

SUCCESS STORY

Etsy leads e-commerce toward carbon neutral shipping

Becomes first major online shopping destination to offset 100% of carbon emissions from shipping



Etsy

Etsy, the global marketplace for unique and creative goods, is committed to using the power of business to strengthen communities and empower people. As Etsy works to connect millions of buyers and sellers around the world and advances their mission of keeping commerce human, the company faces a unique set of challenges for managing carbon impacts and fostering responsible resource use.

Key challenges

Etsy is committed to building long-term climate resilience across their operations. They have set ambitious targets to power their offices and computing infrastructure with 100% renewable electricity and running zero waste operations by 2020. However, in 2018, 98% of Etsy's carbon impact stemmed from items shipped from Etsy sellers to Etsy buyers. While these scope 3 emissions from shipping are outside of Etsy's direct control, Etsy felt responsible to step up and take immediate action on behalf of the millions of buyers and sellers active in the Etsy marketplace. To do this, Etsy sought to mitigate this carbon impact through verified emissions reductions - with an eye to catalyzing broader industry change. They have also identified a number of additional levers that they hope can drive carbon reduction longer term, including policy advocacy, vendor negotiation, and peer collaboration.

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“Etsy has a long-standing track record of working to reduce our environmental footprint. Our carbon neutral shipping initiative is a major milestone within our larger commitment to act urgently and aggressively in the fight against climate change. We are excited to partner with 3Degrees in order to support projects with a high level of environmental integrity that will evolve with our growing needs.”

CHELSEA MOZEN
Sustainability Lead at Etsy

ETSY'S GOALS:



Offset emissions from shipping in their marketplace, which represents 98% of Etsy's carbon impact



Approximate emissions are estimated to average around 200,000 metric tons of carbon annually, within the next few years

OUR APPROACH:

- + Build a portfolio of carbon offset projects tied to Etsy's business objectives, including projects that have a direct tie to transportation and logistics.
- + Provide high-quality, proprietary projects with co-benefits that reduce local air pollution, improve water quality and security, and promote biodiversity.
- + Provide ongoing solutions and expertise to support Etsy's ambitious carbon neutrality initiatives.

3Degrees™

How We Helped

3Degrees helped Etsy to identify a portfolio of emission reduction projects to meet their desire for immediate action while fostering more sustainable shipping solutions for the future.

THE KEY ELEMENTS OF THE ETSY PROGRAM DESIGNED BY 3DEGREES ARE:

✔ ***Environmental integrity.*** This is the most fundamental aspect of the program design and a core element of every carbon offset sold by 3Degrees. Environmental integrity can generally be broken down into two main components: (a) “additionality,” the notion that the emission reductions would not have been achieved without the promise of funding from carbon offset sales, and (b) rigorous and conservative quantification of the actual emission reductions achieved. All 3Degrees projects are registered under internationally recognized standards maintained by not-for-profit environmental organizations, including the [American Carbon Registry \(ACR\)](#), [Climate Action Reserve \(CAR\)](#), [Gold Standard](#), and [Verified Carbon Standard \(VCS\)](#). These standards require that project emission reductions are monitored and quantified on a regular basis and that this quantification and project additionality are independently verified by accredited third parties.

✔ ***Impactful and unique projects to address GHG emissions.*** Leveraging 3Degrees’ proprietary project portfolio and experience addressing transportation emissions, Etsy’s initial investment is supporting four unique projects. Over time, Etsy’s emission reduction investments will support the development of new projects that provide similar impact.



[UPM Blandin Native American Hardwoods Conservation Project](#), which reduces air pollution and increases the supply of sustainable forestry products. The Blandin Forest supports the continued conservation of nearly 20 million trees and up to 500,000 new trees will be planted this year.



[Meridian magnesium project](#), which manufactures automotive parts that help lightweight vehicles and improve vehicle fuel efficiency. Carbon offsets are generated by reducing the use of SF6, a powerful greenhouse gas that is commonly used in magnesium production for automotive parts.



[Giriraj Bundled Wind Power Project](#) and [The Solar Grouped Project by ACME](#), which generate clean, renewable wind and solar power, respectively, that displace electricity generated by traditional fossil fuel sources.

✔ ***Strengthen communities.*** Etsy’s emission reduction projects provide co-benefits important to human health, well-being, and the livelihoods of local communities. These projects (a) reduce local air pollution, (b) improve water quality and security and (c) promote biodiversity. The portfolio also includes projects that support renewable energy markets and transportation sector emission reductions.

Results

- + Starting in 2019, Etsy is offsetting the emissions from their global supply chain, specifically emissions created when sellers on their global marketplace ship items to buyers.
- + Etsy's program is notable for taking voluntary action to address emissions on behalf of their sellers and also makes Etsy the first major online shopping destination to offset 100% of their shipping emissions.
- + All offset projects provide co-benefits critical to human health, well-being, and the livelihoods of local communities.

PROJECT PROFILE

UPM Blandin Native American Hardwoods Conservation Project

Investing in sustainable forest management

UPM Blandin Forestry manages 187,876 acres of native, mixed hardwood forests in Minnesota that supply timber to the UPM Blandin paper mill. The company is committed to sustainable management of these acres and the resulting products. Blandin's SmartForestrySM practices protect the diversity of natural forest communities, align management with ecological regimes, and reduce harvest impacts. All UPM-Blandin Forestland is Sustainable Forestry Initiative (SFI®) certified and all Blandin products are certified by the Forest Stewardship Council (FSC®) or Programme for the Endorsement of Forest Certification (PEFC™).

In 2010, working with non-profit partners and the State of Minnesota, Blandin signed a conservation easement that grants public access in perpetuity, guarantees the property will always remain forest and that it will be managed under sustainable practices. This sustainable practice improves carbon dioxide sequestration by

the forest which, in turn, is credited under the methodology.

Throughout the span of the carbon offset project, the property will remain a working forest that produces sustainable pulpwood, saw logs, and other high-value forest products for the regional forest industry. The forest supplies 17 facilities in Minnesota, supporting more than 3,200 working families and hundreds more in related businesses.

Supporting Blandin's conservation efforts provides important co-benefits for the local communities. This forest provides water quality protection, wildlife habitat, and recreation opportunities for the public. The forest protects a diverse suite of wildlife, including 30 miles of state designated trout streams, 47 species of birds, and over 30 species of mammals including black bear, grey wolf, and moose.

Standard: *American Carbon Registry (ACR)*

Co-Benefits: *Improved local air quality, public use and recreation, biodiversity/habitat.*

At 3Degrees, our business is our mission. We make it possible for businesses and their customers to take urgent action on climate change. As a certified B Corporation, we provide renewable energy and emission reduction solutions to Fortune 500 companies, utilities, universities, green building firms, and other organizations. Headquartered in San Francisco, 3Degrees serves clients around the world.

