

# Building a 100-Year Company

2020 Sustainability Report



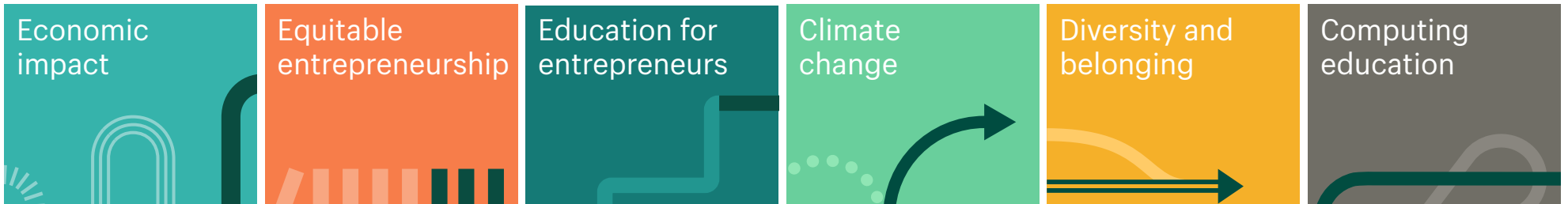


Shopify is building a 100-year company with our ecosystem of merchants and partners, our people, our communities, and the world.

As a remote workforce, our operations are now Internet-based, but we were founded in Ottawa on unceded and still occupied territory of the Algonquin Anishinaabe Nation. Indigenous peoples are the traditional stewards of the lands and waters in many places around the world and we encourage you to learn about whose land you occupy, their culture, and their history.

In this report, we provide a progress update on our sustainability priorities and how Shopify responded to the global pandemic in 2020—an existential crisis for businesses around the world.

These are our sustainability priorities:



We remain on a sustainability journey.  
We urge you to join us.

# Economic impact

The success of millions of independent business owners is critical to our world's economic prosperity. Every new business adds more value to the world. It's not a zero sum game, and commerce benefits from more voices rather than fewer. But entrepreneurship is challenging. That's why we remove barriers and friction for independent business owners. We create tools for anyone, anywhere, to start and grow a business, and impact the global community. Shopify makes commerce better for everyone.

# 1

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Economic impact p.3

COVID-19 p.4

# Economic impact

1.7M+

businesses built on Shopify are the backbones of economies around the world



### Actions and impact

We launched Shop, a first-of-its-kind mobile shopping app, and continued to build the foundation of the Shopify Fulfillment Network. We introduced Shopify Balance to give merchants access to critical financial products, and Shop Pay Installments to give buyers more flexibility at checkout. We brought Facebook Shops to Shopify merchants, launched an all-new Shopify POS, rolled out Shopify Payments in Austria and Belgium, and expanded Shopify Shipping to Australia.

126%

Increase in global economic activity of our merchants from 2019 to 2020

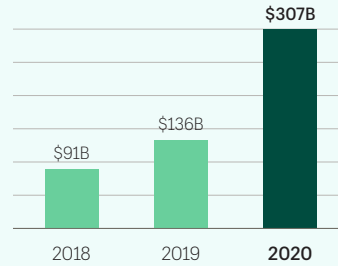
24

Jurisdictions where our merchants supported more than \$1 billion in economic activity

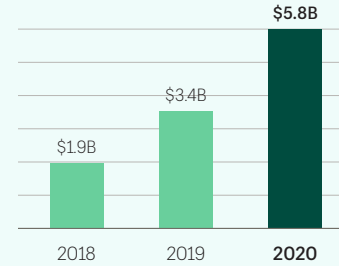
## The Shopify Effect (Global)

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

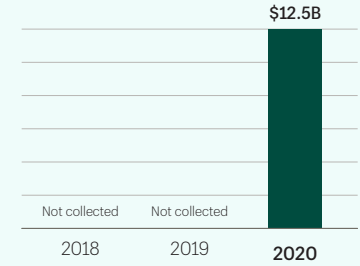
Global economic activity of our merchants



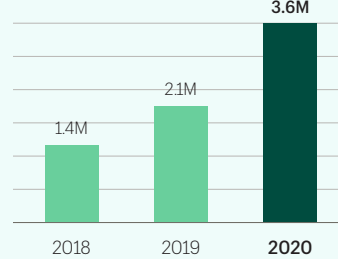
Revenue generated by our merchants in emerging economies



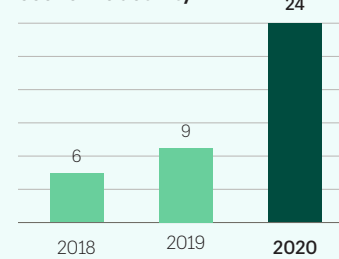
Revenue generated by our partners<sup>1</sup>



Jobs created by Shopify merchants



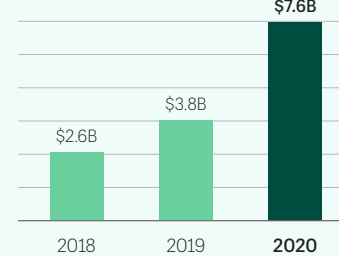
Jurisdictions where our merchants supported more than \$1 billion in economic activity



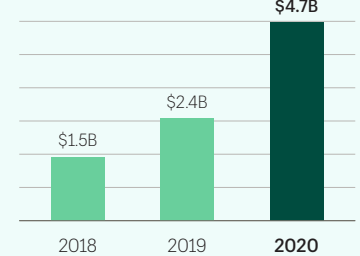
## The Shopify Effect (Canada)

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

Revenue generated by our merchants in Canada



Revenue generated by our merchants outside of Canada's six largest cities



1. No prior year benchmark provided as 2020 figure includes new revenue streams not captured in prior year calculations.

## COVID-19

Small businesses were hit hard by the COVID-19 pandemic. As the world adopted the practice of social distancing and entire countries locked down to keep people safe, declines in foot traffic and mounting expenses weighed heavily on business owners and staff. In response, we accelerated and pivoted our product roadmap to ship some of the most important products and features that would help businesses stay afloat. Shopify provided a lifeline to over one million businesses around the world.



2. <https://www.shopify.ca/blog/consumer-trends>

3. <https://www.usatoday.com/story/opinion/2020/03/18/coronavirus-support-local-businesses-buy-gift-cards-shop-local-column/5074635002/>

## Our response

### 90-day free trial

As many businesses looked to shift online, we extended our 14-day free trial to 90-days for all standard plan signups from March 21 to May 31. This gave entrepreneurs more time to set up their businesses before incurring costs. As a result, 2020 saw more merchants than ever before join Shopify, which enables them to sell online and in-store, with a seamless experience between both.

### Local pickup and delivery

More than half of North American buyers say the pandemic changed the way they'll shop.<sup>2</sup> One breakout trend is increased support for small and local businesses. Shopify launched local in-store and curbside pickup and delivery for point of sale (POS) merchants. This allowed merchants to connect with nearby customers, drive sales, and provide a great customer experience. From May to August 2020, online shoppers spent 23% more when choosing local pickup or delivery, and had a 25% higher cart size, compared with orders from merchants who did not have curbside pickup enabled.

### Shopify Capital

Merchants' access to capital was generally lower as a result of COVID, making it even more important for Shopify to continue providing businesses with quick and easy access to funding through **Shopify Capital**. We increased our 2020 funding commitment by an additional \$200M in response to COVID, and expanded to Canada and the UK, providing businesses with a total of \$794.4M in funding over 2020, an 81% increase from 2019.

### Gift cards

Businesses were left vulnerable with abrupt declines in sales despite their expenses to pay. Many local communities responded in support by purchasing digital **gift cards** from their favorite businesses to help with cash flow constraints.<sup>3</sup> As of April 5, 2020, we enabled our gift cards feature on all Shopify plans indefinitely to give communities another way to support small businesses.

