2% Hispanic – 8.5% Two or more races – 3.1% White – 67.8% Not declared – 3.6%</p>
Age diversity (global)	The age diversity of the global workforce according to the date of birth as self-reported by the employee and recorded in the Company's Human Resources systems for the reporting year.	<p>Age % (Global): 24 or below – 4.3% 25-29 – 27.6% 30-34 – 34.9% 35-39 – 19.5% 40-49 – 11.0% 50+ – 2.7% Not Declared - .0%</p>	<p>Age % (Global): 24 or below – 3.3% 25-29 – 25.3% 30-34 – 33.6% 35-39 – 21.4% 40-49 – 12.9% 50+ – 3.3% Not Declared - .2%</p>	<p>Age % (Global): 24 or below – 3.0% 25-29 – 23.5% 30-34 – 33.5% 35-39 – 22.3% 40-49 – 14.4% 50+ – 3.1% Not Declared .2%</p>

*As revised, see discussion under Estimation Methodology - Purchased Goods and Services

GHG Methodology

Etsy considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *Greenhouse Gas Protocol Initiative's Corporate GHG Accounting and Reporting Standard, Revised* (the "GHG Protocol"), and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, recognized external standards, to calculate and report direct and indirect GHG emissions.

The table below shows the emissions associated with greenhouse gasses from our Scope 1 and Scope 2 energy consumption.

Emissions from Greenhouse Gasses	Reporting Year 2019 Location Based Method	Reporting Year 2019 Market Based Method	Reporting Year 2020 Location Based Method	Reporting Year 2020 Market Based Method	Reporting Year 2021 Location Based Method	Reporting Year 2021 Market Based Method
CO ₂ (metric tonnes)	2,201.425	1,000.392	1176.695	271.266	743.890	325.558
CH ₄ (metric tonnes)	0.1446	0.0656	0.0871	0.0256	0.054	0.032
N ₂ O (metric tonnes)	0.0204	0.0061	0.0090	0.00054	0.003	0.074
Fugitive Refrigerants (tCO ₂ e)	18.269	18.269	23.673	23.673	22.191	22.191

Etsy also uses the guidance issued by the WRI and WBCSB for Scope 2 emissions (*GHG Protocol Scope 2 Guidance, An amendment to the GHG Protocol Corporate Standard*), for reporting under both location- based and market-based methodologies. The location-based method applies average emissions factors that correspond to the grid where the consumption occurs, whereas the market-based method applies emissions factors that correspond to energy purchased through contractual instruments. Where contractual instruments were not purchased, the market-based emissions factors represent either the residual mix, where available, or the location grid-average factors.

Organizational Boundary

Etsy is using the operational control approach in conformance with the GHG Protocol to report our direct and indirect energy consumption as well as our GHG emissions from our leased space, which included offices and data centers leased by Etsy and Reverb during the reporting year. Reverb's has been included from August 15, 2019, the date of acquisition, forward and, unless otherwise stated, greenhouse gas (GHG) emissions for all periods shown include both Etsy and Reverb. Our 2019 GHG emissions for Scope 3 Category 9 - Shipping and Scope 3 Category 1 - Cloud Computing include only Etsy. Etsy acquired Depop in June 2021 and Elo7 in July 2021; both companies are excluded from the reporting year 2021 data.

Scope of Metrics

Scope 1 includes direct GHG emissions from stationary combustion of natural gas, as well as refrigerant gas loss. Scope 2 includes indirect GHG emissions from the use of purchased electricity, and in 2020 and 2019, heat and steam generated off-site. CFC and HCFC refrigerants are not included in Etsy's GHG inventory; they are considered optional information to be reported separately from Scope 1 and Scope 2 GHG emissions per the GHG Protocol. Scope 3 business air travel includes global air travel of Etsy employees, or global air travel booked by Etsy for non-employee business travel (e.g., recruiting activities, seller activities). Scope 3 shipping includes emissions from the global shipment of goods between Etsy's buyers and sellers. Scope 3 emissions from purchased goods and services includes emissions from global purchased goods and services generated by an Etsy supplier that are not captured by another scope or category of GHG emissions. Purchased goods and services include cloud computing emissions from our cloud computing activities. Scope 3 emissions from packaging includes emissions associated with the packaging materials used to ship products between Etsy's buyers and sellers. Scope 3 emissions from end user energy use includes emissions related to the use of Etsy's platform by buyers, sellers and other users globally on personal devices (mobile devices and laptops).

