Notarize℠

Bridgespan
Social Impact

The Environmental Impact of Notarize

Introduction

Americans notarize 1.25 billion documents each year, and the process is a critical step in many personal and commercial transactions. Common documents requiring notarization include powers of attorney, wills, trusts, affidavits and more.

Each notarization requires a surprising amount of car travel, printing, copying, and shipping, all of which negatively impact the environment. While that impact is modest for a single transaction, given the scale of the notarization market, these environmental costs add up to a material impact on greenhouse gas (GHG) emissions.

At Notarize, we support the digitization of traditionally paper-based processes, encouraging businesses to take the greener option and move from in-person notarizations to online notarizations. Through digitizing the notarization process, we aim to help companies reduce paper usage and decrease their carbon footprint.

We turned to Bridgespan Social Impact to estimate our company's environmental impact to date and the potential impact, based on growth projections.

Executive summary

Bridgespan found that Notarize provides a significant positive impact on the environment, including:

Decreased driving: Instead of multiple parties driving to and from a notary, all parties meet via audio/video technology through the Notarize platform.

Decreased printing: Physical copies of documents are not required when getting a document notarized online with Notarize, so virtually all printing is eliminated.

Decreased shipping: Since documents that are notarized on the platform are digital, they can be shared via email rather than needing to be shipped.

The impact at scale is enormous: Digitizing all notarizations would be equivalent to removing ~800K gas-powered cars from the roads per year (3.7M metric tons GHG). This is equivalent to removing the emissions of the city of Paris (In 2021, ~3.4M metric tons GHG).

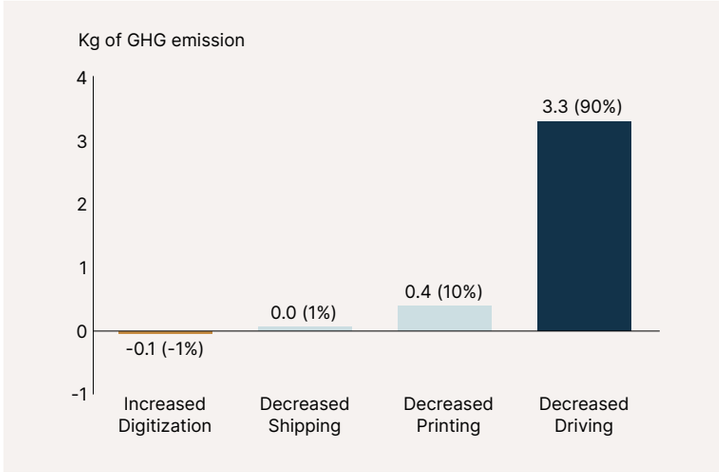
Notarize reduces environmental impact of driving

With the traditional, in-person notarization process, at least one party must physically drive to a different location. Those extra one or two trips in a vehicle increases the carbon footprint of the transaction. Additionally, a large stack of documents need to be printed in order to be ink-signed, further impacting the environment.

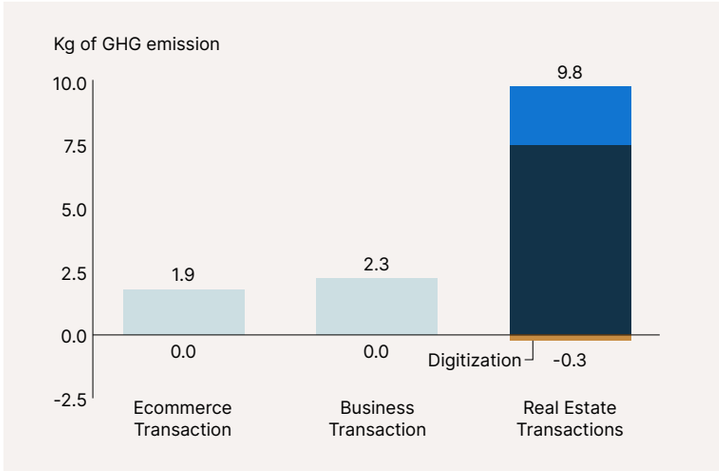
Bridgespan found that the positive environmental impact of the Notarize platform is overwhelmingly due to a reduction in driving (90%). According to their findings, the projected reduction in GHG emissions as a result of the Notarize platform is equivalent to removing ~78K gas-powered cars from the roads per year (~360K metric tons GHG). The study also found that digitizing all notarizations would be equivalent to removing ~800K gas-powered cars from the roads per year (3.7M metric tons GHG). This is equivalent to removing the emissions of the city of Paris (In 2021, ~3.4M metric tons GHG).

