

2021 SUSTAINABILITY REPORT

BUILDING A 100-YEAR COMPANY





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Building a 100-Year Company

The digital leap from 2019 to 2021 pulled the future of commerce forward, and with it, expansive opportunities for Shopify and our merchants. We experienced extraordinary growth and realized a new level of scale as **the number of merchants on our platform nearly doubled from 2019**. At the same time, our merchants' overall gross merchandise volume¹ **increased more than two times** as the number of shoppers making online purchases with a Shopify merchant reached nearly 600 million.

More opportunities are on the horizon for Shopify and our ecosystem of merchants and partners, our communities, and the world, with the global ecommerce market expected to reach \$5.5 trillion² in 2022.

To build a 100-year company, we must continue investing in our global mission to **make commerce better for everyone**. By lowering the barriers to commerce and leveling the playing field, our goal is to empower more entrepreneurs to reach for their economic independence.

In this report, we provide a progress update on our sustainability priorities, including how Shopify is creating and supporting an ecosystem of diversity, innovation, and inclusion.

We are on a sustainability journey.
We invite you to join us.

Sustainability Priorities

Economic Impact

Commerce can be a force for good. By empowering entrepreneurs to achieve independence, we can help drive substantial economic value for the global economy.

Equitable Entrepreneurship

The future of commerce has more voices, not fewer. By working to reduce the barriers to business ownership, we can help make commerce better for everyone.

Education for Entrepreneurs

Education and resources should be accessible to all entrepreneurs. By designing resources for every stage of the journey, we can help reduce friction and maximize success.

Youth Tech Education

Education for underserved and underrepresented youth is how we level the playing field. By creating resources for the next generation, we can help build for the long term.

Diversity and Belonging

Our people need to reflect our world. By cultivating a diverse and inclusive work environment, we not only attract, hire, and develop the best talent, but also make more thoughtful decisions.

Climate Change

We're building better commerce for a better planet. By investing in innovative technologies, we can help reverse climate change and achieve our vision of becoming a 100-year company.

2021 HIGHLIGHTS

IMPACT AT A GLANCE

All \$ values presented in USD

Millions of Shopify merchants
Doubled from 2019

10,000+ global employees
Up 43% from 7,000 in 2020

\$854M RnD investment
Up 55% from 2020

First chief information security officer hired
Prioritizing user trust and safety

\$4.6B Revenue, up 57% from 2020

\$175B Gross merchandise volume, up 47% from 2020

Economic Impact

\$444B+ In global economic activity enabled by Shopify, up 45% from 2020

5M Jobs created by Shopify merchants and partners, up 39% from 2020

\$32B Of partner revenues facilitated by Shopify, up 45% from 2021

\$38 Made by Shopify merchants for every \$1 in revenue generated by Shopify

Social Impact

31K+ Free trials through the One Million Black Businesses initiative

9 Languages represented on the Shopify Community Forum, expanded to increase accessibility worldwide

~19K Students in the Open Learning program, up 50% from 2020

7,730 Youths engaged in Shopify education programs, up 229% from 2020

Talent and Culture

3 out of 4 Employees feel motivated to go above and beyond, compared to similar, outside roles

2.8% Increase in representation of employees that identify as women

18.3% Of Shopify employees reported having caregiver responsibilities, our first time collecting this data

2 New Employee Resource Groups, bringing the total to 9 with 9,000 members

Climate Change

\$17.5M Committed already to innovative carbon removal startups

300K+ Tonnes of carbon removal purchased

176K Tonnes of carbon emissions removed from the atmosphere through Shop Pay transactions

1st Playbook: How to Kick-Start the Carbon Removal Market released, outlining how other companies can join us



ECONOMIC IMPACT

POWERING THE GLOBAL ECONOMY

Commerce can be a force for good.

Shopify helps people achieve independence by making it easier to start, run, and grow a business. We believe that the success of millions of independent business owners is critical to our world's economic prosperity. And that every new business adds more value to the world.

By remaining focused on reducing the barriers to business ownership—instead of chasing revenue—we're empowering millions of businesses to impact the global economy.

The Shopify Effect

Every dollar spent with a business powered by Shopify ripples outward to impact the lives of the owners behind it, their communities, families, employees, suppliers, and the world. We've seen firsthand examples of entrepreneurs on Shopify reimagining commerce, creating job opportunities in their local community, bolstering their suppliers' business, and making our planet a better place to live.

We call this the Shopify Effect.

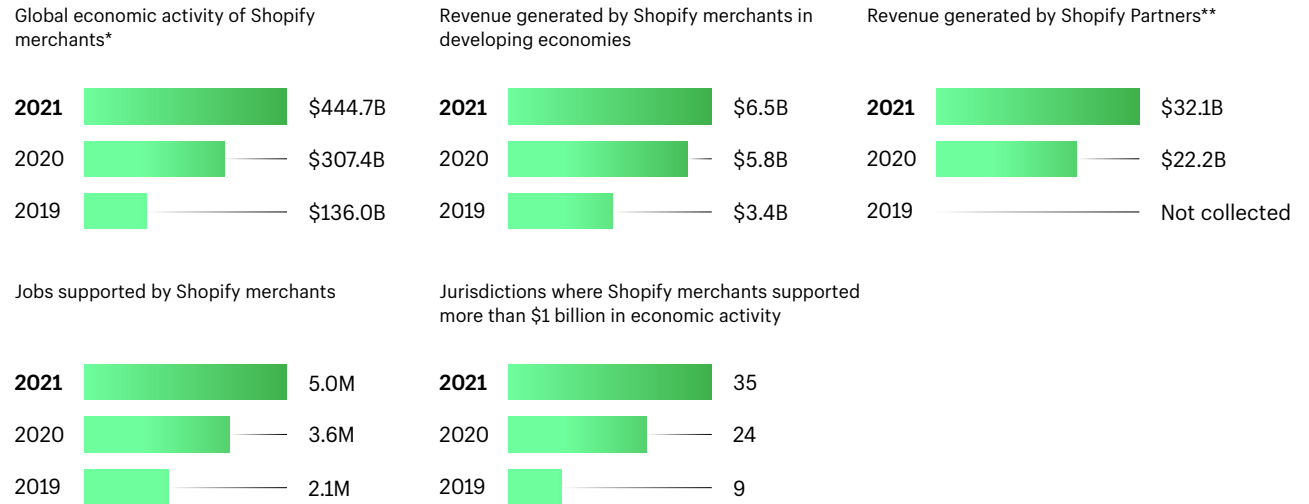


We've been conducting an experiment since Shopify was born. Our hypothesis is that all economies depend on entrepreneurs and small businesses to thrive. Over the years, we've found this to be true.

Tobi Lütke | CEO, Shopify

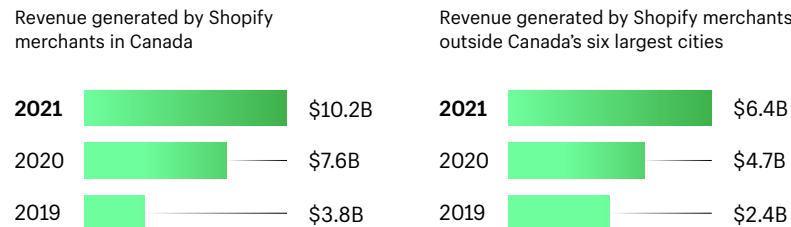
The Shopify Effect (Global)

When an entrepreneur starts a business, there's a ripple effect that impacts family, employees, communities, suppliers, customers, and the world.



The Shopify Effect (Canada)

Canadian entrepreneurs are striking out on their own to build new businesses in big cities, small towns, and rural communities.

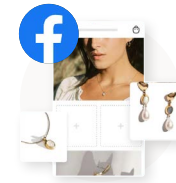


*Deloitte calculates global economic activity to include profit, labor income, and tax revenues. This report looks at data from our global merchant base, as well as relevant third-party data collected by Deloitte Canada. All currency is in USD.
 **Partner revenue calculation has been expanded to include merchant spend paid to Shopify Shipping Partners. As such, 2020's Partner revenue has been adjusted accordingly for comparability.

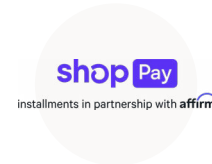


Key Product Achievements

Product innovation is at the heart of Shopify and is the principal driver to execute on our mission of making commerce better for everyone. In 2021, we continued to innovate to make it easier for merchants of all sizes to start a business and succeed on our platform.



Launched Shop Pay on Facebook, giving more shoppers access to a fast, secure checkout experience



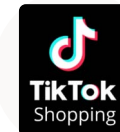
Launched Shop Pay Installments, our buy-now-pay-later product, giving shoppers more flexibility to make purchases



Introduced our retail hardware with integrated payments to six countries, offering merchants and their buyers a seamless omnichannel experience



Expanded Shopify Shipping to the United Kingdom, offering a more affordable shipping option



Launched TikTok Shopping and the Spotify channel, enabling merchants to be discovered by buyers on more surfaces



SOCIAL IMPACT

REMOVING THE BARRIERS TO ENTREPRENEURSHIP

The future of commerce has more voices, not fewer.

Shopify exists to lower the barriers to business ownership for entrepreneurs of all ages and backgrounds. We support the entire entrepreneurial journey—from discovery and development to growth and success. But we know the playing field is far from level. Socioeconomics, race, and gender are just a few of the factors affecting who can participate and how.

Our merchant education and equitable entrepreneurship programs are designed to improve accessibility, instill an innovation mindset, and empower business owners to thrive. We believe entrepreneurship is an opportunity for everybody—and the future of commerce should be as diverse as it is bright.

Merchant Education and Community Programming

Entrepreneurship can be a lonely journey—but it doesn't have to be walked alone. When merchants have the opportunity to connect with other entrepreneurs, experts, and disruptors in their industry, it creates a culture of community rather than competition, increasing the likelihood of success.

We take a multi-pronged approach to education, with an emphasis on building community through in-person and virtual events, classes, coaching sessions, free tools, and resources.

Shopify Spaces

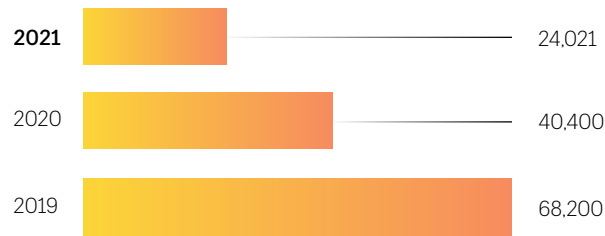
Shopify might be a digital company, but we understand that face time is just as important as FaceTime. That's the ethos underscoring Shopify Spaces: hubs where entrepreneurs can receive one-on-one support from experts, attend free workshops, use onsite resources like podcasting studios, and connect with like-minded individuals at community events.

Shopify Spaces*

Classes, meetups, and events



Attendees for classes, meetups, and events



*In-person offerings in Shopify Spaces shifted online in March 2020.

By September 2021 we had safely reopened our [Los Angeles space](#) and unveiled a new two-story [New York City space](#), where four Shopify business owners exist for every 1,000 residents. When our LA space was closed due to COVID-19, we offered digital programming and switched to solely in-person programming after reopening in September. This explains the decrease in attendees for classes, meetups, events, and 1:1 appointments.

