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BNP Paribas Personal Finance invites you to discover On The Way the podcast that explores the path to responsible consumption. Whether entrepreneur, people from the world of business or researchers, On The Way gives a voice to those who day after day are helping to develop more sustainable consumption. Welcome, and I hope you enjoy listening.

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Welcome everyone on the On The Way podcast. My name is Mathias Wikström and I am Chief Executive Officer of Doconomy, CEO and co-founder. So working in sustainability for now seven years comes with a wake up call back in the day. The reason for me choosing to devote every waking hour to the cause that we tried to contribute to resolving it.

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The economy working to mitigate the climate crisis actually started with the ocean. To me, I've always been very emotionally connected to the "grand bleu" and the ocean always been close at heart. I was working on a project back in 2014, 2015 and looking into how we could restore the Baltic Sea. The seabed of the Baltic Sea is, to a large extent, strangled to death through eutrophication and toxins.

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And I was struck by ignorance of how we treat our environment and the oceans in particular. So my wake up call had more to do with the dive, I would say, than going up. I went down and I'm very happy to say that it has brought me to the sustainable world, looking at CO2 emissions as well as water intensity factor.

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To me, the sustainability road was probably not an obvious. My background is within service design and brand strategy working with primarily communications and business strategy for the greater part of my life. But in sustainability efforts, I really found what resonated stayed with me from being a parent and also being someone that wants to leave this place in a better state than I found it.

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Back in the day, when it all started for me, I was working together with my colleague name and co-founder to Doconomy on behalf of a bank in Finland situated in the oil and islands in the middle of the Baltic Sea. They wanted us to to embark on a project to better illustrate to their clients how their actions and lifestyle choices had an impact on the environment.

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So what we did was we developed all an index, which was the world's first methodology in calculating the carbon intensity transaction by transaction. And the way that works was we took your payment card and your bill.

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And for every transaction that you made, we presented you with the CO2 emissions number measured in kilos. So on your credit card bill or in your mobile phone application, whenever you made a purchase, you saw that this was also in euros. But it also came with the calculated impact measured in CO2 emissions. And that is something that has educated many around the differences in the different categories that you're spending money in.

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And you could see in a circle diagram in your mobile phone the different CO2 emissions connected to the different purchases that you make every day. And you can compare that to your track record and how you did last week or last year, and also how you progress in order to reduce your impact to contribute to the 2030 targets.

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And some banks that we work with today also enable users to offset for their footprint either through local projects or on larger global scale, in regard to planting trees or looking at blue carbon and how you can use different ideas to reduce the negative impact on the environment from the consumption. But that's core and that has always been the case. For us,

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Working with this small bank in Finland was utterly brave and everyone was like: "Wow, does that really work?" And "does anybody care? And "what does it look like and what difference does it make?"

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And this was many years ago now, five years ago, I think. And today I'm very proud to say that the team at Doconomy are working with 63 banks in 31 different countries, aiming to educate their users in turn, representing together a total reach of over 800 million end users, fully activated. So that is one part that I'm very proud of.

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And the team at Doconomy works very hard also to help. This is not about pointing fingers. This is not about saying what is right and what is wrong. This is about providing data so that people can make their own decision. We take leading investor grade data when we calculate the carbon emissions and put it at the fingertips of consumers. Do they like it?

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Well, to be honest with you, I think a few percent, 2 or 3% don't want it and think that this is not for them. But the remaining 97% think this is great. And we see this in a few different data points. And to us, we think if we can work with providing data driven insights and repeatable action, these actions will lead to a less impactful lifestyle.

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And we can all decide on how we want to approach that. We see in numbers that 24% that has been presented with this in their mobile phone on a daily basis, think that it's great to understand their impact and aim to reduce it as well. We see users that have access to a carbon calculator, such as the one we developed with MasterCard as well as with Findomestic in Italy with Alessandro and the team, we see them spending 14% longer time in their application, understanding their impact and also looking at how to reduce it and on top of that, we have a 69 net promoter score in the in the application looking at the

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qualities on user experience and readily understandable impact data at the end of the day. When I grew up, sustainability was boring and ugly and, and we think it should be sexy and fun and easily accessible and available to all. Doconomy is, at the end of the day, about climate inclusion driven by climate literacy, understanding what you should ask for.

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And as a consumer, as a citizen, as a parent, as a corporate leader, as a banker, whatever you are, you should have the right to access high quality data to better understand the impact that your choices have. Looking to better understand what actual impact we drive, we measure a few different key performance indicators, and this is still a young science.

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So in order for us not to say this, just blowing our own trumpet, we work closely with leading academia, looking at the so-called school of Economics, for example, and also other universities around the world. We have collaboration with the Net Zero Initiative at Oxford University and so forth. That has always been that core to us. In regard to the data, what we see is that people transition in between high impact categories such as gasoline, taxis, airlines transitioning into lower impact categories such as public transport, shared transport, looking at trains and busses and so forth.

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This is still early stage, but the indications we see are very positive. Now this differs from geography to geography. What is true in one part of the world doesn't necessarily ring through another part of the world. And I think that is also very important to recognize that when we look at this behavioral metrics, it comes down to what your starting point are.

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It's a little bit naive to think that everyone is going to respond in the same way. We're looking at all of the continent of Africa represents 3.8% of the total global carbon footprint.

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Looking at water, looking at biodiversity and looking at problems that are outside of traditional climate crisis components such as the plastic pollution and looking also at gender equality. The ESG factors need to come to play together.

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Today, we work with two different tools, looking at the different challenges that we face. So we are addressing the retail facing market, the everyday kind of lifestyle of people around the world, developing the methodology to calculate every transaction that is connected to the ability to understand how to reduce it and also to potentially offset. Working on that has been extremely interesting and very, very rewarding, but also extremely tough.

