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eBook

Building Sustainability into the Modern Business Landscape

Reducing waste and emissions with powerful digital workflows

The modern business landscape requires a new focus on climate responsibilities

2020 and 2021 will be remembered as a period when the world's organizations made dramatic operational shifts at rapid speed. Businesses made fast adjustments to prioritize employee safety and adapted day-to-day business operations to new remote-friendly ways of working.

While the changes were jarring in a lot of cases, some of the new ways of working were overdue updates that will likely become commonplace in post-pandemic operations.

Here's a short overview of important trends for modern business leaders to consider:

Many companies accelerated their cloud capabilities as they embraced distributed, virtual workflows

Consequently, the demand for data center capacity to support cloud services increased dramatically (with exponential growth projected for future years).

Employees gained new autonomy in their work

With the pivot to the virtual environment, employees were able to effectively work from home. Several companies have announced plans for more flexibility with respect to remote work.

The information economy became the anywhere economy

This new economy is driven by expectations that goods and services be available anytime, anywhere. During the pandemic, businesses accelerated adoption of digital tools and digitization of manual processes.

Global emissions temporarily dipped

Overall emissions were down ~7% in 2020, driven in large part by reductions in transportation. As post-pandemic habits develop, stakeholders expect organizations to preserve environmental gains as business resumes in full force.

The threat of climate change has not diminished

Today, the attention in many parts of the world is focusing on establishing a modern workflow that includes more sustainable habits. It's clear that a key aspect of these workflows is a focus on climate responsibilities.

In this eBook, we'll explore the modern business landscape and how responsible companies are taking action to increase business productivity in the digital age and reduce their impact on the environment.

Improving stakeholder relationships with a thorough, public sustainability strategy

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. A Deloitte survey finds that nearly 60% of businesses feel increased pressure from stakeholders to develop and disclose plans that address climate risk.[2]

Modern businesses are facing increasing demands for climate commitments and transparency on data about progress toward those goals. These voices come from all sides, including internal and external parties.

Customers

In today's marketplace, it's becoming increasingly common for consumers to examine a company's position on broader issues like sustainability. Faced with multiple options, environmentally conscious buyers would rather purchase products from organizations that share their values. In response to this trend, businesses often disclose environmental information so third parties like Ecovadis and CDP can review their efforts and recommend them to buyers.

Investors

Investors are also getting savvier and raising their expectations with regard to meaningful climate action and disclosure, allowing for a better understanding (and mitigation) of their investment risks. Firms like Generation Investment Management are introducing climate standards that rely on recommendations and ratings from third-party sources. When companies don't meet certain standards, the investors will begin to pull away. One result of investor interest in climate-related risk is the Taskforce for Climate-related Financial Disclosures (TCFD) which aims to provide clear, comprehensive, high-quality information on the risks associated with climate change.

"In the past year, people have seen the mounting physical toll of climate change in fires, droughts, flooding and hurricanes. ... No issue ranks higher than climate change on our clients' lists of priorities. They ask us about it nearly every day."[3]

Larry Fink
CEO, BlackRock Inc.

1 Global Warming of 1.5℃
2 Deloitte Resources 2020 Study
3 Larry Fink's 2021 Letter to CEOs

While many companies are creating standalone TCFD reports or including the information in ongoing sustainability reports, it is likely that more of this type of information will be integrated into required financial reporting with policy makers and securities regulators in coming years.

30%

of Fortune Global 500 companies made a public commitment to carbon neutrality or meeting an RE100, science-based target or net zero target[4]

53%

of U.K. employees say sustainability is an important factor in choosing a company to work for[5]

Regulators

At all levels of government in every part of the world, regulators are taking a serious interest in sustainability. They're changing the rules regarding the way business is done to ensure that climate-friendly operations are implemented at a global scale. For example, the EU has implemented the Sustainable Finance Disclosure Regulation[6] and in the U.S., the Securities and Exchange Commission is updating its guidance on climate disclosures for publicly traded companies.[7] There are many more pieces of important legislation working their way through approval processes around the globe; organizations of all sizes will need to keep an eye on local policies to ensure compliance.

Employees

Interest in sustainability policy continues to increase for prospective employees and the desire to attract the best talent is driving companies to take action. This is especially true for millennials. According to a recent Deloitte survey, 81% of millennials are concerned about climate change and 88% believe that corporations have a responsibility to address it.[8] Nearly half of millennial employees say it's important to work for a company with sustainability and/or climate goals.

With increasing demands for clear environmental policies coming from all stakeholders, there's never been a better time to put strong sustainability initiatives in place. These plans need to have clear tactical steps with significant measurable results. On top of those operational changes, there's also a need to clearly communicate both long-term vision and short-term action through a number of important channels.

4 How the Fortune Global 500 is Delivering Climate Action and the Urgent Need for More of It
5 Research Reveals Sustainability Is Vital for Employee Attraction and Retention
6 Explaining the Sustainable Finance Disclosure Regulation (SFDR)
7 Statement on the Review of Climate-Related Disclosure
8 Growing Renewable Power: Companies Seizing Leadership Opportunities

Establishing emissions benchmarks in a post-COVID world

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 showing the most marked decrease with a 48% reduction compared to 2019.[9] 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:

Scope 1
Emissions under their direct ownership or operational control

Scope 2
Emissions from their purchase of electricity, heat and steam

Scope 3
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.

