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Andrew Hoffman

Stripe: Encouraging Customers to Invest in Carbon Removal

Out for a morning stroll before starting the workday, Pat McCullough,ⁱ director of new products at Stripe, Inc., a payment software services and solutions company, stopped briefly to pick up a wayward piece of trash on her street. The year 2020 had been unpredictable, with raging wildfires across much of California, including where Stripe was based in San Francisco, and an unprecedented pandemic that completely changed the way business was conducted. Picking up the piece of litter, she thought about how this individual action might seem very small but could result in significant change over time if everyone behaved similarly on their daily walks. McCullough's company had recently translated this same thinking into a first-of-its-kind platform, called Stripe Climate, to enable business customers to individually divert a percentage of their credit card revenue to fund carbon removal technologies, with no additional fee paid to Stripe.

Years earlier, in 2011, Stripe had been a market disruptor that soon turned into a market leader in the financial services for e-commerce space. As the director of new products, McCullough was excited about the potential impact the company's work could have, but her excitement was followed by trepidation in 2020. In a year tied for the warmest in human-recorded history, and that had some of the worst fires in California and regional history, Stripe was launching a platform aimed at asking businesses to give more to support technologies to diminish climate change. How would customers react? Was it the right time to launch this type of product, given the high visibility climate change had received due to the recent fires and the November 2020 exit of the United States from the Paris Agreement on climate? Moreover, was promoting carbon removal technology the best way for Stripe to combat climate change? Were there other strategies that would give Stripe greater leverage to affect change?

ⁱ Pat McCullough is a fictional name.

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