

The background of the entire slide is a scenic landscape photograph. It features a large, calm lake in the foreground, surrounded by rolling hills and mountains. The mountains in the distance are partially covered in snow. The sky is filled with dramatic, layered clouds, with sunlight breaking through in several places, creating a high-contrast, atmospheric effect. The overall color palette is dominated by blues, greys, and earthy browns, with a touch of white from the snow and clouds.

Task Force on Climate-Related Financial Disclosures ("TCFD") Report

October 2021

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Business as a platform for change

During the last 18 months, we have all experienced unprecedented change, uncertainty and upheaval, primarily as a result of the COVID-19 pandemic. The global health crisis, coupled with the racial justice crisis and the climate crisis, create both risks and opportunities that companies, governments and society must address to succeed in this changing world. We have been reminded that we are all connected, and that taking care of our stakeholders, including our planet, has never been more important.



At Salesforce, we navigate uncertainty by staying true to our core values of trust, customer success, innovation and equality. This focus on our core values has allowed us to uncover opportunities as we build beyond the pandemic and demonstrate that the business of business is to make the world a better place for all of our stakeholders, including our stockholders, customers, employees, partners, the planet and the communities in which we work and live. To this end, we are pleased to release our inaugural Task Force on Climate-Related Financial Disclosures (“TCFD”) report.

This TCFD report is an important component of our stockholder outreach program that highlights our governance, risk management, strategy and progress towards our goals in the context of climate risks and opportunities. It supplements our annual [Stakeholder Impact Report](#), which contains our key ESG programs, metrics and indicators.

The report is an important part of our longstanding Environmental, Social and Governance (“ESG”) efforts, which also include:

- Direct engagement with, and oversight by, the Board of Directors (“Board”) on ESG topics
- The performance of an internal materiality assessment and the development of internal structures to facilitate more effective ESG reporting
- The release of an annual [Stakeholder Impact Report](#), which includes a section dedicated to [Metrics and Indicators](#)
- Obtaining an [independent third-party review](#) of specific environmental and social metrics
- The creation of a [Sustainability Bond Framework](#), and the issuance of a \$1 billion sustainability bond in fiscal 2022, which was the first sustainability bond issued by a software company
- [Responding to the SEC’s request](#) for public input as part of their process to evaluate climate disclosure rules
- Publishing our [Climate Action Plan](#) to provide a blueprint for organizations that want to drive climate action
- Developing [Salesforce Sustainability Cloud](#) to enable our customers to accelerate their own journeys to Net-Zero emissions

As always, none of this impact and progress would be possible without you. On behalf of all of us at Salesforce, thank you for placing your trust in us as your partner, and for your commitment to putting our shared values into action.

Together, we truly believe that we can build a safer, more equal and sustainable future for us all.

Sincerely,

Amy Weaver, President and Chief Financial Officer, Salesforce.com, Inc.

1. Introduction

About Salesforce

Salesforce.com, inc. (“Salesforce” or “the company” or “we” or “us”) is a global leader in customer relationship management technology that brings companies and customers together. With our Customer 360 platform, we deliver a single source of truth, connecting customer data across systems, apps and devices to help companies sell, service, market and conduct commerce, from anywhere. Since our founding in 1999, we have pioneered innovations in cloud, mobile, social, analytics and artificial intelligence (“AI”), enabling companies of every size and industry to transform their businesses in the all-digital, work-from-anywhere era.

Business as a platform for change

We believe the business of business is to make the world a better place for all of our stakeholders, including our stockholders, customers, employees, partners, the planet and the communities in which we work and live. We believe that values drive value, and that effectively managing our priority Environmental, Social and Governance (“ESG”) topics will help create long-term value for our investors. We also believe that transparently disclosing the goals and relevant metrics related to our ESG programs will allow our stakeholders to be informed about our progress.

About this report

We are pleased to adopt the recommendations of the Financial Stability Board’s (“FSB”) Task Force on Climate-Related Financial Disclosures (“TCFD”) and publish this report aligned to their recommendations.

The creation of this report was a cross-functional effort that required:

- The creation of a working group to evaluate our existing alignment with the TCFD recommendations and to draft our disclosures
- Stakeholder interviews with key personnel from across the business and corporate functions
- Detailed discussions with our enterprise risk team on climate-related risks and their interconnectivity with our enterprise risks
- The engagement of a third-party to assist us with our scenario analysis

This report is intended to supplement our existing stockholder engagement program and be a key part of our efforts to transparently disclose the climate-related risks and opportunities facing our business. We expect to update this disclosure as our understanding of the impacts of climate change on our planet, communities, business and the economy evolves and also as our own internal actions and governance practices evolve.

This report is structured into four sections: Governance, Risk Management, Strategy and Metrics & Targets. These sections align to the TCFD’s recommended disclosures, and provide a comprehensive view into how we understand and manage the risks and opportunities associated with climate change at Salesforce.

Note that the inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that is material, please see our Annual Report on [Form 10-K](#), filed with the SEC on March 17, 2021. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided.

Terminology used in this report

ESG: We use the term ESG to refer to Environmental, Social and Governance topics most important to our stakeholders, including environmental sustainability and climate change.

Sustainability: We use the term sustainability to refer to relevant environmental topics, with a particular emphasis on climate change. Our sustainability team and functional leaders prioritize initiatives, including but not limited to: the Salesforce Sustainability Cloud, our environmental impact strategy, inspiring and enabling employee action, and advocating for climate action. Although the term sustainability is often used to refer to the broader challenges outlined by the Sustainable Development Goals, for this report the term is narrowly focused on the topics outlined above.

Climate: We use the term climate to reflect a specific focus on climate change and its impact on our financial and ESG priorities.

Stakeholders: We use the term stakeholders to refer to a variety of groups, including our stockholders, customers, employees, partners, the planet and the communities in which we work and live.