While real estate transactions stand to have the greatest environmental impact by switching to online notarizations, other notorious paper, car and shipping-dependent industries like automotive and financial services also can have a material impact by digitizing the notarial process.

Impact by transaction type



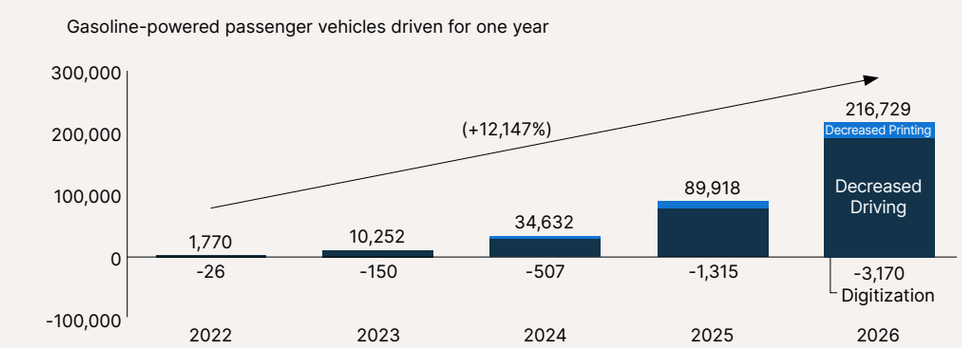
Impact by pathway for average notarization



Notarize's environmental impact is expected to increase in the near future

While digitization generally decreases environmental impacts such as those of driving and printing, the shift also has some negative effects, stemming from increased data storage, power usage, and video calls. However, these negatives are greatly outweighed by the significant positive impact of reducing car emissions. In fact, Bridgespan projected that as adoption of online notarization increases over the next four years, Notarize's environmental impact on per-car emissions avoided will increase 12,000%.

Notarize environmental impact in per-car emissions avoided (2022-26)

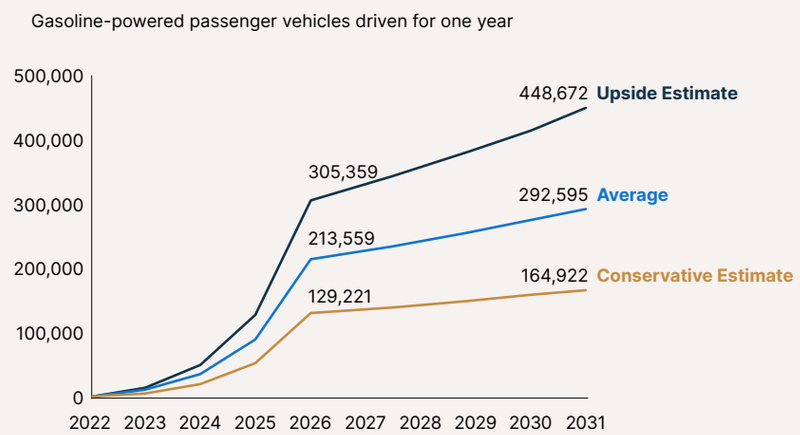


	2022	2023	2024	2025	2026
Notarizations	2,200,000	12,744,000	43,052,000	111,780,000	269,424,000

Digitization accounts for the **negative environmental impact** of increased data storage, power usage, and video calls

To zoom out even further and look at longer-term impact, here are Bridgespan's 10-year projections for Notarize's environmental impact on reducing car emissions:

Upside, average, and conservative 10-year projections[1] for Notarize impact



Annualized Notarize impact from 2022 - 2031 (upside)
114,470
(Amount of car emissions avoided)

Annualized Notarize impact from 2022 - 2031 (average)
78,284
(Amount of car emissions avoided)

Annualized Notarize impact from 2022 - 2031 (conservative)
45,738
(Amount of car emissions avoided)

1) Upside, average, and conservative cases vary number of parties driving, transactions occurring "on-site", shipping rates for notarizations, printing rates, and stable growth rate

Bridgespan used growth predictions and current car emissions impact to predict the amount of car emissions that can be avoided by using Notarize over the next decade. Researchers predict that Notarize's platform will avoid an average of 78,284 car emissions, with the upside estimate of 448,672 and the conservative estimate at 164,922.

