

FY19

Task Force on Climate-Related Financial Disclosures Report



ebay

Key highlights



Renewable Energy

As a member of RE100, we set a 2025 goal **to attain 100% renewable energy** in our electricity supply at eBay data centers and offices.

In 2019, we achieved 64% renewable energy toward that goal.



Circular Commerce

We encourage responsible consumption through the resale of items, helping preserve the world's finite resources.

From 2020 to 2025, we aim to **avoid 3 million metric tons of carbon emissions** through the sale of used electronics and apparel on our platform.



Climate Advocacy

We've **partnered with several organizations to advocate for climate action** such as signing the Corporate Renewable Energy Buyers' Principles and joining the Renewable Energy Buyers Alliance (REBA) and Ceres Business for Innovative Climate and Energy Policy (BICEP) Network.



Board Oversight

eBay's Board of Directors' **Corporate Governance and Nominating Committee** has direct oversight and responsibility of our company's environmental, social and governance (ESG) strategy, and they guide our overall climate approach in tandem with our Chief Sustainability Officer and Impact team.

About this report

To develop eBay's first Task Force on Climate-Related Financial Disclosures (TCFD) Report, we engaged in a multidimensional series of assessments, which included an evaluation of climate risks at our company's physical locations and within our supply chain. We also conducted an analysis of eBay's forward-looking scenarios and key market-shaping forces at the intersection between climate and our business model. The findings were reviewed and validated by a diverse set of cross-functional subject-matter experts across eBay. The engaged subject-matter experts were selected based on their knowledge of eBay's downstream, upstream and operational impacts.

This report is structured into four sections to align with the TCFD framework: (1) Governance, (2) Risk Management, (3) Strategy, and (4) Metrics and Targets. We also provide references to other relevant company disclosures—including eBay's most recent [CDP Climate Change response](#) and [Impact Report](#)—where readers can learn more about our climate actions.

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Note regarding forward-looking statements:

TCFD Report may contain forward-looking statements relating to, among other things, the future performance of eBay Inc. and its consolidated subsidiaries that are based on the company's current expectations, forecasts and assumptions and involve risks and uncertainties. Undue reliance should not be placed on any forward-looking statements.

Board oversight

The Corporate Governance and Nominating Committee of eBay’s Board of Directors oversees sustainability and ESG issues, including climate, while the full Board of Directors has ultimate responsibility for risk oversight.

The Corporate Governance and Nominating Committee reviews climate-related actions including emissions reduction and renewable energy progress and is responsible for providing feedback and guidance on our climate targets, progress and focus. ESG responsibility is part of the Committee’s charter, and climate-related issues are on at least two board meeting agendas annually.

Management's role

Our Chief Sustainability Officer (CSO) leads eBay’s Impact team. The team works across the organization to help our business groups and functions prioritize ESG as part of the company’s overall strategy. This includes cross-company collaboration on goal setting, impact measurement and reporting.

Each of eBay’s Impact goals is sponsored by a member of the Executive Leadership Team to ensure we prioritize and remain accountable to achieving these targets at the highest levels of our business. In addition, the CSO works closely with Investor Relations on ESG-related investor issues and disclosures.

eBay's ESG Governance model



To advance our strategies, manage climate risks and capitalize on climate opportunities, eBay has formed the ESG Council, which is composed of and engages with numerous critical partners across the company, including the following functions at eBay:



Further information on eBay’s ESG governance structure can be found in [eBay’s Impact Report](#) (page 27—“Our Governance Model”), [Charter of the Corporate Governance and Nominating Committee](#) (pages 2-3—“Duties and Responsibilities”) and our most recent [CDP Climate Change response](#) (pages 2-3, Questions C1.1 and C1.2).

Identified climate-related risks, opportunities and time horizons

eBay's climate strategy is driven by the ongoing identification and prioritization of material risks and opportunities. In our role as a global e-commerce leader, we connect millions of buyers and sellers around the world. We consider distinctions within eBay's business model in comparison to traditional retailers. Most notably, eBay does not maintain our own inventory for goods sold on our platform. Instead, eBay's third-party sellers directly ship products to buyers.

Climate risks

The following climate-related risks have been identified based on TCFD risk types and classifications. We identified climate-related risks with potential impact to our business over short-term (within 1 year), medium-term (2–5 years) and long-term (6–15 years) time horizons.

