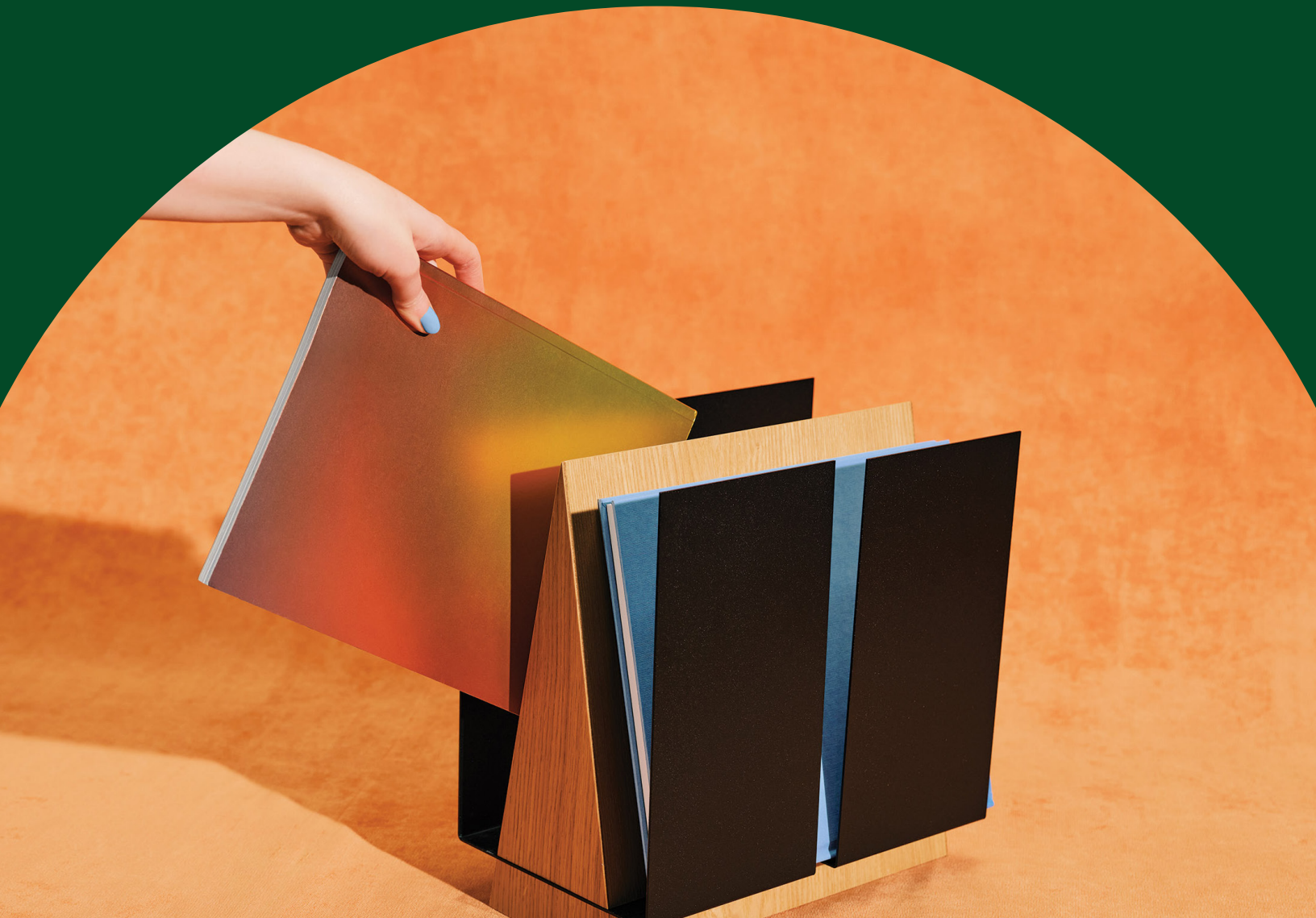


Etsy

2023

Transparency

Report



All about Etsy

Since 2005, Etsy has connected millions of buyers and sellers around the world, motivated by a shared mission to **Keep Commerce Human**.

At Etsy, we're focused on elevating the best of our marketplace to help creative entrepreneurs grow their businesses. We continue to invest in making Etsy a safe and trusted place to shop, so sellers' extraordinary items can shine.

Today, there are more than 100 million unique items available for sale on our marketplace, and our vibrant global community is made up of over 90 million active buyers and 7 million active sellers, the majority of whom are women and sole owners of their creative businesses. To support this growing community, our Trust & Safety team of product, engineering, data, and operations experts are dedicated to keeping Etsy's marketplace safe by enforcing our policies and removing potentially violating or infringing items at scale. In 2023, we invested more than \$50 million in the team's people, technology, and operations because we know how important it is to keep Etsy special, unique, and safe as our community grows.