### Partnerships

On July 15, 2020, we launched **Go Digital Canada** in partnership with the Government of Canada to bring thousands of small businesses online and help them adapt to a digital economy, fast. As part of the program, we gave businesses an extended 90-day free trial, access to POS Pro, a Tap and Chip card reader, and 24/7 support. We partnered with **Digital Main Street** to launch **ShopHERE**, a free program aimed at getting businesses in Toronto online within six weeks, through which roughly 2,000 businesses launched their online store by the end of 2020. We extended support into the U.S through **Empire State Digital** in collaboration with the New York State Government, and into Australia through the **Small Business Adaptation Program** with support from the Victoria State Government.

**“Our goal is that, because Shopify exists, more entrepreneurs and small businesses will get through this.”**

— Shopify CEO Tobi Lütke

# Equitable entrepreneurship

Shopify is working to create a more equitable and sustainable future for everyone. We do this by leveraging the power of commerce to support economic independence, promote well-being, and foster community. Shopify is committed to powering their businesses around the world because the impact of every successful entrepreneur drives communities forward.

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## Black entrepreneurs

Black communities have faced systemic barriers that have prevented their full participation in the entrepreneurial journey. Black-owned businesses represent only about 9.5% of businesses in the U.S., and there was a 41% decline in Black business owners from February to April, the start of COVID-19.<sup>4</sup>

### Actions and impact

In 2020, we partnered with Operation Hope on 1 Million Black Businesses (1MBB), which aims to create one million black-owned businesses by 2030. We launched our Build Black community, made it easier to shop from Black-owned businesses, and partnered with Founder Gym to provide business scholarships for Black entrepreneurs. We continued to support the Black Innovation Fellowship and responded to unprecedented Black Lives Matter protests in the U.S. and around the world with \$1M in community donations.

#### 1MBB

We partnered with Operation HOPE on **1MBB**, a program to help create one million new Black businesses in the U.S. by 2030. We aim to level the business playing field by encouraging aspiring Black entrepreneurs to start their own ventures, and are providing them with the tools and resources they need to succeed. Over the course of the initiative, Shopify intends to provide up to \$130M in resources.

#### Founder Gym

In collaboration with **Founder Gym**, the virtual training center for underrepresented entrepreneurs, we provided scholarships to 10 Black entrepreneurs for the **Money Magnet** program, giving them a masterclass on monetizing their passions and building lasting businesses.

#### Build Black

We launched a conversation series about the business journeys of leading Black entrepreneurs to highlight more voices and connect them with empowering projects and programs. Our initial event had 4,750 attendees, and conversations between the **Build Black** community have continued over Slack, where business owners support and learn from one another while growing their businesses.

#### Community support

Community safety and wellbeing are paramount before someone can become an entrepreneur. In direct response to George Floyd's death and the Black Lives Matter protests in 2020, Shopify made three contributions to support the Black community. In the U.S., we donated \$500,000 to **NAACP Legal Defense Fund** and \$250,000 to **Campaign Zero**. In Canada, we donated \$250,000 to **Black Health Alliance**.

#### Shop Black

Shopify is making it easier for buyers around the world to discover and buy from Black-owned businesses. In 2020, our Black@Shopify Employee Resource Group developed and launched a **Black Business Directory**. We also featured Black-owned businesses on our digital shopping assistant app **Shop**, which made it easy to support these businesses.

#### Black Innovation Fellowship

Shopify is a Founding Partner of the **Black Innovation Fellowship**, alongside Dream Maker Ventures and Ryerson University. Each year, the fellowship helps approximately 10 Black entrepreneurs overcome distinct barriers including access to seed capital, fewer Black entrepreneurs to aspire towards, and lower incubator engagement.



^ Build Black is a conversation series highlighting leading Black entrepreneurs.

“This came at the perfect time for me. I needed to see the face of Black business and the dreams to build our community coming from black business owners. This was timely and I really appreciate this. Thank you again!!”

— Build Black participant

## SHOP BLACK EVERYDAY

The Black Employees of Shopify invite you to discover 859 of the many Black-owned online stores powered by Shopify.

^ We made it easy to discover and buy from Black-owned businesses on Shopify using our Shop app and our **Black Business Directory**.

4. <http://blindedmedia.com/are-we-there-yet>; [https://www.nber.org/system/files/working\\_papers/w27309/w27309.pdf](https://www.nber.org/system/files/working_papers/w27309/w27309.pdf)

## Indigenous entrepreneurs

Since colonization, Indigenous peoples have not had equitable access to basic human rights including infrastructure, capital, and education.<sup>5</sup> For centuries, commerce has been a key part of Indigenous communities and as of 2019, Indigenous businesses were growing nine times faster than other businesses in Canada.<sup>6</sup> Similarly, in New Zealand, Māori businesses are growing at a faster rate than non-Māori businesses.<sup>7</sup> Shopify is committed to economic reconciliation by supporting Indigenous entrepreneurs, and by educating our workforce to better support Indigenous employees and business owners.

### Actions and impact

In 2020, we built upon our existing relationships with the **Indigenomics Institute** and **Pow Wow Pitch** competition. We also developed partnerships with four entrepreneurship hubs globally to support localized education for Indigenous entrepreneurs. To better support Indigenous merchants, we grew our Indigenous entrepreneurship team to include individuals who are Algonquin-Anishinaabe from Kitigan Zibi Anishinabeg, Tsimshian from the Kitsumkalum First Nation, Samoan from Tuana'i, Apia, and Te Arawa iwi from Aotearoa.

### Entrepreneurship hubs

In 2020, Shopify collaborated with Indigenous-led organizations in Turtle Island (Canada) and Aotearoa (New Zealand), including **Te Whare Hukahuka**, **Rise2025**, **EntrepreNorth**, and **Raven Indigenous Capital Partners**. We provided funding, co-created culturally relevant resources, and gave participants free access to Shopify as well as ongoing support.

#### Te Whare Hukahuka

The Ka Hao i Te Ao program teaches participants to start and grow a successful ecommerce business over three months. The program has demonstrated strong learning outcomes to date, with a high Māori completion rate of 84% and participants rating their ecommerce technical capabilities at 3.7/10 prior to the program, and 8.0/10 after. Out of the 57 participants, 43 launched their stores.

#### Rise2025

Based in Aotearoa, New Zealand, Rise2025 is led by a mix of Māori and Pacific Island women. The 9-week HIWA program empowers Indigenous women and their families by teaching them about commerce and entrepreneurship. 100% of participants across several cohorts completed the program. When it finished, 68% of participants were still actively developing their business plans and 25% had launched their online store.

#### EntrepreNorth

The Entrepreneur Growth Program empowers Indigenous entrepreneurs to build sustainable businesses across Northern Canada. EntrepreNorth works with small, circumpolar cohorts to teach their Multi-Directional Business Compass, a model developed to reflect Indigenous worldviews in a more holistic and circular approach to business. Five businesses launched stores from their third cohort focused on circumpolar fashion.

“The expertise and resources that we were privileged with access to was unreal, and I hope that anyone considering taking their business idea to the next level, jump on the waka (canoe).”

— Jamie Taylor, Ka Hao Student

Nichola



< Nichola Te Kiri explores narratives drawn from the environment around her as well as her heritage and upbringing to create unique fashion, jewellery, and homewares. Nichola doubled the revenue of her online store, **Nichola**, by participating in the Ka Hao program, and has since continued to grow her business.