Categories	Key risks	Time horizon	Classification
Transition	Increased pricing of GHG emissions The increased cost of transporting goods can directly impact eBay's buyers and sellers, as shipping costs are either covered by the sellers and/or the buyers, potentially impacting eBay's revenues.	6–15 years	Policy and legal
	Uncertainty in market signals The increased cost of energy, water and related raw materials can directly impact operating costs at eBay's physical locations. Additionally, increased operating costs at these locations can also impact the potential cost to offset our company's carbon footprint.	6–15 years	Market
	Shifts in consumer preferences Changing preferences among buyers and sellers, particularly among millennials and Gen Z cohorts, could negatively impact eBay's reputation and revenues.	2–15 years	Reputation
Physical	Increased severity of extreme weather events Extreme weather events such as cyclones, hurricanes, flooding, drought, and wildfires can directly impact eBay's buyers and sellers, as they may be unable to access eBay's call centers and/or shipping and delivery of products could be delayed.	1–5 years	Acute
	Changes in precipitation patterns and extreme variability in weather patterns Long-term climate and weather patterns, including increasing temperatures and sea-level rise can create disruptions to eBay's business both upstream and downstream and potentially impact revenues.	6–15 years	Chronic

Identified climate-related risks, opportunities and time horizons

Climate opportunities

The following climate-related opportunities were identified based on TCFD classifications. We also assessed climate-related opportunities in the context of short-term (within 1 year), medium-term (2–5 years) and long-term (6–15 years) time horizons.

Key opportunities	Time horizon	Classification
<p>Use of lower-emission sources of energy eBay prioritizes procurement of renewable energy at its data centers and offices, reducing exposure to GHG emissions and carbon and fuel costs. As a member of RE100, we are on track to meet eBay's goal to attain 100% renewable energy in our electricity supply at eBay-controlled data centers and offices by 2025.</p>	1–5 years	Energy source
<p>Use of more efficient modes of transport Decarbonizing the transport of products sold on eBay.com may drive revenue growth and support competitive differentiation.</p>	2–15 years	Resource efficiency
<p>Shifts in consumer preferences As consumers increasingly care about the climate and factor sustainability into brand perceptions and purchasing decisions, eBay's focus on sustainable commerce and enabling a circular economy presents a competitive advantage, which may result in increased revenues.</p>	6–15 years	Products and services
<p>Participation in renewable energy programs and adoption of energy-efficiency measures Incentives at the local, state, and federal levels can reduce the costs and increase the returns from eBay's investments in renewable energy and energy efficiency.</p>	1–5 years	Resilience
<p>Reduced water usage and consumption By operating more efficiently, eBay can avoid unnecessary costs and hedge exposure to increases in the cost of water — particularly in stressed areas and for more water-intensive data centers.</p>	1–5 years	Resource efficiency

Further information on eBay's identified climate-related risks and opportunities can be found in our most recent [CDP Climate Change](#) response (pages 3-10, Questions C2.1-C2.4).

Impact on business, strategy and financial planning

eBay evaluates risks that may affect our services, value chain and operations. While eBay has exposure to both physical and transition drivers, transition drivers appear to present both the most meaningful risks and opportunities for eBay's business, strategy and financial planning for the foreseeable future.

eBay's business model enables the reuse of goods as a leading platform to buy and sell pre-owned products; however, the company's largest indirect environmental risks can be attributed to its downstream impacts, mainly customer-related transportation of merchandise. Since eBay does not own inventory, directly handle shipping logistics or have a significant number of fulfillment centers, our physical risks are not prominent. This presents an opportunity for our company to continue on a path of resiliency, as we proactively manage climate-related risks.

eBay's low-carbon transition plan

Our company's identified climate risks and opportunities have impacted eBay's strategy and financial planning, as we have developed a low-carbon transition plan, which includes the following:

Science-based emissions reduction

Achieve 50% absolute reduction in Scope 1 and 2 GHG emissions by 2025 and 75% reduction by 2030 from our 2016 baseline.

Renewable energy adoption

Source 100% of our electricity supply from renewable energy sources by 2025 for eBay-controlled data centers and offices.

Avoided emissions for customers

Avoid 3 million metric tons of carbon emissions through people selling their pre-owned electronics and apparel on eBay from 2020–2025.

