DocuSign®

Sustainability Brief

DocuSign's commitment to reducing waste

From the very beginning, environmental sustainability has been an important part of the DocuSign story. For more than 20 years, we have offered a digital alternative to wasteful manual agreement processes. As organizations around the globe face pressure from a range of stakeholders to increase environmental efforts, DocuSign offers an opportunity to accelerate business outcomes and conserve resources.

It's time to act on climate initiatives

In October of 2018, a report from the Intergovernmental Panel on Climate Change presented a bleak future without a significant global effort to reduce carbon emissions. The panel concluded that the world needs to achieve Net Zero—a state in which all carbon dioxide emissions from human activity are neutralized by removing an equal amount from the atmosphere—by 2050.[1]

In response to that news, expectations have increased significantly for organizations to make meaningful climate commitments. Regulators, investors, customers, employees and more have set implicit and explicit standards that companies need to meet. The pressure for transparency into operations has also increased, with calls for public commitments to specific metrics and detailed plans about achieving those results. In short, responsible resource usage has become a requirement for modern businesses.

"In the past year, people have seen the mounting physical toll of climate change in fires, droughts, flooding and hurricanes. They are also increasingly focused on the significant economic opportunity that the transition will create ... No issue ranks higher than climate change on our clients' lists of priorities. They ask us about it nearly every day."[2]

Larry Fink
CEO
BlackRock Inc.

60%
of businesses feel increased pressure from stakeholders to develop and disclose plans that address climate risk[3]

Nearly 90%
of businesses recently reviewed or changed their climate risk disclosure procedures and developed plans to address climate-related risks[3]

31%
of employees desire additional rigor from employers in both taking and communicating meaningful climate action[4]

Returning to office life with a focus on emissions

In 2020 and 2021, while the world's collective attention focused on addressing the immediate pandemic threat, critical work was also being done in response to the climate crisis. Global carbon dioxide emissions fell by 6.4% in 2020, as a result of reduced economic and social activity, with aviation leading the way at a 48% reduction compared to 2019.[5] While those emissions gains are significant, they are not at the scale required to achieve net zero by 2050. Additionally, the improvement will likely be temporary, since reductions were driven primarily by decline in travel rather than operational changes to reduce emissions.

As in-office work resumes in full force, organizations have a rare opportunity to reexamine the way they impact the environment and make large-scale operational changes to focus on sustainability. In the same way that companies are looking to preserve the benefits of a remote workforce by continuing to utilize flexible work arrangements, they can also retain emissions improvements by making digital workflows permanent.

Modern organizations break emissions down into three categories:

Emissions under their direct ownership or operational control

Emissions from their purchase of electricity, heat and steam

Indirect emissions made from up-and-downstream partners in the supply chain

While the first two types of emissions are directly tied to in-house operations, it's just as important to take responsibility for the third type. This indirect resource usage makes up the majority of emissions output for companies in most sectors. While there are certainly barriers to reducing these emissions, there's also an enormous opportunity to prevent the worst impacts of climate change. It can also lead to substantial business benefits. Companies that can mitigate supply chain risks will open the door for collaboration with more innovative partners and increase their ability to respond to mounting pressure from investors, customers and regulators.

Setting effective environmental targets

For any organization looking to reduce overall emissions, the best strategy is to identify achievable targets and commit to specific reduction goals. Here are some common starting points:

Electricity consumption

For most companies, the electricity used in operations (such as in offices, data centers and other facilities) is a significant driver of overall emissions. Reducing electricity consumption and switching to renewable energy sources are simple emissions reduction opportunities. Key strategies in this area include: prioritizing energy efficiency projects in existing offices, including stricter environmental criteria in RFPs and increasing the use of renewable energy.

According to a 2020 survey of RE100 members, 70% of respondents cite cost savings as a driver for switching to 100% renewable electricity, with 92% citing customer expectations.[6] Additionally, over 50% of respondents in a Deloitte survey say they were focused on procuring more renewable energy, and almost 90% view energy procurement as "not simply a cost to the company, but an opportunity to reduce risk, improve resilience and create new value."[3]

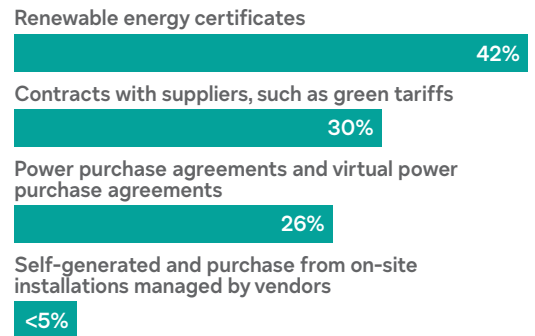## Businesses travel and commuting

In 2019, business travel represented 2.5% of global greenhouse gas emissions. For most companies, however, it constitutes a far greater percentage of the overall footprint. While longer term innovations such as sustainable aviation fuel and carbon capture technologies will help reduce emissions in the future, the most expedient path to reducing emissions today will be to reduce overall air travel. On the surface this may seem daunting, but the rapid shift to virtual meetings in 2020 helped foster an understanding that business could be successfully conducted without travel.

As companies reopen their offices, many employees are looking for ways to maintain the productivity of remote work with a hybrid or flexible office setup. A critical part of this new work style is the impact it has on commuting emissions. Fewer commuters generally means less emissions and companies planning to redesign the way employees work should consider environmental impact when they make plans to return to brick-and-mortar offices.