Since 2015, we've released a Transparency Report annually to share our progress in this work. This report, covering January to December 2023, gives you an overview of our content policy enforcement, intellectual property takedowns, order issues, and requests for member information. We also share a glimpse into our priorities and progress for the year to come. We're not required to share all of this information, but we choose to provide it because we're committed to transparency. It's also one of many ways we continue to uphold our core company value of building a trusted brand for Etsy buyers and sellers.

90M
active buyers

7M
active sellers

+100M
items for sale

This report only covers the Etsy marketplace and none of Etsy, Inc.'s subsidiary brands.

Below is a detailed account of our efforts in 2023 to make our marketplace safer and more secure, and to keep it uniquely Etsy. Highlights include:

- Overall, **we improved the accuracy and precision of our controls by 5x**, enabling us to double the number of listings we removed for violating our policies.
- We **removed four times as many listings for violating our Handmade Policy** and we reduced the rate at which users came across content that violated our Handmade Policy on our site by 60%.
- We **removed 216% more listings for potential IP or counterfeit violations** due to more proactive detection and enforcement.
- **We reduced the time it takes for cases to be resolved to an average of just two hours**, a significant improvement from the year before. This means buyers and sellers are getting the help they need even faster when issues arise.

Policy Enforcement

We expect every user to follow our policies, which we call [Our House Rules](#), to ensure that Etsy remains a marketplace where creativity, authenticity, and diversity thrive. We strive to write our policies as clearly as possible to help members around the world understand their rights and responsibilities when using Etsy. When sellers open a shop on Etsy, they commit to following our [Terms of Use](#), including our [Seller Policy](#), which outline what can be sold on Etsy and our customer service standards. Our Trust & Safety team is dedicated to detecting potential content violations and enforcing our policies when items or member accounts are flagged for violations. This includes actions like listing mass-produced items in our [handmade category](#) or attempting to sell items outlined in our [Prohibited Items Policy](#). Our team uses a combination of automated systems and human review by policy specialists to monitor and remove policy-violating listings and shops. Flags from our community members and trusted authorities are also an integral part of our Trust & Safety process. We strive to consistently enforce our policies and hold all members accountable to the same standards to strengthen trust in our community and maintain the integrity of our platform.

Insights from 2023

One of our key focus areas this year was improving the accuracy of our internal automated systems that detect potentially violating listings. In 2023, we made our internal automated detection systems **five times more precise** than they were in 2022. This enabled us to **remove more than double the number of listings (3.8M) for violating our policies** compared to the year prior, while reducing the overall number of flags by 10%. 94% of our flags were generated by our internal systems.

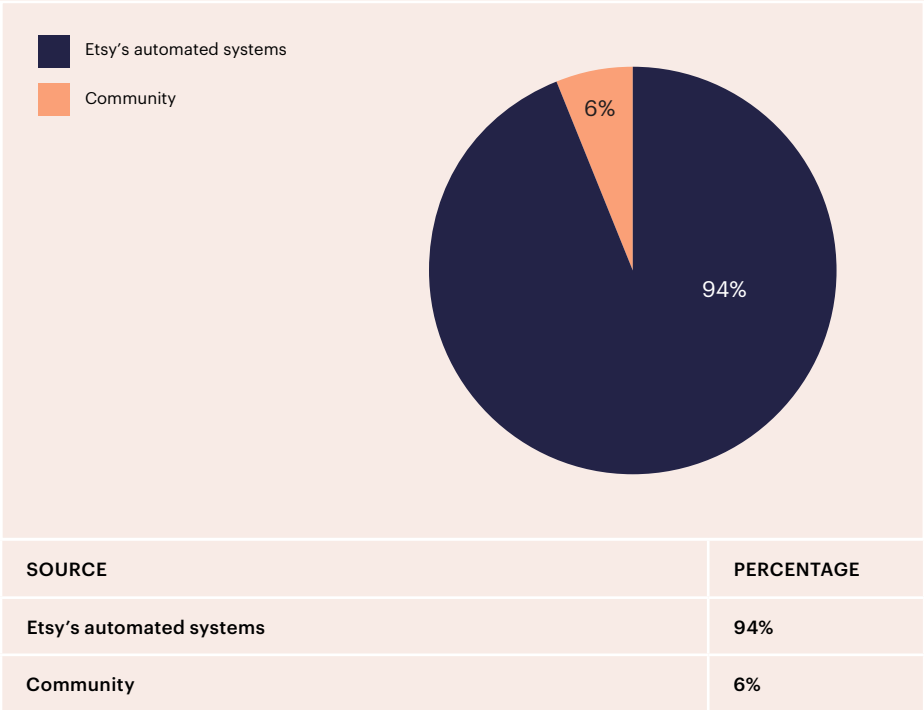
94%
of flags generated by
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systems

If we determine that a flagged item violates Etsy's policies, we'll remove the item from the marketplace and notify the seller. In some cases, and with sellers who repeatedly violate our policies, we'll permanently refuse service to a member. In 2023, most actions were a result of alleged violations of our [Intellectual Property Policy](#) and [Handmade Policy](#). Of the accounts we took action against in 2023, 47% were sellers based in North America and 30% were sellers based in Europe.

