



Climate Credit Card

Why should you care about climate change?



As greenhouse gases build up in the atmosphere, the planet heats up. As the planet heats up, climate patterns change, leading to extreme weather events such as severe droughts and more frequent and destructive hurricanes/cyclones. If we do nothing we can expect extensive damage to agricultural systems and associated food insecurity and famine. We can expect massive migrations of humans as sea levels rise, inundating major cities and coastal zones. And we can expect an increase in socio-economic and political instability. None of these changes bode well for humanity, especially for future generations.

What can you do about climate change?

Scientists estimate that to minimize the most destructive global consequences of climate change the temperature of the earth must not be allowed to rise by more than 2°C from what its average was in 1990. This target demands a worldwide reduction of greenhouse gas emissions by 30% by 2020. In Switzerland, the long-term objective is to reduce the average per capita greenhouse gas emission of 10 tons to 1 ton by 2050.

On a personal level, you can do something about climate change and help the government meet its goal by reducing your personal carbon footprint. In order to make your carbon footprint smaller you can reduce your emissions directly (e.g. using public transportation instead of travelling by private car) or indirectly (e.g. offsetting your CO₂ emissions). South Pole Carbon and Cornercard's *Climate Credit Card* allows you to offset your emissions indirectly (see below).

How can using the *Climate Credit Card* reduce the size of your carbon footprint?



Because every product and service has an associated carbon footprint, any purchase is linked to a specific emission of greenhouse gases. Thus, each time we purchase a product or service, we also buy (or financially support) the related CO₂ emission.

The *Climate Credit Card* allows an individual (or company) to offset the CO₂ emissions caused by his/her purchases of products and services.

For every Swiss Franc you spend on a product or service a percentage is used to buy carbon certificates. Carbon certificates offset the carbon that is released to the atmosphere each day. Basically a percentage of the money you spend is used to finance an emissions-reduction project that is in place to prevent and remove an equivalent amount of carbon dioxide from the atmosphere. The amount of carbon offsets required depends on the greenhouse gas emissions associated with your purchases.

For example, when paying for a flight (a service) with the *Climate Credit Card* the emissions that you are responsible for as a passenger are offset by reducing the equivalent amount of greenhouse gases elsewhere. The process involves two steps. First, the carbon footprint of the transaction (measured in

Mr. Miller's annual expenditures:

During the course of one year, Mr. Miller used his *Climate Credit Card* for three main purposes: shopping in supermarkets (2'000 CHF), flying (1'000 CHF) and buying gasoline for his car (500 CHF). The amount he spent on these three activities (3'500 CHF) caused 1'665 kg of CO₂ to be released to the atmosphere. The cost of compensating this emission amount with Gold Standard certificates is 24 CHF. Credit card company Cornèrcard accounts for the cost of offsetting in Mr. Miller's annual customer fee and sends him a compensation report. The company purchases the corresponding amount of emission reduction certificates from compensation projects.



CO₂ equivalents) is calculated. Second, this carbon footprint is offset by financing high-quality emission reduction projects in developing countries. The amount of the offset emissions is equal to the greenhouse gas emissions that are caused by the transaction.

The amount of emissions associated with expenditures differs depending on what is purchased. 100 CHF spent in a petrol station emits three times more emissions than 100 CHF spent for a flight ticket.

High-quality emission reduction certificates are obtained by the credit card company on behalf of the client to offset all emissions associated to the annual credit card purchases. Such certificates finance, for example, wind farms in New Caledonia, small hydropower plants in China or reforestation projects in Uganda. The projects mainly replace the use of fossil fuels with renewable energy or increase the

capture of CO₂ through reforestation. Each project brings meaningful socio-economic benefits to local communities and fosters progress in regions of our world that are most in need of assistance. An overview of the projects can be found under: <http://www.southpolecarbon.com/>

In order to calculate the greenhouse gas emissions of products and services purchased through the *Climate Credit Card*, South Pole Carbon developed a proprietary methodology for footprinting transactions of payment instruments. A transaction footprint has many similarities to a product footprint and a service footprint—the core principles underpinning all three are similar. Like the product footprint and service footprint, the transaction footprint accounts for the emissions caused during the life-cycle of a product or the provision of a service. The main difference is that the transaction footprint is related to money spent in a specific area rather than on a specific product or service.

Calculating the transaction footprint involves four main steps.

1. The average emissions caused by a category of products or services are researched.
2. The average costs of the products or services category are defined.
3. An emission factor is calculated by dividing the emissions by the cost.
4. The emission factor is multiplied by the amount of money spent in the category.

The end result is the transaction footprint, which is used to calculate the compensation of the emission.

How does using the *Climate Credit Card* benefit you



Each time you use your *Climate Credit Card* you:

- Reduce the size of your carbon footprint
- Learn about the environmental impact of your purchases
- Act responsibly to both present and future generations
- Bring manifold social benefits to developing countries

Further information:

www.climatecreditcard.com

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