5. [https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)

6. <https://www.globenewswire.com/news-release/2019/10/01/1923153/0/en/CCAB-s-initiative-to-raise-the-Indigenous-procurement-target-to-5-adopted-into-Liberal-party-platform.html>

7. <https://www.newshub.co.nz/home/money/2021/01/reserve-bank-report-shows-m-ori-economy-rose-37-percent-to-2018.html>





### Pow Wow Pitch

This is Canada's premier pitch competition for emerging Indigenous entrepreneurs. It provides a showcase and supportive environment for business-minded Indigenous peoples. Historically, Pow Wow is a place where commerce happens. We were proud to grow our partnership as the competition expanded nationally, with

over 1,000 applicants across rural and urban areas, and four Shopify employees participating in the pitch competition as judges. The winning businesses were **Kokom Scrunchies** (3rd), **Skwalwen Botanicals** (2nd), and **Sisters Sage** (1st), who won the grand prize of \$10,000.

“This programme has changed my life in so many positive ways and was the main influencer in how I managed Vaoala Vanilla from a small ‘cottage’ type business to a global online indigenous business.”

— Shelley Burich of Vaoala Vanilla in Samoa, after participating in Rise2025's HIWA program



> Merchant feature: **Vaoala Vanilla** is a small-scale family owned business growing vanilla in Samoa.



< Kaylyn Baker, who is Northern Tutchone and Tlingit, beads and tufts earrings, pendants and more for her business **Kaylyn Baker Designs**. Her creations use traditional techniques, but her colour and pattern choices are dizzyingly anti-conventional.

“Being a part of EntrepreNorth has been amazing, I've learned so much stuff I didn't know that I didn't know about business and fashion. It's given me a lot of confidence to keep growing & challenging myself.”

— Kaylyn Baker of Kaylyn Baker Designs, after participating in EntrepreNorth's program



## Social enterprises

Business and social impact are not mutually exclusive—businesses around the world are a powerful vehicle to create change. From employing people who face significant barriers, to creating impact through products and services, to contributing proceeds to nonprofits, social enterprises build businesses with a purpose. Shopify aims to catalyze the creation of more social enterprises on our platform and provide more support for existing businesses.

### Actions and impact

In 2020, we launched our Social Enterprise Community Forum and a monthly meetup series to connect like-minded business owners. We continued to support SheEO by sponsoring their global Summit.

### Social Enterprise Community Forum

To meet the unique needs of social enterprises, we created a dedicated **Social Impact Business Community** to connect merchants and partners, provide resources, and learn from their needs. In 2020, 5,880 unique viewers visited the forum, with 62,100 board views, 733,000 post views, and 216 discussion topics.



### Meetup series

We launched a monthly meetup series to connect like-minded business owners. Beginning in July 2020, we held five meetups with an average of 40 attendees per session, highlighting panel guests from brands like **Rare Beauty**, **hedley & bennett**, **Giving Tuesday**, and **Diff Agency**.



At SheEO's 2020 Summit in Toronto, Shopify gifted a one-year SheEO activation to **Sisters Sage**, an Indigenous owned women-run business that sells Indigenous wellness products. Sisters Sage became a venture finalist at the event.

### SheEO

Shopify has partnered with **SheEO** to focus on an incredible group of women working on "the world's to-do list": the **UN Sustainable Development Goals**. Using a unique model of "radical generosity," SheEO has over 5,000 members funding ventures around the world and contributing to a Perpetual Fund that supports women-run ventures. As part of their March 2020 Summit in Toronto (which had over 800 women-owned social enterprises and the Prime Minister of Canada in attendance), we hosted two workshops for attendees and gifted one-year activations to participate in the SheEO community to two Indigenous owned women-run businesses.



"Through the Shopify Panel, the partners had a more meaningful discussion about COVID shifts, racial justice and crafting impact messaging that dove deeper into the "Why's". It was an electrifying discussion that provided as much value to the panelists as it did to those that were in the audience."

— DailyKarma



"Meetups with Shopify has been an incredible resource for both our merchant partners and awareness for potential partnerships with merchants. Our last meetup for GivingTuesday had over 50 registrations and enabled us to create follow-up content based on the insights provided."

— ShoppingGives

# Education for entrepreneurs

One of the ways we remove barriers and reduce friction is by providing learning resources to current and aspiring entrepreneurs. We offer community programming and online educational content, coaching, and tools about entrepreneurship and Shopify. Our goal is to maximize an entrepreneur's chance of success.



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# Community programming

Entrepreneurs leverage their local communities to find success, and we believe Shopify can play a major supporting role for entrepreneurial communities around the world. We offer decentralized programming through our community teams, our [Shopify Community Events](#) page, and our dedicated merchant spaces like [Shopify LA](#) which moved online during 2020. Through events, our community managers, experts, and partners provide education and networking opportunities to entrepreneurs in their local communities around the world.

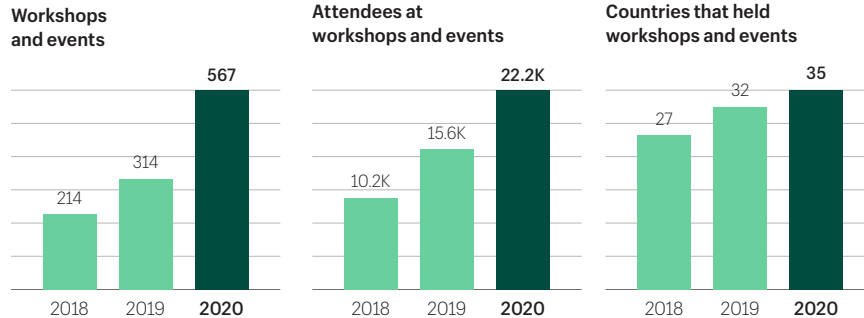
### Actions and impact

In 2020, we reached new communities as we shifted our programs and events online to help merchants and entrepreneurs around the world tackle the business challenges of the pandemic. We pivoted our programs, launching 1:1 business coaching sessions and workshops to merchants across four continents, a Slack workspace with over 700 entrepreneurs and marketing experts, and our marketing series called Growth Lab. We introduced weekly digital entrepreneur hangouts called Jumpstart Sessions and a brand new digital series focused on mental health, fitness, and financial wellness. We partnered with over 25 organizations to provide education and bring established networks of entrepreneurs to our community programming.

### Shopify Global Community<sup>8</sup>

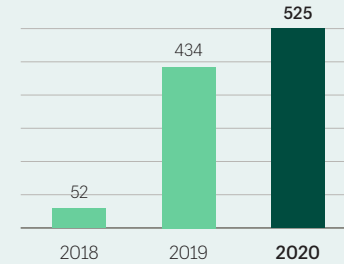
1.1K

Classes, meetups, workshops, and events held in communities globally

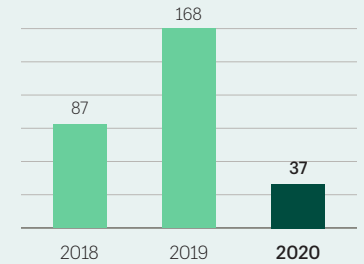


### Shopify Spaces<sup>9</sup>

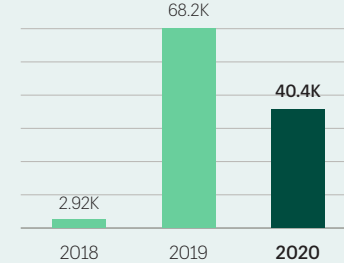
#### Classes, meetups, and events



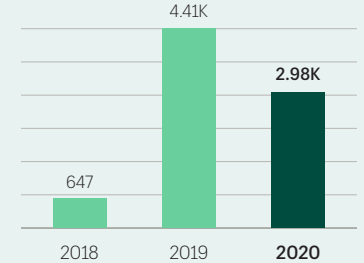
#### Drop-in coworking visits



#### Attendees for classes, meetups, and events



#### 45-minute 1:1 appointments



### Women in Shopify

This space is for women, womyn, woman, non-binary folks and anyone who identifies as a woman. We're a collective community of women who work with or on the Shopify platform.



