



WAYFAIR GHG INVENTORY METHODOLOGY

Inventory Year:
Calendar Year 2023

Study Completed:
May 2024

DOCUMENT SUMMARY

Company Information	
Reporting Company Name	Wayfair LLC
Address of Headquarters	4 Copley Place Boston, MA 02116
Regions of Operation	☒ Asia ☐ Africa ☐ Europe, Eastern ☒ Europe, Western ☐ Latin America ☒ North America, All ☐ North America, US Only ☐ Oceania
GHG Inventory Details	
Reference Standards	☒ GHG Protocol Corporate Standard ☒ GHG Corporate Value Chain Standard ☒ ISO 14064-1:2018 – Corporate Level Accounting
Inventory Year	Calendar Year 2023
Baseline Year	Calendar Year 2020
Inventory Scope	
Inventory Coverage	☐ All Emission Categories ☒ Some Categories Excluded
Organizational Boundary	☒ Operational Control ☐ Financial Control ☐ Equity-Share
Level of Assurance/Verification	No Assurance Conducted
Included Emissions (Operational Boundary)	
Scope 1 and 2 Emissions	Scope 3 Emissions
☒ Scope 1 – Direct emissions ☒ Scope 2 – Indirect emissions from electricity (Location-Based) ☒ Scope 2 – Indirect emissions from electricity (Market-Based)	☒ 1. Purchased Goods and Services ☒ 2. Capital Goods ☒ 3. Energy Related Activities ☒ 4. Upstream Transportation and Distribution ☒ 5. Waste Generated in Operations ☒ 6. Business Travel ☒ 7. Employee Commuting ☐ 8. Upstream Leased Assets ☒ 9. Downstream Transportation and Distribution ☐ 10. Processing of Sold Products ☐ 11. Use of Sold Products ☒ 12. End of Life Treatment of Sold Products ☐ 13. Downstream Leased Assets ☐ 14. Franchises ☐ 15. Investments
Note: A checked box indicates that the emissions source was evaluated and the emissions are included in the final calculations. An unchecked box indicates that the emissions source is not included or that it was evaluated and determined to not be applicable.	

● GREENHOUSE GAS INVENTORY EXECUTIVE SUMMARY

○ BACKGROUND

This document represents the results of a corporate greenhouse gas (GHG) emissions inventory that was conducted by WAP Sustainability Consulting for Wayfair. The study took place from January to May 2024 and considered relevant activities that occurred during the period of January 1, 2023 through December 31, 2023.

This inventory followed several GHG accounting standards and guidance documents. Primarily, the inventory followed requirements defined by the World Resource Institutes (WRI) Greenhouse Gas (GHG) Protocol. Additionally WRI's Corporate Value Chain Accounting and Reporting Standard was considered. The Corporate Value Chain Accounting and Reporting Standard includes emission categories that are a consequence of the activities of the company but are produced by sources not owned or controlled by the company. These emissions are referred to as "Scope 3" emissions and evaluating them shows that a company is willing to look beyond their direct sphere of influence to understand and improve their overall carbon footprint. This standard additionally splits Scope 3 emissions into 15 categories, a subset of which are used in this inventory, and further sets the minimum boundaries of what needs to be considered for each category.

The calculation of GHG emissions used recognized emission factors from The Climate Registry, Intergovernmental Panel on Climate Change (IPCC), and the United States Environmental Protection Agency (EPA). Following standard GHG accounting procedures, calculated emissions were classified as Scope 1, Scope 2, or Scope 3. Scope 1 emissions are direct emissions within an organization's boundary. Scope 2 emissions are impacts related to the purchase of electricity. Scope 3 emissions are emissions that are produced by other sources as a result of the decisions and actions that the reporting company takes.

○ MAJOR FINDINGS OF THE STUDY

To date, Wayfair has completed inventories annually from calendar year 2020 through 2023. Multiple inventories have allowed Wayfair to establish a deeper understanding of the GHG emissions associated with their business operations. This inventory provided insight into emission "hot spots" and enabled the ability to analyze emission trends over time.

Like many companies, the emissions derived from Wayfair's value chain (Scope 3) are higher than the direct emissions (Scope 1) and those generated by electricity consumed (Scope 2). The combined greenhouse gas contribution from all Scope 3 emission sources was greater than 99% of the total calculated carbon emissions in 2023. This is within expectations because, as a company that mainly distributes home goods products, Wayfair operates few facilities with significant fuel and gas consumption. Table 1 below presents emissions based on the World Resource Institute (WRI) GHG protocol's reporting format and provides a breakdown of the total carbon emission by scope and category.

Table 1: Wayfair 2023 Emissions Overview

Emission Groupings		MT CO ₂ e
Scope 1	Stationary Combustion - Natural Gas	15,380
	Stationary Combustion - Propane	35
	Mobile Combustion - Diesel & Gasoline	2,238
	Fugitive Emissions (Refrigerants)	613
Scope 2	Electricity (Location-Based)*	19,687
	Electricity (Market-Based)	18,955
Scope 3**	Products & Services	3,557,668
	Transportation & Distribution	545,240
	Other	59,178
Total Emissions:		4,199,308
<p><i>Notes: Due to rounding, the sum of results presented may not equal the total shown.</i></p> <p><i>*Market-based emissions factors take into account the emissions intensity of local energy providers if known. The location-based emissions factors take into account regional emissions based on the EPA's eGRID system. Reporting based on both market-based emissions factors and location-based emissions factors is required, and one method is not preferable to the other, though the market-based electricity emissions are used in the totals.</i></p> <p><i>**The Scope 3 groupings above consist of the following categories: Products & Services (Purchased Goods and Services, End-of-Life Treatment of Sold Products); Transportation & Distribution (Upstream and Downstream Transportation & Distribution); Other (Capital Goods, Fuel- and Energy-Related Activities, Waste Generated in Operations, Business Travel, Employee Commuting). Categories with a checked box on page 2 that are not mentioned here were evaluated and determined to be not applicable for Wayfair.</i></p>		