Fiscal year: Our fiscal year ends on January 31. References to fiscal 2022, for example, refer to the fiscal year ending January 31, 2022.

2. Executive Summary

Report Section	Highlights
Governance	<p>To advance our strategies, manage climate risks and capitalize on climate opportunities, we have established a governance framework to ensure involvement across all levels of our business:</p> <ul style="list-style-type: none"> • Three of our seven standing committees of the Board have specifically identified climate-related areas of oversight that fall within that committee's areas of responsibility. • Sustainability goals are included at the enterprise level in our annual organizational alignment process which includes our Vision, Values, Methods, Obstacles and Measures ("V2MOM") for each fiscal year. • We embed sustainability throughout our business with ownership of sustainability goals by key executives, employee-led initiatives and cross-functional sustainability committees.
Risk Management	<p>Climate risks and opportunities are evaluated on an annual basis and incorporated into our overall enterprise risk management ("ERM") process:</p> <ul style="list-style-type: none"> • The Sustainability team provides regular updates to the Board and the ERM team. • We assess the impact of climate risks on the likelihood, magnitude and velocity of our other key enterprise risks.
Strategy	<p>We focus on climate action and helping our customers accelerate to Net-Zero. There are three core tenets to our strategy:</p> <ul style="list-style-type: none"> • What we do: Products like the Salesforce Sustainability Cloud can help customers manage their carbon emissions and develop their climate action strategies. • How we do it: We integrate sustainability into all aspects of our business by being a Net-Zero company, achieving 100 percent renewable energy for our operations, working to achieve our 1.5°C-aligned Science-Based Target and collaborating with our vendors to decarbonize our supply chain. • Our Influence: We strive to have a positive climate influence on society through multi-stakeholder engagement with governments, suppliers, customers, stockholders, employees and peers.
Metrics and Targets	<p>We actively manage our climate goals through our carbon accounting program:</p> <ul style="list-style-type: none"> • We utilize Salesforce Sustainability Cloud to measure our progress against our goals. • We have obtained an independent accountant's review report on selected sustainability and climate metrics for the past four years.

Our climate risk assessment, ongoing activities to mitigate the physical and transition risks of climate change and our scenario analyses conducted in fiscal 2022 indicate that the physical and transition risks of climate change are not material to our business. However, we expect that the impacts of climate change will be systemic and non-diversifiable and that the transition to decarbonize the global economy will provide opportunities across all industries, including the technology industry. Our sustainability strategy and global partnerships aim to capture this opportunity, mitigate risks to our company and benefit the planet.

3. Governance

Our corporate governance practices support our core values of trust, customer success, innovation and equality. These practices provide a framework for the proper operation of our company, consistent with our stockholders' best interests and the requirements of law. We are committed to a corporate governance structure that promotes long-term stockholder value creation by 1) providing a leadership structure and composition of the Board that is aligned with our strategic direction and 2) providing our stockholders with both the opportunity to provide direct feedback and key substantive rights to ensure accountability. This commitment to long-term stockholder value is demonstrated by our efforts to evaluate and manage our climate-related risks and opportunities, to embed sustainability into the day-to-day operations of our business and to offer solutions like Salesforce Sustainability Cloud to our customers to take accelerated climate action themselves.

To advance our sustainability strategies, manage climate risks and capitalize on climate opportunities, we have established a governance framework to ensure involvement across all levels of our business, including the following functions and committees:



3.1 Board oversight

Our Board oversees the management of strategic and operational risks by using several different levels of review. Our Board has seven standing committees that oversee the management of specific risks and opportunities. Three of these committees, as denoted below, have specifically identified climate-related areas of oversight that fall within that committee's areas of responsibility.

- **The Nominating and Corporate Governance Committee** is responsible for overseeing and reviewing the Company's ESG initiatives. For example, at least once per year, senior leaders who oversee the environmental sustainability program provide a report on our performance against our key climate targets. In addition, the committee provides oversight of overall environmental strategy and reviews and guides major initiatives.
- **The Audit and Finance Committee** ("Audit Committee") oversees our corporate accounting and financial reporting process, including the integration of key ESG topics into our financial filings such as our Form 10-K, filed with the Securities and Exchange Committee ("SEC"), and the appointment of our external auditor to review selected sustainability and climate metrics. The Audit Committee also oversees management's assessment and mitigation of enterprise risks, which include climate-related risks. In addition, the Audit Committee reviews the Company's capital structure and financial and treasury policies and strategies, including the issuance of and reporting on the Company's sustainability bond.
- **The Real Estate Committee** oversees management's strategy for providing a safe, healthy environment for our employees to do their best work. The committee approves all significant real estate expansions and reductions and the process it oversees incorporates sustainability criteria as part of initial site search, prioritizing green-certified buildings and leasehold improvements and negotiating green lease terms for new and existing buildings.

3.2 Management ownership

V2MOM organizational alignment process

Our business and growth strategies, including both our long-term strategy and day-to-day operations, are informed by our core values. These values, including our consideration of the impact of climate change and our sustainability strategy, are embedded in the day-to-day operations of our business through an annual organizational alignment exercise known as our V2MOM.

The V2MOM is an internal management tool used by all employees which incorporates our vision, values, methods, obstacles and measures for each fiscal year.

Embedding sustainability into our V2MOM

We embed sustainability into our corporate V2MOM because we know climate change can impact all aspects of our business and because all stakeholders have a role to play in climate action. By embedding sustainability at the highest levels of our corporate strategic planning, we consider the impacts of climate change and our impact on the environment when deciding:

- **What we do** (our service offerings)
- **How we do it** (our operations)
- **Our influence** (our engagement with customers, suppliers, employees, policymakers and other stakeholders)

Our V2MOM process aims to ensure that the risks and opportunities of climate change are embedded in our decision-making process and gives all our executives the ability to consider the impact of climate change on their operations and to discuss how to embed sustainability into their annual methods and measures.

