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Salesforce.com Sustainability Report FY2012
Overview

Introduction from Marc Benioff

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A Spirit of Service

Operating with Integrity

The Salesforce.com Cloud: Slashing Our Customers’ Carbon Emissions

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Working Responsibly: Trust and Governance

Our Company

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About This Document
Dear Friends,

I am delighted to share with you our first ever sustainability report. Although this type of reporting is new for us, sustainability — a focus on addressing environmental, social and economic issues — was incorporated into salesforce.com since the company’s founding.

We’ve been named World’s Most Innovative Company by Forbes in 2011 and 2012. Innovation doesn’t start or end with our products, but is integrated into everything we do, including sustainability. Salesforce.com is committed to being a sustainable company by harnessing our culture of innovation to foster a better world.

Company-wide, we find ways to reduce our greenhouse gas emissions, waste and energy usage. And, we’re implementing our own tools to lead the revolution. Chatter has connected employees on product innovation — and unearthed ideas to make our workplaces more environmentally friendly. Force.com has allowed developers to build powerful apps that connect customers to real-time information and match our employees with community service opportunities near their local offices. Our sales cloud helps hundreds of thousands of customers reduce their greenhouse gas emissions through the efficiency of our platform. We encourage employees to serve our communities through volunteering, and we find ways to help employees get the most out of their work at salesforce.com.

Most recently, we have transformed what the “office” looks like — from eliminating assigned cubes to reducing travel to developing creative space for collaboration. In September, we opened our newest office building, 50 Fremont, in San Francisco. The space, which was built to LEED Gold certification specifications, reflects a next-generation office: a more social, open, mobile and sustainable workplace. We’ve included internal stairs so employees can walk between floors rather than rely on elevators and we increased desk hoteling spaces to foster greater collaboration, introduce more flexibility, and increase efficiency.

I’m proud of what we’ve accomplished, but we have much more to do. As always, we believe in the power of sharing the model. It is my hope that this report goes beyond detailing what we are doing at salesforce.com, and inspires others to work toward a sustainable world. We know that by working collectively we can magnify the difference we can make. Thank you for joining us.

Aloha,

Marc Benioff
Salesforce.com
Chairman & CEO
Sustainable Company

At salesforce.com, we incorporate sustainability into all aspects of our business. At its core, we view sustainability as fundamental to addressing environmental, social and economic issues; all three areas are intertwined and impact one another.

**Carbon Usage & People Growth**
- Our employee population grew **47%** from FY2011-FY2012, but our carbon per full-time employee only increased **5.7%**.

**Data Center Efficiencies & Transactions**
- Transactions grew by **63%**.
- While carbon per transaction decreased by **-20%**.
- Our data center efficiency (PUE) improved by 4% between FY2011 and FY2012.

**Building a Greener Company**
- New office locations and renovations achieve LEED Gold rating or above in between FY2011 and FY2012.
- As our total office square footage increased 15.8%, our carbon per square foot only increased 7.5%.

Sustainable World

We strive to create a more sustainable world by using our company assets — technology, services, people and resources — to help others achieve their social and environmental objectives.

**Cutting Carbon Emissions with Our Cloud**
- **95%** less carbon than on-premises servers
- **64%** more energy efficient than private clouds
- We estimate our cloud has helped avoid 796,900 tonnes of CO₂ emissions (1999–2011), as compared to on-premises and private clouds.

**Product Donations & Grants**
- In FY2012, Salesforce.com Foundation made grants totaling nearly **$6 million**. As of January 31, 2012, the Salesforce.com Foundation has distributed **$30+ million**.
- As of January 31, 2012, more than 14,000 nonprofit organizations are using our products.

**Helping the Community**
- Our employees have contributed **300,000+ hours** of community service to **2,300+ organizations**.
Sustainable Company

At salesforce.com, we incorporate sustainability into all aspects of our business. We believe it is essential in our approach to practicing good corporate citizenship and social responsibility. For us, our work around sustainability encompasses environmental, social and economic issues, both internally and for our customers.

