

Etsy's Voluntary Carbon Market Disclosure Act (AB 1305)

The California Voluntary Carbon Market Disclosure Act (VCMMDA) requires covered businesses to make certain disclosures related to their purchase of carbon offsets and such businesses' claims regarding the achievement of net zero emissions, among other things. To the extent that Etsy may be covered by the VCMMDA, we provide the following disclosures, which supplement Etsy's existing disclosures in its Annual Report on Form 10-K, our Investor Relations webpage, and elsewhere on our website, to satisfy any potential obligations under the law.

Statements Regarding Etsy's Net Zero Goals, Emissions Reductions and Similar

Etsy has set a long-term Net Zero Goal by 2040, as well as interim 2030 targets, both of which were validated by the Science-Based Targets Initiative (SBTi).¹ There is no sector methodology for our industry, so we use the general Net-Zero standard. We do not use carbon offsets to drive progress toward our emissions reductions targets.

We quantify our greenhouse gas emissions considering the GHG Protocol.² Each year, we publicly disclose our methodology for quantifying our greenhouse gas emissions, and we receive limited assurance over certain of our carbon and energy metrics from an independent third party. Details about our data and methodology are available at investors.etsy.com.³ In our Annual Report on Form 10-K, we disclose our greenhouse gas inventory and report on our interim progress toward our Net Zero targets, among other things.⁴ Please see our Form 10-K and Investor Relations website for more information.

Statements Relating to Carbon Offsets, Carbon Neutrality, and Similar

As explained in Etsy's Form 10-K, Etsy purchases verified carbon offsets (sometimes called verified emissions reductions) to cover Etsy's unabated greenhouse gas emissions across our quantified Scope 1, 2, and 3 greenhouse gas emissions.⁵ We quantify the relevant emissions as explained above and on our Investor Relations website,⁶ and purchase the quantity of carbon offsets needed to match those emissions for a given year.⁷ We strive to invest in high-quality offsets and leverage both internal and external expertise to select the offset projects we invest in. We use terms like "carbon neutral business," "carbon-offset shipping," and "offsetting carbon emissions" to describe this work, which we consider to be separate, but complementary, to our Net Zero efforts. Please see our Form 10-K and Investor Relations website for more information.

¹ [Etsy, Inc. FY 2023 10-K](#), at 21 (describing Etsy's Net Zero targets); see [SBTi website](#), Target dashboard (search "Etsy").

² World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised, GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard*, and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard* (collectively, the "GHG Protocol").

³ [2023 Report of Independent Accountants & Management Assertion Letter](#).

⁴ [Etsy, Inc. FY 2023 10-K](#), at 21-22 (progress toward Net Zero targets), 36-37 (greenhouse gas emissions summary).

⁵ [Etsy, Inc. FY 2023 10-K](#), at 24-26.

⁶ [2023 Report of Independent Accountants & Management Assertion Letter](#).

⁷ [Etsy, Inc. FY 2023 10-K](#).

Disclosures Relating to Etsy's Carbon Offset Purchases

The following verified emissions reductions offset Etsy's Scope 1, 2, and 3 emissions for the 2024 fiscal year:

Seller	Registry	Project ID	Project Name	Project Type	Removal / Avoided	Site Location	Protocol
EcoAct	Verra (VCS)	VCS1774	Grid-Connected Solar PV Project	Energy industries (renewable/non-renewable sources)	Avoided	Bokhol, Senegal	ACM0002
Aspiration	Climate Action Reserve (CAR)	CAR1480	Phlogiston Phase I	N2O – adipic acid	Avoided	United States	CAR - Adipic Acid Production
AERA Group	Verra (VCS)	VCS1734	Large Scale Grid Connected Solar PV Project in Toujounine	Energy industries (renewable/non-renewable sources)	Avoided	Mauritania	ACM0002
Morgan Stanley	Verra (VCS)	VCS1683	Kahone Solar PV Plant	Energy industries (renewable/non-renewable sources)	Avoided	Senegal	ACM0002
Climate Impact Partners	Gold Standard	GS5317 & GS5314	MKOPA Solar Lighting	Solar Thermal - Electricity	Avoided	Kenya	AMS-III.AR. Substituting fossil fuel based lighting with LED lighting systems