The value of resilience in a post-COVID-19 environment

The COVID-19 global pandemic has placed a spotlight on e-commerce companies, as investors and stakeholders are looking at their ability to not only maintain stability, but also be sustainable. Consumers are heavily relying on e-commerce retailers to supply goods during this time. The pandemic also provides parallels to how the world might be impacted and ultimately adapt to climate change, which may create opportunities for eBay as a robust, reliable and trusted e-commerce platform.

Further information on how eBay's business, strategy and financial planning have been impacted by climate change can be found in the [eBay Environmental Policy, Impact Report](#) (page 9—"Looking Ahead: Our 2025 and Beyond Goals") and our most recent [CDP Climate Change](#) response (pages 10-12, Questions C3.1, C3.1d and C3.1e).

Scenario analyses

To identify and assess eBay’s top climate-driven risks and opportunities, we conducted a scenario analysis and assessed qualitative and quantitative factors that may impact our reputation, profitability and access to capital.

We understand that in each scenario, wildfires and hurricanes will continue to be a threat. In a low-carbon economy, however, stakeholders may become more concerned about climate-related impacts, and there may be a price to pay for the emissions associated with eBay’s business model. For this scenario assessment, we also incorporated the lessons and observed trends from the current COVID-19 pandemic, as it has increased the importance of e-commerce within societies. The pandemic also provides parallels to how the world might be impacted and ultimately adapt to climate change.

eBay is currently operating under the assumption that the low-carbon economy is the global trend, and we have developed a low-carbon transition plan to align with that approach.

Qualitative modelling

To better understand and prioritize eBay’s potential climate-driven risks and opportunities, we evaluated two scenarios based on whether the world will mobilize in time to avert the disastrous climate impacts modelled by the scientific community.

	Low-carbon economy (2°C)	Business as usual (4°C)
Scenario	Global temperatures rise no more than 2°C—the level required to avert “disastrous climate change impacts.”	Global temperatures continue to rise based on historical patterns. The ambitions behind the Paris Agreement are not achieved.
Potential outcomes	<p>Dramatic climate action from governments and corporations</p> <p>Complete shift in how energy is sourced and consumed, and how land is used</p> <p>Transformation in how businesses operate across sectors</p> <p>Increase in physical impacts (e.g., heat, droughts, hurricanes, wildfires) will still occur, but will be more gradual</p>	<p>Limited climate action from governments and corporations</p> <p>Intense, severe changes in climate patterns and extreme weather events</p> <p>Dramatic sea level rises (threatening coastal cities and island nations)</p> <p>Reduction in worldwide productivity and GDP growth</p> <p>Broader negative socio-economic and geopolitical impacts (including human health and food production)</p>

Scenario analyses

Market-shaping focus

To add texture to these scenario analyses, we also examined the implications of compelling market-shaping forces, including changing demographics and social shifts, intersectionality of environmental and social issues, and evolving business models.

Changing demographics and social shifts

Changing demographics and social shifts—including the rise of Gen Z—have resulted in increased climate-related interest and concern among investors, consumers and employees.

Interconnectivity of issues

There is a growing nexus between climate with impacts to water, land and health that further builds the case for global and local action on climate.

Emerging business model concepts

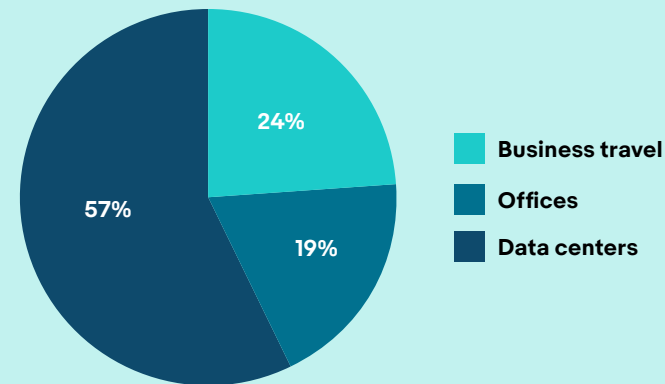
New concepts, including “circular economy” and “systems positive” are emerging among companies and are at the forefront of climate leadership.