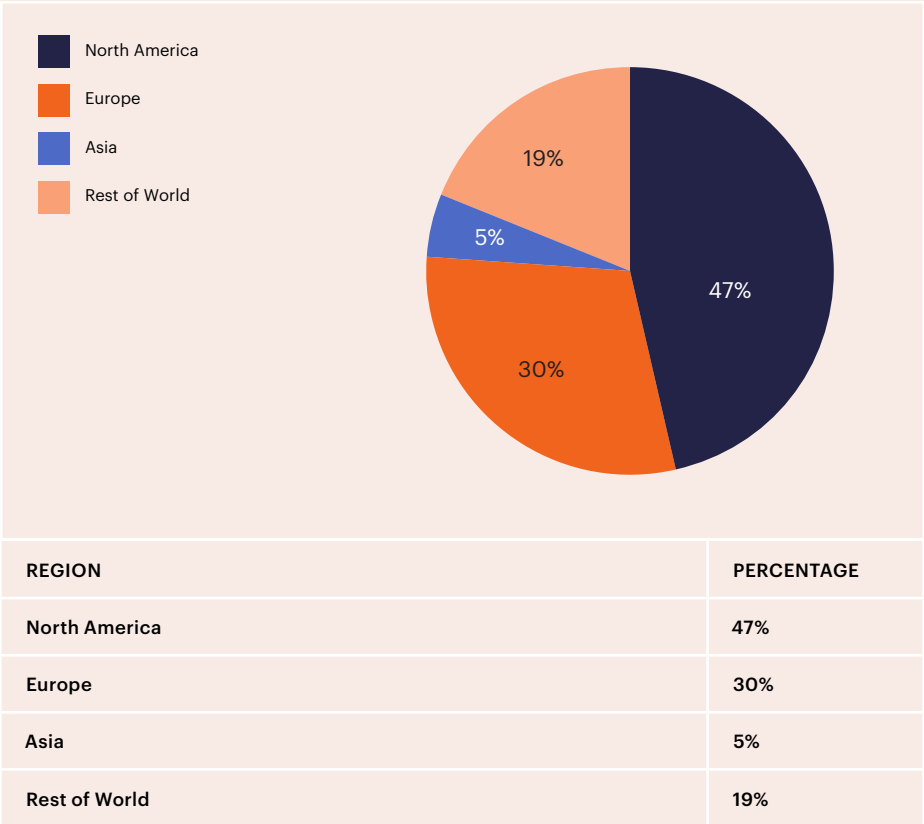
Community reporting continues to be an important part of our policy enforcement process, and we want to equip our members with the right tools so they can more easily play their part in keeping our marketplace safe. We launched an updated member flag interface that better aligns to our marketplace policies. This way, members can more specifically identify the reason they're flagging the item so it gets to the right team more quickly for a manual review.

Policy Enforcement

Listings Flags, by source

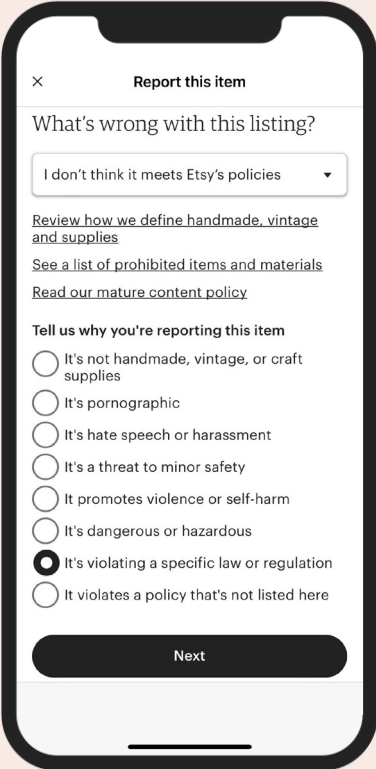


Accounts actioned for policy violations, by region



Policy Enforcement

Community Reporting



Policy Enforcement

Enforcing our Handmade Policy and measuring our progress

Another top priority in 2023 was continuing to expand enforcement of our Handmade Policy, which requires that items listed as “Handmade” be either made and/or designed by the seller. These unique items created by Etsy sellers are what differentiates Etsy from any other online marketplace. We invested in improving our technology and expanding our detection capabilities to ensure Etsy remains the destination for special, one-of-a-kind, and handcrafted items. As a result of all of these initiatives, **we removed more than four times as many listings and suspended two times more sellers for violating our [Handmade Policy](#) in 2023 than the previous year.**

