

Payments trends

Beyond the Transaction: Payment providers and their environmental responsibility

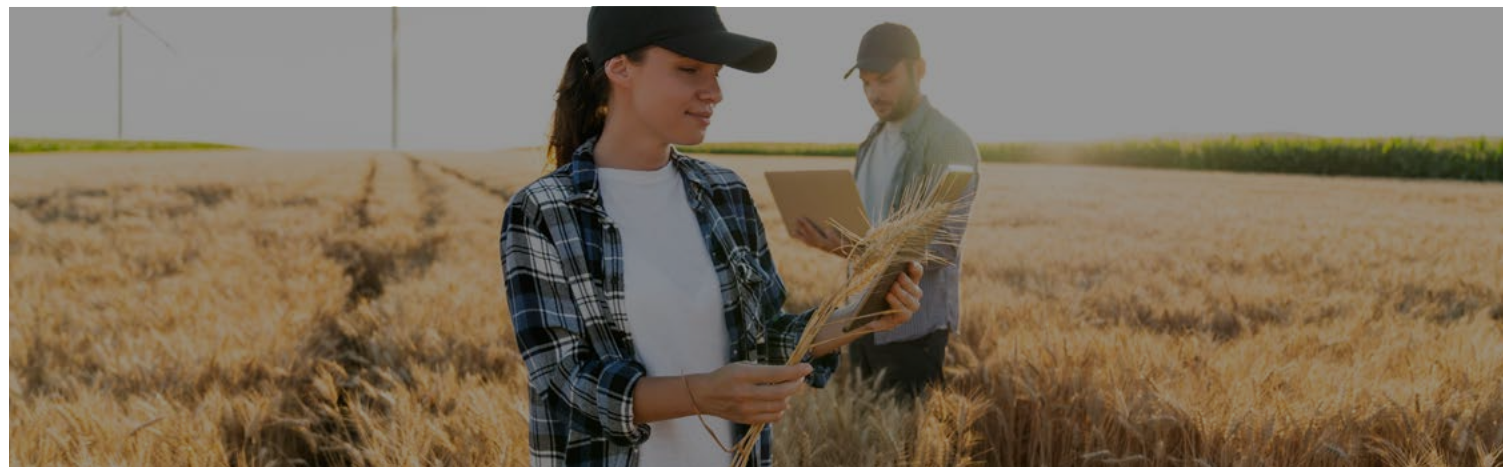
2023

Getnet 
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Beyond the Transaction: Payment providers and their environmental responsibility

Introduction



As the world's rapid digitalisation continues at pace, the responsibility of incumbent payment providers to bolster their sustainability credentials is accelerating.

We are all conscious of the cost associated with physical payments and many providers are trying to change the way they operate.

To illustrate, according to Climate Action, every year in the US, paper receipts consume over 3 million trees, 9 billion gallons of water, and generate over 4 billion pounds of CO₂ – the equivalent of 450,000 cars on the road. Meanwhile, a significant environmental impact of cash is the chemical pollution generated by the manufacturing process, releasing toxic chemicals into the atmosphere and our waterways.

However, new and emerging alternative payment methods are not only unlocking

new revenue streams for businesses but pushing boundaries when it comes to reducing environmental impact. Any business which adopts digital payments – and their reduced environmental impact – will hold a wider appeal to both new customers and investors. Over the coming years how consumers pay will become a reflection of their environmental attitudes and beliefs, and sustainability will move ever closer to the heart of the payment ecosystem.

It's time for payment providers to shift the needle. Customer centricity must be more than reducing friction or enhancing security for the consumer; incorporating societal and environmental responsibility is key.

In *Beyond the Transaction*, we outline the key reasons why merchants must enact change and migrate to more sustainable payment options.



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environmental responsibility

Trend 01

Rise of the
eco-conscious
consumers – and
merchants

Over recent years, every country around the world has faced several global issues, including climate change and social inequality.