Quantitative modelling

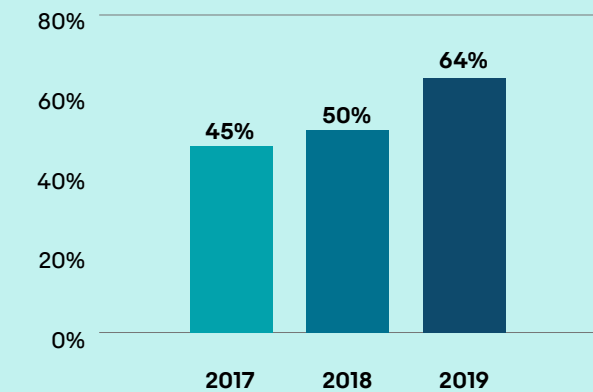
To establish eBay’s emissions reduction targets, we evaluated our Scope 1 and 2 emissions trajectories to align with the Intergovernmental Panel on Climate Change’s 1.5°C scenario. Our emissions reduction goal uses science-based target-setting best practices and is in line with emissions trajectories that keep global warming within 1.5°C based on the Special Report on Global Warming of 1.5°C. We also plan to increase our use of renewable energy as outlined by our 2025 renewable energy target.

We continue to examine the nature of our operational footprint, in which the majority of our emissions are derived from eBay’s data centers. As such, we are focused on increasing the use of renewable electricity at our data centers in addition to our offices and headquarters.

2019 GHG emission by activity



% of electricity supply from renewable sources



Further information on eBay’s emissions reduction goal can be found in eBay’s [Impact Report](#) (page 9, “Looking Ahead: Our 2025 and Beyond Goals”) and our most recent [CDP Climate Change](#) response (pages 10 and 12–14, Questions C3.1, C4.1 and C4.2).

Risk identification and assessment process

eBay’s climate risk identification and assessment process is integrated into our company’s multidisciplinary company-wide risk-management process. We also conduct periodic materiality assessments, which have continued to identify our GHG emissions and energy footprint as a top stakeholder concern.

eBay’s CSO and other subject-matter experts from our Impact team actively engage with our company’s key global functions, including Finance, Government Relations, Investor Relations, and Facilities teams, to evaluate climate risks and opportunities, interpret them into our business framework and develop actionable recommendations for our company’s decision makers.

We evaluate climate-change risks and opportunities at the global level using a cross-functional governance model. This evaluation occurs annually, at a minimum, but at a higher frequency—at least every six months—in locations where our operational footprint is most significant, specifically our major data center and colocation data centers in Utah and Nevada.

eBay's risk management stakeholders and process

Impact

The Impact team engages with subject-matter experts including REBA and World Wildlife Fund to identify opportunities and risk issues that could materially impact our business.

Facilities / Information Technology

The Facilities and Information Technology teams assess physical risks, including extreme weather events to eBay’s facilities and data centers, and the costs of operational interruptions and facility repairs.

Government Relations

The Government Relations team assesses transition risks due to current or emerging international, federal and state / local regulations.

Finance

The Finance team assesses market risks, including the decreased demands for products due to weather events, and the potential cost of such decreases in demand.

Management process

eBay actively implements processes to manage transition risks and takes measures to increase the resiliency of our company’s locations and mitigate physical risks.

Categories	Key risks	Classifications
Transition	Increased pricing of GHG emissions	<p>Carbon reduction target – By 2025, we aim to achieve 50% in absolute reduction in Scope 1 and 2 emissions; and by 2030, we strive to reach 75% reduction from our 2016 baseline. These carbon reduction targets are aligned with a low-carbon economy scenario.</p> <p>Renewable energy target – As a member of RE100, eBay aims to attain 100% renewable energy in our electricity supply at controlled data centers and offices by 2025.</p> <p>Power purchase agreements – To achieve our renewable energy target, eBay continues to participate in green power programs and power purchase agreements.</p> <p>Research and development – eBay invests R&D funding into customer experience, which includes shipping and logistics, such as algorithms that match buyers and sellers who are closest to each other to reduce shipping costs.</p>
		<p>Energy efficiency – The majority of our office buildings use lighting motion-sensors and, where possible, LED lighting to conserve energy. We also prioritize our largest energy users. For example, our data center based in Salt Lake City, Utah, earned the ENERGY STAR® for Data Centers Label for its efficient design and operations.</p> <p>Water efficiency – We continue to evaluate opportunities to increase water efficiency at our physical locations. For example, when designing our Utah data center, water consumption was evaluated and low-water-use technologies were assessed for potential adoption.</p>
		<p>Circular commerce – Our ability to extend the life cycle of products is central to our brand promise. As buyers and sellers begin to focus on climate impacts, our brand is key to maintaining our position as a strong climate advocate.</p> <p>Climate advocacy – eBay’s engagement and partnerships with several organizations to advocate for climate action will positively impact our company’s overall reputation.</p> <p>Consumer research – eBay continues to evaluate consumer trends, including those related to sustainable commerce, across the global markets where we have a presence.</p>
Physical	Increased severity of extreme weather events and changes in precipitation patterns, and extreme variability in weather patterns	<p>Strategic location planning – eBay’s data centers are intentionally located in areas with low physical risks to prevent operational disruptions.</p> <p>Emergency response plans – eBay’s delivery and shipping teams have established a task force to plan responses to the increased frequency of extreme weather events.</p> <p>Seller support – eBay’s Emergency Communications Playbook protects sellers from late shipments as a result of extreme weather events.</p>