**Our mission is to build a community of women in the Shopify ecosystem.**

We welcome individuals that identify as women, womyn, womxn, and allies of women internationally, locally, and of all races, creeds, and cultures.

[Join the community](#)

8. For reporting purposes, Shopify Meetups and Shopify Local are represented here as Shopify Global Community.  
9. Our in-person offerings in our Shopify Spaces shifted online in March 2020.

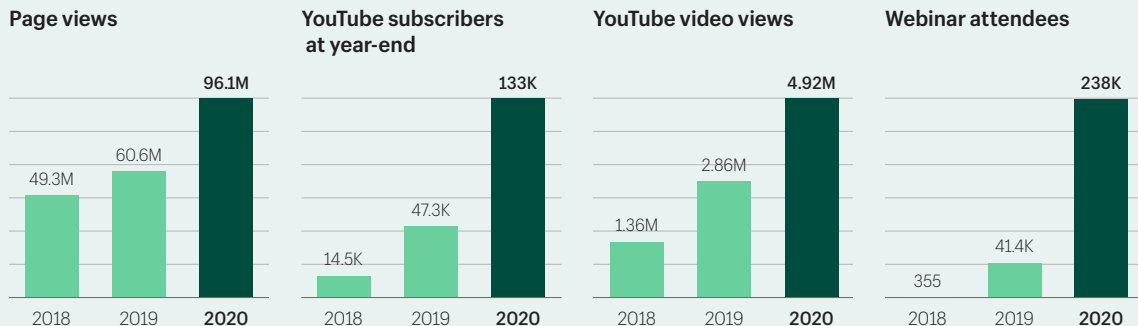
## Online learning

Entrepreneurs look online for education more than ever. Shopify’s [Help Centre](#), [videos](#), and [webinars](#) provide step-by-step instructions for every stage of an entrepreneur’s journey. The [Shopify Community Forum](#) is a place for merchants and partners to learn from one another, and [Shopify Compass](#) offers entrepreneurship courses, tutorials, and webinars taught by experts.

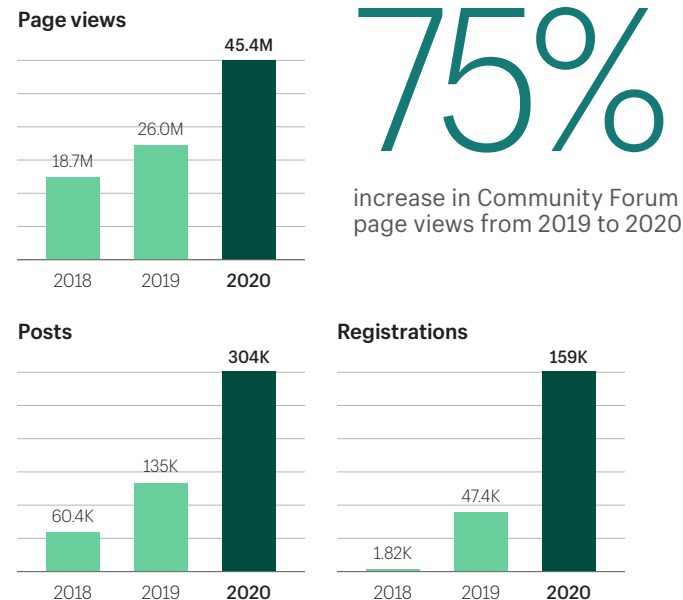
### Actions and impact

In 2020, we split our YouTube International channel into seven language-specific channels to improve discoverability and usability of content for our international merchants. The Shopify Community Forum served as a powerful platform to connect merchants during challenging times. We launched Community Groups as part of [Go Digital Canada](#) to enable peer-to-peer support and direct them to Shopify resources when necessary. We opened messaging boards specific to helping merchants navigate their response to COVID-19, and saw over 100,000 views of this content. We launched Shopify Compass to provide a free, fast, and easy way to learn new business and marketing skills that are critical to building a successful online business.

### Shopify Help Center



### Shopify Community Forum



### Shopify Compass

**356K** Active registered users

**248K** Courses started or saved



^ In this Shopify Compass video, Salima Visram, Founder and CEO of Samara, shares her experiences and valuable lessons learned while building SAMARA.

## Open Learning

An entrepreneurial mindset and digital skills are incredibly important for the future. We work with educators at colleges, universities, and high schools to embed Shopify into their curricula. As part of this program, we provide students with a free Shopify subscription for the duration of their course, and give instructors curated content and support. Students can apply for Shopify badges to receive recognition for their achievements.

### Actions and impact

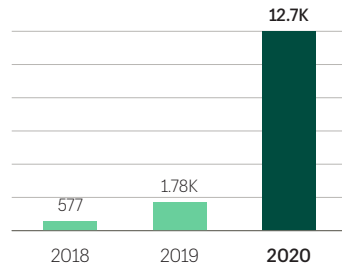
In 2020, our program grew rapidly, reaching more than 7x the number of 2019 students, from more countries than ever before. This growth was fueled by education partners sharing the success of the program with their colleagues around the world, increased online visibility with the launch of our landing page, and more automated backend tooling to support registrations.

# 613%

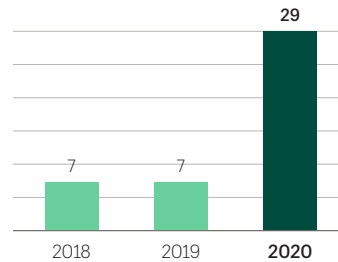
Increase in number of participating students from 2019 to 2020



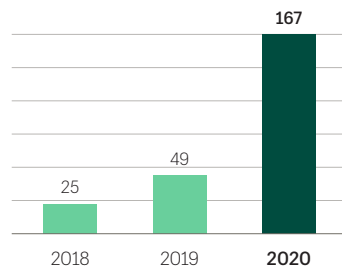
Participating students



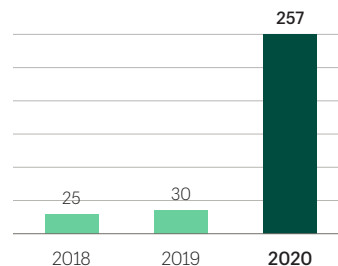
Countries with schools participating in Open Learning



Education partners



Courses and programs using Open Learning



“One of the best things that the BME (Business Management – Entrepreneurship) program at Algonquin offers is the free use of Shopify to all its students. It really allows people to gain an edge over many others in the industry, by learning with the help of their professors and the Shopify team, how to design a website, source products, and run a successful e-commerce business.”

— Nishima Malviya, BME student at Algonquin College, Canada



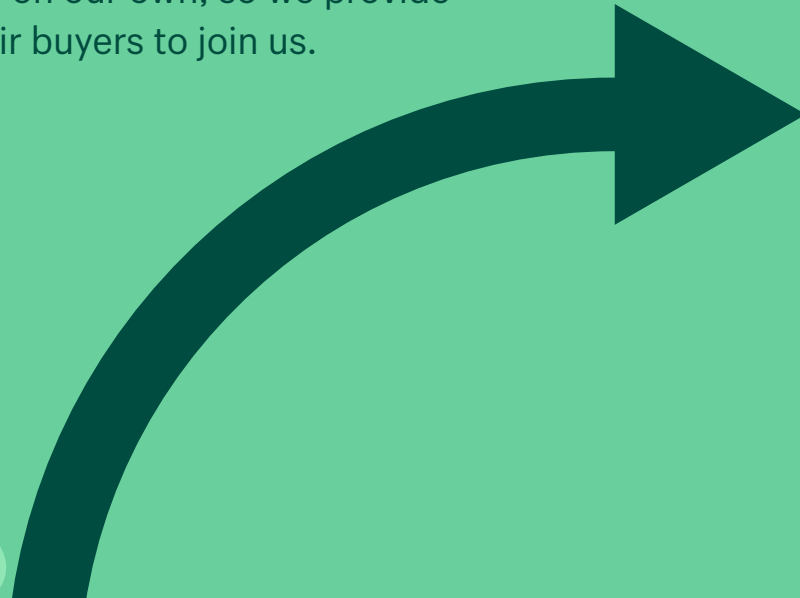
# Climate change

We build for the long term, so we need to play an active role in making a low-carbon future a reality. [Shopify's Sustainability Fund](#) invests a minimum of \$5M annually in the most promising technologies and solutions fighting climate change globally. At least \$1M of this is earmarked for carbon sequestration to kickstart the carbon removal market. We cannot solve climate change on our own, so we provide opportunities for our merchants and their buyers to join us.

