IMPACT GOALS
Kinder to people and planet

depop
At Depop, Impact is part of our DNA. We believe in the power of our community to change fashion consumption, creating a system that’s kinder to both people and the planet. And we’re proud of the impact our community is already driving in the world. Since 2021, Depop users have given a second life to 25 million items that already existed, and enabled tens of thousands of individuals to make an income from circular fashion.

Our Impact goals, for 2023 and beyond, focus on the issues that matter most to our community, and drive progress aligned with Etsy, Inc. Impact framework. As you can see in the graphic set out on the next page, we’ve identified five central environmental and social impact areas on which to focus our energy: Circularity, Net Zero emissions reductions, Sustainability Operations, Employee DEI and Marketplace DEI. And whilst not specifically outlined, our evergreen commitment to fostering a culture of ethics and accountability at Depop remains, in support of Etsy’s wider Governance goals.

To account for a world where fashion and technology continue to change at pace, we’ll review our impact goals annually to revisit our commitments, measure progress and update them as needed - allowing us to constantly iterate and improve. We’ll transition to publicly reporting on progress every year via Etsy, Inc. Integrated Annual Report, holding ourselves accountable to ambitious goals and rigorous standards.

We’re very proud of the progress we’ve made to date with our Impact work. But there’s so much more we can do. As we progress through 2023 and start looking beyond, we are continually inspired by the passion and energy of the people who are powering a generational shift in how we consume. Our job, as ever, is to give a platform to the real changemakers - our community - today and tomorrow.
We’re making the circular economy exciting to the world and making it easy to choose fashion that’s kinder to people and the planet.

**Environmental**
Building resilience for the long-term

**CIRCULARITY**
Inspire and enable people to participate in the circular economy where products & resources remain in use at their highest value.

1. Leverage our marketing and product capabilities to facilitate access to circular fashion and inspire more people to shop circular.

**NET ZERO**
Achieve Net Zero through targets aligned with the science of climate change while continuing to offset 100% of measured greenhouse gas (GHG) emissions.

2. Near-term (2030) and long-term (2040) GHG emission reduction targets, whilst continuing to offset 100% of measured emissions.

3. Continue to source 100% of electricity from renewable sources.

4. Run 'Zero Waste' operations by 2025.

5. Set an energy efficiency target in 2023.

**SUSTAINABLE OPERATIONS**
Run best-in-class sustainable operations.

**Social**
Ensuring equitable access to opportunity

**EMPLOYEE DEI**
Build diverse and inclusive workforces that are broadly representative of their communities.

6. Achieve 35% of underrepresented ethnicities in global headcount by the end of the year 2028 (baseline Dec 22: 30%)

7. Achieve 27% of underrepresented gender identities in engineering & data by the end of the year 2028 (baseline Dec 22: 20%)

**MARKETPLACE DEI**
Make Depop a diverse and inclusive place to buy and sell, driving more equitable access to opportunities.

8. Aim to invest in programmes or initiatives that drive equity for underrepresented communities on Depop

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Supplier Diversity, Equity and Inclusion: Create an equitable and sustainable supply chain that supports our ‘House of Brands’ while reducing our carbon footprint, supporting diverse businesses and bringing new economic opportunities to our suppliers and their employees.

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3. Since 2020, we have offset 100% of Depop's Scope 1, 2 and 3 emissions by investing in verified emissions reductions (VERs) that protect forests and sponsor wind and solar farms. For more information, please see our Climate Action page.

4. Depop will contribute to Etsy, Inc.'s Supplier Diversity, Equity and Inclusion target. For more information, please see Etsy, Inc. 2022 10-K p.30
GOAL
Inspire and enable people to participate in the circular economy where products & resources remain in use at their highest value.

TARGET
Leverage our marketing and product capabilities to facilitate access to circular fashion and inspire more people to shop circular.

Depop helps to keep clothing in use for longer - making it easier for our community to extend the life of their clothes and to find alternatives to buying new.

Since our inception, our community has helped make circular fashion desirable and accessible to more people by making secondhand cool - lifting the stigma it was once attached to. A simple way to reduce the overall environmental impact of fashion is to reuse what already exists - displacing brand new purchases with secondhand ones. Research shows that, if on average a garment was worn twice as much, then lifecycle GHG emissions of the garment could be 44% lower.