Integration into overall risk management

eBay’s Board, as a whole and through its committees, is responsible for the oversight of risk management, while leadership is responsible for the day-to-day management of the risks that our company faces. Climate risk management is included as part of our 10-K risk disclosure and is evaluated at the global level using a cross-functional governance model. Our CSO and Impact team actively engage with key global functions—including eBay’s Enterprise Risk Management, Finance, Government Relations, Investor Relations, and Facilities teams—to evaluate climate risks and opportunities, interpret them into a business framework and develop recommendations that can then be acted upon by decision makers.

Property-level risk assessments

To assess climate-related risks at eBay’s physical locations, we conducted an assessment of our company’s owned and leased property-specific climate, water and biodiversity risks. The following tools were used to assess eBay’s exposure to physical risks:

Climate

eBay’s exposure to climate risks was determined by mapping eBay’s locations using the World Resources Institute (WRI) Aqueduct tool to identify locations with drought, flood and seasonal variability risks.

Water

eBay’s exposure to water risks was determined by mapping eBay’s locations using the WRI Aqueduct tool to identify locations with baseline water stress.*

Biodiversity

eBay’s exposure to biodiversity risks was determined by mapping eBay’s locations and examining their proximity to protected areas, including: International Union for Conservation of Nature (IUCN) Designations, UNESCO Natural World Heritage Natural Sites, UNESCO Man and the Biosphere Reserves, and Convention on Wetlands of International Importance.

This assessment evaluated potential risks throughout eBay’s portfolio of physical locations, including most metro areas where eBay has a large presence. Geographically, eBay’s potential risks were more concentrated in Asia—particularly within India. eBay’s headquarters location in San Jose, California, is also exposed to potential physical risks, which may include flooding and wildfires.

*Baseline water stress is defined as the ratio of total withdrawals to total renewable water supply in a specified area.

Further information on eBay’s climate risk management processes can be found in eBay’s [Annual Report / 10-K](#) (pages 7-28—“Risk Factors”), [Proxy Statement](#) (pages 29-30—“Enterprise Risk and Sustainability Oversight”) and our most recent [CDP Climate Change](#) response (pages 3-5 and 10-12, Questions C2.2, C2.3 and C3.1).

METRICS AND TARGETS

Scope 1, 2 and 3 greenhouse gas (GHG) emissions

In addition to tracking our Scope 1, 2 and 3 absolute emissions, we are also monitoring our renewable energy at our physical locations and avoided emissions as a result of our circular economy platform.

*In accordance with ISO 14064-3 on GHGs—Part 3: specification for guidance for the validation and verification of GHG assertions, external assurance provider Apex Companies, LLC performed a limited assurance of Scope 1 and 2 GHG emissions, Scope 3 business travel and energy consumption.

GHG emissions	2019 performance (metric tons of CO ₂ e)
Scope 1*	30,967
Scope 2 (location-based)*	146,434
Scope 2 (market-based)*	56,898
Scope 3 (purchased goods and services)*	51,567
Scope 3 (upstream transportation and distribution)	34,150
Scope 3 (fuel- and energy-related activities)	32,264
Scope 3 (business travel)*	25,075
Scope 3 (employee commuting)	20,693
Scope 3 (waste generated in operations)	11,375
Scope 3 (capital goods)	348