Being a sustainable company means looking inward at our own operations to find ways to better manage the environmental and social impacts of our business: reducing our carbon and energy footprint in our operations, motivating and developing our employees, and supporting our community through service and support.
Although salesforce.com doesn’t extract materials from the earth or manufacture products, we do have an environmental impact — and we work to reduce our footprint in these areas. For us, this primarily means resource efficiency related to data centers, office buildings and employee travel.

**Carbon Footprint**

For a company growing as rapidly as salesforce.com, we are not surprised to see the absolute (Scopes 1, 2 and 3) carbon emissions of our global operations increase from FY2011 to FY2012. But we are committed to decreasing our carbon intensity by finding more environmentally efficient ways to operate.

Salesforce.com accounts for Scopes 1, 2 and 3 in its greenhouse gas footprint. Direct emissions, or emissions from sources that are owned or controlled by salesforce.com, are included in Scope 1 which includes onsite natural gas combustion, leaked refrigerants, private jet travel, etc. Indirect emissions, or emissions that are consequences of the activities of salesforce.com but occur at sources owned or controlled by another company, are included in Scope 2 and Scope 3. These include electricity usage, business travel and employee commuting.
We measure carbon intensity by full-time employee and unit revenue. While both these metrics have increased between FY2011 and FY2012, the growth is much smaller compared to our increase in revenue of 37%, and the 47% growth in our employee headcount over the same period.

To be transparent about our carbon emissions, we voluntarily respond to the Carbon Disclosure Project’s Investor Information request. The Carbon Disclosure Project is an independent nonprofit organization whose mission is to catalyze action toward a more sustainable economy. We are proud to have achieved a disclosure score of 94 (out of 100) in 2012. To learn more about our public disclosure, visit the Carbon Disclosure Project.

“Even though revenues and hiring have increased significantly in FY2012, our carbon emissions have not grown as quickly.”

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**Increase in Metric**

**Increase in Metric**

## Metric Tonnes CO₂e per Full-Time Employee from FY2011 to FY2012

<table>
<thead>
<tr>
<th>Increase in New Employees from FY2011 to FY2012</th>
<th>Increase in Metric Tonnes CO₂e per Full-Time Employee from FY2011 to FY2012</th>
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<tbody>
<tr>
<td>47%</td>
<td>5.7%</td>
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## Metric Tonnes CO₂e per Dollar Revenue from FY2011 to FY2012

<table>
<thead>
<tr>
<th>Increase in Revenue from FY2011 to FY2012</th>
<th>Increase in Metric Tonnes CO₂e per Dollar Revenue from FY2011 to FY2012</th>
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<tr>
<td>37%</td>
<td>13.4%</td>
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### FY2012 Intensity Figure (based on Scopes 1 and 2)

<table>
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<tr>
<th>Intensity Figure</th>
<th>2.77</th>
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<tbody>
<tr>
<td>9.54x10⁻⁶</td>
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Data Centers

The biggest opportunity for us to manage our environmental impact is in creating more efficient data centers. Since we don’t own the buildings that house our data centers, we have concentrated on increasing the efficiency of our hardware and the architecture of our platform. Many of our data center management processes are sustainability-oriented, including the following:

- We procure the most energy-efficient servers and equipment that meet our business requirements.
- We explicitly include environmental criteria in consideration of new co-location facilities through the RFP process.
- We implement environmental monitoring tools to measure our use of power in data center facilities.

Perhaps the greatest differentiator we have in more effective data center power consumption is multitenancy. Our multitenant architecture lets tens of thousands of organizations share a single infrastructure stack, eliminating the need for managing customer capacity at the level of either a physical or even virtual machine. Combined with our unique code architecture, multitenancy provides substantial energy and carbon efficiency savings over other IT deployments.