The following section highlights key executives and teams responsible for executing on our sustainability strategy.

Management responsibilities

Members of our executive leadership team are directly involved in our ESG strategy, which includes the management of climate-related risks and opportunities. Below are some highlights of their involvement and responsibilities.

- **Chair and Chief Executive Officer (“CEO”)** Champion of the theory of stakeholder capitalism and that business is the greatest platform for change. Meets with customers, stockholders, government leaders and thought leaders all across the world to better understand their needs and the issues facing our stakeholders. Oversees our progress against key sustainability goals, including championing the enablement of the entire Salesforce ecosystem around climate action.
- **President and Chief Operating Officer (“COO”)** Leads our global business operations, product vision, engineering and other critical aspects of our business. Responsible for ensuring that we deliver innovative solutions to help solve our customers’ biggest challenges, including the development of products such as the Salesforce Sustainability Cloud. Also oversees the environmental impact of our cloud platform and technical infrastructure.
- **President and Chief Financial Officer (“CFO”)** Responsible for oversight of quarterly business reviews with our sustainability team evaluating climate risks, opportunities and our progress towards our key sustainability goals. Also leads and oversees our efforts to integrate ESG topics into our mainstream financial reporting process and is responsible for updating our investors on our ESG strategy and progress.
- **Chief Impact Officer and Executive Vice President, Corporate Relations (“Impact Officer”)** Responsible for oversight of environmental sustainability initiatives throughout the company and leads our stakeholder capitalism strategy. Also oversees, in partnership with Salesforce Ventures, a \$150 million impact investment portfolio, designed to accelerate the growth of cloud companies addressing some of today’s most pressing needs, including climate action. Executive co-sponsor of Earthforce, an employee resource group dedicated to promoting and celebrating environmental responsibility at Salesforce.

Embedding sustainability into our business

A number of teams and cross-functional committees are responsible for developing our sustainability strategy, assessing risks and opportunities and ensuring alignment throughout the organization. Below are some highlights of their involvement and responsibilities.

Enterprise risk committee

Responsible for overseeing our enterprise risk program and understanding and managing the company's strategic risks, including the risks related to climate change. Our enterprise risk committee is composed of Salesforce executives who are responsible for ensuring executive ownership and accountability of top risks and for driving continuous improvement in risk management capability across the company.

Sustainability team

Responsible for our overall sustainability strategy and supporting all parts of the business as they mitigate climate risk and capture climate opportunities. The Sustainability Team, led by the Vice President of Sustainability, serves as a trusted advisor to a larger cohort of functional leaders and teams to enable management of sustainability issues, including climate change across the business. This includes ensuring that the highest emitting areas of our business have a defined sustainability strategy, supporting our Net-Zero and 100 percent renewable energy commitments and executing against our 1.5° C Science-Based Target. The Sustainability team also aims to transparently communicate our progress to stakeholders and provide a model for other companies to follow as part of our [Climate Action Plan](#).

Functional leaders and teams

Responsible for understanding, assessing and managing climate change risks and opportunities according to company commitments and goals in their areas of responsibility. These groups include representatives from various business functions such as Real Estate and Workplace Services, Data Center Infrastructure, Product and Engineering, Events, Procurement, Equality, Government Affairs and Public Policy, Risk Management, Legal, Finance and others. Activities may include educating their teams on climate-related issues and making recommendations on initiatives or programs that could/should be implemented in order to address emerging risks and/or opportunities.

ESG steering committee

Responsible for documenting and communicating our ESG strategies to our Board and executive leadership team and developing our external disclosures related to ESG matters. The committee consists of key corporate-wide functions that govern external disclosure, including executives from Global Impact, Legal, Investor Relations, SEC Reporting and Corporate Communications. These individuals are key to informing the disclosure strategy, providing guidance on navigating the voluntary and required elements of climate-related corporate reporting/disclosures and reviewing and approving the disclosures with an appropriate level of rigor. The ESG Steering Committee meets at least quarterly and on an as-needed basis.

Sustainability bond committee

Responsible for the assessment, selection, and allocation of funds to eligible projects for our Sustainability bond in accordance with our [Sustainability Bond Framework](#). This committee is also responsible for reporting on our allocations on an annual basis and obtaining independent third-party assurance on our use of proceeds. This committee consists of representatives from our Treasury, Finance, Sustainability and Legal teams.

4. Risk Management

The climate change risks arising from increasing frequency and severity of extreme weather events (“physical risks”) and the risks arising from the transition to a low-carbon economy (“transition risks”) are incorporated into our overall enterprise risk profile.

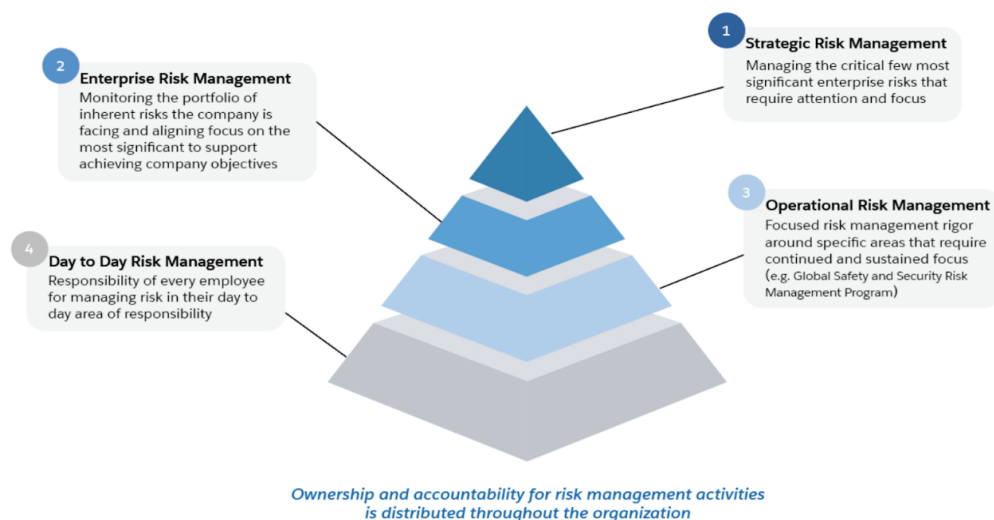
4.1 Oversight and strategic risk management

The Board, the Audit Committee and our internal Enterprise Risk Committee composed of Salesforce executives are responsible for oversight of our enterprise risk assessment and overall risk management practices at Salesforce. The Enterprise Risk Committee meets periodically to review changes in/to the enterprise risk profile and the actions functional leaders have taken to monitor, control and mitigate significant exposures.