Greenhouse gas emissions have been calculated using energy consumption data (when available) or refrigerant gas loss, and multiplied by the relevant greenhouse gas emission factors for carbon dioxide, methane and nitrous oxide emissions, or by the global warming potential relevant to each refrigerant gas. In order to provide the most accurate estimate of Etsy's GHG emissions, primary data provided by third party invoices was used where available. Secondary data in the form of estimates, extrapolations and industry averages was used when primary data was not available. See our GHG Emissions Factors and Estimation Methodology sections below for details.

All diversity information is provided by Etsy employees voluntarily, as self-reported by the employee, and recorded in Etsy's Human Resources system. Employee demographic information can be changed at any time by the employee. The diversity metrics included in this assertion are based on data in the system as of December 31 in the corresponding reporting year.

GHG Emission Factors

Carbon dioxide emissions and equivalents have been determined on the basis of measured or estimated energy and fuel usage, multiplied by relevant carbon emission factors and for carbon dioxide equivalent emissions taking into account relevant global warming potentials.

Emission Source	Emissions Source Type	Emission Factors for Reporting Year 2019	Emission Factors for Reporting Year 2020	Emission Factors for Reporting Year 2021
Scope 1, United States	Natural Gas	EPA (2018). GHG Emission Factors Hub. Center for Corporate Climate Leadership. March 2018.	EPA (2020). GHG Emission Factors Hub. Center for Corporate Climate Leadership. March 2020.	EPA (2021). GHG Emission Factors Hub. Center for Corporate Climate Leadership. April 2021.
Scope 1, Europe (except The Netherlands)	Natural Gas	Department for Business, Energy and Industrial Strategy (2019). 2019 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2020). 2020 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2021). 2021 Government GHG Conversion Factors for Company Reporting.

Emission Source	Emissions Source Type	Emission Factors for Reporting Year 2019	Emission Factors for Reporting Year 2020	Emission Factors for Reporting Year 2021
Scope 1, The Netherlands	Natural Gas	CO2 emissiefactoren (2017)		CO2 emissiefactoren (2021)
Scope 1, Global	Refrigerant Gas Loss	Actual data: IPCC (2007). IPCC Fourth Assessment Report: Climate Change 2007. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge. Estimated data: EPA (2016). Accounting Tool to Support Federal Reporting of HFC Emissions Version 1.1. Prepared by ICF International under contract for the US Environmental Protection Agency.		
Scope 2, Global	District Heat & Steam	IPCC (2006). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual from the Intergovernmental Panel on Climate Change to calculate emissions from district heat and steam.		Not applicable for reporting year
Scope 2, United States	Grid Electricity	United States EPA eGRID sub-region emission factors for electricity purchased in the U.S. Electricity emission factors are updated annually based on the most current data available. EPA (2018). eGrid2016. Release: 2/15/2018.	United States EPA eGRID sub-region emission factors for electricity purchased in the U.S. Electricity emission factors are updated annually based on the most current data available. EPA (2020). eGrid2018v2. Release: 3/9/2020.	United States EPA eGRID sub-region emission factors for electricity purchased in the U.S. Electricity emission factors are updated annually based on the most current data available. EPA (2021). eGrid2019. Release: 2/23/2021.
Scope 2, United Kingdom	Grid Electricity	Department for Business, Energy and Industrial Strategy (2018). 2018 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2020). 2020 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2021). 2021 Government GHG Conversion Factors for Company Reporting.
Scope 2, Ireland, Germany, and France ¹	Grid Electricity	IEA (2019). Statistics. http://www.iea.org/stats/index.asp . IPCC (2006). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge		IEA (2019). Statistics. http://www.iea.org/stats/index.asp . United Nations (2021). UN Statistics Division - Energy Balance Visualizations. https://unstats.un.org/unsd/energystats/dataPortal/ #IPCC (2006). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge.