# 4

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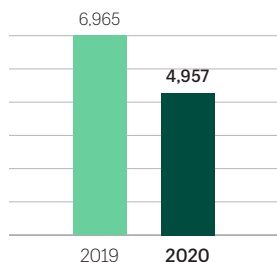
# Sustainability Fund



## Actions and impact

In 2020, we invested the first \$5M of Shopify's annual Sustainability Fund in 10 industries we believe have the potential to reverse climate change. We launched our **Offset App** and a carbon offset feature in **Shop Pay** to allow merchants and their buyers to offset package delivery emissions. We also paid to offset all orders shipped over the Black Friday Cyber Monday shopping weekend. We measured Shopify's carbon footprint across its entire value chain for the first time, adopted employee home offices as part of our building emissions, and purchased renewable energy credits and offsets to meet our carbon-neutral commitment.

Total operational emissions (tonnes CO<sub>2</sub>e)



# 29%

Reduction in total operational emissions from 2019 to 2020

## Carbon-neutral operations



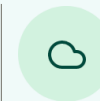
### Carbon-neutral since inception

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



### Renewable powered buildings

We purchased renewable energy certificates for our office buildings around the world and are doing the same for our employee home offices.



### Carbon neutral platform

Our platform runs entirely on Google Cloud, which is powered with renewable energy.



### Carbon-neutral corporate travel

We purchased carbon offsets for all of our corporate travel emissions prior to COVID.

## Updated methodology

We expanded our definition of *building energy* to include home offices, as well as natural gas system leakage and electricity transmission and distribution loss. We added rail, automobile, and hotel emissions to our definition of corporate travel, and updated our methodology for flights. We applied these changes for 2020, revised our 2019 figures, and will use this updated methodology going forward.

Indicator	Unit	2019	2020	Change (2019-20)
<b>Building energy</b>				
Office natural gas	m <sup>3</sup>	700,323	592,715	-15.4%
Home office natural gas	m <sup>3</sup>	112,513	345,292	207%
Office electricity	kWh	7,609,661	6,770,136	-11.0%
Home office electricity	kWh	1,022,879	3,139,119	207%
<b>Building emissions</b>				
Office natural gas	tCO <sub>2</sub> e	1,706	1,447	-15.2%
Home office natural gas	tCO <sub>2</sub> e	287	858	199%
Office electricity	tCO <sub>2</sub> e	369	493	33.6%
Home office electricity	tCO <sub>2</sub> e	201	444	121%
<b>Corporate travel emissions</b>				
Work travel	tCO <sub>2</sub> e	4,402	1,715	-61.0%
<b>Total operational emissions</b>				
Total operational emissions	tCO <sub>2</sub> e	6,965	4,957	-28.8%
Operational emissions intensity	tCO <sub>2</sub> e/Revenue	0.0000044	0.0000017	-61.7%

The increase in *home office* energy and emissions from 2019 to 2020 is because Shopify shifted to remote work starting March 2020. *Office* energy and emissions remained high as we kept the majority of our offices through the end of 2020.

The decrease in our 2020 corporate travel emissions compared to 2019 is due to Shopify putting travel on pause starting March 2020.



## Sustainability Fund purchases

We spent the first \$5M of Shopify’s **Sustainability Fund** across 10 industries that we believe have the potential to reverse climate change. A total of \$1.6M went towards carbon sequestration—taking carbon out of the air and storing it long term. We divided our investments into two portfolios.

### Frontier Portfolio

Groundbreaking technologies and companies that remove carbon from the atmosphere and store it long term. Often, Shopify is their first customer. Our purchases fund pilot projects and research to validate (or disprove) their approaches, and we intend to continue to support these companies as they scale. We believe these solutions have massive potential to reverse climate change. In 2020, we invested in **Carbon Engineering**, **CarbonCure**, **Charm Industrial**, **Climeworks**, **Planetary Hydrogen**, **Puro.earth**, and **Running Tide**.

### Evergreen Portfolio

Key solutions that temporarily remove carbon or reduce carbon emissions. Often these are nature-based approaches, like reforestation and regenerative agricultural practices. We need to invest in options like these so we can put them to use *right now* while other carbon removal technologies with long-term storage begin to scale for the long-term. In 2020, we made purchases from **Indigo Ag**, **Nori**, **Pachama**, and **Grassroots Carbon**.



< Construction is underway for Climeworks’ new direct air capture and storage plant in Iceland called **Orca**. Shopify has made a multi-year commitment to purchase 5,000 tonnes of carbon removal from Climeworks to help Climeworks continue to scale their gold-standard solution.

### Spend by solution type



“It takes real vision and courage to support novel approaches. We are convinced Shopify’s support will have a catalytic impact on our company, and on soil carbon storage as a climate solution.”

— **Henk Mooiweer**,  
Executive Vice President,  
Grassroots Carbon



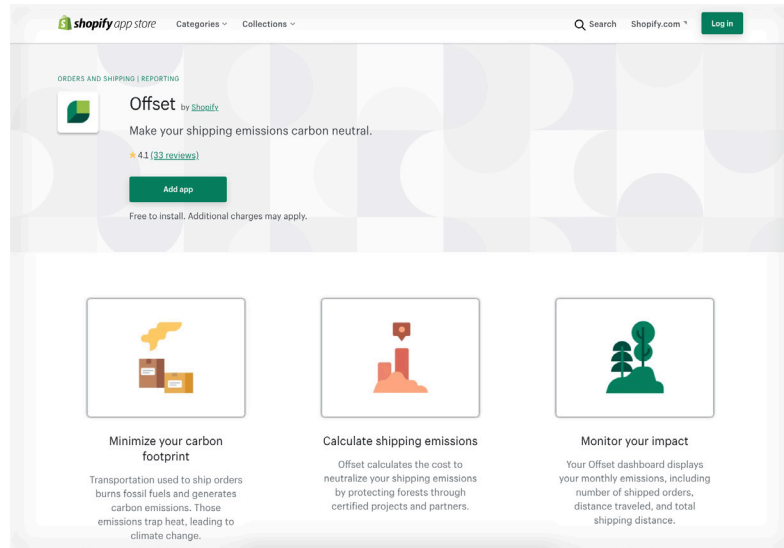
## Black Friday Cyber Monday (BFCM)

We offset the carbon emissions from the delivery of **every single order placed** on our platform during the 2020 BFCM weekend. This amounted to nearly 62,000 tonnes over four days. Our offsets supported a variety of projects across the globe, from regenerative agriculture, to reforestation and forest protection, to injecting carbon dioxide into concrete.



## Offset App

We launched **Offset**, an app designed to help merchants minimize their carbon footprint affordably and easily. Through the app, merchants automatically offset the delivery emissions from every order placed on their online store by supporting the **Jari Pará Forest Conservation Project**. By the end of 2020, the app had 1,589 subscribers and a 4/5 rating based on 28 reviews in the Shopify App Store.