While we are widely recognized for the environmental efficiencies our multi-tenant technology model delivers, we know we can do more. That’s why we are committing to work to steadily increase the amount of renewable energy we use in our data center operations, to reach our goal to be fully powered by renewable energy.

Our data center efficiency improved by 4% between FY2011 and FY2012, as measured by power usage effectiveness (PUE). In FY2012, our average PUE was 1.47, far better than the industry average of 1.8.1

Since our energy consumption is driven by how intensely our customer base uses our services, we believe the amount of carbon emitted per transaction is a way to measure data center effectiveness that more accurately reflects our industry and business model. Each time a customer updates a sales opportunity or closes a support case, it requires energy to process the transaction. In FY2012, our carbon dioxide equivalent (CO₂e) per transaction was 8.0x10⁻⁸, a 20% decrease from FY2011 even though the number of transactions processed increased 63% over the same period.2

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1Uptime Institute (10 May 2011).
2A transaction is defined as the transmission of a single piece of data online, such as a Chatter post, Radian6 search, or an edit to contact records.

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**In FY2012, transactions² grew by**

63%

While the carbon produced per transaction² decreased by

-20%

**Salesforce.com's**

**Metric Tonnes CO₂e per Transaction in 2011**

= 8.0x10⁻⁸
Paper
In addition to measuring and managing our office building greenhouse gas emissions, we assess other environmental impacts of our business operations such as paper usage. In FY2012, we measured paper usage across our global office locations and worked to reduce our overall consumption. To reach these reduction targets, we set high-volume printers to double-sided as a default and moved to DocuSign to reduce the paper required in contract processing between vendors and customers.

These changes, along with increasing employee awareness around our paper reduction efforts, have resulted in a per-employee paper reduction between FY2011 and FY2012. While our employee population grew 47%, our paper consumption grew only 34% during this time period.

Office Buildings
We’re proud to announce a goal for all new office locations, expansions and renovations to achieve Leadership in Energy and Environmental Design (LEED) Volume Gold rating or above. This objective will guide significant energy, waste and water savings initiatives that will help reduce our overall environmental impact as we continue to grow.

While the total square footage of our office buildings increased 15.8% from FY2011 to FY2012 due to growth, our carbon per square foot has only increased 7.5%.
Creating a more sustainable future means looking at all of our environmental impacts, including the buildings in which we work. It’s important that our offices are not only comfortable, healthy work spaces for our employees but also that they minimize environmental impacts wherever possible. Green building is a clear demonstration of our commitment to being sustainable from the inside out.

Since 2000, the U.S. Green Building Council’s LEED standard has helped companies, homeowners, schools and entire communities create healthier, more sustainable buildings. LEED buildings are rated on criteria like sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. The easy-to-use rating system of Silver, Gold and Platinum allows anyone to easily assess the performance of a building and map a path toward even greater sustainable outcomes.

We’re proud to be the first software company to participate in the U.S. Green Building Council’s LEED Volume initiative. We’ve established a goal to make future salesforce.com office buildings meet LEED Volume Gold specifications.

This commitment will not only help us reduce our environmental impacts, but will also create a more standardized design approach company-wide. Some of the ideas we’ve built into our prototype include:

- Building materials and best practices that promote a healthier work environment including low-volatile organic compound (VOC) paint and optimized HVAC and lighting systems
- Web-based education to help employees maximize the environmental benefits of their space
- Designed to encourage more sustainable forms of commuting, such as bicycling
Earthforce: Enlisting Employees in Sustainability

When Rachel Hudson joined salesforce.com’s United Kingdom office, she saw an opportunity to make a difference. Earthforce volunteers throughout the company are called upon by the Sustainability Department to help further the company’s environmental objectives. Passionate about the environment, Rachel became the Earthforce leader in the United Kingdom. With the help of salesforce.com’s social tools — and her own ingenuity — she’s leading the way to a greener office.