4.2 Enterprise risk management (“ERM”) process

Our ERM process includes consultations with a wide array of cross-functional internal and external stakeholders and follows a clearly-defined process to identify and assess risks. Identified risks are assessed for their business impact, which considers consequences that may have financial and strategic impacts on our business, including impacts to customers, reputation, legal/compliance, employees and execution of our strategy. Emerging risks, including climate-related risks, are also assessed during this process.

Each identified risk is assigned an overall risk rating which carefully considers: the magnitude of financial and strategic implications related to all relevant risks, the likelihood of a risk occurring, the speed at which the risk could impact our business and any mitigating factors that are in place. These risks are discussed periodically with the Enterprise Risk Committee and the Audit Committee on at least an annual basis (or more frequently as necessary). Ongoing processes exist to manage top risks and ownership is distributed throughout the organization as shown below.



A detailed discussion of the risks and uncertainties facing our business can be found in Item 1A in our [Form 10-K](#), filed with the SEC on March 17, 2021.

4.3 Integration of climate-related risks and opportunities

Concurrent with, and in addition to the ERM program, the sustainability team regularly evaluates climate-related risks and opportunities over various time horizons. Throughout this process, the sustainability team stays informed on the latest developments in climate science and the modeling of temperature rise scenarios, including their likelihoods and their impacts. This process includes evaluating the potential impact of the physical and transition risks of climate change on the likelihood, magnitude and velocity of our key enterprise risks.

On an annual basis, the sustainability team works with the ERM team to consider these climate-related risks and opportunities in the context of, and relative to, our key enterprise risks. The outcome of this process is that climate-related risks are considered both on a standalone basis and as a potential driver of other key business risks.

5. Strategy

5.1 Overview of our sustainability strategy

Our sustainability strategy supports our business strategy, an overview of which can be found in our Annual Report in Item 1 of our [Form 10-K](#), filed with the SEC on March 17, 2021. Through our sustainability strategy, we aspire to be a climate action leader and to tap into the full power of Salesforce to help protect the environment for future generations. We prioritize innovative sustainability strategies to deliver impact at a global scale and we seek to build trust with our stakeholders by achieving measurable progress towards our sustainability goals.

Our sustainability strategy includes the following three core tenets, which support the shared global goal of Net-Zero emissions:

What we do: As a technology company, the solutions we offer to our customers have the greatest potential to drive climate action on a global scale. As governments, industries, companies, nonprofits and individuals work to accelerate to Net-Zero, we believe that all of our customers will require innovative technology to allow them to measure and manage their carbon footprint. This is why we have launched [Salesforce Sustainability Cloud](#), a greenhouse gas accounting tool to help our customers understand their emissions and take meaningful climate action. In addition, we offer our technology for free or at a discount to over 51,000 non-profits and higher education institutions focused on addressing today's most pressing needs, including climate action.

How we do it: We reached Net-Zero¹ and procured 100 percent renewable energy in fiscal year 2022, and we strive to integrate sustainability into all aspects of our business and our service offerings. We have also made investments in a healthy work environment, environmentally-friendly events, sustainable business travel and targeted investments in clean technology. We obtain an [independent accountant's review report](#) from Ernst and Young LLP on selected climate and sustainability metrics so that our stakeholders can have confidence in our progress. We've also aligned our company to a 1.5°C emissions reduction target approved by the Science-Based Targets Initiative.

Our influence: We believe that we can have a positive climate influence on our society through engagement with customers, employees, governments, peers, stockholders and suppliers. To this end, in fiscal 2021 we released our [climate policy principles, which outlines our climate advocacy goals and provides a framework for others to follow](#). In addition, our [Science-Based Target](#) includes a commitment to help our suppliers representing approximately 60 percent of our upstream Scope 3 emissions to set their own Science-Based Targets by fiscal 2025. We open-sourced our approach to renewable energy and featured expert third-party guidance in our [More than a Megawatt](#) whitepaper. We also provided our technology to underpin initiatives designed to drive climate action, such as [our tree tracker and donation platform](#) and [1T.org](#). We expect that the collective efforts to rapidly decarbonize the global economy will provide opportunities across all industries. Our sustainability strategy and global partnerships aim to capture these opportunities and benefit the planet.

¹ In practice there are varying interpretations of Net-Zero. Our Net-Zero achievement in fiscal year 2022 includes: (1) Committing publicly to the shared, global goal of achieving a just and equitable transition to Net-Zero, in line with a 1.5°C future; (2) Prioritizing reducing emissions as quickly as possible by aligning our full value chain emissions (Scope 1, 2 and 3) to the global trajectory of approximately 50 percent emissions reductions by 2030 and near-zero emissions by 2040; and (3) Compensating for any residual emissions by purchasing renewable energy and carbon credits of high credibility, impact and co-benefits using a combination of avoidance and removal credits. Over time, we plan to transition to using removal credits only to offset residual emissions.

The sustainability strategy described above is informed and influenced by the climate risks and opportunities for our business. In the tables that follow, we identify some of the specific climate-related opportunities and risks that could impact our business.