## Shop Pay

We made **Shop Pay** one of the first carbon-neutral ways to pay. Shopify offsets the delivery emissions of all purchases made by consumers who use Shop Pay, at no cost to them, by supporting the **Brazil Nut Concession Forest Conservation Project**. In 2020, buyers offset the delivery emissions of 137M orders, amounting to 75,000 tonnes of CO<sub>2</sub>.



Online fashion brand **Princess Polly** is using Shopify's Offset App to provide customers with carbon-neutral deliveries as part of their efforts to tread lighter on the planet.

62K

tonnes of CO<sub>2</sub> offset over the span of four days through our 2020 BFCM weekend.

75K

tonnes of CO<sub>2</sub> offset from 137M orders using Shop Pay in 2020.



# Diversity and belonging

Diversity and belonging (D&B) is a core part of our mission. To build products that make commerce better for everyone, we need to remove barriers and include people across all dimensions of diversity worldwide. We take action to ensure that our merchants and employees feel included in and driven by our mission. We know that creating a diverse and inclusive organization where merchants and employees feel a sense of belonging is a shared responsibility. We take this responsibility seriously.

# 5

## In this section

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Diversity and belonging initiatives p.22

# Diversity and belonging data

We take a human-centric, research-based approach to D&B. We look at multiple dimensions of diversity alongside belonging, engagement, and retention data to explore how we attract, empower, engage, and retain top talent. This helps us understand what's working and what needs more work.

### Actions and impact

In 2020, we collected data across six dimensions of diversity to better inform our strategy and our internal and external initiatives. We continued to increase the percentage of women, Black, and Latinx employees across Shopify and in leadership positions.

Our annual survey collected voluntary data on gender (completion rate: 82.9%), race/ethnicity (completion rate: 73.2%), age (completion rate: 86.2%), sexual orientation (completion rate: 41.9%), and disability (completion rate: 12.4%). In 2021, we expect to also collect data and report on caregiver status.



## Gender at Shopify

### Gender across Shopify



	2019	2020	Change (2019-2020)
Men	43.1%	43.2%	+0.1%
Women	35.0%	35.9%	+0.9%
Not specified	17.9%	17.1%	-0.8%
Prefer not to say	2.9%	2.7%	-0.2%
Additional gender categories (Agender, Genderqueer, Non-binary, Two Spirit, not listed)	1.1%	1.1%	0%

### Gender in leadership



	2019	2020	Change (2019-2020)
Men	56.3%	58.3%	+2.0%
Women	31.2%	32.7%	+1.5%
Not specified	7.4%	4.9%	-2.5%
Prefer not to say	4.5%	3.5%	-1.0%
Additional gender categories (Agender, Genderqueer, Non-binary, Two Spirit, not listed)	0.6%	0.5%	-0.1%

### Gender in RnD (Data, Engineering, Product, UX)<sup>12</sup>



	2019	2020	Change (2019-2020)
Men	57.5%	63.0%	+5.5%
Women	33.3%	29.2%	-4.1%
Not specified	6.1%	3.5%	-2.6%
Prefer not to say	2.6%	3.5%	+0.9%
Additional gender categories (Agender, Genderqueer, Non-binary, Two Spirit, not listed)	0.4%	0.9%	+0.5%

12. This report includes the same craft skills (Data, Engineering, Product, UX) as specified in our 2019 report (UX, Product, Development, Data, Production Engineering), however we've simplified our categorization. 'Engineering' includes 'Development' and 'Production Engineering'.

## Race/ethnicity at Shopify

### Race/ethnicity across Shopify



	2019	2020	Change (2019-2020)
● Caucasian	52.0%	45.8%	-6.2%
● Not specified	22.3%	26.8%	+4.5%
● East Asian	5.2%	6.0%	+0.8%
● South Asian	4.4%	4.9%	+0.5%
● Latinx	2.8%	3.3%	+0.5%
● Black	1.7%	2.6%	+0.9%
● Prefer not to say	3.2%	2.5%	-0.7%
● Middle Eastern	1.6%	2.2%	+0.6%
● Mixed	2.7%	2.1%	-0.6%
● Southeast Asian	1.5%	1.7%	+0.2%
● Not listed	1.2%	1.2%	0.0%
● Indigenous Peoples	0.4%	0.6%	+0.2%
● Pacific Island (e.g., Hawaii, Guam, Fiji)	0.4%	0.0%	-0.4%
● Pasifika/Pacific Islander (New Zealand)	N/C	0.2%	
● Māori (New Zealand)	N/C	0.1%	
● Traveller (Canada)	N/C	0.0%	
● Traveller (United Kingdom)	N/C	0.0%	
● Roma (Italy)	N/C	0.0%	
● Roma (Canada)	N/C	0.0%	

N/C = Not collected

### Race/ethnicity in leadership



	2019	2020	Change (2019-2020)
● Caucasian	65.6%	60.2%	-5.4%
● Not specified	11.4%	14.3%	+2.9%
● East Asian	4.6%	5.3%	+0.7%
● South Asian	4.9%	5.7%	+0.8%
● Latinx	1.7%	2.7%	+1.0%
● Black	1.5%	1.8%	+0.3%
● Prefer not to say	4.0%	3.1%	-0.9%
● Middle Eastern	2.1%	2.3%	+0.2%
● Mixed	1.9%	1.7%	-0.2%
● Southeast Asian	0.9%	1.2%	+0.3%
● Not listed	1.1%	1.2%	+0.1%
● Indigenous Peoples	0.3%	0.4%	+0.1%
● Pacific Island (e.g., Hawaii, Guam, Fiji)	0.1%	0.1%	0.0%
● Pasifika/Pacific Islander (New Zealand)	N/C	0.0%	
● Māori (New Zealand)	N/C	0.0%	
● Traveller (Canada)	N/C	0.0%	
● Traveller (United Kingdom)	N/C	0.0%	
● Roma (Italy)	N/C	0.0%	
● Roma (Canada)	N/C	0.0%	

N/C = Not collected

## Race/ethnicity at Shopify (continued)

### Race/ethnicity in RnD (Data, Engineering, Product, UX)<sup>12</sup>



	2019	2020	Change (2019-2020)
Caucasian	39.8%	46.8%	+7.0%
Not specified	10.3%	17.3%	+7.0%
East Asian	18.6%	9.8%	-8.8%
South Asian	12.5%	7.2%	-5.8%
Latinx	2.8%	4.6%	+1.8%
Black	2.2%	2.9%	+0.7%
Prefer not to say	3.5%	3.2%	-0.3%
Middle Eastern	3.7%	3.8%	+0.1%
Mixed	2.2%	1.6%	-0.6%
Southeast Asian	3.3%	1.6%	-1.7%
Not listed	0.9%	0.8%	-0.1%
Indigenous Peoples	0.0%	0.3%	+0.3%
Pacific Island (e.g., Hawaii, Guam, Fiji)	0.2%	0.0%	-0.2%
Pasifika/Pacific Islander (New Zealand)	N/C	0.0%	
Māori (New Zealand)	N/C	0.0%	
Traveller (Canada)	N/C	0.1%	
Traveller (United Kingdom)	N/C	0.0%	
Roma (Italy)	N/C	0.0%	
Roma (Canada)	N/C	0.0%	

N/C = Not collected

## Age at Shopify



	2019	2020	Change (2019-2020)
19 and under	0.6%	0.5%	-0.1%
20-29	30.4%	27.4%	-3.0%
30-39	44.7%	45.9%	+1.2%
40-49	10.1%	10.5%	+0.4%
50+	2.0%	1.8%	-0.2%
Not specified	12.3%	13.8%	+1.5%

## Sexual orientation at Shopify



	2019	2020
Asexual	N/C	0.3%
Bisexual	N/C	1.7%
Gay	N/C	1.8%
Heterosexual	N/C	32.3%
Lesbian	N/C	0.8%
Not listed	N/C	0.1%
Not specified	N/C	58.1%
Pansexual	N/C	0.7%
Prefer not to say	N/C	2.9%
Queer	N/C	0.9%
Undecided	N/C	0.5%

N/C = Not collected

## Disability at Shopify



	2019	2020
Not specified	N/C	87.6%
No disability	N/C	8.8%
Prefer not to say	N/C	1.0%
Has a disability	N/C	2.7%

N/C = Not collected

12. This report includes the same craft skills (Data, Engineering, Product, UX) as specified in our 2019 report (UX, Product, Development, Data, Production Engineering), however we've simplified our categorization. 'Engineering' includes 'Development' and 'Production Engineering'.