“Salesforce has provided us with the tools to make the Earthforce initiative a real and growing experience,” said Hudson. “Social tools like Chatter give us the ability to not only reach across the salesforce.com network, but allow for an ongoing dialogue about our sustainability efforts.”

Through Salesforce Chatter, salesforce.com’s real-time collaboration platform, Rachel asked for ideas on how employees could reduce their environmental impact. To encourage ideas and discussion, Rachel created a contest, with prizes awarded to employees who submitted ideas.

The effort was met with overwhelming enthusiasm. Employees shared ways the office could reduce waste, save energy and promote more environmentally friendly behaviors. Rachel partners with the Sustainability Department to implement these ideas. Of her experience, she says, “The Earthforce initiative is more than just telling people what to do to help make salesforce.com a more sustainable citizen and workplace. It’s also about communicating with employees to find out what they want. Salesforce makes this communication stream easy, interactive and, most importantly, personable.”
Employee Travel

The success of our business requires that employees travel to support our customers. As we’ve grown, our emissions related to travel increased from FY2011-FY2012. We recognize that employee travel will comprise an increasingly large part of our environmental impact in the future, so we’re working to make employee travel more sustainable. We have an active initiative to limit the nature and need for air travel, which reduces not only our expenses, but also our carbon footprint.

We have invested in state-of-the-art videoconferencing equipment to reduce the overall need for employees to travel. In addition, the salesforce.com shuttles that transport employees between our San Francisco Bay Area campuses run on bio-diesel fuel, a renewable energy source. We’re excited about the initial steps we’ve taken to lay a foundation of more environmentally friendly travel, but we also know there is more work to be done in this area.
At salesforce.com, our goal is to deliver a #dreamjob experience for our employees. We are intense, passionate people on a mission to change the way the world works and deliver success for our customers and our communities. We believe a big company can have a culture of innovation and opportunity, and that there is nothing like winning as a team. We are committed to motivating our employees instead of “managing” them and to helping them learn and grow in a respectful, rewarding and fun environment.
Developing People

We love giving our employees opportunities for development — both through formal training courses and through work experiences that push them to grow. And we know from our employees that professional development matters to them.

In response to what we heard in our 2010 annual employee survey, we made some significant changes to our education & training offerings, including expanding our Leadership and Employee Development courses and improving quality and frequency. These changes have driven increased employee satisfaction and engagement as measured by our 2011 employee survey where scores related to Growth and Professional Development rose 2%. Some of our course offerings include:

Courses to Drive Individual Growth
- Driving My Career
- Mastering Meetings
- Working Smart

Courses for Managers
- Situational Leadership
- Effective Feedback for Managers

But it’s not just about providing meaningful training and educational opportunities. We also recognize employee achievements with our innovative promotion and increase policy. Unlike most companies, which limit managers to a once-a-year promotion schedule, we implemented a quarterly process. This allows managers to give salary increases to maintain market competitiveness, meet the needs of the business and recognize employees who have grown out of their current roles.

“The training reflects the salesforce.com culture of working together and helping each other to serve our customers.”

Michael Benadon, Solution Engagement Senior Manager

Building #Dreamjobs
Creating a Culture of Open Communication

The tenets of our company vision are social, mobile and open, and we live those values within salesforce.com, especially as we work to foster a culture of transparency and trust. There are several communication channels we use to maintain a constant, open dialogue.

Chatter

Salesforce Chatter is our internal employee social network product. We offer the application to our customers, and we also use it extensively within our own organization. At salesforce.com, Chatter has democratized information. It allows employees to collaborate around projects, have an open exchange of ideas and opinion, join together around common interests, share best practices and communicate with senior leadership. San Francisco Salesforce Surf Fanatics, The Chatter Music Society and ChefForce are some of the more creative Chatter groups at salesforce.com.