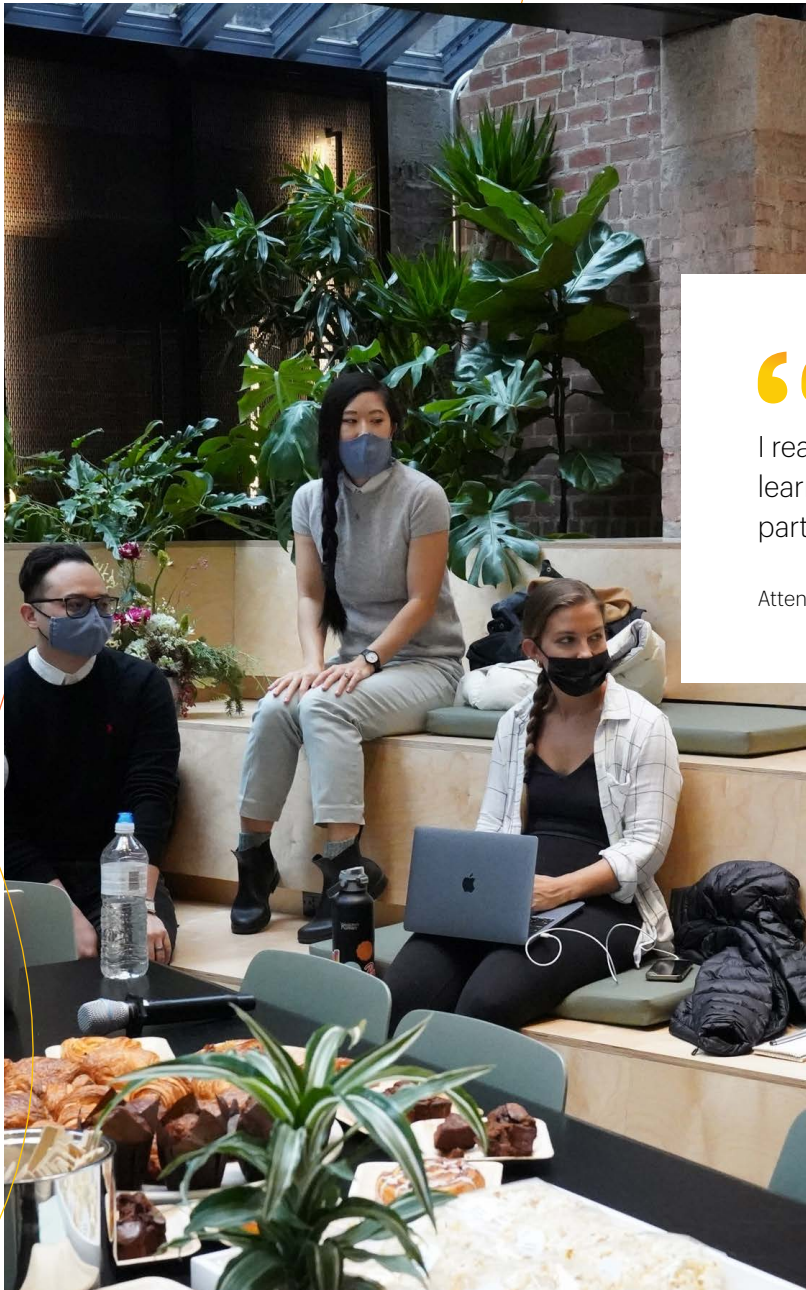
1:1 appointments



“

Much of NYC's heart and soul comes from its entrepreneurs. NYC is one of the most entrepreneurial cities in the world, and we're giving New Yorkers the resources and tools they need to build even more successful businesses.

Harley Finkelstein | President, Shopify



Shopify Meetups

Shopify Meetups are virtual, partner-run regional events designed to help merchant communities start and grow a business by providing a forum to learn, share experiences, and network with other Shopify partners, experts, and merchants. These virtual communities play a powerful role in supporting entrepreneurs as they launch and scale their businesses, while advancing our mission to foster more equitable entrepreneurship.

“

I rearrange my schedule to attend [Shopify Meetups] because I learn so much with everyone. I like watching them live so I can participate in the discussion, but I love that the replays are available.

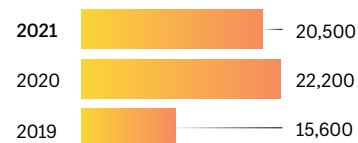
Attendee | Shopify Meetups

Shopify Global Community*

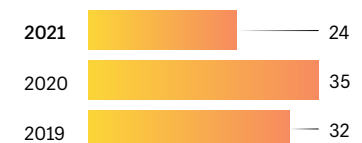
Workshops and events**



Attendees at workshops and events



Countries that held workshops***



*For reporting purposes, Shopify Meetups and Shopify Community Events are presented here as Shopify Global Community.

**Workshops and events include virtual and in-person formats. Some regions changed their approach to events and programming which explains the year-over-year decrease.

***Countries that held workshops and events: More digital programming was held in 2021, which impacted the number of countries that hosted workshops and events.

Community Forums and Multilingual Content

Entrepreneurs can be found around the globe. So we redesigned our already-thriving **Shopify Community** forums for usability and accessibility, to reflect English not being every entrepreneur's first language. In 2021 we launched a dedicated Simplified Chinese community and published Shopify Community content in nine languages.

We took this same approach with our YouTube community, creating three new international channels (Danish, Swedish, and Simplified Chinese). A newly founded international studio will allow us to keep creating and releasing content in more than 10 languages every other week.

35%

Increase from 2020 in webinar viewership

125M

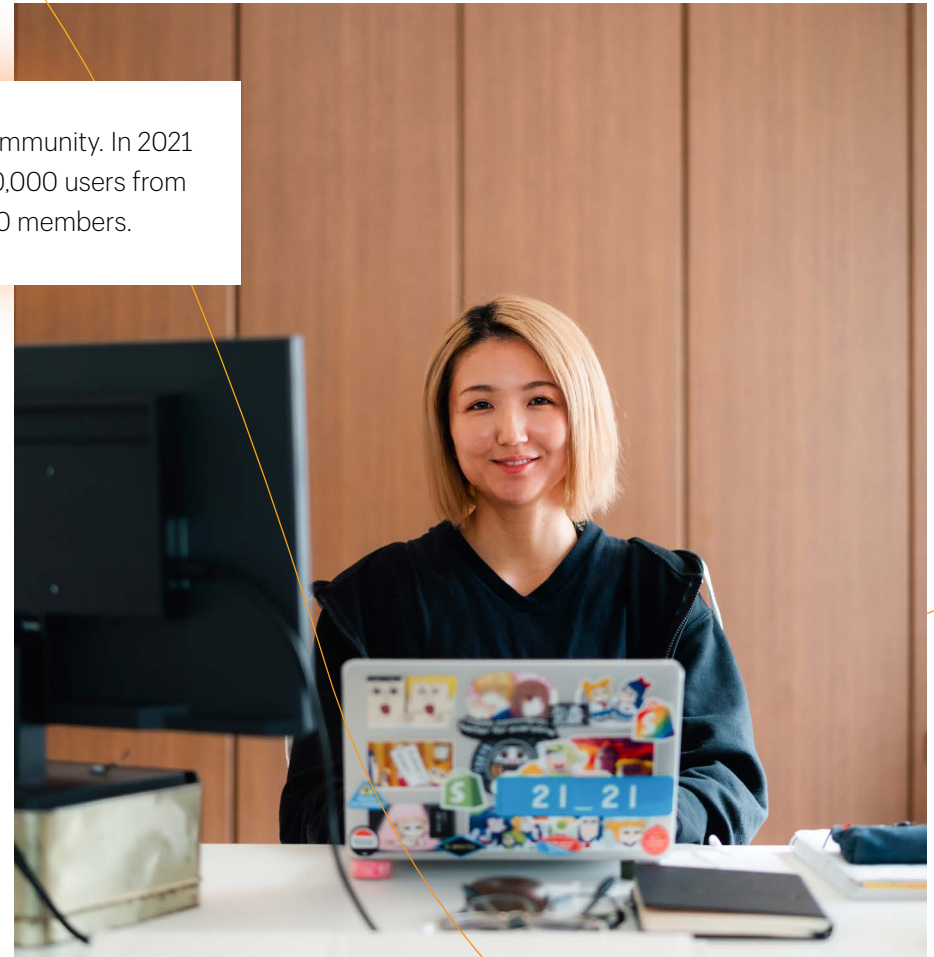
Help Center pageviews, the highest traffic to date

Shopify merchants are looking for community. In 2021 Shopify Community grew by over 150,000 users from the year before to more than 900,000 members.

Shopify for Startups

Shopify for Startups is a six-month accelerator program that offers expert guidance to a cohort of merchants that have been referred to Shopify by partner accelerators and impact investors. Participants gain access to exclusive education, advanced tools, valuable discounts, perks, and a diverse community of like-minded founders. Since 2018 more than 400 merchants have received guidance on how to grow and scale their business through this program.

In 2021 we deepened our focus on diversity and sustainability: 50% and 70% of the latest Shopify for Startups cohort identified as Black, Indigenous, or a person of color and women, respectively. In collaboration with other Shopify teams, Shopify for Startups also hosted a Sustainability Series, bringing together internal stakeholders, external partners, and merchants to discuss topics like food systems, sustainable packaging, circular economy, and sustainable sourcing.



On average, the 2021 Shopify for Startups cohort grew their GMV more than 200% by the end of the six-month program.

Entrepreneurship and Technology Learning

Building a 100-year company means supporting the next generation of entrepreneurs, software engineers, and developers. By creating awareness and understanding of entrepreneurship and technology, we're equipping young learners with the skills and drive to start their own businesses. We do this through Shopify-sponsored open learning programs and partnerships with local community-based organizations.

Shopify Open Learning

Today's secondary and post-secondary students are headed toward an increasingly digital future. The [Shopify Open Learning](#) program allows students to build 21st-century skills by creating a fully functional Shopify store. In addition to simulated sales, students can take part in micro-credential programs, collaborate with real-life merchants, or participate in hackathons to further explore their creativity and develop confidence.

In 2021 we responded to a rise in demand from educators for more courses and programs. During this time, our partnerships increased 34% worldwide and scaled beyond the traditional educational settings. This allowed us to reach more diverse student populations, including underserved groups. In total, Shopify Open Learning provided free education to nearly 19,000 students in 27 countries.

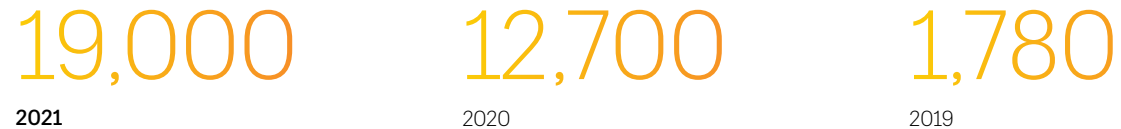
“

The course is interactive and unique. I genuinely enjoy it and tell all my friends, family, and co-workers about it. Thank you for helping me find what I truly want to do!

Student | University of South Florida

Open Learning

Participating students



Countries with schools participating in Open Learning



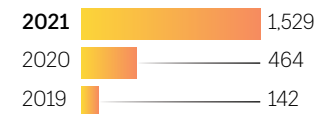
Education partners



Courses with programs using Open Learning



Badges or microcredentials issued



Youth Tech and Entrepreneurship Education

Building a more equitable and sustainable future means providing tech and entrepreneurship education opportunities to all—but barriers still exist for many groups. Learners from lower income families are less likely to participate in science, technology, engineering, and mathematics (STEM) after-school programs,³ while women continue to be underrepresented in STEM careers.⁴

Improving STEM educational access for underserved and underrepresented youth can have a generational ripple effect, enabling economic growth in their communities and increasing quality of life

for their families. By providing pathways, we're empowering kids to learn about tech and careers that have the capacity to change their lives. We do this by building and funding programs in partnership with local, national, and global organizations.

Technovation Girls

Since 2015 we've supported Technovation Girls. Through this innovative global competition, teams of girls aged 10 to 18 create, design, code, and pitch mobile apps and businesses that address real-world problems in their communities. In 2021 more than 150 Shopify employees volunteered and provided mentorship and added localized content to new chapters in the United States, Germany, Ireland, and Brazil.