Partnering with sellers and brands like Dr Martens, Tommy Hilfiger and Levi’s to bring circular collections to our community. We also partnered with some major players in the TV and entertainment industries - like Disney, Netflix, the BRIT awards & The Sims - to bring circular fashion to large audiences, contributing to normalising secondhand in pop culture.

Launching new listing attributes to enable sellers to showcase circularity and sustainability characteristics in their listings - e.g repaired, recycled cotton, reworked/upcycled.

Measuring the extent to which secondhand purchases made on Depop displace the purchase of new items elsewhere via our displacement research.

Publishing Depop’s definition of circular fashion - to promote transparency and education within our community.

Did you know?

9 in 10 purchases made on Depop prevent the purchase of a brand new item elsewhere.  

GOAL
Achieve Net Zero through targets aligned with the science of climate change while continuing to offset 100% of measured greenhouse gas (GHG) emissions.

TARGETS

- **By year end 2030**, we aim to achieve a 50% reduction in absolute Scope 1+2 greenhouse gas emissions and a 52% reduction in Scope 3 greenhouse gas emissions per dollar of gross profit from a 2020 base year.
- **By year end 2040**, we aim to achieve a 90% reduction in absolute Scope 1+2 greenhouse gas emissions and 97% reduction in Scope 3 greenhouse gas emissions per dollar of gross profit from a 2020 base year.
- **Continue to offset 100% of measured Scope 1, 2, and 3 greenhouse gas emissions annually.**

The climate crisis is here. So is our commitment to a better future for our planet. In 2022, as part of Etsy, Inc., we became one of the first few hundred companies globally to have our Net Zero goal approved by the Science-Based Targets Initiative (SBTi) under their new Net-Zero Standard⁷.

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⁷. Net zero is the internationally agreed upon goal for mitigating climate change. The United Nations (IPCC) determined the need for net zero CO2 emissions by 2050 to prevent global average temperatures from increasing more than 1.5°C.
Since 2020, we’ve been measuring the carbon footprint of shipping, and since 2021 we’ve been offsetting 100% of measured GHG emissions across scopes 1-3.

- Scope 1&2: 7 tonnes CO2e
- Scope 3: 20,053 tonnes CO2e
- Total: 20,059 tonnes CO2e

For more detail on how we approach emission reduction activities, see Etsy, Inc. 2022 10-K p.24 & 25, and Depop’s Climate Actions.

**KEY HIGHLIGHTS**

**HOW WE PLAN TO REACH OUR GOALS**

- As part of Etsy, Inc., we plan to take action in support of policy solutions aimed at helping to drive carbon reduction from product delivery in the long-term (e.g. decarbonisation of the transportation sector), and continue to collaborate with peers, vendors, and NGOs on industry-wide efforts designed to drive efficiency and resilience in the shipping and logistics sector.

- Aim to continue to partner with third parties to offer and improve the sustainable packaging solutions available to our sellers.

- Work to increase the amount of primary data used to improve the accuracy of our carbon footprint.

- Continue to offset 100% of our GHG emissions as we work to reduce our footprint, covering things like shipping, packaging, energy used when browsing on Depop, and our own procurement.

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**Did you know?**

We’re helping sellers reduce emissions from the packaging they use to ship orders, through both reused packaging and more sustainable options. Through our partnership with Eco Enclose, sellers in the USA can access and buy affordable packaging made from certified responsibly sourced and 100% recycled paper that buyers can also recycle easily at home.

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8. Since 2021, we have offset 100% of Depop’s Scope 1, 2 and 3 GHG emissions by investing in verified emissions reductions (VERs) that protect forests and sponsor wind and solar farms. For more information, please see Depop’s Climate Action page.
GOAL
Run best-in-class sustainable operations.

TARGETS
• Continue to source 100% of electricity from renewable sources.
• Run ‘Zero Waste’ operations by 2025.
• Set an energy efficiency target in 2023.