Our goal is to ensure users come across potentially violative items as infrequently as possible. To this end, we introduced a new metric in April 2023 that seeks to estimate how often users may be seeing listings that may violate our Handmade Policy, before we have the chance to remove them. We call this the Not Handmade Violative View rate (VVR). By the end of 2023, **we reduced the Not Handmade VVR to the low single digits, a 60% improvement from April.** A few efforts and initiatives helped us make progress in this area, including:

- **Improving the precision of our automated detection systems,** including enhancing the tools that help us detect when items are potentially being resold on Etsy from mass-market sites.
- **Adding more human reviews to our enforcement processes.** While automated systems allow us to review the millions of listings on Etsy, human reviews are critical to ensuring those decisions are accurate. Now, when a listing is flagged by our automated controls for potentially violating our Handmade Policy, it'll remain active but not appear in search results and recommendations in order to give our specialists time to review the listing. Our team will determine if it should be removed, or if it can be sold on Etsy and be made visible again. The review process typically takes between 24 and 48 hours.
- **Improving integrity across our ecosystem.** In addition to our efforts to remove listings that violate our policies, we're working to prevent non-handmade items from making their way onto Etsy in the first place:

- *For sellers:* We're better emphasizing Etsy's policies during the listing process. We've added messaging and reminders about what types of items and listing images do and do not belong on our marketplace.
- *For third parties:* Many companies integrate with Etsy via our public API to provide sellers with a wide range of valuable tools and services. In 2023, we revoked API access to several companies whose products enable the listing and selling of mass-produced, policy-violating items.
- **Bringing more rigor to programs like Star Seller and Etsy Picks,** to ensure we don't unintentionally highlight items that may violate our policies.

Intellectual Property Enforcement

As a venue for artists, designers, and makers, Etsy takes intellectual property rights seriously. We require sellers to confirm they have all necessary intellectual property rights for the content they upload to their Etsy shop. Our [Intellectual Property Policy](#) is based on industry best practices, worldwide intellectual property laws, and region-specific laws such as the Digital Millennium Copyright Act (DMCA). Our Legal Response and Enforcement team is responsible for reviewing reports of alleged infringement. Under our policies, rights-holders (or their authorized representatives) can submit IP reports identifying content that they believe infringes their rights via the [Etsy Reporting Portal](#), a central hub for reporting potential IP violations. Our enforcement team reviews every submission, and Etsy is committed to quickly removing any reported listings that do not comply with our Intellectual Property Policy, as well as clearly communicating actions taken as a result of reports to affected members and third party reporters.

Insights from 2023

The [Etsy Reporting Portal](#) lets rights-holders (including sellers) and their agents to more easily report alleged infringement. Users can save their information, report multiple listings at once, and track the status of their reports. In 2023, the majority (approximately 57%) of all IP reports we received were submitted through the Etsy Reporting Portal, and usage continues to grow each month. In 2023, Etsy processed 122,927 alleged infringement reports, a 24% increase from the year prior, and we removed a total of 1.2 million listings—a 10% increase from 2022.

We also continued to scale and enhance our anti-counterfeiting program through innovative products and technologies in 2023, including leveraging machine learning. We removed 1.45 million listings in 2023 for potential counterfeit violations through flags generated by our internal systems, **a 216% increase compared to 2022**, reflecting enhancements to our proactive controls to combat potential IP violations and counterfeiting. We closed 31,635 shops for repeat infringement and/or counterfeiting violations, a **25% increase** from 2022. Tackling counterfeit items continues to be a priority for our Trust & Safety team and we'll continue to thoughtfully expand our enforcement efforts, partner with rights-holders to remove suspected counterfeit goods, and leverage technology to more quickly detect and remove those listings.