“

The future is bright! These young women are incredibly smart, asking pertinent questions and making me want to 'up my game.' At times it felt like presenting to colleagues. This was as much of a learning experience for them than it was for me.

Shopify Employee Volunteer | Technovation Girls

229%

Increase in youth engaged

64%

Increase in partner organizations

181%

Increase in laptop donations

*2021 year-over-year growth.

Linked>

In collaboration with BGC Ottawa, BGC Canada, and Virtual Ventures, we've created Linked>, a hands-on program that teaches Canadian children the foundations of computational thinking and digital skills. In 2021 we provided 1,330 self-paced STEM activity kits to 1,965 youth across the Ottawa and Greater Toronto Area region, and laptops to kids in need. We also reintroduced in-person programming by training older BGC youth as leaders. Shopify provides up to 50 Virtual Venture Summer Camp bursaries to kids who are interested in continuing their STEM education.

STEMing UP

STEMing UP was created by Doina Oncel of [hEr VOLUTION](#) and launched in partnership with Shopify five years ago. An intensive technical program, it equips young women, especially those from underserved communities, with the skills, confidence, and portfolios to enter jobs of the future. Girls learn how to code in teams while building 21st-century skills and receiving coaching and mentorship from industry professionals, as they work with businesses and Shopify merchants to solve real problems within the context of what's happening today. This year, 40 Shopify employees provided mentorship and facilitation to 50 participants.

Other 2021 Partnerships

Techsploration: Shopify volunteers helped this award-winning program provide coding workshops to girls in grades 9 through 12 from diverse backgrounds.

UpstartED: Shopify supports this bilingual Canadian non-profit organization with annual laptop donations for their Technology Accessibility Initiative in multiple provinces.

Indspire: Shopify partners with and financially supports this registered charity, which invests in the education of First Nations, Inuit, and Métis people for the long-term benefit of the individuals, their families, communities, and Canada.

Tech Spark: Shopify supports Canada's first tech and design school committed to empowering children of color, girls, women, and teachers through culturally relevant curricula.

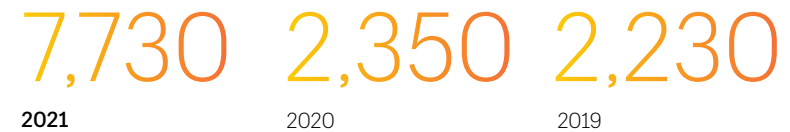


Despite the many challenges that come with building a real product for real users, the ambition and determination of the students is always so inspiring and makes volunteering to be a coach with STEMing UP so worth it!

Shopify Employee Volunteer | STEMing UP

Youth Outreach

Participating students



	2021	2020	2019
Partners organizations	23	14	12
Events and workshops	112	92	127
Shopify employee volunteer hours	2,941	894	974
Countries with youth outreach programs	5	5	1
Laptops donated to outreach partners	194	69	218
Dev Degree applicants that took part in one Shopify outreach partner program	207	138	66
% of Dev Degree interns that took part in one Shopify outreach partner program	26%	24%	42%



Equitable Entrepreneurship

We believe the future of commerce has more voices, not fewer. We believe in the potential for intergenerational ripple effects. Our merchants—and their families, employees, and communities—can all benefit from the Shopify ecosystem. But systemic barriers mean that not everyone has equal access.

Shopify aims to change that with targeted programs, financial support, events, and messaging designed to recognize these barriers and celebrate the strength in diversity.⁵

Black Entrepreneurs

Black communities face systemic barriers that have prevented their full participation in the entrepreneurial journey. Only 2.3% of employer firms (businesses with more than one employee) in the United States are Black-owned, even though Black people comprise 14.2% of the population.

What started as a single conversation series about the business journey of Black entrepreneurs has since expanded into a full-scale program with a range of projects, resources, and a virtual community.

One Million Black Business Initiative (1MBB)

In partnership with Operation HOPE (a charitable organization dedicated to improving financial dignity and inclusion), the goal of 1MBB is to support the launch of one million Black businesses by 2030. Black business owners in the United States can sign up for a free 120-day trial of Shopify, and access tailored education programs designed to fast-track their launch and growth. In 2021 we helped produce the 1MBB Pitch Competition to further this objective. Grand prize winner Capable Clothing won \$250,000, together with a complete web redesign and brand refresh.

31,000+

Black entrepreneurs signed up for Shopify's 120-day free trial through the 1MBB initiative

Black Fashion Accelerator

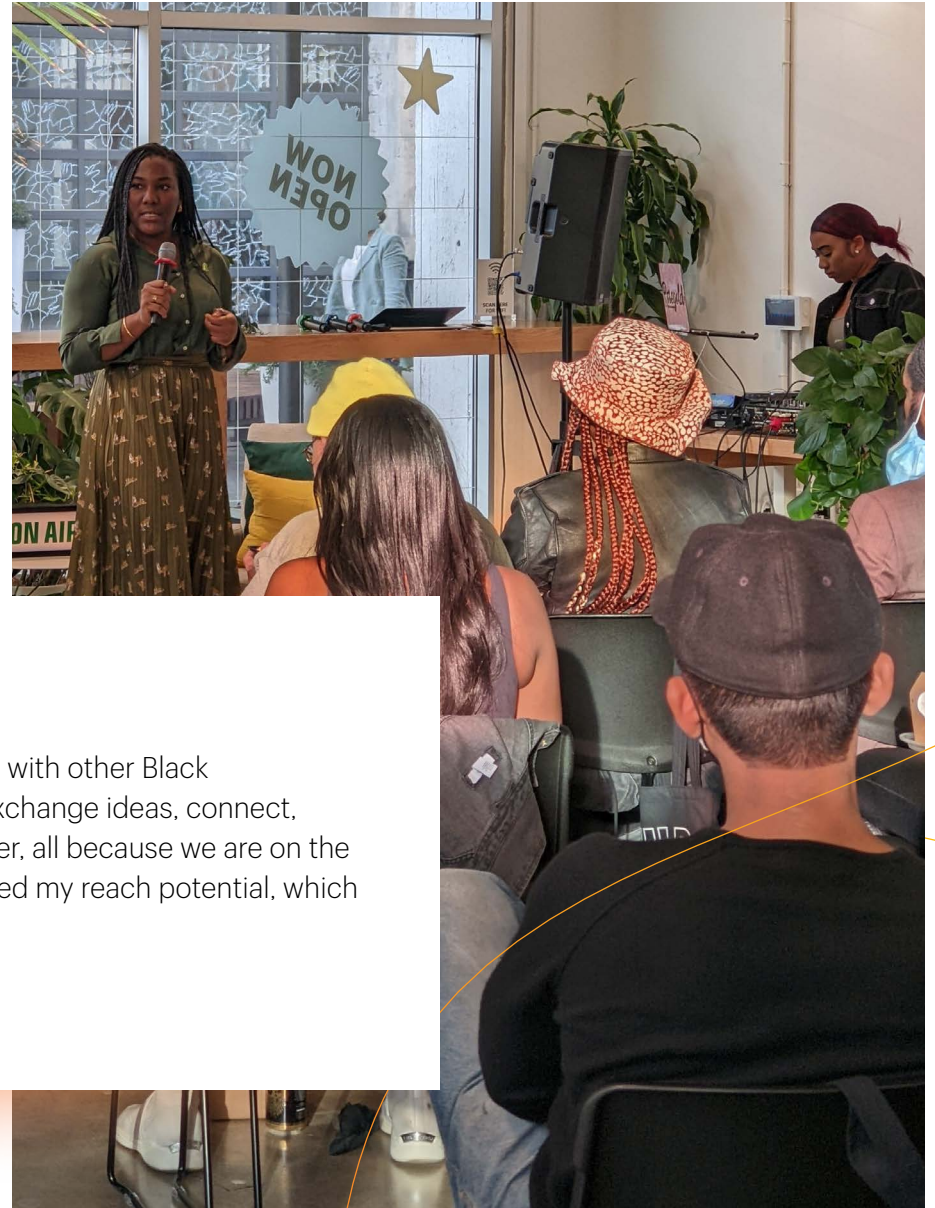
In partnership with Afropunk, we launched the Black Fashion Accelerator, a program that finds, develops, and showcases exceptional Black founders in the fashion industry. Nine designers were selected to attend six months of programming starting in 2021, which includes access to funding, industry experts, and business resources. The 2021 cohort will conclude the program with a fashion show in July 2022 in New York City, where each participant will present a collection of their work and receive a \$5,000 grant.

Black Entrepreneurs Day Partnership and Grant

To celebrate Shopify's Black merchants on Black Entrepreneurs Day, we hosted a roundtable with the day's creator, Daymond John, and three Shopify merchants: caribBEING, Artists Untold, and Brooklyn Tea. We also broadcast two commercial spots highlighting two Shopify merchants, which were viewed by thousands, and funded a \$25,000 NAACP Grant to Shopify merchant, LLULO.

Build Black

Since starting in 2019 as a single event, the Build Black series has evolved into a brand with multiple virtual and in-person events bringing lessons on entrepreneurship, identity, and scaling to current and aspiring business owners. This year's virtual event was attended by over 2,900 people, resulting in 970 Build Black Community applications.



“

It has been amazing to connect with other Black entrepreneurs, where we can exchange ideas, connect, and collaborate with one another, all because we are on the Shopify platform. It has expanded my reach potential, which is exactly what I needed.

Participant | Build Black Community



Indigenous Entrepreneurs

Indigenous entrepreneurs face challenges in launching businesses, including inequitable access to grants, capital, and education. Shopify partners with Indigenous training and development programs designed to foster entrepreneurship and improve access to funding.

Te Whare Hukahuka

Shopify continued our support of Te Whare Hukahuka, a social enterprise that offers Indigenous ecommerce training. Program participants are taken through a six-month course that shows them how to launch a single product with the help of a sales funnel and email journey. In 2021 260 people participated in the course and 219 launched stores, four times more participants and three times more stores than in 2020. The strong rise in the number of participants and stores launched in 2021 shows an increase in demand due to the success of the 2020 program.

EntrepreNorth

The Entrepreneur Growth Program empowers Indigenous and community-based entrepreneurs in Nunavut, the Northwest Territories, and the Yukon. In 2021 Shopify helped onboard 16 businesses in Canada's circumpolar region, compared with five in 2020.

Maanaki

Introduced in 2021, this New Zealand-based online community empowers small business owners by connecting them with experts in their fields. Through our partnership, we helped Maanaki onboard 98 merchants in 2021 and expand their program to Papua New Guinea.

Pow Wow Pitch

For the second year in a row, Shopify worked with Pow Wow Pitch to support their competition for Indigenous entrepreneurs across Turtle Island, shining a spotlight on vendors, artists, business builders, and innovators from all backgrounds and industries. This year more than 1,600 Indigenous entrepreneurs pitched their businesses online, up 60% from 2020. The winning businesses were Uasau Soap Inc in third place, Sacred Matriarch Creative in second place, and Smudge the Blades, who took first place and the grand prize of \$25,000.

National Indigenous Tech Conference

Shopify participated in the first National Indigenous Tech Conference, exploring digital sovereignty within Indigenous communities. Our diversity and belonging and Indigenous entrepreneur teams co-presented how Shopify can help create opportunities for Indigenous entrepreneurs to an audience of nearly 150 Indigenous leaders, businesses, and community members. Additional speakers included Shopify Indigenous entrepreneur Jenn Harper, founder and CEO of Cheekbone Beauty; Chief Clarence Louie, Osoyoos Indian Band; and Dr. Ted Moses, Former Grand Chief, Cree Nation Eeyou Istchee.