In response, customers in almost every market are increasingly aligning brands which reflect their ethics and strive to make positive changes. According to Mintel, [60%](#) of US consumers prefer to be associated with companies/brands that align with their values. 91% of Chinese consumers say they are likely to buy from a brand that demonstrates social responsibilities, such as donating to public welfare, while the number of people who strive to live sustainable lifestyles has risen [11%](#) in Latin America since the pandemic.

69%

of those surveyed said that they
wanted brands and retailers to adopt
better environmental practices

Young consumers are driving change and influencing others. According to the World Economic Forum, spending on sustainable brands and products by Generation X – those born between the mid-1960s and mid-1970s – has increased by [24%](#) since 2019.

This first generation of “digital natives” is inspiring other age groups to act more sustainably, choosing sustainable decisions over brand loyalty. It’s little wonder that Gen Z’s influence has led to it being labelled **“the most disruptive generation ever.”**

The retail sector has embraced environmental responsibility, launching new business models that focus on pre-owned items or offering in-store recycling, for instance.

But the impacts of climate change set to be felt for decades, an increasing number of consumers will be scrutinising a brand’s environmental and social commitments before parting with their money. Many will demand proof that these commitments are extending beyond mere lip service and eco-friendly positioning, calling for ever-improving transparency and accountability.

The payment process cannot be overlooked in boosting environmental credentials. Here we outline how traditional payments compare against emerging payments, how payment service providers can help to enhance the in-store experience, and how digital payments can have a transformative impact on society.



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Trend 01

Rise of the
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Old

- [22.8 billion credit](#), debit, and prepaid cards were in circulation in 2019 – largely made of plastic
- [293,525](#) tonnes of CO2 emissions (tCO2e) are emitted to produce credit and debit cards
- Each debit-card transaction has about the same impact on climate change as [90 minutes](#) of lighting by an 8-watt low-energy light bulb
- Each cash transaction generates [4.6 grams](#) of CO2
- Americans admit to throwing away or losing [over half](#) of the paper receipts they receive

New

- Instant payment can produce up to [80%](#) less CO2
- The payments industry could reduce its environmental impact up to [44%](#) by using renewable energy for payment terminals and datacentres, and by increasing the lifespan of debit cards.



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Trend 02

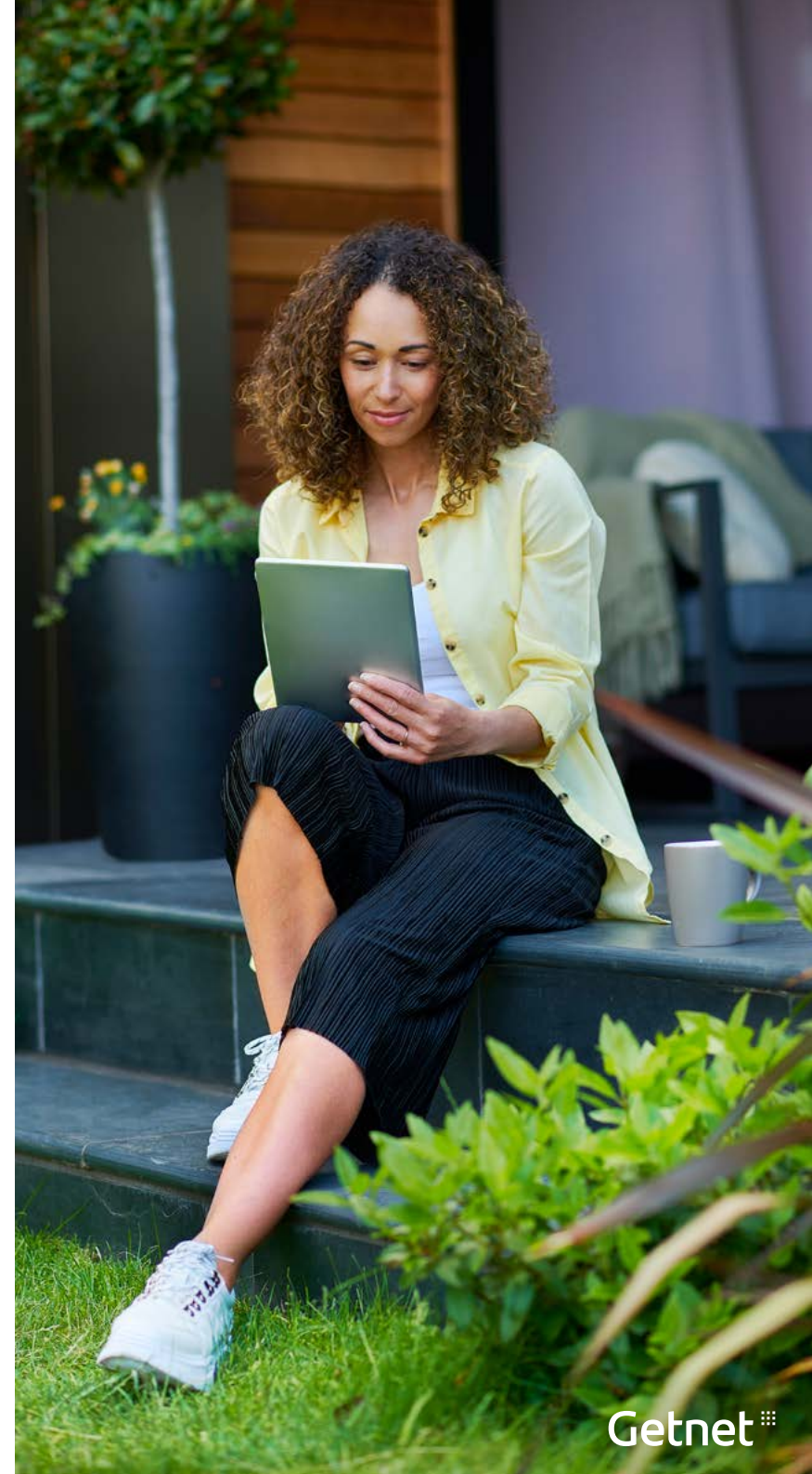
Improving
environmental
credentials with
digital payments