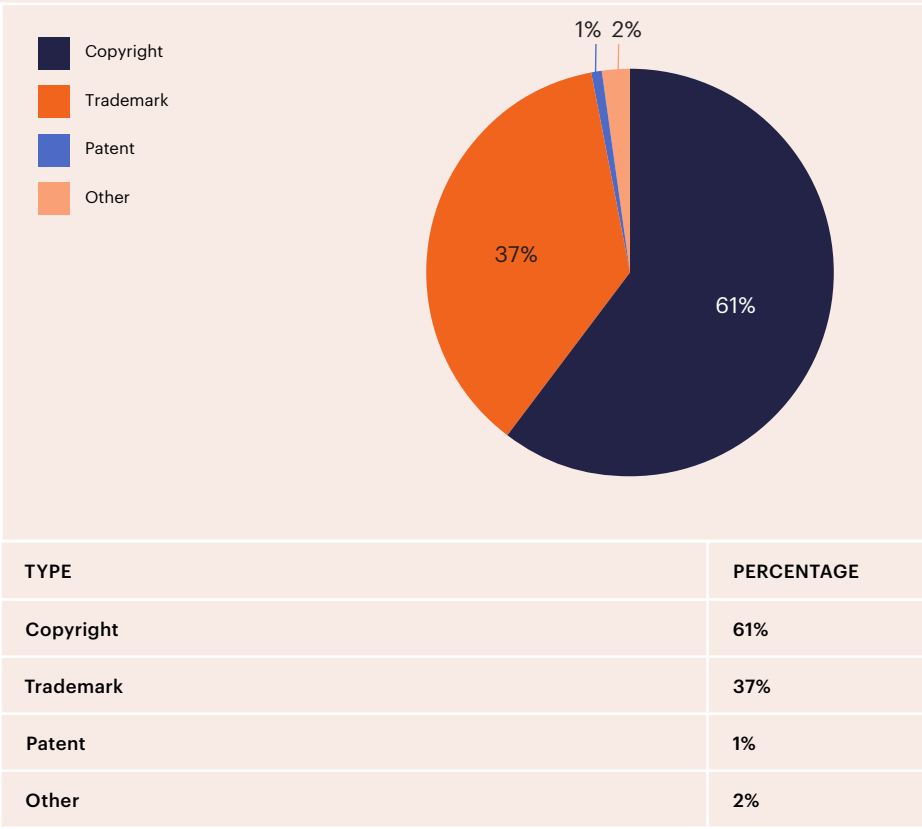
~122,927

processed alleged
infringement reports

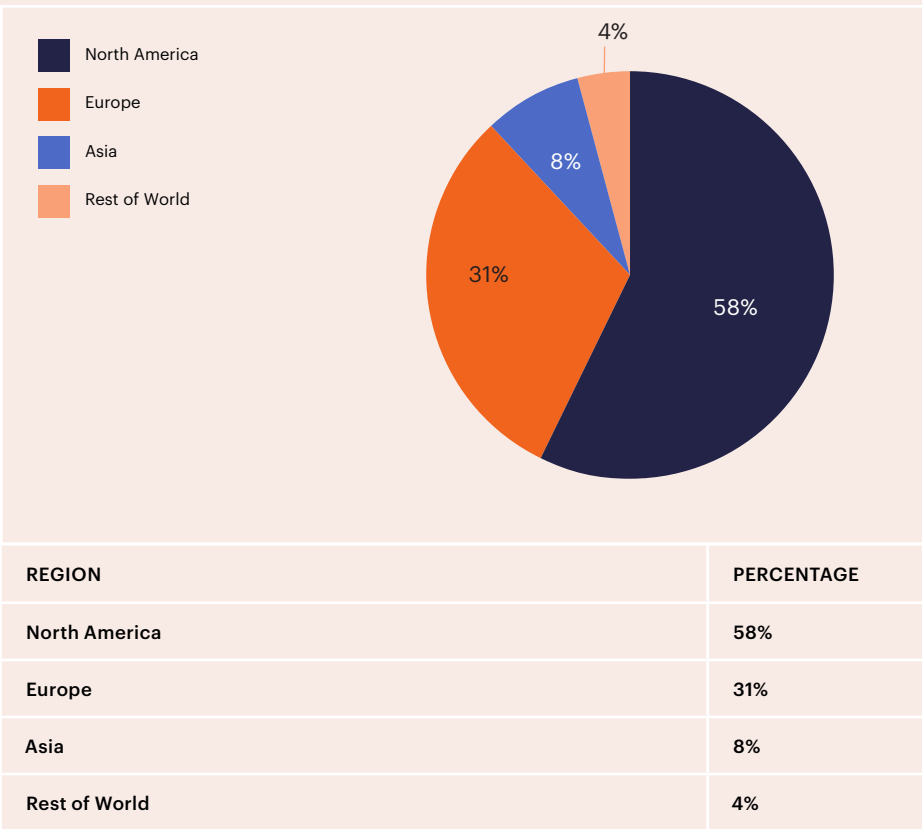
Reporting parties formally [withdrew](#) their reports(s) of alleged infringement for 2% of reported listings. **We also rejected 26% of reports in 2023, a 54% increase from 2022, indicative of our increased focus on preventing fraudulent and abusive takedown notices.** Etsy may reject a report of infringement if we're unable to verify that the person submitting the report is authorized to act on behalf of the intellectual property owner, when the description of the intellectual property is insufficient, or when the report otherwise fails to comply with Etsy's requirements. When a seller's listing is removed in response to a copyright infringement report, in certain cases, sellers can file a counter-notice in accordance with the Digital Millennium Copyright Act (DMCA). In 2023, sellers filed counter-notices for 9% of copyright infringement reports, 9% more than 2022.