¹ Electricity emission factors are internally derived instead of being publicly available

Emission Source	Emissions Source Type	Emission Factors for Reporting Year 2019	Emission Factors for Reporting Year 2020	Emission Factors for Reporting Year 2021
Scope 2, Ontario	Grid Electricity	EC (2019). National Inventory Report. Greenhouse Gas Sources and Sinks in Canada: 1990 - 2017. Environment Canada.	EC (2020). National Inventory Report. Greenhouse Gas Sources and Sinks in Canada: 1990 - 2017. Environment Canada.	EC (2021). National Inventory Report. Greenhouse Gas Sources and Sinks in Canada: 1990 - 2019. Environment Canada.
Scope 2, India ¹	Grid Electricity	Not applicable for reporting year	Not applicable for reporting year	United Nations (2021). UN Statistics Division - Energy Balance Visualizations. https://unstats.un.org/unsd/energystats/dataPortal/ #IPCC (2006). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge.
Scope 3	Category 1: Purchase Goods & Services	Not calculated during reporting year	EPA (2020). Supply Chain GHG Emission Factors for US Commodities and Industries. Accessed January 2021. EPA (2019). USEEIO v1.1 - Matrices. U.S. EPA Office of Research and Development (ORD).	
Scope 3	Category 6: Business air travel	Department for Business, Energy and Industrial Strategy (2019). 2019 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2020). 2020 Government GHG Conversion Factors for Company Reporting.	Department for Business, Energy and Industrial Strategy (2021). 2021 Government GHG Conversion Factors for Company Reporting.
Scope 3	Category 8: Upstream Leased Assets, Google Cloud Computing	United States EPA eGRID sub-region emission factors for electricity purchased in the U.S. Electricity emission factors are updated annually based on the most current data available. EPA (2018). eGrid2016. Release: 2/15/2018. Accessed March 12, 2018.	United States EPA eGRID sub-region emission factors for electricity purchased in the U.S. Electricity emission factors are updated annually based on the most current data available. EPA (2020). eGrid2018v2. Release: 3/9/2020. Accessed March 11, 2020.	Not calculated during reporting year

¹ Electricity emission factors are internally derived instead of being publicly available

Emission Source	Emissions Source Type	Emission Factors for Reporting Year 2019	Emission Factors for Reporting Year 2020	Emission Factors for Reporting Year 2021
Scope 3	Category 9: Downstream Transportation & Distribution, Shipping	USPS calculated GHG emissions for shipping of products from an Etsy seller to an Etsy buyer		
Scope 3	Category 9: Downstream Transportation & Distribution, Packaging	Not calculated during reporting year	<p>Franklin Associates. life cycle inventory of packaging options for shipment of retail mail-order soft goods. Prepared for Oregon Department of Environmental Quality (DEQ) and U.S. EPA Environmentally preferable purchasing program. April 2004.</p> <p>U.S. Environmental Protection Agency. Paper and Paperboard: Material-Specific Data. https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/paper-and-paperboard-material-specific-data. Last updated 5 January 2021. Accessed 28 January 2021.</p> <p>U.S. Environmental Protection Agency. Plastics: Material-Specific Data. https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/plastics-material-specific-data. Last updated 5 January 2021. Accessed 28 January 2021.</p> <p>Packaging materials specifications from uline.com. Accessed 20 August 2020.</p>	<p>Franklin Associates. life cycle inventory of packaging options for shipment of retail mail-order soft goods. Prepared for Oregon Department of Environmental Quality (DEQ) and U.S. EPA Environmentally preferable purchasing program. April 2004.</p> <p>U.S. Environmental Protection Agency. Paper and Paperboard: Material-Specific Data. https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/paper-and-paperboard-material-specific-data. Last updated 5 January 2021. Accessed December 2021.</p> <p>U.S. Environmental Protection Agency. Plastics: Material-Specific Data. https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/plastics-material-specific-data. Last updated 5 January 2021. Accessed December 2021.</p> <p>Packaging materials specifications from uline.com. Accessed 20 August 2020.</p>