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It's around introducing a completely new metric into financial services, stringent and regulated communication. So all of a sudden you're trying to get together Finance, Tech and Sustainability and all three of them are so boring. So, I mean, come on, how can you get three boring things together and make that engaging and fun, right? So that has been very difficult.

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But a team working with the UX, working with the behavioral science, working with the data and our impact team and our innovation team, with this ambition as core, has done an amazing job. I'm very proud of that. But we also see product level calculations with a 2030 calculator helping brands to calculate the product level impact in order to be more transparent in their relationship with the consumer.

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Being able to drive production of lower impact products by knowing what kind of impact each and every products has. And one thing that we came across was that, guys, not everyone is as interested in CO2 emissions as you are. You need to educate people around what this is to begin with. And what we did then was we engaged in collaboration with one of our long term partners, the United Nations Climate Change.

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And we built the lifestyle calculator, now available in 151 markets around the world, giving everyone a baseline for their impact, calculating lifestyle choices and the impact they have measured in CO2 emissions. And that one was something that we had a really big ambition

around to make as simple as possible. And sometimes the trade off of simplicity is lack of precision.

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So you really have to balance the scale because you need to provide people with something that rings true but also easily accessible. So the lifestyle calculator with the UNFCCC is something that I'm very proud of. Today the payment based calculations has a reach through our partners, so over 800 million users in 31 countries, including BNP Paribas Italy, looking at what we did with Bank of the West in California, as well as where we're going with BNP Paribas Polska in Poland. The short term target for Doconomy is to reach 1 billion people and helping them understand their impact.

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Partnership has always been at core for Doconomy, and it's something that has propelled us forward going to where we are today, working with leading banks, working with leading brands, working with leading academia in science, early partnerships, looking at the UN, looking at MasterCard, and having these giants help us to both see far but also be seen from far.

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And that has shaped our strategy, putting collaboration at the core of everything that we do. Sometimes I think about this as the song, you know, some people say I'm a dreamer, but I'm not the only one. And that group of people are growing by the numbers every day.

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A person I met a few years ago, said "Mathias, You know there is no silver bullets. There is no easy fixes in the climate crisis and if there is one, the only silver bullet there is, is action".

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Now, the radical shift in recent years can be manifested in many different clues in society I would say. Looking at banks, stepping up to sustainability and looking at what they're funding and financing, I don't think banks are going to save the world on their own. But the world cannot be saved without the banks assisting. They have a very efficient and trust system for moving information across borders and engaging people to understand impact.

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But you can also look at electric vehicles, for example. I mean, five years ago, that was an outlier. And everyone's looking at, "Oh, the battery only lasts so and so long". But if we ask the businesses for what is less impactful out of a fossil fuels perspective, they provide, there need to be a market. As a consumer, you vote with your wallet every day and your vote matters not only as a citizen, but also as a consumer.

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At the end of the day, it builds on you being educated in a way that enables you to make more mindful decisions around your consumption. I think today many people are overwhelmed with sustainability and it's hard to understand where to start and what to do. And does it matter? Does what I do really matter? I mean, I'm only one.

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But if you take all of every one and you group them to a big team, that has lots of impact. I think working with a lifestyle calculator, you can search on it on Google Lifestyle calculator by Doconomy or UNFCCC and you can start to educate yourself around your impact. I think that's a good starting point.

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I think it's important to take the conversation at the lunch table at the cafe talking to your kids. Kids today are growing up with tremendous climate anxiety. There is research conducted by University of Bath last year asking 10,000 kids and youths in ten different countries around their perspective on climate change, and 48% didn't even consider having kids because of the climate crisis, which is a terrible, terrible number I think.

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There is only one thing that I would like to leave you as a listener with in regard of sustainability and trying to reduce the impact, working together to get in a better positive position. And that is this.

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There is a lot of numbers being kicked around that sometimes is hard to relate to. So we have 2030, set for a reduction of 50% of global carbon emissions. 2050, set for a total reduction of carbon emissions for a net zero lifestyle and environment. That is important in order to remain within the 1.5 degree limit, the 1.5 degree limit that is the borderline for what we can hope to reach in order not to completely mess up the ecosystem that we live within.

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Sometimes the 1.5 degree limit is referred to as a target, which is completely wrong. It's not like "1.5 let's hope for a 1.5, and if we don't reach 1.5, we can always negotiate with the planet!" That is utter and complete bullshit. We need to understand that the planetary boundaries are boundaries. They are not conversations, they're not negotiations.

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This is set limit and if we surpass that, we are going to expose us to a greater and greater and greater risk. So we need to understand that looking at in Sweden, I think France is pretty much the same, we're looking at the ten metric ton consume consumption based CO2 emissions per capita. Looking at Colombia, I think it's two. In our **yoga office** and I'm residing in Stockholm looking at our geographies, France and Sweden.

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We need to get down to two and we need to do that very short term. If we don't do that, there will be consequences and I think that the pandemic has proven that we understand impacts. When the impact is eminent, we act on it. We reduce social interactions, we get vaccinated, we close down restaurants, we stay home from school.

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We take care of our elderly, we take care of our kids. But in regard to the climate crisis, we obviously have very little understanding of time to impact. So as it is eight years away, you're thinking, "oh, that's oceans of time!" It's not. Eight years times twelve, what's that, 96, right? So we have a few months to act, not only to act to reduce 50%, but also to agree what is 50% reduction.

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How do we measure it, and who is it that's going to do it for us, which is the greatest mistake of all. We all need to do it for each other.