Intellectual Property Takedowns

Intellectual Property Takedowns, by IP issue



Intellectual Property Takedowns, by reporter region



Product Safety on Etsy

Etsy sellers agree to follow our [Prohibited Items Policy](#), part of Etsy's [Seller Policy](#), which outlines what items are prohibited or restricted on Etsy—including several categories of unlawful goods and dangerous products such as hazardous materials, recalled items, and weapons. The Prohibited Items Policy helps us ensure a safe, trusted environment for our community of buyers and sellers. In addition, our Product Safety Principles underscore our commitment to safety.

Etsy's Product Safety Principles

- **Prevention:** We employ a broad range of tools and resources to help detect and remove products that don't meet our standards and to mitigate the risk of reappearance. We work hard to maintain the integrity of our marketplace and continually seek opportunities to enhance our tools and processes, including those presented by new or emerging technologies.
- **Education:** Our teams work to empower our buyers and sellers with educational tools and resources that help buyers make informed purchasing decisions and help sellers understand requirements to sell on Etsy, which includes compliance with relevant regulations, local laws, and Etsy's policies.
- **Easy alerts:** We maintain clear and direct means for verified authorities and trusted partners to easily notify us of product safety concerns. Additionally, we welcome any Etsy user to flag a listing with concerns about products to help inform our enforcement efforts.
- **Quick action:** If a regulatory authority or law enforcement provides us with sufficient information that they deem a product unsafe, we take prompt action to remove the item from the seller's shop.
- **Cooperation:** We value the expertise of regulatory authorities and third party experts in detecting unsafe products. We work closely with these partners to maintain marketplace integrity. If they notify us about a product safety issue that impacts our users, we work with these authorities, in accordance with our Privacy Policy and applicable law, to inform those who are affected.

- **Continuing commitment:** We understand that product safety is an evolving space, and we will hold ourselves to these principles as the community of buyers and sellers grows. We publicly demonstrate our continuing commitment and hold ourselves accountable by annually reporting performance against our policies.

Insights from 2023

Etsy takes product safety seriously. As part of our dedication to safety, Etsy signed the [EU Product Safety Pledge](#) in 2021, which encourages participating online platforms to go beyond their legal obligations to better protect consumers' safety. In 2023, we furthered our commitment by joining the enhanced Product Safety Pledge +, which expanded our responsibilities in areas like assisting with product recalls.

In 2023, we continued to remove items both proactively and reactively to address potential product safety issues, including in response to product safety recall alerts and regulatory notices. **We removed 63% more items that were subject to product recalls compared to the prior year.** We also continued our collaboration with regulators and law enforcement worldwide, continuing to learn about product safety trends and opportunities, and evolve our tools, controls, and processes to more efficiently detect potentially unsafe and unlawful products at scale. Product safety continues to be a priority of various regulators and policymakers worldwide, and we'll continue to evolve our program to adapt to new regulations, emerging trends, and best practices, and collaborate with regulators and other stakeholders to keep Etsy safe.

Resolving Order Issues

Etsy sellers offer great customer service. If a buyer experiences an issue with their order, sellers are the first point of contact to help resolve it quickly. Buyers can easily reach out to the seller by starting a “Help With Order” request from their “Purchases and reviews” page and selecting their order issue from the dropdown. Typically, 87% of order issues are resolved between the buyer and seller without Etsy getting involved.

If the issues can't be resolved between the buyer and seller, the buyer can [open a case](#) and ask Etsy to resolve the issue. While we always recommend reaching out to the seller first, and opening a case if needed, buyers can also [contact Etsy](#) through chat, phone, or email at any time.

Etsy's Purchase Protection program, which we launched in August 2022, makes our purchase protection policies clearer and more easily available for buyers and sellers. By improving the resolution experience for buyers in the rare case something goes wrong, Etsy's Purchase Protection enables buyers to shop more confidently. This is bringing buyers back to shop more often on Etsy. With Etsy Purchase Protection, [buyers](#) receive a full refund for purchases that don't match the item description, arrive damaged, or never arrive, in line with our [policy](#). We also invest directly in our sellers by providing support and coverage when the unexpected happens. Etsy will cover certain refunds on sellers' behalf, for orders that meet the Etsy Purchase Protection [eligibility requirements](#).