HOW WE PLAN TO REACH OUR GOALS
We plan to continue to work towards best-in-class sustainable operations by focusing on improving landfill diversion to achieve TRUE Zero Waste Certification, conducting an ESOS compliant energy audit, setting an energy efficiency target in 2023, and continuing to procure 100% renewable energy.

Running best-in-class sustainable operations will allow us to focus on minimising waste, creating a healthier office environment for our employees, whilst reducing long-term costs along the way.

9. This is achieved through virtual power purchase agreement (“VPPA”), international renewable energy credits (iRECs), and onsite solar arrays at our Brooklyn office.

Did you know?
Depop’s offices are powered by 100% renewable energy.
EMPLOYEE DIVERSITY, EQUITY & INCLUSION (DEI)

GOAL
Build diverse and inclusive workforces that are broadly representative of their communities.

TARGETS
- Achieve 35% of underrepresented ethnicities\textsuperscript{10} in global headcount by the end of the year 2028 (baseline December 31 2022: 30%)
- Achieve 27% of underrepresented gender identities\textsuperscript{11} in engineering & data by the end of the year 2028 (baseline December 31 2022: 20%)

Our mission is to build the world’s most diverse progressive home of fashion and, to get there, it starts with our own teams. We’ve always believed that who we are as Depop is rooted in the diversity of our community. And we know that diverse and inclusive teams are key to building more creative and innovative solutions for our community.

\textsuperscript{10} Underrepresented ethnicities refers to Asian, Black, Mixed and staff identifying as ‘Other’ (incl. LatinX) at Depop. To establish which ethnicities are underrepresented at Depop, we considered census, workforce and benchmarking data as well as our aim to be a progressive workplace.

\textsuperscript{11} Underrepresented gender identities refers to women and other marginalised gender identities.
**Employee Diversity, Equity & Inclusion (DEI)**

**Key Highlights**

In 2022, we’ve made progress to foster a more diverse and inclusive workplace at Depop, notably by:

- Facilitating the creation of two employee resource groups (ERGs) - Underrepresented Gender Identities in Tech and Wellbeing @ Depop.
- Introducing gender neutral parental leave to provide the same amount of time-off to all new parents, including those adopting.
- Partnering with Circl to provide members of the Depop leadership team with accredited foundation-level coaching skills and match them with talented 18-24 year-old mentees from underrepresented backgrounds.
- Collaborating with DEI focused talent partners in order to increase our reach among candidates from underrepresented communities and diversify our pipelines.

**How We Plan to Reach Our Goals**

This year, we aim to continue to support our ERGs and nurture safe spaces to promote a sense of belonging in the company. We also plan to introduce a new DEI learning programme with several touch points during the year to equip all staff with foundational DEI knowledge and help drive long-term behaviour change. Our talent team plans to narrow and deepen its relationship with external talent partners with a view to systematically source candidates from underrepresented backgrounds for new positions.
GOAL
Make Depop a diverse and inclusive place to buy and sell, driving more equitable access to opportunities.

TARGET
Aim to invest in programmes or initiatives that drive equity for underrepresented communities on Depop.\textsuperscript{12}

Creating an inclusive space where everyone - no matter who they are - can succeed is core to Depop’s mission. We only succeed when our community succeeds, and we aim to provide equitable access to opportunities to everyone, irrespective of their background or identity.

\textsuperscript{12} Underrepresented communities refers to any group of people, across demographics, that are underrepresented within our workforce or wider community. It includes underrepresented genders and underrepresented ethnicities.
Facilitating Now/Next - a programme designed to take talented and creative Depop sellers to the next level. In 2022, we rolled out the second edition, Now / Next, with Black Sellers, for which we developed and curated a curriculum aimed at delivering tangible support for 6 Black Sellers, including a $2,000 grant each.

Marking celebratory moments important to our community such as Pride, Black History Month, Hispanic Heritage Month, Asian American and Pacific Islander Heritage Month, Women’s History Month by showcasing seller stories and shops.

Conducting a bi-annual seller survey to understand levels of representation and inclusion sentiment within our community, and monitoring percentage of skin tones of colour and different body shapes in marketing assets on Depop-owned channels.

We know that each community has different needs, so we’ll focus on identifying underrepresented groups who might feel less included on Depop and understanding how we could best serve them with future interventions.