Digital payments are integral for any merchant or retailer striving to reach net zero.

In today's environmentally focussed society, adopting new ways to pay will not only reduce reputational risks associated with high carbon operations, but can unlock wider benefits business benefits too.

For instance, payment providers can convert data into insight, which in turn can be used to drive sustainable value and develop new revenue streams. Understanding customers' behaviours and needs is not only essential for offering enhanced customer experiences, but can be used by businesses, governments and third-sector organisations as important inputs towards developing strategies for achieving climate and other sustainability goals.

Equally, digital payments can unlock carbon scoring for consumers. Payments networks are already actively leveraging their data sets to provide sustainability insights and advisory services to their clients. Converting transaction data into insights and trends around consumer buying patterns (for example in categories such as aviation or apparel) can help banks, retailers and other interested parties to plan strategies, initiatives and marketing, and identify productive partnerships.





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Trend 03

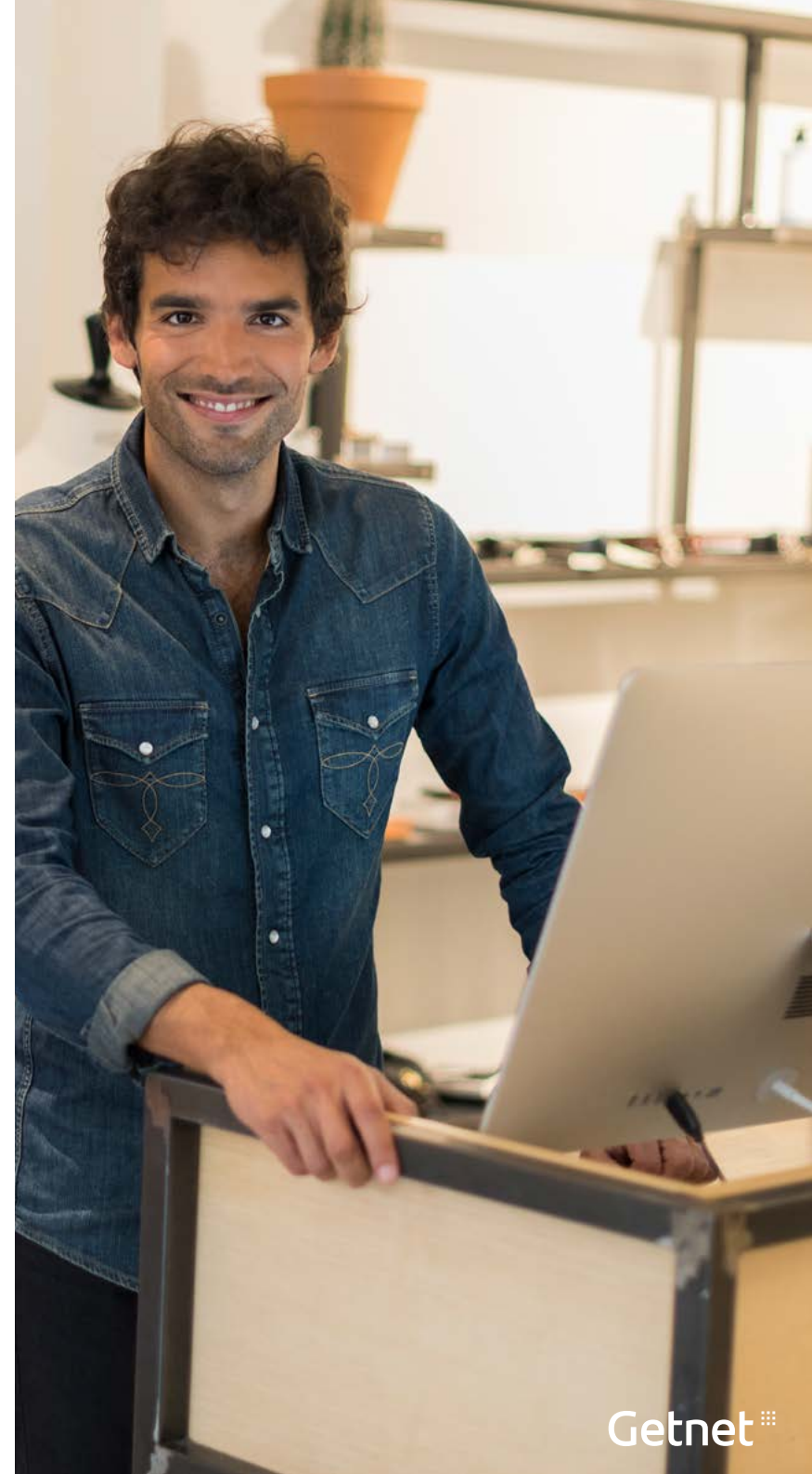
Payment
companies joining
the effort

While consumers continue to adopt e-commerce at pace, merchants must not neglect to enhance the in-store experience with low-carbon, environmentally conscious payment solutions.

One of the simplest changes merchants can make to improve their environmental footprint is to offer email receipts. This will not only save millions of gallons of oil and water but will improve the customer experience by giving them one less piece of paper to keep hold of.

Switching from paper to digital receipts at the checkout will drive endless efficiencies, increase customer security and help to automate business processes. In addition, digital receipts can be used to deliver news about your brand, or direct customers to your social media page. It's a win-win for everyone, and the environment.

Equally, merchants must choose to work with suppliers that are committed to protecting the environment and can offer official certifications that guarantee their green credentials. At Getnet, we aim to drive positive change throughout the payments process by sustainably sourcing key raw materials in our point of sale (POS) systems.





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Trend 03

Payment
companies joining
the effort

508K

POS which include
recycled materials

Getnet recycled

100%

paper coils will be
soon BPA free

In Brazil, Getnet has just launched the first card machine made from recycled electrical equipment parts. This initiative has been brought with a strong governance involving partnership with stakeholders playing a part of Getnet's supply chain.

Since August 2022, all Getnet POS 3G with Wi-Fi models, named "**Get Clássica**", are manufactured using recycled components. That amounts to more than **508,000 recycled POS devices** now in the Brazilian retail market. During this first phase, **Getnet recycled 42% of its devices**, which would usually go to waste, and Getnet plans to go even further with this project over the next few years by expanding the scheme to other POS devices and suppliers.