Insights from 2023

This year, Etsy made it even easier for buyers to report issues and get them resolved with Etsy Purchase Protection by proactively reaching out to buyers when we think there may have been an issue with their order. This helped more buyers easily report order issues and led to faster resolutions.

In 2023, just 0.5% of orders resulted in a case, compared to 0.4% in 2022, and 5% of orders resulted in a Help With Order request, which is flat compared to last year.

On average, cases were resolved by our team in just 2 hours in 2023, **a major improvement from our average of 14 hours in 2022**. This was achieved through optimizations of our case system and operations.

An Easy Resolution on Etsy is when a buyer gets their item, or a refund, in less than 2 contacts and in under 5 days from the date they submit their report. In 2023, our Easy Resolution rate increased to 62.1%, up from 58.5% in the prior year. This increase was a result of the proactive outreach we introduced, which led to faster resolutions for buyers.

Requests for Member Information or Action

Etsy's [Privacy Policy](#) details how we handle member information and reflects our commitment to member privacy and transparency. Beyond these policies, Etsy seeks to adopt and maintain appropriate privacy and data security practices, which are reflected in our Privacy Principles.

Etsy's Privacy Principles

- **Ethical custodians:** We only collect and use data that we reasonably need in order to provide you with our services, for marketing, to comply with our legal obligations, and to improve products and experiences for our community.
- **It's your data:** We believe you should have control over your data. We provide you with tools to easily access, download, and edit the data we've collected and allow you the choice (subject to applicable rules) to close your account and delete your data.
- **Choice:** We empower you with the choice to decide how to control your data. You can choose whether or not to participate in personalized advertising with third party partners. You can also choose which, if any, marketing communications to receive.
- **Data safety and security:** Etsy takes the safety and security of your data seriously. We use industry standard technologies, such as Transport Layer Security encryption, and work hard every day to protect your data. We also ask our partners and vendors to use appropriate security controls and privacy practices.
- **Transparency:** We tell you what data we collect, how we use data, and how we share it (including via cookies or Software Development Kits). We update our privacy policy from time to time, as we build new products and as privacy laws around the world evolve.
- **A continuing commitment:** At Etsy, we understand that privacy is an evolving topic, and we're committed to these principles as we build and grow.

Insights from 2023

Etsy produced records in response to 723 of the 778 legal process requests we received, which requested information relating to one or more members, transactions, listings, and other content on Etsy. We disclosed these requests to 1,691 affected members. Etsy generally notifies affected members before disclosing records or information requested about them, unless legally prohibited from doing so, or where Etsy has a clear indication of illegal conduct and prior notification would be counterproductive.

Aside from requests for member information, we also received legal process requests that were administrative. These include requests to freeze or divert funds from a member's payment account to comply with a legal obligation, such as those relating to liens, levies, or garnishments.

Etsy disclosed member account, transaction, or listing information in other limited circumstances in line with our [Privacy and Request for Information Policy](#). This policy allows the release of information when we believe in good faith that disclosure is necessary to comply with the law, prevent imminent physical harm or financial loss, or to investigate, prevent, or take action regarding illegal activities, suspected fraud, threats to property, or violations of Etsy's [Terms of Use](#).

We did not receive national security letters, Foreign Intelligence Service Act (FISA) orders, or other classified requests for information in 2023.

Keeping Our Community Informed

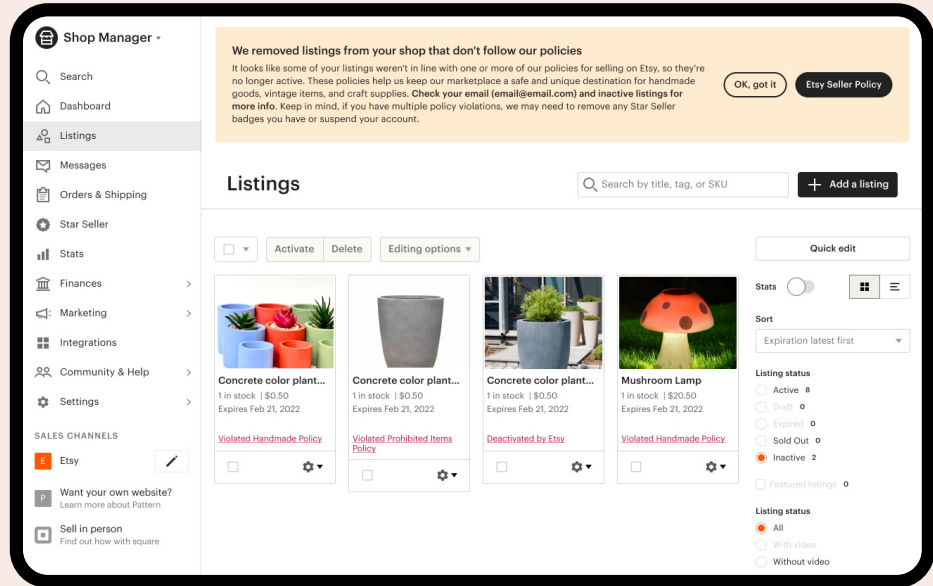
Increased seller education and resources