5.2 Summary of climate opportunities and risks²

Category	Classification	Opportunity / Risk ³	Time Horizon ⁴
Opportunity	Expand service offerings / leverage our technology for climate action	Empower our stakeholders to accelerate climate action by leveraging the Salesforce platform while enhancing credibility and brand value through partnerships for our technology.	Short term to long term
	Effective human capital management	Our sustainability initiatives have the potential to improve employee health, wellness, resilience, engagement, recruiting and retention.	Short term
	Enhanced reporting infrastructure	A meaningful and deliberate climate action strategy supported by a well-managed governance, risk management and reporting processes could allow us to better understand and manage our performance.	Short term to medium term
Transition Risk	Policy and legal risk	Regulation and/or pricing of greenhouse gas (“GHG”) emissions, energy and fuel cost and energy policy could increase expenses related to our data centers, real estate operations, business travel and supplier pricing.	Medium term
	Reputational risk	Failing to take climate action, or being perceived to be failing to take climate action, may hurt our reputation.	Short term
Physical Risk	Acute and chronic physical risks	Increased frequency and severity of extreme weather events including tropical cyclones (hurricanes and typhoons), flooding, wildfire, drought and heatwaves or long-term changes in climate and weather patterns can affect the physical safety and security of our employees and our infrastructure for the delivery of our services.	Short term to long term

² Note that the inclusion of information on climate opportunities and risks in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that is material, please see our Annual Report on [Form 10-K](#), filed with the SEC on March 17, 2021.

³ Risks are categorized into two categories as outlined by the TCFD: (1) transition risks, created by the world’s transition to a low-carbon economy and (2) physical risks created from a changing climate, particularly in the absence of carbon policy measures.

⁴ We identify climate-related opportunities that have the potential to impact our business over short (0–3 years), medium (4–6 years) and long-term (7 years and greater) time horizons.

5.3 Our strategy in the context of climate opportunities

Based on our climate risk assessment, our ongoing activities to mitigate climate risk and the results of our scenario analyses, we believe that the opportunities related to climate change have a greater potential to be material to our company than climate-related risks. We also believe that through the effective management of our climate-related opportunities we can help accelerate global climate action and decarbonization while reducing systemic and long-term climate-related risks posed to our company. Examples of our strategy in the context of climate opportunities are included below.

Opportunity Classification (time horizon)	Specific opportunity and strategy examples
Expand service offerings / leverage our technology for climate action (short term to long term)	<p>We can empower our stakeholders to accelerate climate action by leveraging the Salesforce platform while enhancing credibility and brand value through partnerships for our technology.</p> <p>Product innovation for our customers</p> <ul style="list-style-type: none"> We believe that investing in our service offerings to support our customers' efforts to measure, monitor, report on and drive climate action will strengthen our relationships with our customers and enable them to drive climate action programs at scale. For example, the Salesforce Sustainability Cloud allows businesses to gain visibility into their environmental, social and governance data, including carbon emissions. <p>Product innovation for the general public</p> <ul style="list-style-type: none"> We believe that investing in service offerings to support individuals and ecopreneur's efforts to contribute to climate action can enhance the value of our brand and help to reduce the systemic risks of climate change. The Salesforce platform offers a way for businesses, individuals, governments and nonprofits to develop apps to connect projects with capital and to drive meaningful change. <p>Partnerships for our technology</p> <ul style="list-style-type: none"> In fiscal 2021, the World Economic Forum ("WEF") and partners, including Salesforce, launched 1t.org, a multi-stakeholder effort to support efforts to grow, restore and conserve 1 trillion trees around the world. Salesforce contributes our technology in the form of WEF's UpLink, a new digital platform built to bring together stakeholders of all sizes to solve the United Nations' Sustainable Development Goals, which include taking on climate change.
Effective human capital management (short term)	<p>Our sustainability initiatives have the potential to improve employee health, wellness, resilience, engagement, recruiting and retention.</p> <p>Sustainable Built Environments for employee health and wellbeing</p> <ul style="list-style-type: none"> Our ability to attract and retain the best talent is critical for our continued success. Therefore, we strive to create spaces where employees feel empowered to do their best work and that have a lasting positive impact on our partners, customers, communities and the environment around us. Through our global Sustainable Built Environment Program, we have implemented intentional measures to reduce our environmental impact by delivering consistent sustainable-certified space in our offices. In addition, as a result of the COVID-19 pandemic, we took actions to ensure that employees have the tools and knowledge to ensure that their home environment is also a sustainable and healthy workspace. To this end, we released our Sustainability at Home playbook in fiscal 2021. We also introduced benefits and policies to support our employees in emergency preparedness, reiterated our commitment to our flexible work policy, which allows for additional time off in the event of extreme weather events, and we expanded our home office allowance to include the purchase of home air filters.

	<p>Employee engagement</p> <ul style="list-style-type: none"> We believe in providing employees meaningful opportunities to make positive contributions to their communities and to connect with other employees regarding issues that are important to them. Many of our employees are passionate about climate change and we offer them opportunities to make a difference such as: <ul style="list-style-type: none"> Salesforce Sustainability Cloud: All of our employees are invited to participate in the development and promotion of the Salesforce Sustainability Cloud. This offers a pathway for our employees to become engaged in the climate action movement by leveraging their professional expertise to develop, refine and offer this product to our customers. Trailhead: We leverage Trailhead, Salesforce's online training platform, to empower individuals to learn about climate and sustainability. Through Trailhead trails, we equip others to upskill on the impacts of climate-change, our climate strategy and global climate action. Most of our climate-related trails are available externally including the following related to sustainability: <ul style="list-style-type: none"> Strategies for Positive Environmental Impact Trees to Combat Climate Change Design for Sustainability Sustainability Cloud: Quick Look <p>Earthforce</p> <ul style="list-style-type: none"> Earthforce is an employee founded and led resource group of volunteer champions dedicated to promoting and celebrating environmental responsibility at our company. The group has over 9,000 members who share a passion for sustainability. Our members live green at work and at home while inspiring their networks to do the same.
<p>Enhanced reporting infrastructure</p> <p>(short term to medium term)</p>	<p>A meaningful and deliberate climate action strategy supported by a well-managed governance, risk management and reporting processes could allow us to better understand and manage our performance.</p> <p>We believe all of our climate action and ESG programs align with our long-term growth strategy and financial and operational priorities.</p> <ul style="list-style-type: none"> As we continue to develop our governance, risk management and internal ESG reporting infrastructure we may be able to better understand and manage the non-financial metrics that drive long-term stockholder value. We may also be able to access an expanded pool of investors who are focused on ESG performance.