Other 2021 programs:

Fireweed Fellowship: Shopify provided 60-day free trials and training sessions to participants of this national accelerator program for Indigenous entrepreneurship in Canada.

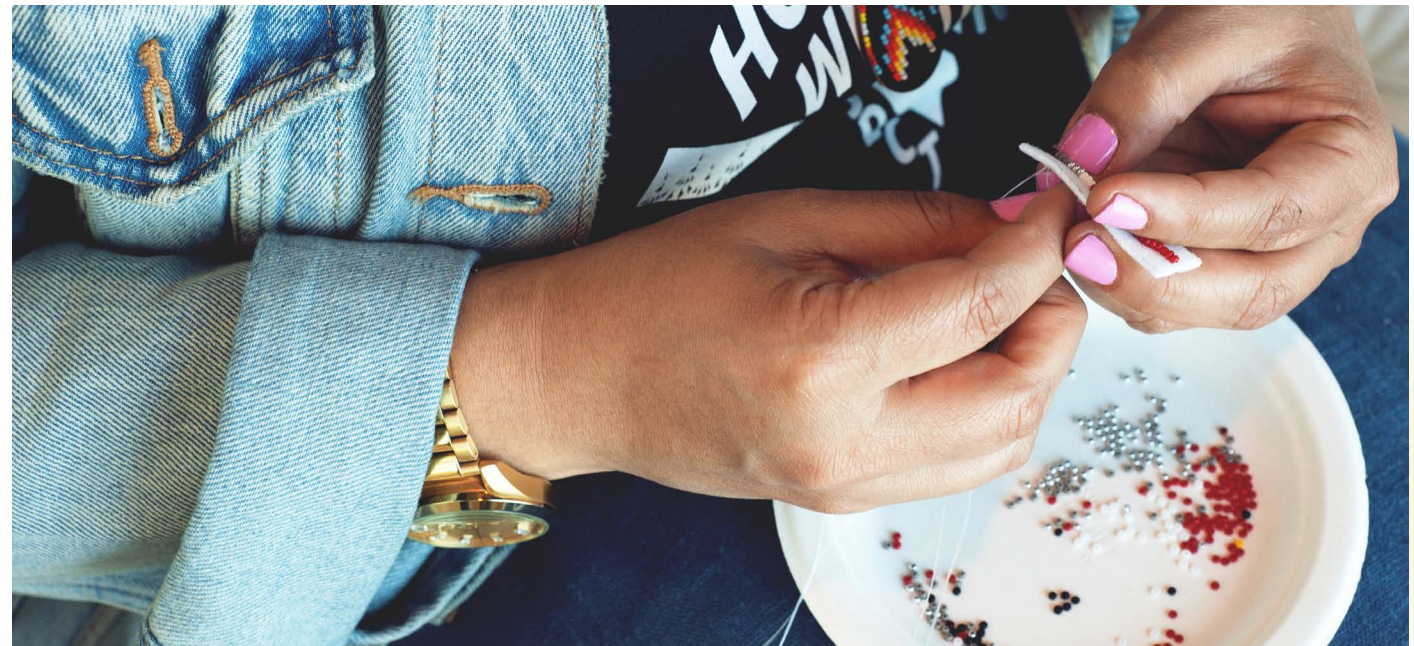
Rise2025: Shopify provided 60-day free trials and training sessions as part of this coaching, leadership, and business program for Indigenous women and their families.

Ishkode: Hosted by the Indigenous entrepreneur team at Shopify, this virtual event is an opportunity for Indigenous entrepreneurs to share their stories.

We Thrive: Shopify partnered with Facebook and the Canadian Council for Aboriginal Business to amplify Indigenous businesses. Five Indigenous businesses received one-on-one support from Facebook and a \$5,000 ad credit.

Ryerson Indigenous Fashion: Shopify provided 60-day free trials, webinars, and tailored education modules to program participants, who are building or scaling a business in the fashion industry.

INDIGENOMICS: Shopify sponsored this education series' virtual event in 2021, which is dedicated to creating a national discussion for developing the Indigenous economy.



Social Enterprises

Commerce can be a powerful vehicle for environmental, social, and economic change, by responding to needs for innovation within the industry, employing marginalized people, and giving back to charitable causes. Shopify encourages the creation of social enterprises hosted on our platform by supporting brands that focus on the triple bottom line: planet, people, and profit.

SheEO

SheEO works to improve outcomes for women and non-binary entrepreneurs. At the beginning of 2021, we activated five Shopify businesses within the SheEO community and expanded our partnership by creating a scholarship for 100 women and other marginalized-gender-owned social enterprises in the United States and Canada.

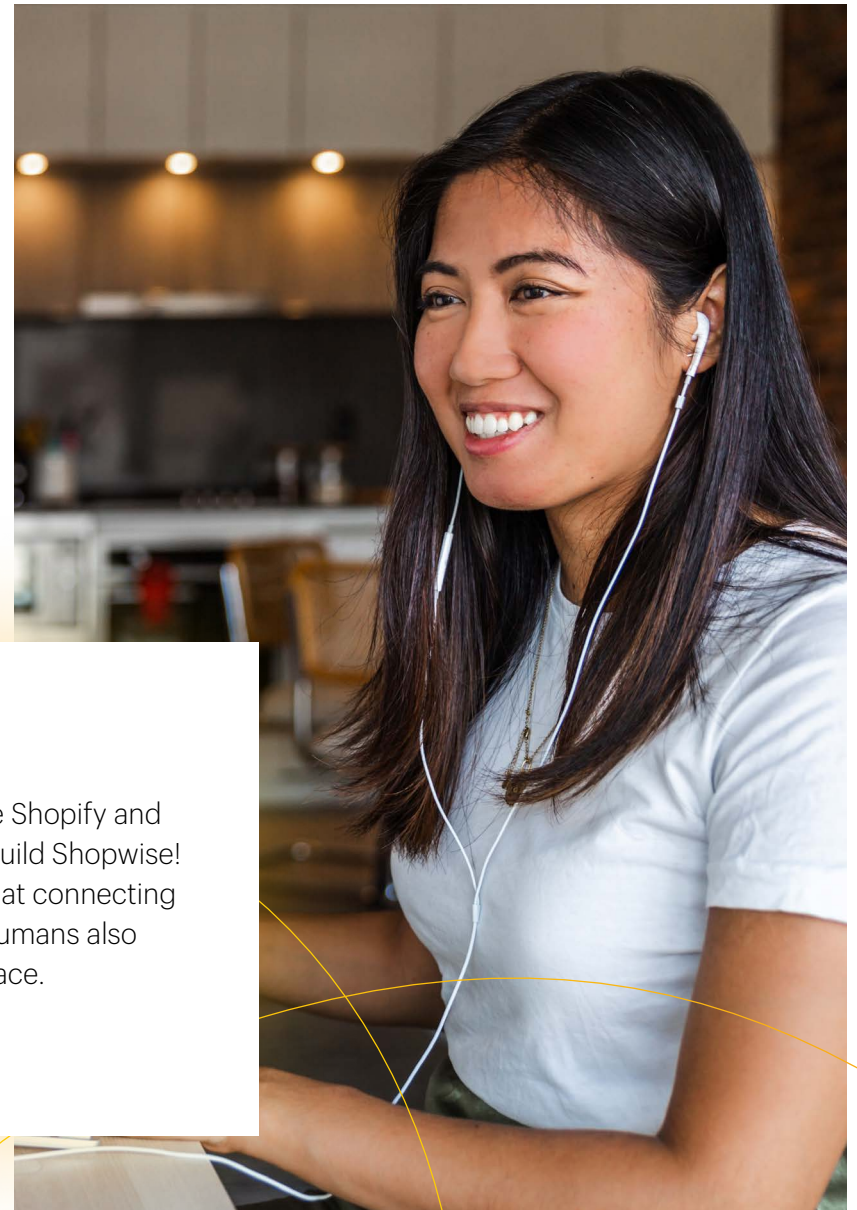
Red de Impacto (Impact Network)

Red de Impacto (Impact Network LATAM) is a grouping of more than 100 impact entrepreneurship support organizations that collaborate for the socioeconomic and environmental regeneration of the region. Shopify partnered with Red de Impacto to support 100 social enterprises in Mexico through a scholarship program to develop and integrate digital commerce and sustainability practices into their business models, 50 of which were enrolled in 2021 as part of the first cohort.

“

I'm thrilled to have received one of the Shopify and SheEO scholarships as we grow and build Shopwise! The last few months have been so great connecting with like-minded entrepreneurs and humans also working to make the world a better place.

Jaclyn Patterson | Founder, Shopwise



Data Security and Privacy

At Shopify we know that trust is our most valuable asset. Our merchants trust Shopify with their livelihoods. And research indicates that 32% of consumers are willing to switch companies over data or data-sharing policies, with 90% believing that how their data is treated reflects how they're treated as customers.⁵

Our quest for improved security isn't just driven by compliance or regulatory changes, but rather by an understanding that risk and opportunities in the digital landscape are evolving rapidly, and merchants and their customers are demanding greater privacy.



Privacy and Security Governance

Respect for the data entrusted to us is a fundamental priority of ours. Our privacy policy reflects our commitment to informing stakeholders how we process their information. We're making the right tools available to merchants to manage their obligations as well.

Last year we welcomed our first chief information security officer, who oversees the company's efforts in cybersecurity, privacy, fraud, information technology, and user trust and safety. This is just one step in levelling up on our investment in growing a secure and scalable platform for merchants and customers alike. SOC 2 and PCI compliance reports are also available to merchants, demonstrating that independent auditors have verified our security practices.

Bug Bounty Program

The ethical hacking community is a major part of maintaining the security of large, complex web services. We continue to invest in the community through our bug bounty program. In 2021 we received over 3,000 reports and paid out \$1 million in bounties, more than twice the payouts awarded in 2020.

Learn more:

[Shopify Privacy Policy](#)

[Shopify Transparency Report](#)

[Shopify SOC reports](#)

[Shopify Code of Conduct](#)



TALENT AND CULTURE

BUILDING A CULTURE OF INNOVATION

Belonging and inclusion underscore everything we do.

As a merchant-first, product-centered, mission-driven company, the core values of entrepreneurship are at the heart of our culture. We foster this spirit of entrepreneurship within the Shopify community by encouraging creativity, diverse perspectives, and bold innovation.

By recruiting, developing, and supporting a diverse workforce that reflects the Shopify ecosystem, and by fostering a healthy work-life balance, we're creating space where our employees can show up as their authentic and best selves.

Early Talent

Our Early Talent programs are designed to attract, hire, and develop diverse emerging talent. We do this by delivering innovative work-integrated learning programs to students, recent graduates, and those pivoting careers. Each is designed to accelerate participants' long-term career impact. Every year, our Early Talent programs serve over 450 aspiring engineers, data scientists, user interface designers, and product managers.



Dev Degree

Developed in partnership with Ottawa's Carleton University to better prepare students for software engineering careers, Dev Degree oversees computer science undergrads working at Shopify. Participants receive more than \$160,000 in paid tuition, salary, and vacation days. Shopify expanded the Dev Degree partnership to include York University in 2018 and the Dominican University of California in 2021, which together reflects the success of the program.

In 2021 we welcomed 34 new engineering interns. In addition, 13 students at Carleton University successfully completed all Dev Degree program requirements—all of whom were offered full-time engineering roles at Shopify before completing the program.