One of our favorite ways to use Chatter is to connect employees who are passionate about giving back to the community. Following the Japan earthquake and tsunami in March 2011, Chatter was one of the greatest assets in gathering donations, providing relief-effort information and keeping employees informed. Chatter groups in both English and Japanese promoted the company’s relief programs and inspired employees to get involved.

Chatter was a critical tool in our employees’ disaster relief efforts following the March 2011 Japan earthquake and tsunami.
Diversity & Inclusion: It’s the Heart of Our Culture

We believe working at salesforce.com is a team sport. Actively encouraging the growth of a workforce with unique backgrounds, experiences and perspectives and including everyone in the company conversation is key to solving real business challenges, enhancing connections with our customers, and driving a culture of innovation.

Seeking and Attracting Diverse Talent

One way that we attract a wide variety of employee talent is through our university relations program and key external partnerships. One of our most successful partnerships is with the Anita Borg Institute, which focuses on providing resources and programs to help industry, academia and government recruit, retain and develop women leaders in high-tech fields, resulting in higher levels of technological innovation.

In addition, through our ongoing support of the Grace Hopper Celebration of Women in Computing Conference, we have a shared vision to bring the research and career interests of women in computing to the forefront.

Using Chatter to Promote Inclusion, Transparency & Collaboration

An inclusive culture is one that encourages an open exchange of ideas and opinions, and most importantly, allows employees the chance to connect with each other based on personal and or professional interests. At salesforce.com we use our social networking tool, Salesforce Chatter, and Salesforce Work.com, our social performance management application, as just a few ways to keep the voice and connection between our employees alive.

To demonstrate, our meetings here aren’t just one-way, top-down methods of communication. They are interactive. During our company-wide all-hands meetings, Chatter feeds are always flowing, and it allows employees an opportunity to ask questions and obtain real-time feedback, regardless of level. It is the expectation that our employees speak up and participate.
Exposing Employees to New People and Ideas through Community Engagement

Salesforce.com’s values in practice include using partnerships to help encourage the exchange of experiences between our employees and different communities.

As an example, our partnership with The ARC, a community-based organization advocating for and serving people with intellectual and developmental disabilities and their families, began right after the company started. Today, 11 ARC clients work at salesforce.com headquarters, and all are full-time employees who receive full benefits. ARC clients join our office services team, supporting vital operations that keep our company running smoothly. Some ARC clients have advanced in salesforce.com during their tenure, reaching new levels and succeeding in more challenging roles. Salesforce.com also supports The ARC with donated licenses and board and volunteering hours.

Todd Owens, Office Services Supervisor, manages the 11 ARC clients who work at salesforce.com. “Salesforce.com Chairman and CEO Marc Benioff has always been very supportive of the program. It is really rewarding seeing how appreciative people are of what we do,” says Todd. “This is embedded in our culture, and it’s second nature to us.”

Employee Survey

Every year for the past six years, we have formally surveyed our global employees. 2011 saw an 82% participation rate, exceeding the previous year’s numbers and our goals. Key results include:

- **94%**
  - were proud to work for salesforce.com

- **8%**
  - increase in satisfaction in the Communication category over last year

- **2%**
  - increase in satisfaction in the Growth and Professional Development category over last year
Supporting Employee Resource Groups

A group of highly motivated employees have established six employee resource groups (ERGs) from the ground up, that not only provide support to a wide range of communities, but ultimately help make a more inspiring, innovative and rich experience for all of our employees. Our ERGs are open to all employees, globally and include: FemmeForce, OutForce, the Black Employee Network, the Asian Employee Association, LatinoForce and the Veteran Employees Network. Here are just a few messages from the team:

**FemmeForce**
One way to share experiences and build connection is by telling stories. On a monthly basis, we highlight career advice, insights and a brief bio on inspiring women throughout the company. In addition, we hosted a very successful networking/panel event at Dreamforce 2012 featuring over 650 registrants connecting employees, partners and customers.