5.4 Our strategy in the context of climate risks⁵

Our climate risk assessment, our ongoing activities to mitigate the physical and transition risks of climate change, and our scenario analyses for the specific risks discussed in this section indicate that the physical and transition risks of climate change are not currently material to our business. However, we believe that climate change risk is systemic, nondiversifiable and accelerating. Therefore, we have we have also developed ongoing strategies to evaluate, monitor and manage climate related risk⁶.

⁵ The TCFD recommends that companies disclose the actual and potential impacts of climate-related risks to the organization's business, strategy and financial planning. A detailed discussion of the risks facing our company can be found in Item 1A of our [Form 10-K](#), filed with the SEC on March 17, 2021.

⁶ Note that our conclusions on climate related risks, and our related disclosure will continue to evolve over time due the significant judgement and inherent complexity related to the impacts of climate change.

Risk Classification (time horizon)	Specific risk and mitigation strategy examples
Policy and legal risk (medium term)	<p>Regulation and/or pricing of GHG emissions, energy and fuel cost and energy policy may increase expenses related to our data centers, real estate operations and supplier pricing.</p> <p>Reaching 100 Percent Renewable Energy</p> <ul style="list-style-type: none"> Salesforce achieved 100 percent renewable energy in fiscal 2022 by executing our Clean Energy Strategy. To achieve this goal, we invested in high-quality renewable energy projects around the world that contribute to the decarbonization of the global electric grid. Our approach also helps to reduce our carbon pricing risk. <p>Science-Based Target</p> <ul style="list-style-type: none"> We are committed to a 1.5°C future and have set our own Science-Based Target approved by the Science-Based Targets Initiative. We focus on reducing emissions wherever possible, increasing renewable energy procurement and working with our suppliers to set their own Science-Based Targets. These initiatives seek to reduce our own emissions in line with a 1.5°C target, as well as our Scope 3 emissions, mitigating policy risks and contributing to the shared goal of global climate action. <p>Sustainable and efficient operations</p> <ul style="list-style-type: none"> Real Estate: We consider sustainability as part of our major real estate expansions and reductions. Our operations strategy prioritizes green building certifications as part of our real estate process and pursues innovative pilot solutions such as battery storage to operate high-performance, sustainable buildings. Resource efficiency has guided and continues to guide our electricity procurement decisions. We continue to improve our global design standards to reduce waste, optimize for LEED® (and other leading green building standards) and lower our energy and water consumption. We infuse sustainability into the very beginning of our real estate process by incorporating sustainability criteria as part of initial site search, prioritizing green-certified buildings and negotiating green lease terms for new and existing buildings. Infrastructure: Our multi-tenant cloud computing model, including Project Hyperforce, has a much smaller environmental footprint than traditional IT hardware and software. By sharing computing resources among a large number of customers, we achieve enormous economies of scale, especially when it comes to carbon and energy consumption. We deliver our customers a completely carbon neutral cloud by offsetting the emissions we cannot reduce through other operational sustainability initiatives via high quality carbon offset programs. <p>Decreasing the Carbon Intensity of our Electricity Supply and Increasing Access to Renewable Energy</p> <ul style="list-style-type: none"> All of our service offerings run on electricity, which comes predominantly from non-renewable fuels across the globe. Therefore, we strive to improve access to renewable energy for ourselves and others who are looking to purchase renewable energy. We are active participants in the Renewable Energy Buyers Alliance and advocate for policies that work toward a future where clean and renewable energy is powering the world around the clock.
Reputational risk (short term)	<p>Failing to take climate action, or being perceived to be failing to take climate action, may hurt our reputation with our stakeholders who expect us to take appropriate measures to minimize the impact of our operations on the environment. Our brand is essential to the maintenance and growth of our business. Loss of reputable brand recognition could cause our customers to switch to competitors or hurt our efforts in talent recruitment and retention.</p> <p>Climate-related public commitments</p>