85

Total Dev Degree engineering interns

50%

Of Dev Degree interns identify as women

100%

Job placement within six months of Dev Degree graduation

Compared to nearly 70% for traditional computer science program graduates⁷

\$3.4M

Invested in Dev Degree program participants



RnD Internship Program

Targeting candidates within the fields of engineering, data science, and user experience, the RnD Internship program offers four- or eight-month placements for students, new grads, and those who have recently changed careers. The combination of coaching, mentorship, and hands-on learning prepares them for full-time roles, while delivering a pipeline of diverse RnD talent to Shopify.

360

Total RnD internship program participants, up from 356 participants in 2020

155

Total RnD interns converted to full-time hires, up from 124 in 2020

Apprentice Product Manager Program

Our newest Early Talent program is designed to develop the next generation of product leaders. Over the 12 month program, participants complete 2 team rotations to gain the skills required to become a product manager, while growing within a supportive working community. In September 2021 we welcomed our first cohort of 11 product manager apprentices.

1,770

Applications to the Apprentice Product Manager program

73%

Of participants identify as members of underrepresented groups

Digital by Design

At Shopify the future of work is built around a mission, not a headquarters. We're on a mission that prioritizes people, and supports employees doing their best work from wherever they work best. In 2021 we moved full steam ahead with Digital by Design (DxD), our new way of working remotely by optimizing for digital collaboration, communication, and connection.

DxD allows employees to work from almost anywhere, organizing their work and life in a way that's energizing and impactful, rooted in a sense of belonging and purpose. It has also allowed us to recruit top talent from around the world as we build a diverse workforce that reflects the Shopify ecosystem and the world we live in.

“

DxD made me realize how important flexibility is when it comes to being able to craft your own day so you can do your best work.

Mark Lathan | Merchant Success Manager, Shopify

Although this new way of working presents opportunities, it's also uncharted territory. We're thinking deeply about how to best support employees as they transition to remote work, while fostering the community and connection our business is built on.

Universal Employee Experience

DxD helps Shopify create a universal employee experience. We know an

engaged, successful culture relies on a level playing field for employee experiences, opportunities, and information—starting with the tools, technology, support, and leadership available to employees across the globe. This includes Shopify Summit (our annual employee conference now optimized for a global remote workforce), Town Hall (a weekly livestream gathering led by Shopify leadership teams), and the reimbursement of a portion of each employee's internet service expenses.

World-Class Technology

Shopify provides world-class tech and tools to inspire better, higher quality work, and to stay connected in our digital-first environment. Employees also have ownership to create a space where they can work and ship impactful work, wherever they are.

Since going DxD, we've been able to expand our hiring across new markets like Spain, France, and the Netherlands.



“

I can show up in different ways for my work and my family because I have this flexibility. I'm so glad that I can design my life based on my needs, requirements, and values.

Nova Nicole | Leadership Development Facilitator, Shopify



Personal Connections

The best teams at Shopify have a deep sense of connection with one another. This interconnectedness helps us have a substantial impact on our mission. The value of relationship building, both in person and online, hasn't been neglected in the move to DxD.

Bursting

In 2021 we introduced Bursting, highly intentional in-person gatherings designed to build trust and connections, solve hard problems, and have fun.

Virtual Homesites

Virtual homesites are opportunities for a team to focus intentionally on building relationships, aligning goals, learning together, and having fun in a digitally synchronous environment.

Hires outside of the Americas grew at nearly 2x the rate of hires inside the Americas in 2021

Flexible Living

We believe people can have their greatest impact when they're well supported to pursue meaningful work from wherever works best for them. This means employees can plan their lives around where they live, instead of where they work. We also offer the Destination90 program, which gives employees the freedom to work away from their country of hire for up to 90 days annually.

Talent Development

In 2021 we grew our team to over 10,000 people to help Shopify build the future of commerce. But that's just a number. It doesn't tell the story of how our people are driving innovation—and how we're supporting their skill development along the way.

Startup

Every employee's journey at Shopify starts with our foundational onboarding program, Startup. Through this program, we give new employees the best possible start for asking questions and gathering context.

In January 2021 we launched a new digital onboarding experience that fully reflects our DxD environment. New hires are introduced to Shopify's mission, platform, culture, and values through a mix of live sessions and self-directed activities.



“

I made a conscious decision to upskill to better future-proof my career. patch was the perfect stepping stone to start building solid foundational and technical knowledge to really understand how computers, the internet, and even the Shopify platform actually work. It motivated and gave me the confidence to apply for a more technical role at Shopify.

Katie Hudson | Growth Product Operations Lead, Shopify

patch

Our programming skills development program patch, which covers coding, coding collaboration tools, and working with data at Shopify, ramped up in 2021. Open to all employees, this program focuses on job-embedded learning opportunities designed to develop employees' confidence in and knowledge of technology.

97%

Of new hires report high satisfaction with Startup, matching previous in-real-life scores

92%

Of new hires feel Startup helps connect their team's work to Shopify's mission

30%

Of employees completed a patch course in 2021

95%

Of employees would recommend patch content to other employees

Leading at Shopify

We follow a high-leverage leadership philosophy to help leaders concentrate their effort and their teams toward building a company focused on making commerce better for everyone. Leading at Shopify is a leadership program designed to deliver knowledge, resources, and support for leadership development. To meet the demands of the DxD work environment, we relaunched in 2021 with a modular learning experience, which allows leads to access specific learning for their needs and journey at the right time.

7,000

Engagements with Leading at Shopify since launching the modular leadership development experience

Bridge the Gap

Being a merchant-first, product-centered company, our employees are eager to understand and solve merchant pain points. Bridge the Gap is a program that allows employees to connect to merchants by shadowing our support team in customer service interactions, with the result of building empathy and connections. Bridge the Gap allows us to gain insight into the way merchants use our product, and how to best build trust with the people who make our business work.

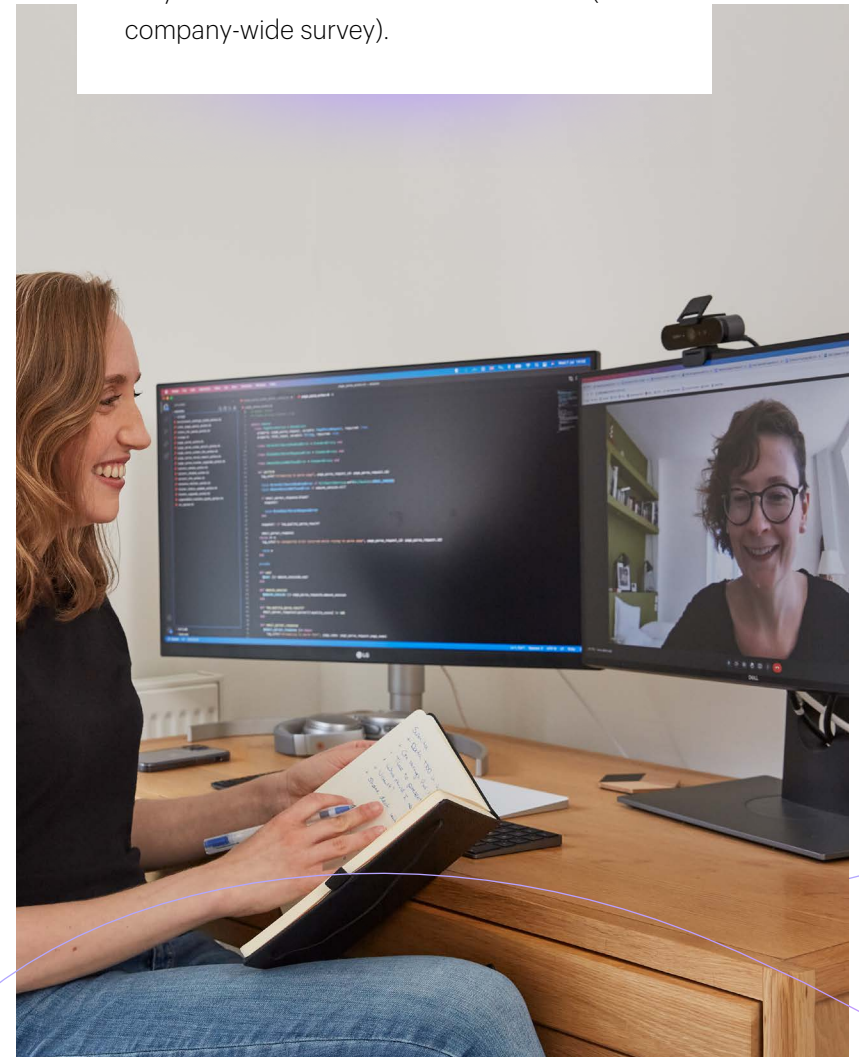
96%

Of Bridge the Gap participants said the sessions increased their empathy and understanding of merchant needs

84%

Of Bridge the Gap participants said they gained a new understanding of the link between what they do at Shopify and how it relates to merchants

Three out of four employees reported Shopify motivates them to go above and beyond what they would do in a similar role elsewhere (2021 company-wide survey).





Wellness

We know that our employees bring their best work when they feel their best—and we're committed to helping them develop sustainable wellness practices for the long term.

This was critical during the uncertainty of the previous year, particularly as we shifted to a remote work model. We continued to take a holistic approach to wellness—including mental, physical, financial, and social aspects—and introduced a new set of perks and programs, tailored to support each employee as an individual.

We use a variety of mechanisms to evaluate the effectiveness of our programs, including program use, pulse surveys, and accommodation and leave incidence rates.

Physical, Mental, Social, and Financial Well-being

In addition to medical leave and accommodation programs, Shopify employees have access to live and on-demand daily workshops that focus on physical health (like yoga and pilates sessions), mindfulness (meditation and breathwork classes), and financial well-being (education and support offered by financial service partners).

As we shifted to DxD, we also acknowledged that setting up a home office would require accommodations. Employees were able to set up a virtual session with a specialized ergonomist to assess and properly set up their workspaces.

Beyond bursting and virtual homesites for teams to build relationships in a DxD environment, we reimagined the way we socialize. In 2021 we introduced Shopify Party, a virtual game for employees to take a break from digital meeting fatigue, and connect with colleagues in a lighthearted digital setting.

Time to Rest and Recover

Research shows that time off work helps employees reduce stress, establish better work-life balance, and be more engaged within the workplace.⁸ But rather than working longer, we worked smarter: We provided Fridays off through the summer months in 2021 and an end-of-year break—an extra week of paid vacation for most employees to disconnect from work and reconnect with family. And employees who have been with Shopify for five years can take advantage of Intermission, a one-time, four-week consecutive paid break in addition to annual vacation to recharge their batteries.

Comprehensive Mental Health Coverage and Support

According to research, the pandemic increased cases of stress, depression, and anxiety disorders by more than 25% worldwide.⁹ Current events have also exacerbated existing trauma, including emotions of racism, xenophobia, and intergenerational trauma within the Indigenous community.

To support our employees' continued wellness, we partnered with existing mental health programs to run therapist-led peer support circles. Employees and their families also have access to a free and confidential Employee Assistance Program (EAP) to help with any work, health, or life concern, and access to mental health coverage.

In 2021 we implemented initiatives to increase awareness of our mental health programs by launching the Wellbeing Navigator, an internal tool to help employees more easily locate wellness resources within a more cohesive employee experience. We also introduced a wellness component to our employee onboarding curriculum and leadership training. As a result, use of our mental health support programs increased in 2021 over the previous year.

Extended Care for Families and Loved Ones

We're all learning new ways of working and being, including juggling the emotional and practical realities of caring for young children, elderly parents, or other family members, while keeping up with day-to-day responsibilities and work. This is the first year we collected data on caregiver status to better understand and support our employees.

To support them, we offer a wide range of support including wellness resources, EAP, caregiver accommodations like flexible scheduling, and unpaid leave. We also established a caregiver employee resource group (ERG) to provide a support system to these individuals.