Businesses need to analyze each of the three types of emissions individually and come up with clear goals for each. That includes looking back at past performance (using hard numbers) and determining driving factors for each. From there, companies need to examine reasonable steps they can take to reduce emissions and estimate the quantitative impact those actions will have on emissions measurement.

9 COVID Curbed Carbon Emissions—But Not by Much

Setting realistic emissions goals

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.[10] 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."[11]

RE100 reports that its member companies are employing the following strategies to reach their 100% renewable energy goals[10]:

42%
Renewable energy certificates

30%
Contracts with suppliers, such as green tariffs

26%
Power purchase agreements and virtual power purchase agreements

<5%
Self-generated and purchased from onsite installations managed by vendors

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 the 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.

10 Growing Renewable Power: Companies Seizing Leadership Opportunities
11 Deloitte Resources 2020 Study

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.[12]

For organizations interested in supply chain emissions reduction, the Chancery Lane Project is a nonprofit organization that brings lawyers from around the world together to collaborate and develop new contracts and model laws to help fight climate change. Chancery Lane enables organizations to "start using new contractual clauses that help fight climate change." By providing model laws, model clauses and industry-specific guidance and education, they are addressing fundamental bottlenecks with supply chain management.

Strategies for reducing employee air travel

- Increase video conferencing capabilities
- Remind employees about overall sustainability goals and their individual responsibilities
- Share sustainability goals with customers
- Implement policies to limit nonessential travel
- Leverage carbon calculators and other tools to help employees make informed choices
- Encourage rail travel, which can generate an 80% emissions reduction vs. air travel

12 Salesforce Urges Suppliers to Reduce Carbon Emissions, Adds Climate to Contracts

DocuSign for Forests—Driving impact with an integrated approach

In pursuing material climate action, DocuSign is focused on creating a sustainable business with the environment as a key stakeholder in that business. Given the belief that DocuSign has an important role in creating a low-carbon, sustainable future, we want to tap into the core strengths of our products and build on the philanthropic foundations of DocuSign IMPACT in crafting a meaningful sustainability initiative.

To commit to the climate, we launched DocuSign for Forests in 2019, including philanthropic support for forest-focused nonprofits, hands-on and virtual volunteer opportunities and a paper impact calculator in our core eSignature product. Our focus on forests also informs investments in forest projects that reduce emissions as we make progress toward our goal to be operationally carbon neutral in 2022.

PHOTO: Dan Springer (DocuSign CEO), Suzanne DiBianca (Salesforce EVP of Corporate Relations and Chief Impact Officer), Paul Polman (Former Unilever CEO) and Dr. Jane Goodall at the DocuSign for Forests Launch in 2019 in Davos, Switzerland.

Building sustainability into the customer value proposition

To make environmental savings directly relevant for DocuSign customers, we added a "paper-impact calculator" in our core e-signature product. This tool estimates an individual customer's wood, water, waste and carbon savings resulting from reduced paper use. The calculator is powered by the Environmental Paper Network, an environmental nonprofit with a mission to promote more sustainable paper consumption and production.

Identifying opportunities for employees

Through the DocuSign IMPACT initiative, employees have volunteered thousands of hours at organizations promoting healthier forests, including Friends of the Urban Forest, Trees for Cities, Rainforest Trust and Team for Tech. These efforts include one-day events, virtual workshops and ongoing pro bono projects.

Engaging the complete ecosystem

Customers and partners are central to identifying DocuSign's focus on forests, so it's natural to create opportunities to work toward our shared goal. Together, we've planted trees at our annual customer conference, volunteered in virtual sessions, raised funds for forest protection organizations and even engaged our developer community to "hack for forests."

Aligning philanthropic capital

Philanthropy is a cornerstone of DocuSign's commitment to the world's forests. We have committed over $3 million to forest-centered organizations since 2019. One focus of our grants is supporting employee engagement with DocuSign for Forests, which has included donations to urban forestry organizations in cities where DocuSign offices are located and double matching employee donations for forest restoration in the wake of natural disasters and fires.

Focusing on sustainability in the new business model

The modern organization has a unique opportunity to embrace environmental momentum and build sustainability into every part of an entirely new workflow. The wastefulness of traditional, outdated workflows is being replaced by remote-friendly cloud workflows that can reduce or even eliminate certain types of waste and emissions.

While the confusion and rapid change of 2020 and 2021 were uncomfortable for all organizations, it's important to look back at that period and identify the progress that was made in regards to sustainability. As brick-and-mortar office life resumes in full, there are definite benefits of remote-friendly work that should be preserved as completely as possible. In designing this new blended virtual office environment, it's critical that organizations consider more than just cost, employee satisfaction and productivity. The environment is a critical stakeholder too and business leaders are in a prime position to cement emissions gains into long-term standards and practices.

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.

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