Getnet Brazil is evolving to incorporate the concept of circularity across its supply chain, to offer a more sustainable solution for the life cycle of its payment's products. In April 2023, Getnet announced the withdrawal of plastics used in the coils of its machines, creating around **10 million sustainable coils**. **80%** of the coils delivered by Getnet to its customers are from this new sustainable model and BPA Free. **100%** of the paper coils distributed will not include plastic support and will be BPA free very soon.

These actions are part of a global strategy to involve customers, suppliers and merchants around the world to contribute to a more sustainable sector, creating a positive impact through payment solutions.



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Finally, many merchants are investing more money and resources in sustainable packaging. According to research by Shopify, this is a key priority for [four in ten](#) brands. At present, product packaging remains the main source of e-commerce emissions. It's imperative that merchants not only strive to offer their customers more sustainable packaging, but demand it from their suppliers, too.

At Getnet, we take pride in delivering our POS systems in sustainable packaging that not only protects the product but also integrates seamlessly into our merchants' daily life. Every aspect of our packaging has been meticulously designed with our clients in mind, ensuring they minimise waste and environmental impact.

Watch video *Getnet Sustainable Packaging*



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Trend 04

Spearheading
SDG progress with
digital financial
inclusion



There is an ever-increasing pool of evidence that digital financial systems – including digital payments – can form the bedrock of inclusive growing economies. Already, digital payments, mobile technologies and fintech are spearheading progress towards the UN's Sustainable Development Goals.

To illustrate, digital financial services provide low-income households with access to affordable and convenient tools that can help increase their economic opportunities.

At present, over **100 million** adults globally still receive government transfers, wages, or pensions in cash. Just under five years ago, **more than a third** of Brazil's working population was paid in cash. Paying transfers in cash is costly and vulnerable to fraud or theft, as well as bearing the environmental impacts outlined above. Digital payments, however, allow government transfers, wages, or pensions to efficiently reach those

who need them most.

Governments that facilitate mobile money transactions as part of their digital services can access a wider base of citizens. Increasing payment convenience improves finance management and strengthens financial transparency and empowerment.

Equally, **one billion** adults around the world who have a formal account pay for utilities in cash, making utility companies inefficient. Digital payments enable solar companies in Africa and Asia to offer pay-as-you-go energy to millions of low-income families – a clear win for people and the environment.



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Trend 05

Financial inclusion
is also about
education

Getnet's commitment in this regard is twofold: we actively contribute to global financial education initiatives by participating in educational conferences at schools. By engaging with students and educators, we aim to enhance their understanding and knowledge of financial education in a meaningful and impactful manner.

Additionally, we are dedicated to ensuring that everyone has access to the highest quality financial education tools. To achieve this, we have developed user-friendly digital support centres that provide a wealth of educational videos and resources. These resources are designed to equip individuals with the necessary skills and knowledge to easily navigate and utilise our tools effectively.

At Getnet, we firmly believe in empowering individuals with the financial knowledge they need to thrive, and we are committed to making this knowledge accessible to all through innovative educational initiatives and digital support systems.



Conclusion

We all must act and migrate to more sustainable payment options

to cater to the rising demand for eco-conscious products and services. Consumers are increasingly aware of the environmental impact of physical payments, such as cash and paper receipts, and are more likely to align with brands that reflect their eco values.