Diversity and Belonging

Entrepreneurship offers a path to economic independence for individuals across all dimensions of diversity. We're committed to fostering diversity and belonging (D&B) within our employee and merchant communities. We do this by building D&B into our operating system.

It's only with a clear vision and consistent action that we can create an inclusive organization and dismantle barriers. We are optimistic—both about the progress we've seen, and the substantial work that remains to be done.

18.3%

Of Shopify employees reported they have caregiver responsibilities

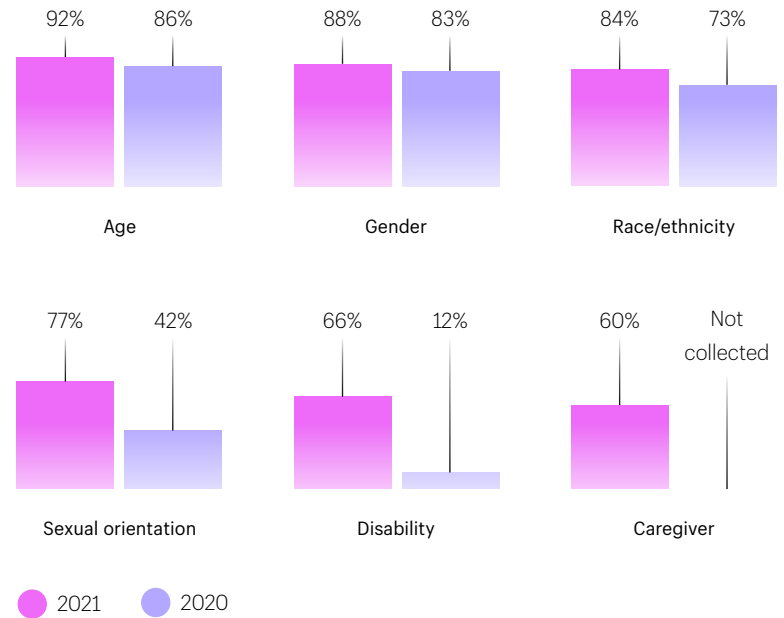
Inclusive Research

We take a human-centric and research-based approach to D&B, collecting data across six dimensions of diversity to inform our strategy and initiatives.

In 2020 we launched our Global D&B Strategy after consulting employees around the world which continued to inform our approach in 2021. Users were able to self-identify additional categories, allowing us to identify areas for continued improvement:

- 20–29 and 30–39 age ranges continue to grow the quickest
- Representation of women, Black, and Latinx employees continued to increase within the overall employee base
- Opportunities remain to expand the proportion of women in leadership and RnD, and the overall proportion of Black and Latinx representation

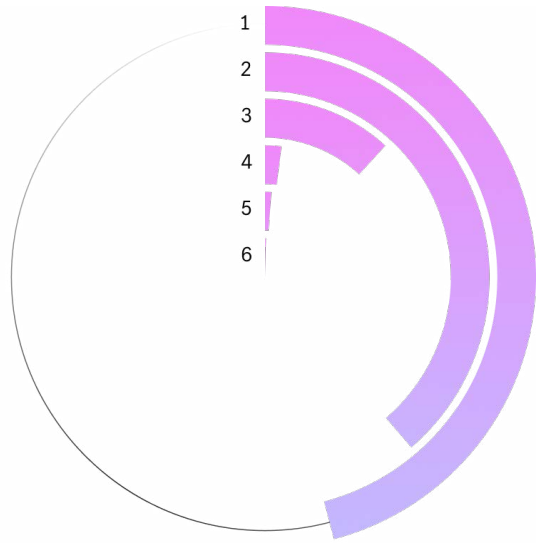
Diversity and Belonging Survey Completion Rates at Shopify



Completion rates for all categories of our diversity survey climbed with a notable increase in completion rates for sexual orientation (from 42% to 77%) and disability (from 12% to 66%), both driven by our redesign and substantial consultations with employee resource groups to build trust.

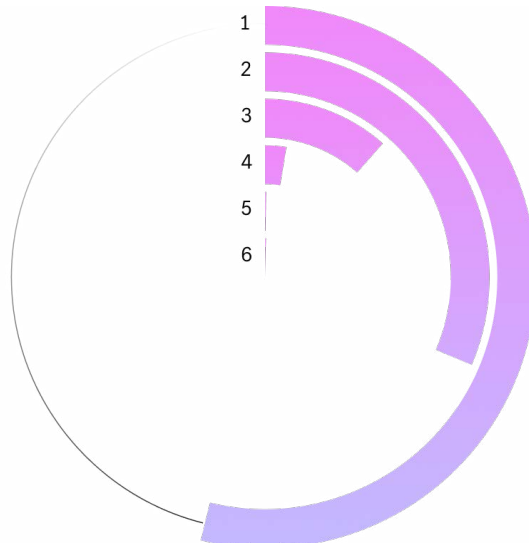
Gender at Shopify

Gender across Shopify



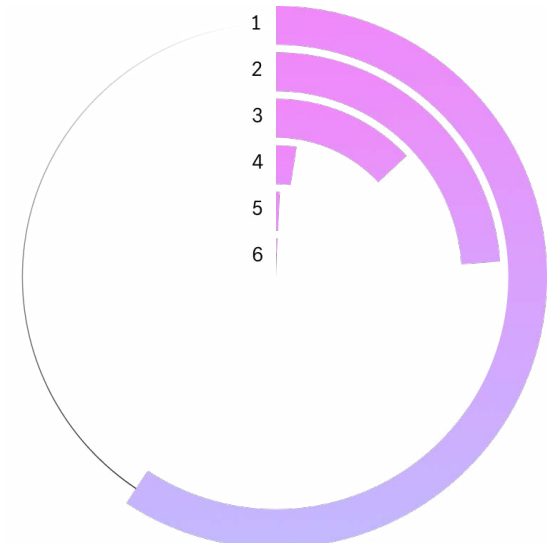
	2021	2020	Change
1 Men	45.9%	43.2%	+2.7%
2 Women	38.7%	35.9%	+2.8%
3 Not specified	11.8%	17.1%	-5.3%
4 Prefer not to say	2.0%	2.7%	-0.7%
5 Additional gender categories*	1.2%	1.1%	+0.1%
6 Multiple gender categories	0.4%	Not collected	

Gender in leadership



	2021	2020	Change
1 Men	53.8%	58.3%	-4.5%
2 Women	31.4%	32.7%	-1.3%
3 Not specified	11.5%	4.9%	+6.6%
4 Prefer not to say	2.6%	3.5%	-0.9%
5 Additional gender categories*	0.2%	0.5%	-0.3%
6 Multiple gender categories	0.4%	Not collected	

Gender in RnD (data, engineering, product, UX)

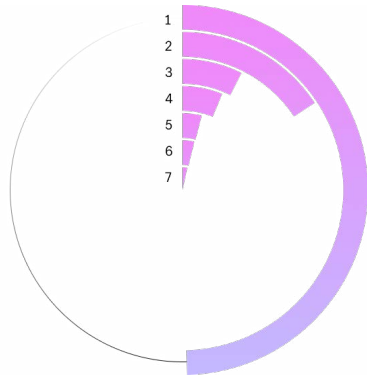


	2021	2020	Change
1 Men	59.3%	63.0%	-3.7%
2 Women	23.9%	29.2%	-5.3%
3 Not specified	13.1%	3.5%	+9.6%
4 Prefer not to say	2.5%	3.5%	-1.0%
5 Additional gender categories*	0.7%	0.9%	-0.2%
6 Multiple gender categories	0.5%	Not collected	

*Additional gender categories includes Agender, genderqueer, Nonbinary, Two Spirit, and Not listed.

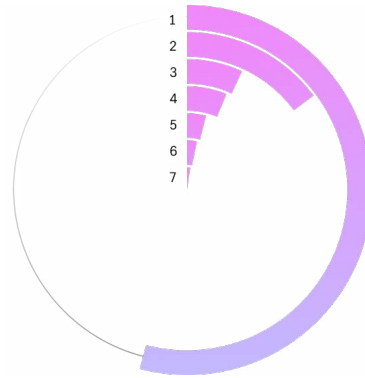
Race and Ethnicity at Shopify

Race and ethnicity across Shopify



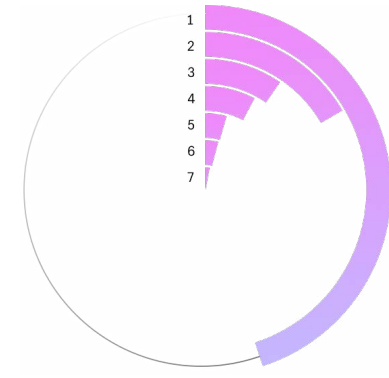
	2021	2020	Change
1 White	49.6%	45.8%	+3.8%
2 Not specified	15.7%	26.8%	-11.1%
3 East Asian	7.4%	6.0%	+1.4%
4 South Asian	6.2%	4.9%	+1.3%
5 Mixed	4.0%	2.1%	+1.9%
6 Latinx	3.8%	3.3%	+0.5%
7 Black	3.3%	2.6%	+0.7%
Prefer not to say	2.8%	2.5%	+0.3%
Southeast Asian	2.2%	1.7%	+0.5%
Not listed	1.4%	1.2%	+0.2%
Two or more races	1.2%	Not collected	
Middle Eastern	1.1%	2.2%	-1.1%
West Asian	0.6%	Not collected	
Arab	0.2%	Not collected	
Pasifika	0.1%	0.0%	+0.1%
Māori	0.0%	0.1%	-0.1%
Pacific Island	0.0%	0.0%	0.0%
Samoaan	0.0%	Not collected	
Traveller	0.0%	0.0%	0.0%
Indigenous	0.3%	0.6%	-0.3%

Race and ethnicity in leadership



	2021	2020	Change
1 White	54.1%	60.2%	-6.1%
2 Not specified	14.8%	14.3%	+0.5%
3 East Asian	6.9%	5.3%	+1.6%
4 South Asian	6.2%	5.7%	+0.5%
5 Mixed	4.0%	1.7%	+2.3%
6 Latinx	3.2%	2.7%	+0.5%
7 Black	2.3%	1.8%	+0.5%
Prefer not to say	3.2%	3.1%	+0.1%
Southeast Asian	1.4%	1.2%	+0.2%
Not listed	1.0%	1.2%	-0.2%
Two or more races	1.0%	Not collected	
Middle Eastern	1.3%	2.3%	-1.0%
West Asian	0.4%	Not collected	
Arab	0.0%	Not collected	
Pasifika	0.0%	0.0%	0.0%
Māori	0.0%	0.0%	0.0%
Pacific Island	0.0%	0.1%	-0.1%
Samoaan	0.0%	Not collected	
Traveller	0.0%	0.0%	0.0%
Indigenous	0.0%	0.4%	-0.4%

Race and ethnicity in RnD (data, engineering, product, UX)

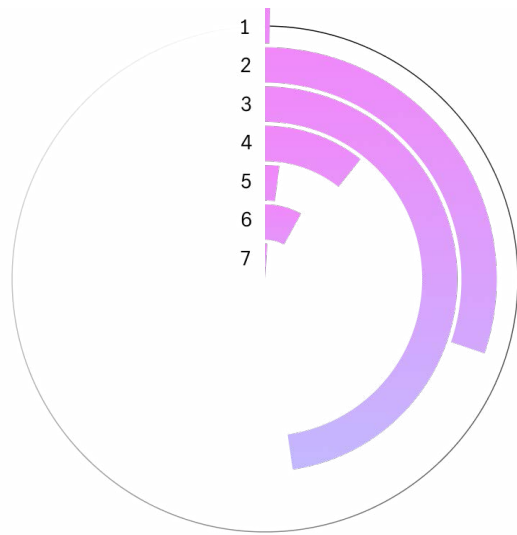


	2021	2020	Change
1 White	45.0%	46.8%	-1.8%
2 Not specified	16.6%	17.3%	-0.7%
3 East Asian	9.6%	9.8%	-0.2%
4 South Asian	7.8%	7.2%	+0.6%
5 Latinx	4.4%	4.6%	-0.2%
6 Mixed	4.1%	1.6%	+2.5%
7 Black	2.9%	2.9%	0.0%
Prefer not to say	3.2%	3.2%	0.0%
Southeast Asian	1.8%	1.6%	+0.2%
Not listed	1.0%	0.8%	+0.2%
Two or more races	0.8%	Not collected	
Middle Eastern	1.6%	3.8%	-2.2%
West Asian	0.8%	Not collected	
Arab	0.2%	Not collected	
Pasifika	0.0%	0.0%	0.0%
Māori	0.0%	0.0%	0.0%
Pacific Island	0.0%	0.0%	0.0%
Samoaan	0.0%	Not collected	
Traveller	0.0%	0.1%	-0.1%
Indigenous	0.0%	0.3%	-0.3%

*Indigenous includes Metis, First Nations, and Inuit.