In 2023, we continued to publish and promote relevant policy and security education to sellers to help minimize disruption to running their businesses on Etsy. We updated our policy violation communications to be more direct and transparent, listing out exactly which policy was violated, listing any immediate or future impacts to their shop, and included upfront education for how they might avoid further policy violations. We also added new banners and labels in Shop Manager when a policy is violated, including highlighting exactly which listing violated which policy directly in the Listing Manager.

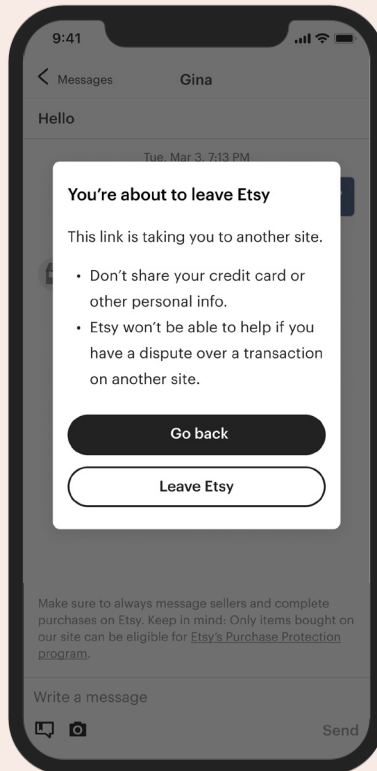
We care deeply about keeping sellers' accounts safe and helping them thrive on Etsy. So last year, we kicked off efforts to develop enhanced education and protections to help sellers avoid scams that target new business owners. We updated the [Account Security checklist](#) and launched new seller communications focused on the most relevant account security risks facing sellers on Etsy and tips for protecting their accounts.

Keeping Our Community Informed

New Policy Violation Messages



Message Safety Warning



Looking ahead

Etsy's marketplace continues to expand globally, and we're operating in an increasingly complex, adversarial, and regulated environment. We'll continue to invest heavily in the people, systems, and technology to keep our marketplace safe and special in our mission to Keep Commerce Human.

This year, we'll continue to amplify Etsy's efforts to uplift quality listings and provide quality user experiences—we'll focus on suppressing and removing problematic and policy-violating content to ensure the best of what Etsy sellers have to offer can shine. In addition to expanding on the 2023 efforts outlined in this report, our key focus areas in 2024 include:

- **Enhancing seller verification:** We're [enhancing and expanding](#) our seller verification processes for new and existing sellers because we recognize that knowing who our sellers are is foundational to promoting trust and supporting positive buying and selling experiences.
- **Evolving marketplace policies:** We're updating and strengthening our marketplace policies in [Adult Content](#), [Hate](#), [Violence](#), and [Off-platform Transactions](#) to continue to align with evolving industry standards, better protect our marketplace and members from harm, and increase clarity for our community around what can and can't be sold on Etsy. We're also clarifying our policies to buyers and sellers on what belongs on Etsy and why, including in emerging areas such as AI-generated content.
- **Strengthening policy enforcement:** We're continuing to improve our policy enforcement efforts, including investing additional resources to strengthen our anti-counterfeiting and product safety programs.
- **Reducing Not Handmade Violative View Rate:** We're working to further reduce Not Handmade VVR, by removing more potentially violative listings that are flagged by our automated systems from search and recommendations until they can be reviewed by a member of our team.
- **Protecting our users from spam and scams in messages:** Connections between sellers and buyers are integral to our mission, Keep Commerce Human, but not all messages are well intentioned. One of our top priorities this year is to enhance our policy enforcement in Messages, to ensure they aren't being used to facilitate harassment, scams, exploitation, or other policy violations.

We believe all of these efforts will help ensure Etsy continues to be a place where creativity thrives.

Contact

press@etsy.com

etsyadvocacy@etsy.com

117 Adams Street
Brooklyn, NY 11201

Etsy