Emission Source	Emissions Source Type	Emission Factors for Reporting Year 2019	Emission Factors for Reporting Year 2020	Emission Factors for Reporting Year 2021
Scope 3	Category 11: Use of Sold Products, End user energy use	Not calculated during reporting year	<p>Carroll, A. & Heiser, G. (June 2010). An Analysis of Power Consumption in a Smartphone. Presented at USENIXATC'10 Annual Technical Conference.</p> <p>Yoon, C., et al. (June 2012). AppScope: Application Energy Metering Framework for Android Smartphones using Kernel Activity Monitoring. Presented at USENIXATC'12 Annual Technical Conference.</p> <p>Huang, et al. (June 2012). A Close Examination of Performance and Power Characteristics of 4G LTE Networks. Presented at MobiSys '12: Proceedings of the 10th international conference on Mobile systems, applications, and services.</p> <p>Urban, et al. (December 2017). Energy Consumption of Consumer Electronics in U.S. Homes in 2017. Final Report by the Fraunhofer USA Center for Sustainable Energy Systems to the Consumer Electronics Association (pg. 24).</p> <p>Urban, et al. (June 2014). Energy Consumption of Consumer Electronics in U.S. Homes in 2013. Final Report by the Fraunhofer USA Center for Sustainable Energy Systems to the Consumer Electronics Association (pg. 150).</p> <p>IEA (2019). Statistics. http://www.iea.org/stats/index.asp;</p> <p>IPCC (2006). Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual.</p> <p>Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge</p> <p>EC (2020). National Inventory Report. Greenhouse Gas Sources and Sinks in Canada: 1990 - 2017. Environment Canada. Online: https://unfccc.int/documents/194925</p> <p>EPA (2020). eGrid2018v2. Released: 3/9/2020. Online: https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid. Accessed March 11, 2020.</p> <p>Department for Business, Energy and Industrial Strategy (2020). 2020 Government GHG Conversion Factors for Company Reporting.</p> <p>Governo do Brasil (2020). MCTIC. Arquivos dos fatores médios de emissão de CO2 grid mês/ano. Ministério da Ciência, Tecnologia, Inovações e Comunicações. Online: http://www.mctic.gov.br/mctic/opencms/ciencia/SEPED/clima/textogeral/emissao_corporativos.html. Accessed January 2020.</p> <p>Government of India (2018). Ministry of Power, Central Electricity Authority. CO2 Baseline Database for the Indian Power Sector. User Guide, Version 14.0, December 2018.</p>	

In quantifying market-based electricity GHG emissions, GHG Protocol Scope 2 Guidance defines a hierarchy of factors for quantifying market-based emissions, in order from highest to lowest preference. The table below provides a description of the hierarchy and the relevance to Etsy for the current year inventory.

Emission Source Type	Emission Factor Employed
Direct line connection	Not applicable
Energy attribute certificates	Etsy applies a zero emission factor for on-site solar generation where Renewable Energy Credits generated are retained by Etsy, and also for purchased renewable energy attribute certificates applied to Etsy's operations.
Electricity contracts	Not applicable
Energy supplier-specific emission factors	Not applicable
Residual mix	Europe: Etsy uses available country emission factors from Association of Issuing Bodies (AIB).
Location-based factors	If none of the above options are available, Etsy uses location-based factors as described in the table above.