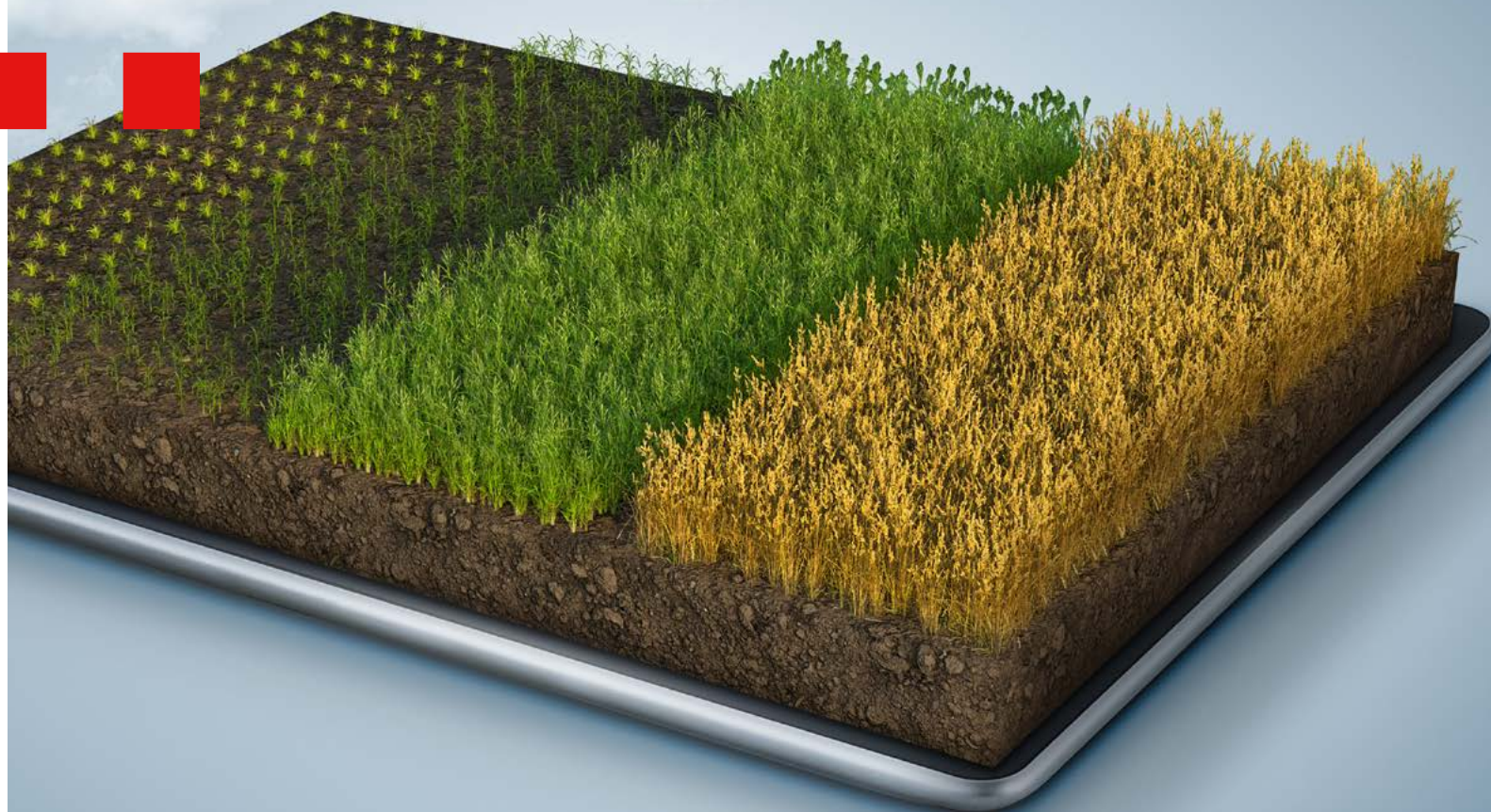
The adoption of digital payments not only reduces reputational risks associated with high-carbon operations but holds the potential to unlock wider benefits such as driving sustainable value and developing new revenue streams. In addition, payment providers can convert transaction data into insights to identify productive partnerships and develop strategies for achieving sustainability goals. Finally, merchants must not neglect enhancing the in-store experience with low-carbon, environmentally conscious payment solutions to appeal to consumers who value sustainability.

Payment providers must now shift the needle towards environmental and societal responsibility. In doing so, they can benefit from improved customer loyalty, reduced reputational risk, and a positive impact on the environment and society.

At Getnet we are committed to sustainability and we are taking firm steps towards “good payments” for the world and the society.

A large, white, sans-serif capital letter 'G' is centered on a solid green background.

Good Payments



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