	<ul style="list-style-type: none"> To demonstrate our commitment to a low-carbon economy and to embrace a 1.5°C future, we have publicly committed to numerous climate-related commitments all in line with the shared goal of a just transition to a 1.5°C future. See the Metrics & Targets section for a summary of our key climate-related goals. <p>Global leadership and collaboration</p> <ul style="list-style-type: none"> To deliver unprecedented, timely environmental action, we seek to achieve new levels of collaboration among businesses, NGOs, governments and other institutions on a global scale, which is why we participate in a variety of environmental coalitions and working groups.
<p>Acute and chronic physical risk</p> <p>(short term to long term)</p>	<p>Increased frequency and severity of extreme weather events including tropical cyclones (hurricanes and typhoons), flooding, wildfire, drought and heatwaves can affect the physical safety and security of our employees, our infrastructure for the delivery of our services, ancillary aspects of data centers (e.g., electricity grid, data network), or our employees' ability to perform critical business processes. In addition, our operational costs may increase as a result of shifts in climate patterns, such as vulnerabilities associated with future water scarcity due to climate change in our operating environments.</p> <p>Employee Global Operations (“GO”) Center and Global Safety and Security (“GS&S”) team</p> <ul style="list-style-type: none"> The GS&S Risk Management team is responsible for identifying, assessing, mitigating, communicating and monitoring risks that could negatively impact our employees, brand, business operations and property. All identified GS&S risks are formally assessed and analyzed in terms of likelihood and impact, mitigated with the appropriate response strategy, communicated to support risk-based decision making and monitored over time to identify trends semi-annually. The assessment process is fully aligned to ERM's inherent and residual risk scales. In addition, the GS&S Risk Management Program is continually evolving, and the GS&S team updates their analyses as the company scales, acquires other companies and expands our global footprint. With respect to climate, two of the risks identified on the GS&S Risk Register that could be triggered by natural disasters are: Safety Incidents in the Work Environment and Business Continuity. In the GS&S semi-annual risk assessment workshops, the scope of the risk is updated, the likelihood and impact of the drivers are assessed, the drivers are mapped to controls, the controls are assessed based on operational effectiveness, additional mitigations are identified and then mapped to controls and the overall consequences of the risk are identified in the context of our business model. <p>Infrastructure resiliency</p> <ul style="list-style-type: none"> We have a comprehensive data-redundancy and infrastructure-resiliency plan. This allows us to manage customer information and data flows with redundancy in a way that minimizes disruption to operations and the customer experience even when a data center is disrupted. Given that these arrangements already require near-live duplication of all data, no additional direct cost is incurred during data center disruptions. In addition, our IT infrastructure is decentralized, reducing our direct financial risks. A severe weather event would therefore need to impact multiple data centers at once to potentially lead to a material financial impact.

5.5 Scenario analysis

The TCFD recommends the use of scenario analysis in order to test the resilience of our business strategy to climate related transition and physical risks. Accordingly, we engaged S&P Global Trucost to assist us with modeling such scenarios⁷ using recognized, third-party datasets and climate model outputs. In order to determine the focus of our scenario analysis, we utilized the output of the annual ERM framework to consider climate-related risks in the context of, and relative to, our key enterprise risks. Based on this assessment, and our current residual risks levels, we have focused this analysis on physical risks and the transition risk of carbon pricing. The results of this analysis will be used to inform our ERM program and risk assessments and we plan to update the scenarios on an ongoing basis for developments in climate science and in our own ability to track and manage climate risks and opportunities.

5.5A Physical risk scenario analysis

Physical risk - Scenario selection and assumptions

Physical risk could affect our operations both based on the location of our infrastructure, such as our data centers, as well as the location of our employees.

Potential exposure	Scope	Assessment
Infrastructure	Out of scope	As part of our business continuity and service delivery program, we assess our internal infrastructure, including data centers, and their resilience to the physical risk of climate change. At this time, we have concluded that appropriate redundancies are in place at our data centers, or at the public cloud providers we utilize, to ensure resiliency over the short, medium and long term.
Employees	In Scope	Recent events, including the COVID-19 pandemic and wildfires along the west coast of the United States, have demonstrated that the exposure to the physical risks of climate change have the potential to impact our employees, especially as they work from home and as we shift into a work from anywhere environment.

In order to assess our employee's exposure to the physical risks of climate change we selected a sample of key Salesforce locations based on our largest office sites by employee number. We then assessed the exposure of each location to physical climate risk categories⁸ under various climate scenarios⁹ and time horizons¹⁰.

⁷ These scenarios do not encompass all climate risks or opportunities faced by our company and are intended to be used as a starting point to assess specific climate related risks over various time horizons. These scenarios are subject to significant assumptions and uncertainty.

⁸ Climate physical risk categories assessed include: Flood, water stress, heatwave, coldwave, hurricanes, sea level rise and wildfire.

⁹ Climate Scenarios considered: Wherever possible, we utilized the CMIP5 climate model utilized in the IPCC's 5th Assessment Report with the RCP8.5, RCP4.5 and RCP2.6 pathways representing high, moderate and low scenarios respectively, looking out to both 2030 and to 2050. For hazards where CMIP5 data could not sufficiently model these scenarios, such as water stress, alternative sources like the WRI Aqueduct Water Risk Atlas were utilized. These scenarios are summarized, below:

High Climate Change Scenario (RCP 8.5): Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4°C by 2100.

Moderate Climate Change Scenario (RCP 4.5): Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100.

Low Climate Change Scenario (RCP 2.6): Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2°C by 2100.

¹⁰ Time horizons considered include: One year, ten years, and thirty years.

Physical risk - Scenario analysis results

Our employees are already experiencing, and will continue to experience, the effects of their exposure to the physical risks associated with climate change. We believe we are effectively managing these risks, to the extent possible, through a combination of our GS&S programs and green building strategy.

For example, based on the physical risk categories assessed:

- On a global basis, our employees face the greatest exposure to water-stress, wildfires and cold waves.
- Our employees in the greater Tokyo, San Francisco, Hyderabad and New York areas face the highest overall exposure.
- The degree of exposure is largely consistent under all climate scenarios and time horizons considered.

Moving forward, we will continue to integrate this analysis into our strategic planning and may repeat the analysis as the geographical distribution of employees warrants.

5.5B Carbon pricing risk scenario analysis

Carbon pricing - Scenario selection and assumptions

We performed an analysis on carbon pricing risk to help inform our sustainable operations goals and our efforts to decarbonize our supply chain. Our carbon pricing risk analysis contemplates how our future operating costs are impacted by a range of Salesforce-specific and low-carbon economy drivers, such as growth in electricity consumption and electricity prices, value chain emissions and carbon prices.

Momentum around carbon pricing continues to [increase](#) as countries strive to reach their Nationally Determined Contributions (“NDCs”) under the framework of the Paris Agreement. We assessed the impact that the price of carbon could have on Salesforce’s business, and stress tested against strategies we have implemented today, including our 100 percent renewable energy program and Science-Based Target.

