



## Actions & Transactions for a Priceless Planet

Creating a sustainability-centric economy is critical for environmental protection. Through its Priceless Planet Coalition, Carbon Calculator and Sustainability Innovation Lab, Mastercard demonstrates how virtuous circles can spin into our everyday actions and transactions.



## Introductory

Production and consumption – the driving dynamics of the global economy – make demands on the use of natural resources in ways that can distress the Earth’s environmental stability.

But the mechanisms of consumerist economics can also be used to help mitigate the harm caused to our planet. Furthermore, they are being rapidly adopted by market forces well positioned to bring positive change.

The notion that saving the planet will likely hinder economic growth has started to lose credence. Indeed, in the words of Cristiana Pasca Palmer of the Convention on Biological Diversity, “A healthy planet and a healthy economy can go hand-in-hand”.

The change is being driven by a shift in consumer demand, allied to new business models and solutions from responsible and forward-thinking organizations in the private sector.

## Consumers buy into sustainable choices

Forthcoming research from Mastercard about the trend toward more conscious consumerism shows that economies are driven by conceptions of value, and consumers are resetting their values in view of the threats to our quality of life from climate change. As a result, many are demanding more sustainable choices that will apply their spending power to aid environmental restitution.

Products and services sold as ‘sustainably-sourced’ and ‘planet-friendly’ have moved from niche to mainstream. Recent research by the Economist Intelligence Unit (as commissioned by WWF) shows a 71% rise in popularity of web searches for sustainable goods since 2016.

This surge of ‘eco-wakening’ is trending in both developed and developing countries, the research found, particularly in the cosmetics, fashion, food and pharmaceutical markets.

WWF believes that the broad financial sector has a critical role to play in shifting financial flows away from unsustainable activities, and toward the creation of a Net Zero, nature-positive global economy.

Other studies by Deloitte and JP Morgan support the evidence that sustainability remains a key consideration for consumers globally, and that ESG (environmental, social, and governance) issues will become a more decisive factor for people when they are making a purchase. Deloitte also found that consumers have stopped buying certain products due to ethical or environmental concerns.

## Differentiation through innovation

As a leading multinational player in global payments technology, with reach to nearly 3 billion cardholders, Mastercard has long taken a lead in planet-protective, sustainability initiatives, which serve to differentiate and distinguish the values attached to its products and services, as well as its company vision.

Its 2020 ‘Corporate Sustainability’ report (July 2021) highlights how Mastercard has responded to the challenges of sustainable operations, for example, through innovative initiatives and trusted partnerships across a wide range of interconnected deployments – notably, the Priceless Planet Coalition, the Mastercard Carbon Calculator, and more recently, its ambitious Sustainability Innovation Lab in Sweden.

## Branching out into reforestation

Launched in January 2020, the Priceless Planet Coalition unites the efforts of consumers, merchants, financial institutions and other stakeholders to mitigate climate change through the restoration of 100 million trees over five years. To deliver on this aim, Mastercard works closely with two renowned climate science and forest restoration experts, Conservation International and World Resources Institute, to lead the tree planting efforts.

“Trees are one of the critical networks on which the earth runs,” says Jörn Lambert, Chief Digital Officer and an executive sponsor of Priceless Planet Coalition at Mastercard. “It is recognized that natural climate solutions – reforestation programs, in particular – are an effective mechanism to counteract climate change.”

The United Nations’ Intergovernmental Panel on Climate Change (IPCC) reportedly reckons that an additional 1 billion hectares of trees are required to limit the rise in the planet’s average temperature to the critical target of 1.5°C by 2050.

“Even once we halt carbon emissions, we will still need to remove massive amounts of carbon from the atmosphere to avoid and reverse climate change,” explains Nikola Alexandre, Co-Founder & Executive Director of Shelterwood Collective and Restoration Advisor for Conservation International, in an exclusive Mastercard interview. “As of today, forest restoration is the only proven and cost-effective carbon-removal method available at scales needed to achieve our emission reductions targets.”

## Helping consumers contribute to change

Core to the Priceless Planet Coalition’s mission is empowering consumers to act against climate change. Coalition partners in multiple regions support campaigns to connect consumers to environmental causes, such as reforestation projects, with new donation technologies. They are focussed on the development of solutions that enable more people to adopt environmentally-sustainable lifestyles through their spending



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Co-Founder & Executive Director of Shelterwood Collective and Restoration Advisor for Conservation International

choices.

The Coronavirus crisis has been another catalytic factor in shifting many consumer’s mindsets toward sustainability, although the link may not always be altogether clear. A 2021 Priceless Planet Coalition study focused on how the pandemic has impacted consumer attitudes about the environment reveals that 58% of adults are ‘more mindful of their impact on the environment’, and 85% said that they ‘are willing to take personal action to combat environmental and sustainability challenges’.