Uncertainty

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emission factors that are used in mathematical models to calculate GHG emissions, and the inability of those models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the other sustainability metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Etsy recognizes that air travel remains an estimate since unforeseen circumstances can occur (e.g., different routes due to adverse weather, or aircraft fleet changes), however the figure presented follows DEFRA methodology and is considered to be a reasonable estimate of Etsy's air travel emissions (refer to <https://www.defra.gov.uk/environment/economy/business-efficiency/reporting/>).

Base Data

Base data utilized in the calculation of Scope 1 (direct), Scope 2 (indirect) and Scope 3 (indirect) GHG emissions obtained from:

- Third-party invoices for Scopes 1 and 2
- Estimates for Scopes 1 and 2

- Accounting systems and reports provided by a third party with flight distance detail for Scope 3 business travel
- Accounting systems and reports provided by a third party for Scope 3 shipping transaction and emissions data
- Third-party invoices for Scope 3 cloud computing
- Third-party invoices, accounting systems for shipping information, and survey data collected from Etsy sellers on packaging materials conducted in July 2019 for Scope 3 packaging
- Visits data (user device type, duration and location) for end user energy use

Estimation Methodology

Scope 1 and Scope 2 GHG emissions were comprised of 7-10% estimated data and 90-93% actual data depending on the reporting year. Note that actual data refers to actual energy consumption data (and not actual emissions data), as the consumption data may rely on average non-standard conversions, such as energy content of fuel or energy intensity per surface area, before applying average emission factors to convert data into emissions. We continue to work to increase the amount of actual energy data (without the need for non-standard conversions) available at our sites. More significant assumptions were as follows:

Energy Data – Offices: Actual consumption data was collected for Q1 through Q3, while for the Q4 period, actual data was only partially available for some sites. Where available, annual energy consumption for offices was sourced from utility bills specific to Etsy's occupied spaces; any missing consumption was estimated as follows:

- Where specific days or meter information was not available for a specified time, but Etsy received partial actual reporting year data, the missing data was estimated by pro-rating available consumption data using daily average consumption rates.
- Geographically relevant properties with actual data were also applied to properties with missing data, using an intensity factor based on periods with actual data.
- For facilities where no energy consumption data was available for the reporting year, data was estimated using either consumption from a previous year or researched intensity values of office space, specific to the energy type, and where possible, specific to the location being estimated.

Energy Data – Data Centers: Etsy included both server and overhead consumption; the server data was based on actual invoices, and estimated overhead energy data was derived from server consumption and Power Usage Effectiveness (PUE) from the total building provided by the vendor to calculate Etsy's share.

Refrigerant data – We did not have sufficient refrigerant source data for India, San Francisco, or Toronto locations, or our co-located data center; we estimated refrigerant gas loss considering building type, surface area, type of refrigerant gas, type of equipment, and number of units per surface area using the following data source: *EPA (2016). Accounting Tool to Support Federal Reporting of HFC Emissions Version 1.1. Prepared by ICF International under contract for the US Environmental Protection Agency* accessed from: <https://www.epa.gov/snap/reducing-hydrofluorocarbon-hfc-use-and-emissions-federal-sector-through-snap#accounting-tool>. Refrigerant gas loss associated with our co-located data center was excluded on the basis of immateriality.

Scope 3 GHG emissions included significant assumptions and estimates. Note that actual data refers to actual energy consumption data (and not actual emissions data), as the activity data may rely on more estimations, as described below, before applying average emission factors to convert data into emissions. We continue to work to increase the amount of actual data available from our suppliers. More significant assumptions were

as follows:

Air travel: GHG emissions for business air travel are calculated using mileage information provided by Etsy's third-party commercial travel manager. Etsy's accounting system is used to calculate business air travel booked outside of the travel manager. Distances between origin and destination airports for travel logged in Etsy's accounting system was obtained by Ecometrica using an on-line tool to calculate Great Circle Distance.