We utilized S&P Global Trucost’s Carbon Pricing Tool. This tool includes a database of over 100 current prices on carbon in various regions, including emissions trading schemes, direct carbon taxes and fuel taxes. The tool models three scenarios for future carbon pricing (High, Moderate, Low) based on the Organization for Economic Co-operation and Development and International Energy Agency data.

The delta between the modeled future carbon price and existing pricing schemes to date is considered the “carbon price risk premium” that could impact our operating margin.

Carbon pricing - Scenario analysis results

The results of this analysis suggest that carbon pricing is unlikely to have a material impact on our business. Carbon pricing risk is further mitigated by our sustainability strategy, which includes our commitment to help our suppliers set their own Science-Based Targets.

The following table summarizes our carbon pricing scenario analysis results:

Emissions Scope	Risk	Details/Mitigation
Scope 1	Low under all scenarios	Due to the nature of our business as a software and services company, our Scope 1 emissions are relatively low and direct exposure to carbon pricing is negligible.
Scope 2	Low based on pass-through modeling	As part of our climate strategy, we enter into long-term virtual power purchasing agreements (“VPPAs”). Our VPPA contracts are a financial hedge against rising power costs from our utility suppliers, mitigating this risk. Additionally, we engage in advocacy for the decarbonization of the electric grid through partnerships such as the Renewable Energy Buyers Alliance, as well as through engagement with policymakers.
Scope 3	Low based on pass-through modeling	We have set a Science-Based Target that approximately 60 percent of Scope 3 emissions will be covered by their own Science-Based Targets by fiscal 2025. This strategy helps to mitigate a potential increase in operating expenses by mitigating overall Scope 3 emissions and associated pass-through cost.

6. Metrics and Targets

We track our sustainability and climate-related metrics across our operations and value chain. Our key climate-related metrics and a more detailed overview of our environmental metrics and carbon accounting methodology can be found in the [Metrics and Indicators section](#) of our [Annual Stakeholder Impact Report](#).

We use these metrics to manage performance against our goals and to inform our strategy and we obtain an [independent accountant’s review report](#) from Ernst and Young LLP on selected sustainability metrics on an annual basis. We also track and monitor our metrics and targets using the [Salesforce Sustainability Cloud](#).

Safe Harbor Statement

"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This report contains forward-looking statements about, among other things, the company's environmental, social and governance goals, business opportunities, future events, anticipated growth, industry prospects, expected capital expenditures, and expectations regarding infrastructure resiliency. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by these forward-looking statements.

The risks and uncertainties referred to above include – but are not limited to – the impact of, and actions we may take in response to, the COVID-19 pandemic, related public health measures and resulting economic downturn and market volatility; our ability to maintain security levels and service performance meeting the expectations of our customers, and the resources and costs required to avoid unanticipated downtime and prevent, detect and remediate performance degradation and security breaches; the expenses associated with our data centers and third-party infrastructure providers; our ability to secure additional data center capacity; our reliance on third-party hardware, software and platform providers; the effect of evolving domestic and foreign government regulations, including those related to the provision of services on the Internet, those related to accessing the Internet, and those addressing data privacy, cross-border data transfers and import and export controls; current and potential litigation involving us or our industry, including litigation involving acquired entities such as Tableau Software, Inc. and Slack Technologies, Inc., and the resolution or settlement thereof; regulatory developments and regulatory investigations involving us or affecting our industry; our ability to successfully introduce new services and product features, including any efforts to expand our services; the success of our strategy of acquiring or making investments in complementary businesses, joint ventures, services, technologies and intellectual property rights; our ability to complete, on a timely basis or at all, announced transactions; our ability to realize the benefits from acquisitions, strategic partnerships, joint ventures and investments, including our acquisition of Slack Technologies, Inc., and successfully integrate acquired businesses and technologies; our ability to compete in the markets in which we participate; the success of our business strategy and our plan to build our business, including our strategy to be a leading provider of enterprise cloud computing applications and platforms; our ability to execute our business plans; our ability to continue to grow unearned revenue and remaining performance obligation; the pace of change and innovation in enterprise cloud computing services; the seasonal nature of our sales cycles; our ability to limit customer attrition and costs related to those efforts; the success of our international expansion strategy; the demands on our personnel and infrastructure resulting from significant growth in our customer base and operations, including as a result of acquisitions; our ability to preserve our workplace culture, including as a result of our decisions regarding our current and future office environments or work-from-home policies; our dependency on the development and maintenance of the infrastructure of the Internet; our real estate and office facilities strategy and related costs and uncertainties; fluctuations in, and our ability to predict, our operating results and cash flows; the variability in our results arising from the accounting for term license revenue products; the performance and fair value of our investments in complementary businesses through our strategic investment portfolio; the impact of future gains or losses from our strategic investment portfolio, including gains or losses from overall market conditions that may affect the publicly traded companies within our strategic investment portfolio; our ability to protect our intellectual property rights; our ability to develop our brands; the impact of foreign currency exchange rate and interest rate fluctuations on our results; the valuation of our deferred tax assets and the release of related valuation allowances; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws; uncertainties affecting our ability to estimate our tax rate; uncertainties regarding our tax obligations in connection with potential jurisdictional transfers of intellectual property, including the tax rate, the timing of the transfer and the value of such transferred intellectual property; uncertainties regarding the effect of general economic and market conditions; the impact of geopolitical events; uncertainties regarding the impact of expensing stock options and other equity awards; the sufficiency of our capital resources; our ability to comply with our debt covenants and lease obligations; and the impact of climate change, natural disasters and actual or threatened public health emergencies, including the ongoing COVID-19 pandemic.

Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings it makes with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Financials section of the company's website at www.salesforce.com/investor.

salesforce.com, inc. assumes no obligation and does not intend to update these forward-looking statements, except as required by law.