## Diversity and belonging initiatives

### Actions and impact

In 2020, we added our voices to the global, collective movement for intentional action, engagement, and progress on D&B. We launched our Global D&B Strategy after consulting 250 employees in 13 countries around the world, making us one of the first tech companies to build a strategy with global perspectives from the outset. We took action within each of the four pillars of our 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).



### Fostering understanding

#### Diversity surveys

We continued to collect D&B data from candidates and employees to inform our programs and products at Shopify. We evolved these surveys as needed to ensure we collected the right information to support our work.

#### Belonging Index

We developed and piloted the Belonging Index, a measurement tool designed with our Talent Research and Insights team, to explore how many employees in a given group have a strong sense of belonging and what behaviors and experiences might lead to weak belonging on a team.

#### Learning offerings

We continued to build out our global, company-wide anti-harassment and accessibility learning offerings. We provided synchronous and asynchronous learning pathways in three foundational, multi-step learning pathways: anti-bias, empathy and allyship, and discrimination and microaggressions. Thousands of employees leveraged these learning pathways in 2020, which collectively enabled us to create an inclusive, mission-driven, and highly aligned organization.

### Reflecting the world

#### Talent acquisition initiatives

We embedded D&B principles into all stages of Shopify's hiring process, based on the recommendations of our 2019 Talent Acquisition Audit. We created an agency engagement strategy to source and hire candidates from underrepresented groups for roles in Support, with the goal to scale this strategy to all roles across Shopify. As part of this strategy, we engaged in a trust-building exercise with more than 100 community and not-for-profit employment agencies across Canada, including **ACCES Employment**, **NPower Canada**, and **WorkBC**. We hired more than 100 Junior Support Advisors through these agencies, 51% of whom identified as belonging to an underrepresented group.

#### Resources for mitigating bias

Building on our 2019 Compensation Fairness Review and Talent Acquisition Audit, we created resources to identify and eliminate bias in hiring, performance, compensation, and attrition. These resources include self-reflection questions, information on different types of biases and how to mitigate them, and how to create a truly inclusive approach in these areas. Thousands of Shopify employees worldwide leveraged these resources.

#### D&B consulting

In 2020, the D&B team partnered with all teams and groups across Shopify to develop D&B action plans. This included leaders completing anti-bias training and reviewing representation data, creating customized programming for employees, product and commercial inclusion initiatives, and merchant outreach initiatives.

## Creating community

### Employee Resource Groups (ERGs)

Our active and engaged ERGs reflect the richness of their communities, with seven different groups representing employees who are Asian, Black, Indigenous, Latinx, LGBTQ+, women, and people with disabilities. Working closely with an executive sponsor, over 45 ERG leaders from around the world help teams across Shopify solve unique problems, build a global culture of belonging for employees and merchants, and increase Shopify's understanding of diverse employee, merchant, and product needs. Our ERGs engaged 5,512 employees in 2020 (1,800 in 2019).



Asians ERG co-founder Peter Ho (left), interviews streetwear designer and Shopify merchant Bobby Kim ([The Hundreds](#)) to discuss his experience as a Korean-American in California, from creating artwork for the community to becoming one of the most successful streetwear brands in the world.

### Belonging Connectors

This program is a global collective of over 40 dedicated employee volunteers spread across 12 cities who help us build a future of commerce that includes more voices. Connectors promote D&B through multi-way communication, perspective sharing, training sessions, and creating awareness about what it means to be a diverse and inclusive organization.

### External partnerships

In support of our D&B strategy, we partnered with [Accelerate Her Future](#), [#movethedial](#), [Tent Partnership for Refugees](#), [AfroTech](#), and [Black Professionals in Tech Network](#) to grow the number of voices in tech.

## Sharing our stories

### Real Talk

This is a moderated conversation for Shopify employees to deepen their empathy and widen their perspectives by sharing their stories and listening to others. Real Talk helps employees feel seen and connected to one another. Over the course of 11 episodes across three seasons to date, Real Talk has explored topics including: the crisis of anti-Black racism; accessibility and accommodations for persons with disabilities; the diaspora experience; mental health and isolation; caregiving; and allyship. Over 5,000 employees tuned in live to Real Talk episodes in 2020.

### Content co-creation

The D&B team works across the business to ensure the stories that are told at Shopify are mission-aligned, inclusive, encourage entrepreneurship, and reflect D&B best practices. We provided subject-matter expertise and content review for [I Quit](#), Shopify's first TV series. We worked with our Employer Brand team to develop targeted D&B campaigns for external audiences and prospective applicants, including around [Juneteenth](#), [Asian Pacific American Heritage Month](#), [Pride Month](#), and the creation of Life at Shopify [features](#) and [podcasts](#).

### Belonging campaigns

These are milestone moments throughout the year that help us foster a sense of belonging inside and outside Shopify by highlighting and celebrating the impact and contributions of our employees and merchants. In 2020, we hosted eight campaigns: Black History Month, International Women's Day, Asian and Pacific Islander Month, Pride, National Indigenous History Month, Latinx Heritage Month, Juneteenth, and Disabilities Awareness Week.



Pegleess Barrios Sánchez (left), Shopify's Latinx ERG Chair, interviews Lido Pimienta (right), 2021 Grammy Award Nominee, as part of Latinx Heritage Month 2020.



# Computing education

Our path to solving the complex problems ahead of us starts with investing in the next generation of problem solvers. Shopify makes community investments that upskill the next generation to prepare for the future of work. All of our computing education programs prioritize equity and each of these investments has the co-benefit of helping build a diverse engineering pipeline for Shopify.

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## Computing education outreach

Dev Discover is our computing education outreach program, focused on upskilling future generations to strengthen Shopify’s ecosystem with future employees, merchants, partners, and buyers. We leverage partnerships to teach Science, Technology, Engineering, and Math (STEM) concepts to participants around the world. The students we engage with develop essential skills to navigate their future, whether that’s a career in tech, starting their own business, or something we don’t even have a title for yet! We engage groups that have been historically excluded from tech, including young women, BIPOC youth, and Indigenous youth, with accessibility underpinning our work. We aim for greater diversity in our ecosystem, while connecting youth to opportunities in Shopify’s early talent programs.

### Actions and impact

Our youth outreach programs ran largely in person prior to COVID-19, so in 2020 we needed to engage and support youth in new ways. As the digital divide grew with limited access to connectivity and hardware, we became even more intentional with our partnerships to support underrepresented demographics in tech.<sup>13</sup> We overhauled our Linked> program with Virtual Ventures to provide at-home free technology kits, expanded our partnership with Technovation globally, and embarked on new partnerships to engage Black youth and provide resources for Indigenous STEM education.

“This honestly gives me the chills because this gift [laptop donation] truly is a make it or break it for some of our members succeeding in school. One of our youth had to go a whole semester without their own laptop and it was a struggle, they had to do so much more commuting to and from school to make use of the computer room. Thank you!”