Shipping: Emissions from shipping activity are based on third-party reports with CO₂e information received from our shipping partner, USPS, provided for Q1 through Q3, which is also used to estimate the Q4 emissions factor. To calculate greenhouse gas emissions for each shipment, we use shipment weight, shipment distance, shipment mail class, and an emissions factor based on the mail class derived from USPS emissions and shipment data. For shipment weight and shipment mail class, we use data from Etsy and Reverb shipping labels where available. Where weight and mail class is not available, we estimate the emissions based on available data, including estimated package weight based on product type. We calculate the distance between buyer and seller using our internal records of buyer and seller latitude and longitude. We apply an uplift of 12% to the direct mileage between buyer and seller to take into account mileage using road transportation and direct flights (rather than 'as the crow flies'). We review this uplift factor annually.

Packaging: This metric captures both Etsy and Reverb marketplace packaging. For Etsy, it is calculated using survey data collected from Etsy sellers on packaging materials and reuse as conducted by Qualtrics, publicly available evidence on the carbon impacts of different packaging materials (reference 1 below), and the number of packages shipped on the Etsy marketplace and the associated packaging weight by packaging material. For Reverb, it is calculated using assumptions on packaging type by product category (e.g., guitars), publicly available evidence on the carbon impacts across packaging materials (reference 1 below), and the number of orders on the Reverb marketplace and the associated packaging weight by packaging material using publicly available weights of packaging materials (references 1 and 4 below). For each shipment Etsy or order (Reverb) we multiply the weight of the packaging material by the associated emissions factor from the Franklin Associates report referenced below to derive greenhouse gas emissions (reference 1 below). For both Etsy and Reverb, we incorporated U.S. average recycling rates by packaging material into our analysis by pro-rating associated disposal emissions (reference 2 and 3 below). We considered the following sources for our analysis:

- Reference 1: Franklin Associates. Life cycle inventory of packaging options for shipment of retail mail-order soft goods. Prepared for Oregon Department of Environmental Quality (DEQ) and U.S. EPA environmentally preferable purchasing program. April 2004.
- Reference 2: U.S. Environmental Protection Agency. *Paper and Paperboard: Material-Specific Data*. <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/paper-and-paperboard-material-specific-data>. Last updated 5 January 2021. Accessed December 2021.
- Reference 3: U.S. Environmental Protection Agency. *Plastics: Material-Specific Data*. <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/plastics-material-specific-data>. Last updated 5 January 2021. Accessed December 2021.
- Reference 4: Packaging materials specifications from [uline.com](https://www.uline.com). Accessed 20 August 2020.

Purchased goods and services: This metric includes global purchased goods and services made by an Etsy entity that are not captured by another scope or category of GHG emissions (e.g., electricity, Scope 2). Emissions for this category are calculated by multiplying supplier spend US dollar amounts by specific coefficients for each spend type representing "cradle to gate" emissions according to the GhG Protocol. The coefficient is obtained from the supplier directly, or from public data on industry averages (i.e., EPA EEIO model), in line with the GHG Scope 3 Protocol guidance.

Reverb's supplier spend for AWS and Etsy's supplier spend for GCP computing services are included with this category in 2021 and are included

under the 'Other Computing' line in Purchased Goods and Services. This category also includes all computing spend that is mapped to 'data processing and hosting' in the EPA's EEIO factors. In 2019 and 2020, GCP computing services were excluded from purchased goods and services and separately reported under Category 8 Upstream Leases Assets.

In 2021, we further expanded the scope of our measured and reported GHG emissions inventory and refined the methodologies used to calculate our Scope 3 GHG emissions. We updated the supplier spend data, emission factors, and categorizations included in our Scope 3 - Category 1 emissions calculations, resulting in higher emissions year-over-year. We reclassified emissions generated from GCP cloud computing from Scope 3 - Category 8 to Scope 3 - Category 1. As part of the recategorization of cloud computing, we now include an estimate of our supplier's Scope 3 emissions, resulting in higher emissions. Furthermore, we break out emissions from other computing for further transparency about our usage. We have revised our 2020 Purchased Goods and Services calculations from 42,646 tCO₂e to 76,939 tCO₂e (488 tCO₂e in Other Computing and 76,451 tCO₂e in all other Purchased Goods and Services). This revised calculation corrects for the inclusion of additional Scope 3 emission factors for certain suppliers and updated supplier spend data.