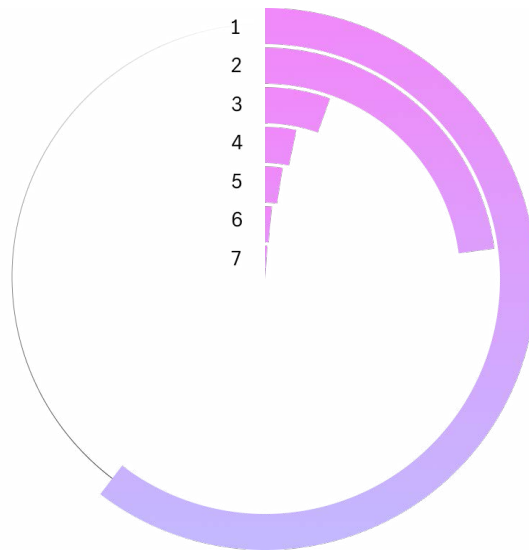
Age, Sexual Orientation, and Disability at Shopify

Age at Shopify



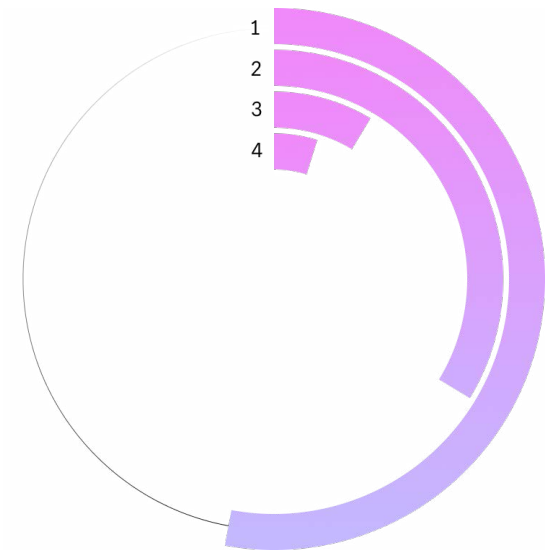
	2021	2020	Change
1 19 and under	0.3%	0.5%	-0.2%
2 20-29	30.2%	27.4%	+2.8%
3 30-39	47.7%	45.9%	+1.8%
4 40-49	10.7%	10.5%	+0.2%
5 50+	2.0%	1.8%	+0.2%
6 Not specified	8.0%	13.8%	-5.8%
7 Prefer not to say	1.0%	Not collected	

Sexual orientation



	2021	2020	Change
1 Heterosexual	60.4%	32.3%	+28.1%
2 Not specified	22.9%	58.1%	-35.2%
3 Prefer not to say	5.5%	2.9%	+2.6%
4 Bisexual	3.3%	1.7%	+1.6%
5 Gay	2.5%	1.8%	+0.7%
6 Queer	1.5%	0.9%	+0.6%
7 Lesbian	1.1%	0.8%	+0.3%
Pansexual	1.0%	0.7%	+0.3%
Undecided	0.9%	0.5%	+0.4%
Asexual	0.7%	0.3%	+0.4%
Not listed	0.1%	0.1%	0.0%

Disability



	2021	2020	Change
1 No disability	52.9%	8.8%	+44.1%
2 Not specified	33.7%	87.6%	-53.9%
3 Has a disability	8.6%	2.7%	+5.9%
4 Prefer not to say	4.8%	1.7%	+3.1%

Key Diversity and Belonging Initiatives

The progress around representation of some underrepresented groups at Shopify is promising and is a direct result of our continued efforts to foster belonging through community-building programs, inclusive recruitment and talent development strategies, and by supporting a diverse workforce worldwide.

We took action within each of the four pillars of our D&B strategy: fostering understanding (research and learning), reflecting the world (merchant and employee representation), creating community (belonging for merchants and employees), and sharing our stories (storytelling and communications).

Pillar 1: Fostering Understanding

Data Collection and Reporting

- Redesigned a more user-friendly and voluntary diversity survey, resulting in higher completion rates across all six dimensions

Learning and Development

- Over 1,200 global employees participated in learning and development training on bias mitigation, empathy and allyship, discrimination and microaggressions, and privilege
- Launched inclusive content learning workshops and an “Inclusive Facilitation Guide” for content creators, storytellers, and facilitators across Shopify
- Launched the Trans and Non-Binary Community Allyship Hub

Pillar 2: Reflecting the World

Candidate Attraction and Engagement

- Partnered with communities, governments, agencies, and non-profits to source candidates from underrepresented communities
- Launched a one-year pilot with Jumpstart Refugee’s HireMe!, reducing barriers for refugee job seekers
- Partnered with Accelerate Her Future, a national career accelerator providing programs for self-identifying Black, Indigenous, and women of color to launch business and STEM careers
- Partnered with the Canadian National Institute of the Blind to participate in national job fairs, reducing barriers for people with sight loss

Accessibility and Accommodation

- Developed and implemented new best practices for candidates with disabilities across talent acquisition teams, ensuring accessibility and meaningful accommodations

Pillar 3: Creating Community

Employee Resource Groups

- Fostered a sense of community, connection, and belonging for over 9,000 employees in ERGs
- Launched the Caregivers and Belonging Connectors ERGs
- Created merchant directories, bringing awareness to Black, Indigenous, Asian, and 2SLGBTQ+ Shopify merchants (led by our ERGs)

Underrepresented Communities

- Became a founding partner of the Tent Coalition Coalition for Afghan Refugees
- Represented Shopify at the Canadian Chamber of Commerce as a member of the National Workforce Policy Committee Meeting
- Represented Shopify as a council member of the Future of Work Champions Council with CivicAction to drive measurable action and impact on employment outcomes for youth not in employment, education, or training in Toronto

Pillar 4: Sharing Our Stories

Employee Town Hall events

- Over 5,700 employees attended Black History Month, National Indigenous History Month, and Juneteenth Town Hall events

Internal Real Talks

- Over 3,600 viewers of our series covering topics from anti-Asian racism to the lived experiences of caregivers
- Organized Shopify’s inaugural programming for the first National Day of Truth and Reconciliation with a keynote presentation from Dr. Suzanne Stewart
- Produced a fireside chat with Sheri Byrne-Haber on International Day of Persons with Disabilities

Storytelling and Partnerships

- Produced the Shopify Studios series **Born for Business** to share the stories of entrepreneurs with disabilities and highlight merchant diversity

Belonging Campaigns

- Celebrated employees and merchants from different communities throughout the year, including Black History, Pride, and Asian Heritage months



CLIMATE CHANGE

BUILDING BETTER COMMERCE FOR A BETTER PLANET

We want to be a company that sees the next century.

To bring our 100-year vision to life, we don't just need to make commerce better. We need to take better care of our planet.

Reducing emissions is an important component of combating climate change, but there's still too much carbon in the air. So we're tackling both. Shopify is funding high-quality carbon-removal projects to achieve the solutions the world needs to reach net zero at the scale and in the timeframe required. But we can't do it alone, which is why we're providing opportunities for merchants and buyers, and encouraging other companies to join us.

Proudly Carbon Neutral

Building for the long term means taking an active role in making a low-carbon future a reality today.

Carbon neutral since inception

- We've purchased carbon offsets to cover our entire operational footprint

Renewable-powered home offices

- We've purchased renewable energy certificates for our office buildings and employee home-office electricity use around the world

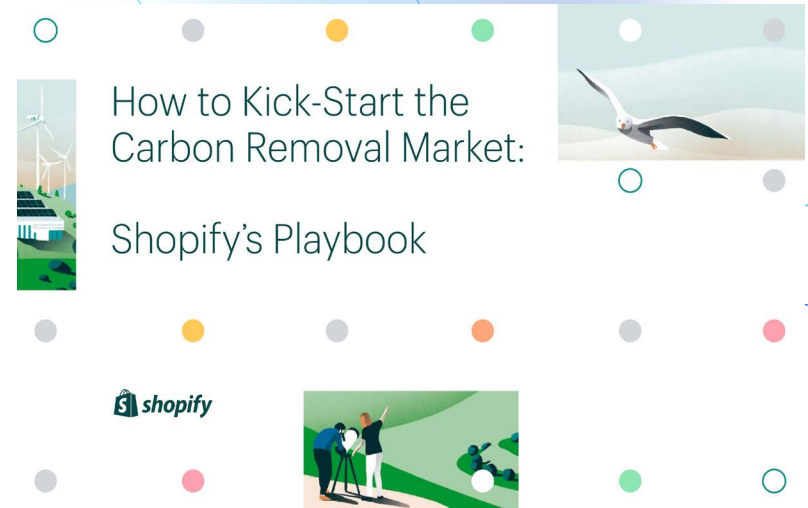
Carbon-neutral platform

- Our platform runs entirely on Google Cloud, which means merchants' online stores are powered by renewable energy

Carbon-neutral corporate travel

- We've purchased carbon removal for all our corporate travel

In 2021 we became the largest corporate purchaser of direct air capture (DAC) carbon removal globally. This milestone comes with our agreement to purchase 10,000 tonnes of removal¹⁰ from [Carbon Engineering](#), adding to a previous 5,000-tonne commitment to [Climeworks](#). We're sending a clear market signal: Buyers are looking for long-term carbon removal, and large-scale DAC technology is a key solution to solve climate change. Since 2021 other companies have followed our lead, making even larger purchases of DAC carbon removal than we have. These knock on effects are proof points of the impact our efforts are having and demonstrates Shopify's leadership in supporting innovative carbon removal technologies.



Shopify's Playbook

Here's our greatest takeaway in the journey to reverse climate change: **More companies need to buy carbon removal and demonstrate demand today to accelerate market growth.** It's the only way the technologies that pull carbon out of the air and lock it away for the long term will exist at scale. That's why we

released the playbook [How to Kick-Start the Carbon Removal Market](#), to show other companies how to do the same. Our goal is to make investing in the future as easy as possible. And while emissions reduction is the first step in combating climate change, reductions alone won't get us to net zero. We need to support early-stage carbon removal tech today to make sure an abundance of solutions exist tomorrow.

