

Measuring the carbon impact of payments transactions – a vision for a standardised framework



AN INITIATIVE BY THE PAYMENTS ASSOCIATION ESG WORKING GROUP

Organisations in the Payments space are increasingly concerned with measuring and managing their carbon footprint.

Several larger organisations have already carried out in-house research as they have the resources to do so. Conversely, SMEs, potentially lacking resource, may have the desire but not the means to conduct this research.

Organisations are at risk of ‘reinventing the wheel’ each time this exercise occurs – the consequences are wasted time and effort, cost, and the potential for increasingly divergent practices. It is in the industry’s interest to have a ratified set of guidelines which could facilitate consistency, promote collaboration, and drive sustainable innovation.

What would a framework look like?

- Voluntary to adopt.
- Readily available and customisable.
- Covers Scopes 1, 2 and 3 of GHG emissions.
- Looks at the whole of the Payments value chain.
- Caters to a wide range of Payments firms, from banks through to fintech startups.
- Flexible.
- Links to available third-party industry suppliers’ datasets.
- Includes a database (non-confidential) of carbon values shared by companies who have already measured their carbon impact.

How and when are we hoping to develop this framework?

- By surveying and profiling our membership to ensure needs are met.
- Through collaboration with / learning from industry partners.
- By creating a working party of TPA members with relevant expertise to drive the project.
- Through gathering regular feedback and discussion with members.
- By encouraging engagement.
- Through piloting aspects of the framework.

What do we need to begin this initiative?

- **Collaborators** – to help us develop the framework and to assist by sharing knowledge, insights or data.
- **Sponsors** – to help fund the initiative and help establish an ongoing model.
- **Consultancy** – to help pull the framework together and offer guidance on promotion, implementation, monitoring and feedback cycles.
- **Mentors** – individuals with knowledge in this sphere willing to dedicate expertise to the development and roll-out of the schema.