Energy Data - Cloud Computing reported as Scope 3 Category 8 (for reporting years 2019 and 2020 only): In addition to leased data centers, Etsy uses Google Cloud Platform (GCP) to perform computing tasks. Etsy included server, storage, network data transfers and overhead consumption. The server and storage utilization data was based on actual invoices, multiplied by energy coefficients derived from publicly available data on hardware infrastructure, specifically SPEC (Standard Performance Evaluation Corporation) Power Results 2008 - 2019, United States Data Center Energy Usage Report (2016), "Electricity Intensity of Internet Data Transmission: Untangling the Estimates," Journal of Industrial Ecology, vol. 22, no. 4 (Aug. 2017), and publicly available information on Google Cloud Platform CPU platforms, machine types, and sole-tenant nodes to estimate energy kWh, which is then multiplied by relevant carbon emission factors. The SPECs database and United States Data Center Energy Report were used for the server coefficient, the United States Data Center Energy Report was used for the storage coefficient, and the United States Data Center Energy Report and "Electricity Intensity" reports were used for the network power draw coefficient. Etsy estimates overhead energy data from PUE provided by Google. Where possible, we use instance-specific PUE, and where that data is unavailable, we rely on GCP's fleetwide average PUE. Emissions are derived based on Google's publicly available data around renewable energy procurement and the location of Etsy's Google Cloud instances.

End User Energy: This metric is related to energy use associated with use of Etsy's platform by buyers and sellers globally on personal devices (mobile devices and non-mobile laptops). Emissions are calculated using a user's visit length, device type, and location at the country-level. In order to calculate estimated energy consumption, visit duration is multiplied by a power draw factor in Watts, and converted to kWh. The power draw factor is determined by device type: mobile devices and non-mobile, assumed to be laptops. For mobile devices, we incorporate charging efficiency of 75%, while for non-mobile devices, we assume that the device is plugged in during use, in real-world adjusted, high active mode (i.e., a charging efficiency of 100%). Average country-level emissions factors are applied to the resulting electricity consumption to derive the associated emissions. Our assumptions are based on the following sources:

- Carroll, A. & Heiser, G. (June 2010). *An Analysis of Power Consumption in a Smartphone*. Presented at USENIXATC'10 Annual Technical Conference.
- Yoon, C., et al. (June 2012). *AppScope: Application Energy Metering Framework for Android Smartphones using Kernel Activity Monitoring*. Presented at USENIXATC'12 Annual Technical Conference.
- Huang, et al. (June 2012). *A Close Examination of Performance and Power Characteristics of 4G LTE Networks*. Presented at MobiSys '12: Proceedings of the 10th international conference on Mobile systems, applications, and services.
- Urban, et al. (December 2017). *Energy Consumption of Consumer Electronics in U.S. Homes in 2017*. Final Report by the Fraunhofer USA Center for Sustainable Energy Systems to the Consumer Electronics Association (pg. 24).
- Urban, et al. (June 2014). *Energy Consumption of Consumer Electronics in U.S. Homes in 2013*. Final Report by the Fraunhofer USA

Center for Sustainable Energy Systems to the Consumer Electronics Association (pg. 150).

Exclusions

Each year we aim to increase the quality of the data reported. As tenants of leased facilities, we do not have access to data related to heat source or generator diesel use in our data centers, complete refrigerant sources, and certain shared building common spaces energy sources. We are pursuing this data for future reports. We excluded the recent 2021 acquisitions of Depop and Elo7 from our 2021 reporting.