Energy and Emissions Trends

	Unit	2019	2020	2021
Building and home office energy				
Building natural gas	m3	700,323	592,715	308,219
Home office natural gas	m3	112,513	345,292	418,673
Building electricity	MWh	7,610	6,770	5,083
Home office electricity	MWh	1,023	3,139	6,382
Building and home office emissions				
Building natural gas	tCO2e	1,706	1,447	701
Home office natural gas	tCO2e	287	858	953
Building electricity	tCO2e	369	493	356
Home office electricity	tCO2e	201	444	1,152
Corporate travel emissions				
Work travel	tCO2e	4,402	1,715	4,183
Total operational emissions				
Total operational emissions	tCO2e	6,965	4,957	7,345
Operational emissions intensity (by revenue)	tCO2e/revenue	0.0000044	0.0000017	0.0000016
Operational emissions intensity (by employee)	tCO2e/employee	1.3930000	0.7081429	0.7345000

Methodology

As Shopify shifted to a remote working model in 2020, we added home offices to our energy and emissions data, as well as natural gas system leakage and electricity transmission and distribution loss. In the table, "Building" includes offices, warehouses and merchant spaces, and "Home office" is reported separately. The definition of corporate travel includes flights, rail, automobile, and hotel emissions.

This methodology was applied in 2021 and 2020. 2019 figures were revised in 2020 using the same methodology.

2021 Insights

Home office energy and emissions increased in 2021 compared to 2020 reflecting Shopify's first full year as a remote-first company and the growth of our employee base. Office energy and emissions decreased in 2021 over the prior year as we began to exit some of our office leases.

Corporate travel emissions increased in 2021 compared to 2020 due to the return of work travel, as stay-at-home mandates relating to the global pandemic eased, and the growth of our employee base.

Carbon Neutral Commitment

	Unit	2021
Total operational emissions	tCO2e	7,345
Renewable natural gas purchased*	tCO2e	1,199
Renewable electricity purchased**	tCO2e	1,382
Carbon removal purchased***	tCO2e	4,764
Net operational emissions	tCO2e	0

*Renewable natural gas purchased for Canada.

**Renewable electricity purchased for Canada, US, Europe.

***Carbon removal purchased for work travel and remaining electricity and natural gas emissions in regions where renewable energy certificates or renewable natural gas credits were not available.

Shopify Sustainability Fund

Each year we intend to spend a minimum of \$5 million for what Shopify believes to be the most promising and impactful technologies and solutions to fight climate change globally. At least \$1 million of this is earmarked for carbon sequestration to kick-start the carbon removal market. The Shopify Sustainability Fund is divided into two portfolios: Frontier and Evergreen.

Frontier Portfolio

Ground-breaking technologies and companies that remove carbon from the atmosphere and store it for the long term

We believe these solutions have massive potential to reverse climate change. In 2021 we made a purchase from one new company, Heirloom, which captures carbon dioxide using naturally occurring minerals. We also finalized our purchase agreement with Carbon Engineering, and purchased additional quantities from CarbonCure, Charm Industrial, and Running Tide. By the end of 2021, we had made purchases from ten companies belonging to our frontier portfolio.

“

Since the inception of our Sustainability Fund, we have demonstrated demand where there was none. Other buyers have entered the market. Carbon removal companies have used the prepayments in our agreements, as well as the external capital these agreements have unlocked, to accelerate development. These are signs our approach is working, and today we are excited to be doubling down on carbon removal and the forward-thinking, climate-driven entrepreneurs behind it.

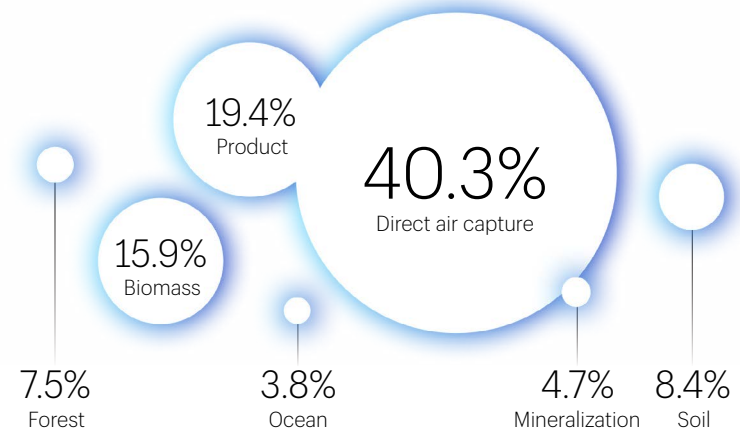
Stacy Kauk | Head of Sustainability, Shopify

“

From our very first conversations with Shopify, we knew this was a great match. While they recognize the urgency and scale of the carbon removal challenge, they share our optimistic vision for a climate-positive future. They have a long-term perspective and a thoughtful approach to betting on technologies with gigaton potential. And they understand the importance of addressing the problem now.

[Heirloom](#) | Shopify Sustainability Fund Partner

Spend by Vertical



\$17.5M

Committed already
to innovative carbon
removal startups

300,000+

Tonnes of carbon
removal purchased

29,000+

Tonnes of long-term
carbon removal
purchased



Evergreen Portfolio

Key solutions that reduce carbon emissions (with renewable power and clean fuels) or temporarily remove carbon (often nature-based approaches like soil carbon storage and reforestation)

We can put these solutions to use now to prevent the situation from getting worse, while long-term carbon removal technologies begin to scale, undoing over 200 years of emissions. In 2021 we made additional purchases from Grassroots Carbon and Pachama, bringing our funding of evergreen solutions to three companies.

More on the [Shopify Sustainability Fund](#)

Sustainability Products and Initiatives

A global problem calls for global solutions. According to the Shopify eCommerce Market Credibility Study, a commissioned survey conducted by Forrester Consulting on behalf of Shopify in September 2021, brands are prioritizing their commitment to sustainability, with over a third taking a holistic approach by establishing long-term targets.¹¹ We help support them in meeting these goals through key environmental initiatives.

Black Friday Cyber Monday (BFCM)

For the second year in a row, Shopify purchased enough carbon removal¹² to counteract the carbon emissions from the delivery of every single order placed on our platform during the 2021 BFCM weekend. This amounted to nearly 60,000 tonnes over four days, the equivalent of taking 13,000 passenger vehicles off the road for one year.

Offset App

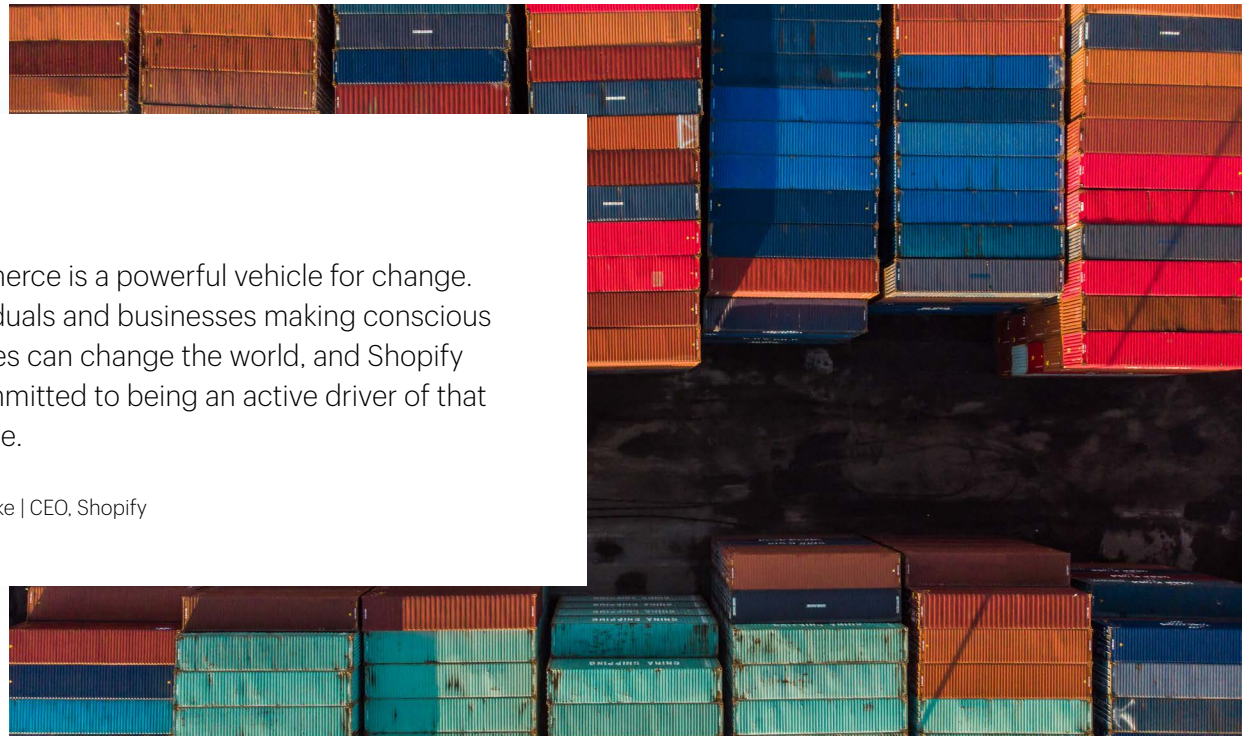
Designed to help merchants offer carbon-neutral shipping to their buyers, the Offset app tracks emissions from Shopify orders and makes offsetting possible. While 2021 saw a 67% increase in subscribers over the previous year, merchant feedback indicates they are seeking a more effective way to tell their buyers about their impact. Shopify heard this feedback and will ship updates to the app in 2022.

Shop Pay

Shop Pay is one of the first carbon-neutral ways to pay. Shopify purchases carbon removal to remove the delivery emissions of all purchases made by consumers who use Shop Pay, at no cost to them.

Starting in 2021, the Shop community began funding the restoration of the Casamance Mangroves in Senegal, Africa, with 4.6 million trees expected

to be planted by the end of 2022. By the end of 2021, the Shop community had funded the removal of 176,000 tonnes of carbon emissions from the atmosphere, equivalent to the emissions from powering 22,000 homes for one year. And it's good for entrepreneurship, re-establishing sustainable and profitable mangrove-friendly fishing, shellfish harvesting, and farming activities for local communities, both for their own consumption and for income.



Commerce is a powerful vehicle for change. Individuals and businesses making conscious choices can change the world, and Shopify is committed to being an active driver of that change.

Tobi Lütke | CEO, Shopify

ENDNOTES

1. Gross merchandise volume, or GMV, represents the total dollar value of orders facilitated through the Shopify platform including certain apps and channels for which a revenue-sharing arrangement is in place in the period, net of refunds, and inclusive of shipping and handling, duty and value-added taxes.
2. [Global Ecommerce Forecast 2022](#), Emarketer, 2022
3. [STEM Learning in Afterschool on the Rise. But Barriers and Inequities Exist](#), Afterschool Alliance, August 2021
4. [The STEM Gap: Women and Girls in Science, Technology, Engineering and Mathematics](#), AAUW
5. [Black-owned businesses in U.S. cities: The challenges, solutions, and opportunities for prosperity](#), Brookings, February 2022
6. [Do You Care About Privacy as Much as Your Customers Do?](#), Harvard Business Review, January 2020
7. [First Destinations for the College Class of 2020: Findings and Analysis](#), National Association of Colleges and Employers, November 2021
8. [Working four-day weeks for five days' pay? Research shows it pays off](#), The Conversation, July 2018
9. [Pandemic linked to rising rates of depressive and anxiety disorders](#), The University of Queensland, October 2021
10. [Shopify Purchases More Direct Air Capture \(DAC\) Carbon Removal Than Any Other Company](#), Shopify Company News, March 2021
11. Shopify eCommerce Market Credibility Study, a commissioned survey conducted by Forrester Consulting on behalf of Shopify, September 2021
12. [Shopify Merchants Understood the Assignment. Smashing Black Friday / Cyber Monday Records with \\$6.3 Billion in Sales](#), Shopify Company News, November, 2021



We are on a sustainability journey.
We invite you to join us.