Sensitivity table of cars emission avoided (2022-31 annualized) by growth rate and average round-trip miles driven to notary

Notarize CAGR (2022-31)

Weighted average round-trip distance (miles)	3%	28%	52%	77%	101%	126%	150%
1.3	795	2,619	8,699	26,728	74,584	189,974	446,419
2.4	1,275	4,199	13,944	42,843	119,553	304,518	715,586
3.5	1,754	5,778	19,190	58,958	164,523	419,062	984,752
4.6	2,234	7,358	24,435	75,074[3]	209,493	533,606	1,253,918
5.7	2,713	8,937	29,680	91,189	254,463	648,150	1,523,084
6.7	3,193	10,516	34,925	107,304	299,432	762,694	1,792,250
7.8	3,672	12,096	40,170	123,420	344,402	877,238	2,061,416

1) Normalized growth rate comes from compounded annual growth rate of Notarize projections; 2) Distance data comes from internal Notarize research and census population data; 3) Car emission avoided looks slightly different as the sensitivity uses a normalized CAGR rate vs. the customized growth projections driving the environmental analysis

Key assumptions for sensitivity analysis

- Notarize's normalized growth rate from 2022-31 is 77%[1]
  - The notarization market is growing at 3%
- The weighted average by population from a round trip distance traveled to a notary is 4.6[2] miles
  - Average distance traveled for a round trip in a Metropolitan area is 1.3 miles
  - Average distance traveled for a round trip in primary suburban areas is 7.8 miles

Bridgespan found that over the next 10 years, Notarize's environmental impact will have an even greater effect on car emissions in rural and suburban areas versus urban areas. In rural areas, a notary may need to travel upwards of 30 miles to a real estate closing; in the city, they may only need to go around the corner or just down the street. Because the difference in distance makes a difference in the environmental impact, transactions occurring in rural and suburban areas will create 1.7 – 7.4x Notarize's typical driving impact.

...transactions occurring in rural and suburban areas will create

1.7 – 7.4x

Notarize's typical driving impact.

Takeaways

Bridgespan found that Notarize's platform leads to material, positive environmental impacts with market potential providing additional impact opportunities. Overall, switching from traditional, in-person notarizations to online notarizations can lead to:

- A **10%** decrease in printing on a per-notarization basis
- A reduction of **1.9 Kg** of GHG emissions per-notarization in e-commerce transactions
- A reduction of **2.3 Kg** of GHG emissions per-notarization in business transactions
- A staggering **9.8 Kg** reduction of GHG emissions per-notarization for real-estate transactions
- A **significant reduction** in car emissions in rural and suburban areas — the biggest contributors to GHG emissions per-notarization

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Bridgespan Social Impact Methodology

In the pursuit of rigor, Bridgespan's methodology bases all estimates and assumptions on the most rigorous research and evidence available. Bridgespan applied a discount to future projections for early-stage organizations, mirroring the risk adjustment that venture capital investors assume when they consider forward-looking projections; this means that despite Notarize's track record of consistently hitting goals, Bridgespan applied a discount factor of 15 percent to all forward-looking projections. This risk rate also factors in the likelihood that the share of the US electrical grid supplied by renewables will continue to increase along with the number of electric vehicles in use.

For more information, please visit bridgespan-social-impact.com.

About Notarize℠

Notarize℠ is the leader in online notarization, which is simpler, smarter and safer than notarizing documents on paper. From buying or selling a home to adopting a child, Notarize℠ is bringing trust online 24/7 for life's most important moments.

For more information, please visit notarize.com.

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