Supply chain partnerships

As a part of setting science-based targets, organizations must commit to addressing emissions from their supply chains. The most common method is to engage suppliers and set similar goals together. As an example, Salesforce has included climate-related requirements in its vendor contracts—requiring the disclosure of carbon emissions, science-based targets, etc. and imputing a financial penalty for noncompliance.[7]

RE100 reports that its member companies are employing the following strategies to reach their 100% renewable energy goals:[6]

Renewable energy certificates

42%

Contracts with suppliers, such as green tariffs

30%

Power purchase agreements and virtual power purchase agreements

26%

Self-generated and purchase from on-site installations managed by vendors

<5%

Strategies for reducing employee air travel

– Increase usage of video conferencing tools

– Share sustainability goals with employees and customers

– Limit non-essential travel

– Leverage carbon calculators to help employees make more informed choices

– Encourage rail travel

A checklist to improve sustainability with agreements

A modern system of agreement—the collection of technologies and processes organizations use to prepare, sign, act on and manage agreements—is a great place to start making sustainability improvements. A powerful agreement toolkit improves resource efficiency and helps organizations improve commitment transparency and compliance across the supply chain. Here's a checklist of ways that agreement technology can be used to improve overall sustainability efforts:

Adopt agree-from-anywhere policies
With a digital agreement platform, employees don't need to visit clients in person to complete a business transaction. In a lot of cases, they don't even need to commute to a physical office. Telecommuting on its own may save 3.2 tons of CO_2 per employee per year[8] and there's even more emissions saved as a result of reduced business travel and less office space maintenance. Replacing manual paperwork processes with cloud-based interactions has also proven to increase customer experience for many organizations.

Build a robust distributed infrastructure
Distributed enterprises connect their agreement technology to systems of record like CRM (customer relationship management), HCM (human capital management) and ERP (enterprise resource management) solutions. This provides an opportunity to digitize not just agreements, but end-to-end processes. For example, rather than simply completing a sales contract, a fully connected system can also automate account provisioning. Rather than simply complete a new employment contract, an integrated system can also autopopulate and kick off onboarding documents.

Improve enforcement of environmental commitments
More organizations are addressing sustainability commitments by codifying them the same way they codify commercial commitments: in contracts. EcoVadis, the world's largest provider of business sustainability ratings, finds that 70% of buyers and 80% of suppliers have signed a contract that includes an environmental, social and governance (ESG) clause. To ensure verification and fulfillment of these terms, businesses need powerful systems of agreement.

Reduce compliance failures
As more governments create regulations at the federal, state and local levels, a strong system of agreement can serve as a central hub to ensure standards are met. Rather than search individual agreements to determine the impact of new regulations, organizations can use a cloud platform to monitor and even automate compliance efforts. Cutting-edge teams are already using AI to flag noncompliant language and improve accountability of internal compliance efforts as well as those of buyers, suppliers and even suppliers' suppliers.

Include sustainability language in more contracts
A modern agreement platform gives teams a suite of tools to make agreements faster, easier and more uniform. Once leadership has committed to environmental goals, language around those commitments can be generated by sustainability experts and built into templates for new agreements. It can also be added to a central clause library and repurposed in other documents and negotiations. If that language changes later, a simple edit to the central clause can ensure across-the-board consistency in all new contracts.

Let's agree to agree more sustainably

The DocuSign Agreement Cloud is a simple way for any organization to upgrade its contract toolkit in a way that is environmentally responsible. Digital contracts can save unnecessary waste, reduce emissions and improve commitments to climate action throughout the entire supply chain.

Contract digitization and the bottom line

$36
saved on average
per agreement with
electronic signature[9]

70%–80%
of efficiency gains seen
by companies that replace
manual process with
digital technologies[10]

22K work hours
saved annually by companies
with e-signature usage[10]

Since 2003, the paper savings through DocuSign total:*

20B+
sheets of paper

3B+
gallons of water

2.4B+
pounds of additional CO_2

3M+
trees

167M+
pounds of waste

Notes

1   Intergovernmental Panel on Climate Change, "Global Warming of 1.5 °C"
2   BlackRock, "Larry Fink's 2021 Letter to CEOs"
3   Deloitte Insights, "Deloitte Resources Study 2020"
4   Anthesis, "Research Reveals Sustainability Is Vital for Employee Attraction and Retention"
5   Nature, "COVID Curbed Carbon Emissions In 2020 — But Not by Much"
6   RE100, "Growing Renewable Power: Companies Seizing Leadership Opportunities"
7   Salesforce, "Salesforce Urges Suppliers to Reduce Carbon Emissions, Adds Climate to Contracts"
8   Forbes, "Remote To The Rescue: How Virtual Jobs Are Saving The World"
9   Internal DocuSign research
10 Forrester, "The State Of E-Signature Implementation"

* Estimates of paper savings are current as of September 2021 and are based on the aggregate number of transactions via DocuSign eSignature since the company was founded in 2003. The model assumes that recipients of a document would print the document once, on average.

DocuSign uses the Paper Calculator from the Environmental Paper Network's Paper Calculator Version 4.0 to estimate the environmental savings from reduced paper usage. Since not all paper comes from virgin tree fiber, the estimate of environmental impact from reduced paper usage assumes a recycled content percentage of 10%, slightly higher and more conservative than the 8% estimate contained in the Environmental Paper Network's 2018 State of the Global Paper Industry Report. The Environmental Paper Network's Paper Calculator uses data from North America. For more information on the Paper Calculator, please visit: https://c.environmentalpaper.org/about.html

DocuSign recognizes that its operations create environmental impacts, such as carbon emissions from data centers and employee travel. The environment is a key stakeholder in our business, and we will continue to prioritize activities to reduce the environmental impact of our business, such as emissions from operations, to maximize the benefits of using DocuSign's digital processes over paper-based alternatives.

About DocuSign
DocuSign helps organizations connect and automate how they prepare, sign, act on and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature, the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, over a million customers and more than a billion users in over 180 countries use the DocuSign Agreement Cloud to accelerate the process of doing business and simplify people's lives.

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