2025 climate-related targets

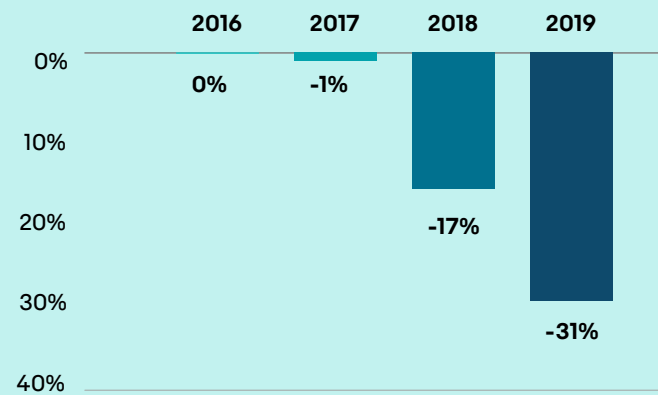
**By 2030, eBay aims to reduce Scope 1 and 2 absolute emissions by 75% (from 2016 base year).

Carbon indicator	2019 performance (metric tons of CO ₂ e)	2019 progress
Scope 1 and 2 emissions	50% absolute reduction in Scope 1 and 2 (from 2016 base year)**	31% reduction from 2016–2019
Renewable electricity	Source 100% of our electricity supply from renewable energy sources for eBay-controlled data centers and offices	64% renewable energy for all of our data centers and offices from 2016–2019
Avoided emissions from circular commerce	Avoid 3 million metric tons of carbon emissions through people selling their pre-owned electronics and apparel on eBay between 2020–2025	2.4 million metric tons avoided from 2016–2019

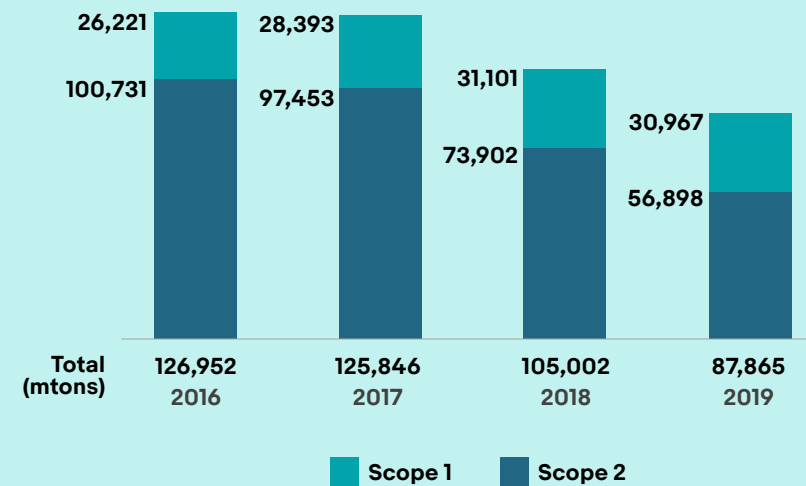
Performance trends

Since 2016, eBay has made dramatic strides to reduce emissions across our company as we execute on our low-carbon transition plan. The following charts demonstrate our four-year performance trends to reduce our emissions and increase our renewable energy consumption.

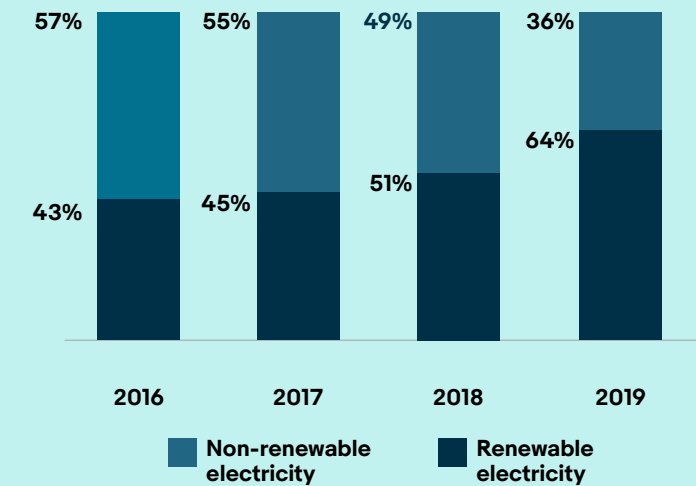
Reduction in carbon emissions from 2016 baseline



GHG emissions by scope



Renewable energy percentage



Further information on eBay's performance trends can be found in eBay's [Environmental Footprint](#) webpage, our [Impact Report](#) (pages 17-20, "Environmental Footprint" and pages 41-42, "Verification Statement") and our most recent [CDP Climate Change](#) response (pages 12-14 and 16-39, Questions C4.1, C4.2 and C5-C11).

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