From 2020 through 2023, the largest emissions grouping is 'Products & Services'. Within this grouping, the largest Scope 3 category is 'Purchased Goods and Services'. Emissions in this category include the embodied carbon of products that Wayfair sells through its websites. Embodied carbon is the term used to describe the emissions associated with a product from raw material sourcing, supplier processing, and manufacturing. Additionally, emissions associated with Wayfair's data centers and water consumption at Wayfair's facilities are included in the 'Products & Services' grouping.

The second largest Scope 3 grouping is 'Transportation & Distribution'. Within this grouping, major Scope 3 categories include Upstream and Downstream Transportation & Distribution. These categories include emissions associated with transporting products sold by Wayfair before and after the point-of-sale, globally. The transportation of returned products is also included.

The largest emissions source in either Scope 1 or Scope 2 was purchased electricity. This is to be expected as Wayfair operates locations around the globe that utilize electricity as a main energy source. The next largest category in Scope 1 or Scope 2 is stationary combustion of natural gas.

The chart below demonstrates the contributions from each emissions category from 2020 through 2023.

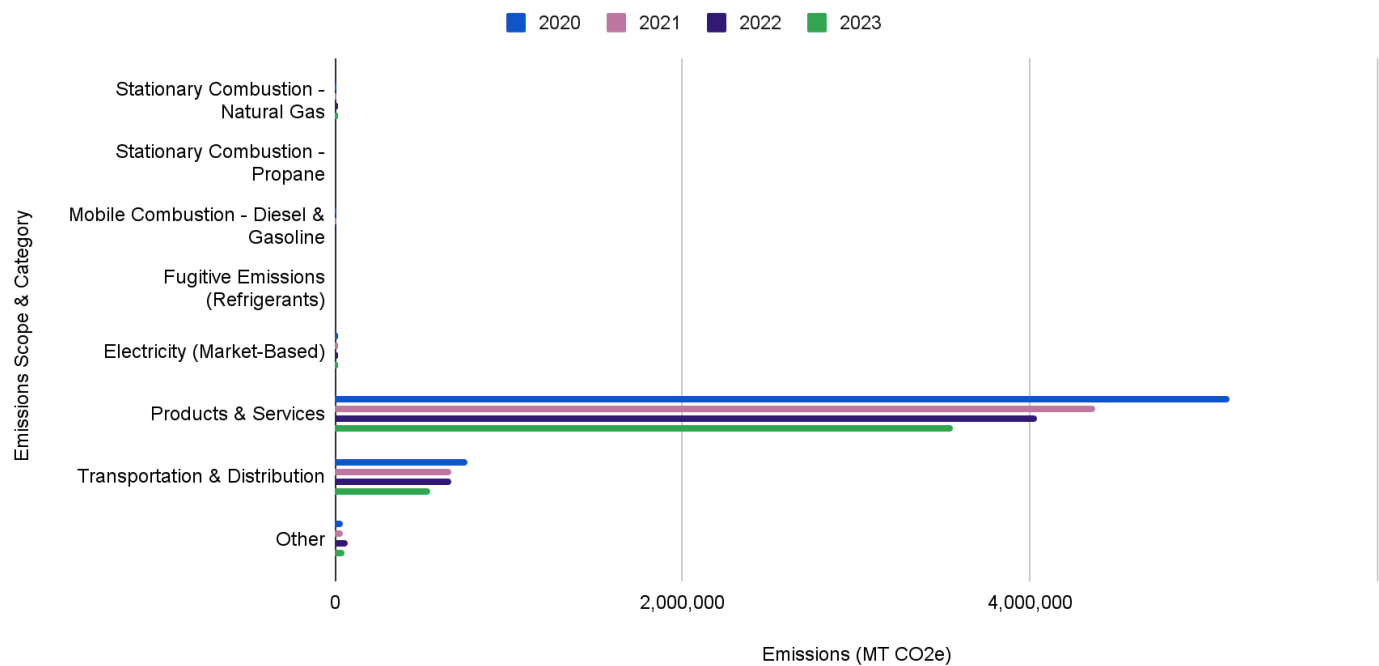


Figure 1: Wayfair 2020, 2021, 2022 and 2023 Total Emissions

REPORTING EMISSIONS

The primary reason that Wayfair elected to complete this inventory was to quantify its emissions for calendar year 2023, establish emission trends from 2020-2023, and identify reduction opportunities.

The following statements are considered appropriate based on best practices described in the aforementioned frameworks:

- In 2023, Wayfair’s Scope 1 and Scope 2 emissions were 18,266 and 18,955 Metric Tons of Carbon Dioxide Equivalents (CO₂e), respectively.
- In 2023, Wayfair’s Scope 3 emissions were 4,162,086 Metric Tons of Carbon Dioxide Equivalents (CO₂e). The most impactful Scope 3 emission category is Purchased Goods and Services. In total, Scope 3 emissions accounted for approximately 99% of the calculated carbon footprint.