— **Melissa Marion**, Volunteer and Education Program Coordinator, the Boys and Girls Club of Ottawa

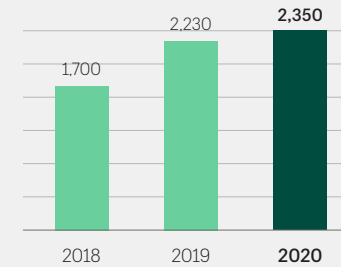
# 2.4K

Youth and educators engaged

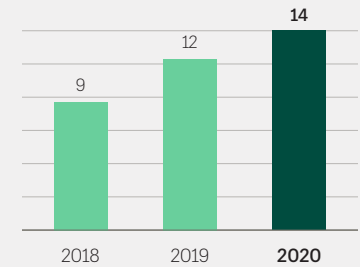
# 4

New countries with programs

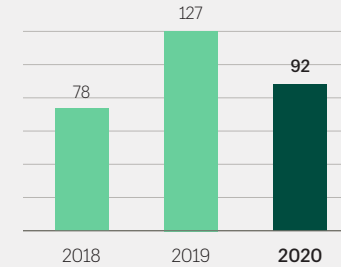
Youth and educators engaged



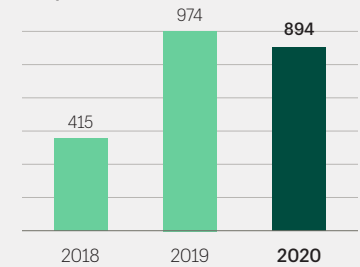
Partner organizations



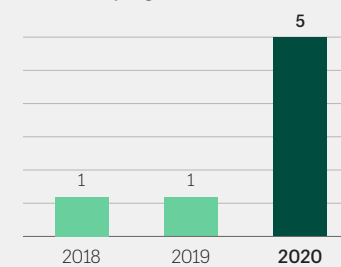
Events and workshops



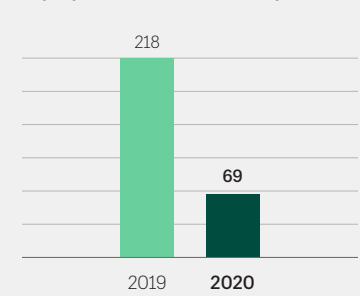
Shopifolk volunteer hours



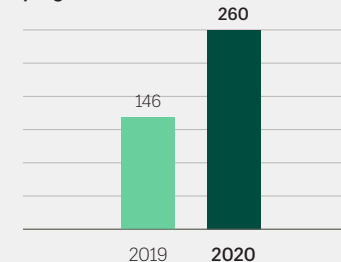
Countries with computing education programs



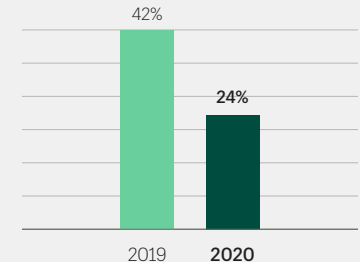
Laptops donated to outreach partners



2020 Dev Degree applicants took part in one of our outreach partner programs



2020 Dev Degree interns took part in one of our outreach partner programs



13. <https://www.cbc.ca/news/canada/british-columbia/covid-19-highlights-urban-rural-digital-divide-1.5734167>

## Computing education

### Linked>

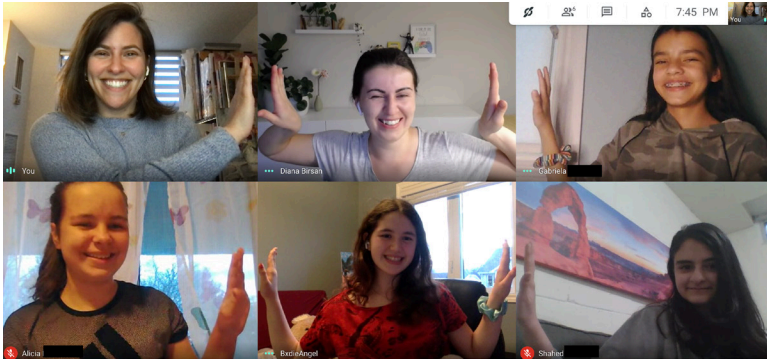
In collaboration with the Boys and Girls Club of Ottawa and Virtual Ventures, our Linked> program teaches youth the foundations of computational thinking and digital skills development. When our in-person programming was cut short, together with Virtual Ventures, we designed, built, and shipped 700 Linked> at-home STEM kits to Ottawa families, engaging over 1,100 youth (600 in 2019), 47% of whom were girls.

### Technovation Girls

Through this program, teams of girls spend 12 weeks solving community problems using entrepreneurship and technology. When the program went virtual mid-way through the season, we opened our support to all seven chapters in Canada (four in 2019). We grew our partnership with **Technovation** and expanded internationally to Brazil, Germany, Ireland, and the United States in order to support even more girls in tech around the world.

### STEMing UP

This program with hEr VOLUTION is a four-week course that teaches coding and entrepreneurship to high school girls in at-risk socioeconomic situations. Thirty girls participated in the program (27 in 2019) and 96% reached completion (89% in 2019). Ninety-six percent of the girls felt the program helped clarify future career goals and 70% were inspired to apply for post-secondary education.



“Our daughter got so much encouragement and expanded her knowledge and developed new skills participating in Technovation. Today’s celebration event was awesome! It was so inspiring and exciting listening and seeing the experience other girls shared, and having fun as well. Well done!”

— Parent of a Technovation participant

### New Partnerships

We embarked on three exciting new or expanded partnerships near the end of 2020:



To redesign K-12 curriculum that promotes technology creation and establishes an entrepreneurial mindset among BIPOC youth.



To empower youth aged 12 to 18 to explore the impact they want to make in the world via social entrepreneurship.



To reduce barriers to tech education for Indigenous students interested in STEM education and computer science degrees.



“Thank you for dropping off the Linked> kits all year. As you know, it’s been a very difficult year due to COVID-19, and as I am high-risk, my children have had to do virtual learning all year. My boys really cheered up when the kits arrived at our door, and have really enjoyed them!!”

— Parent whose children received Linked> kits



^ Linked> at-home STEM kit materials: activities ranging from building your own robot, designing your own games, and assembling your own race car.

# Dev Degree

Dev Degree is a unique work-integrated learning program that improves career outcomes for Computer Science undergraduate students while providing tremendous return on investment for higher educational institutions and industry sponsors. Dev Degree was originally developed through a partnership between Shopify and Carleton University and has since grown to include York University. Participants work part-time at Shopify while completing their Bachelors' degree and receive \$160,000+ CAD in paid tuition, salary, and vacation days covered by Shopify. We use a blind application and screening process where the names, ethnicities, and genders of applicants are hidden, to remove bias from the screening process.

### Actions and impact

In 2020, Dev Degree celebrated its first graduating cohort as 10 students successfully completed all program requirements and received their Bachelor degree in Computer Science from Carleton University. We continued to grow the program with 19 new engineering interns from around the world joining as first-year participants.

Shopify employees celebrate the graduation of the first cohort of Dev Degree students.

<b>70</b> Total engineering interns	<b>50%</b> of interns identify as women	<b>\$2.8M</b> Invested in participants	<b>100%</b> Job placement rate within 6 months of graduation
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### Job placement success

Dev Degree's graduates are better prepared for careers in software engineering than traditional computer science graduates. 90% of our 2020 Dev Degree graduates found full-time engineering roles prior to graduation day, and 100% within six months of graduation, compared to 73% within six months of graduation for traditional computer science program graduates.<sup>14</sup>

### NCWIT Aspirations in Computing (AiC)

Shopify and Dev Degree sponsor the AiC Canadian affiliate awards to further promote increased diversity in computing. We helped the program expand to four affiliates in Canada and provided monetary support for winners of the award that honors high school students who self-identify as women, genderqueer, or non-binary for their achievements and aspirations in computing.

14. <https://www.naceweb.org/job-market/graduate-outcomes/first-destination/class-of-2019/interactive-dashboard>