Fifty-four percent of respondents view a reduction of their carbon footprint as more important than it was before the pandemic. This signals a trend toward eco-conscious spending and consumption among people who want to turn their purchases and rewards redemption into meaningful pro-planet actions.

Mastercard cardholders now have the option to contribute to the Priceless Planet Coalition’s reforestation projects by donating (using Mastercard Donate APIs) or using partner banks’ own loyalty rewards programs.

“The pandemic has underscored how interconnected our world has become – and that the health and well-being of people and our planet are deeply linked,” says Mastercard Chief Digital Officer Jörn Lambert. “Through the Priceless Planet Coalition and our



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**JORN LAMBERT**

Chief Digital Officer  
Mastercard

sustainable digital solutions, we empower our worldwide network of partners and consumers to unite in climate action. We are embedding sustainability into the core of our business so that consumers can be more informed about the environmental impact of what they buy and make more mindful spending decisions.”

## Advancing solutions for digitized economies

In September 2021 Mastercard announced plans for its Sustainability Innovation Lab, a facility designed to further development of its portfolio of environmentally-conscious digital products and solutions. Based in Swedish capital Stockholm, the Lab will focus on solutions that enable sustainable spending and, across value chains, increase visibility for products that have positive environmental impact.

“The Sustainability Innovation Lab focuses on co-creating solutions with our network of partners to transform how businesses produce and distribute products and services,” explains Kristina Kloberdanz, Chief Sustainability Officer at Mastercard. “It’s about giving consumers more sustainable choices and making sure that both our planet and its people can prosper as global economies digitize at scale.”

### SIDEBAR

## Changing Consumer Demand

The next generation of consumers are key drivers of the sustainability agenda across a range of commercial retail verticals.

- For example, 51% of fashion and textile industry executives surveyed by an EIU report for the US Cotton Trust Protocol, ‘Is Sustainability in Fashion?’ (October 2020), believe that consumers are driving the increased focus on sustainability issues in their market sector.
- Unilever’s Sustainable Living Brands are those that communicate an environmental or social purpose, with products that contribute to achieving the company’s aim of cutting its environmental footprint and increasing its positive social impact. In 2019 the company announced that its Sustainable Living Brands are growing 69% faster than the rest of the business, and delivering 75% of the company’s growth.
- Soft drinks rivals The Coca-Cola Company and PepsiCo, meanwhile, have rolled out extensive decarbonization ambits that cover everything from container materials to greater focus on water stewardship and setting targets on water replenishment.
- Top footwear makers Adidas and Nike have both stepped up to the sustainability challenge. Both have implemented a wide-ranging change program to downsize their carbon footprints.



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Chief Sustainability Officer  
Mastercard

R&D within the Lab is already in progress, Kloberdanz adds, with the facility scheduled to fully open in Q2/2022. The Lab's initial priorities already include technological iteration of the Mastercard Carbon Calculator feature that's now embedded across the company's global network.

Launched in 2020, the Carbon Calculator is a product that equips consumers to track, understand, and take accountability for carbon emissions generated by their purchases across spending categories. The calculations can be contextualized using relatable and easy-to-understand equivalents (such as the number of trees required to absorb the amount of CO<sub>2</sub> a purchase has incurred), and guidance about how to adopt a more sustainable lifestyle.

Developed in partnership with Swedish fintech Doconomy, the Carbon Calculator – as integrated across Mastercard's global network – can be seamlessly implemented by banks to adopt and customize for their eco-conscious account holders. The calculations are powered by Doconomy collaborator Åland Index, a cloud-based service for climate impact computation. The tool aims to set a benchmark for purpose-driven payment solutions.

Consumers again have the option to contribute to reforestation projects of the Priceless Planet Coalition – whether by donating (using Mastercard Donate APIs) or using their banks' loyalty rewards programs. Banks can also integrate the Carbon Calculator into their mobile apps through APIs that are now available on Mastercard Developers.

## In conclusion

Sustainability programs should not simply be an overlay to existing enterprise practices. In order to achieve optimal effect, they have to be holistic, inclusive and intrinsic to business-as-usual operations. Mastercard recognizes these necessities with its Priceless Planet Coalition, Carbon Calculator and Sustainability Innovation Lab.

These initiatives leverage its infrastructure and partnerships existing and new to deliver sustainable value and growth that's here today and will be here tomorrow – because tangible sustainability has to be sustained far into the future.

Looking ahead, Mastercard sees continued opportunities for economic growth as markets shift toward more sustainable models, and provide consumers with more options that are better for the planet.