**OutForce**
We hosted our second annual networking event during Dreamforce 2012, connecting employees, customers and partners. This year we had over 300 attendees, which is a huge increase over previous years. The event gave us a chance to better connect with our customers and showcase salesforce.com’s commitment to diversity in the workplace.

**Black Employee Network**
Partnering with organizations such as the Hidden Genius Project and Black Girls Code is just one of the ways that our employees connect with and support underserved communities. Specifically, Black Girls Code teaches girls programming skills and exposes them to tech professionals who look like them, while the Hidden Genius Project provides young black males in Oakland, Calif. with the knowledge, skills and mentors to obtain technological jobs in software engineering, user experience design and technology entrepreneurship.

**Asian Employee Association**
As the newest ERG, we were founded in July 2012 with a vision of creating awareness about the Asian culture and the inclusion of the Asian community. We aim to create an environment to enable professional development and Asian culture-sharing with all employees.

**LatinoForce**
We focus on promoting inclusion, diversity and equality throughout the workplace through building alliances among all employees in the workplace. Our passion, dedication and tenacity to achieve excellence in the workplace is accomplished through networking, mentoring, educational and professional programs, community outreach, multicultural events and diversity awareness.

**Veteran Employee Network**
We bring together employees who are either veterans, families of service members, or passionate about supporting our military. We focus our activities in three areas: ensuring we are a veteran-friendly organization in terms of our policies and practices, helping veterans and families transition to civilian life, and supporting veterans and families of currently deployed service members.
When Marc Benioff started salesforce.com in 1999, he knew that he wanted to incorporate philanthropy into his business practice from the start. Just a year after he founded the company, he used his personal resources to launch the Salesforce.com Foundation. At that time, Marc had a simple, but powerful, vision for the Foundation — donate 1% of salesforce.com resources, 1% of his employees’ time and 1% of his technology to improving communities around the world. Today, using salesforce.com’s people, technology and resources, the Salesforce.com Foundation continues to build on this “1/1/1” vision of integrated philanthropy.

### Resources
- Resources for technology innovation, healthy communities and employee-inspired giving

### People
- Six paid days off a year to volunteer

### Technology
- Donated and discounted salesforce.com licenses for nonprofits
Salesforce.com employees are allowed to take six days of paid volunteer time off per year to pursue individual passions to give back to their communities. As of January 31, 2012, we’ve contributed 330,000 hours of community service to 2,300 organizations.

Our Volunteer Time Off (VTO) program has allowed employees to make an impact both close to home and around the world. For example, our partnership with GRID Alternatives, a nonprofit solar installer that trains and leads teams of volunteers and job trainees to install solar electric systems for low-income homeowners throughout California, has provided an opportunity for more than 80 salesforce.com volunteers to donate more than 600 hours of service across 2010 and 2011.

In addition, our Pro Bono Service program enables even greater impact by leveraging employees’ direct expertise and unique talents to give back via skills-based volunteering. The benefits go both ways. Nonprofits receive professional insight and guidance to help them implement salesforce.com’s products in a more effective manner, which directly increases organizational efficiency and mission success. At the same time, pro bono volunteers gain increased knowledge about nonprofits, develop leadership and other skills that they can bring back to enhance their current jobs, and contribute to the betterment of society.

“[Our VTO program] demonstrates that we have a heart, and the company backs up its words by allowing real time off to carry our passion to those who need some extra help.”

Paul van Maanen, Director of Technical Support
At salesforce.com, dedicating time and energy to volunteering and pro bono work is embedded in the company’s everyday work culture. It’s a practice that employees take pride in. The Foundation encourages and supports individual employees to lead others in volunteer service.

Using Salesforce.com Tools to Inspire Volunteering

At salesforce.com, anyone should be able to volunteer — whether it’s going abroad or staying local. And we’ve built a program that allows our employees to do this,” says Alexa Eversole, a salesforce.com communications specialist.

Alexa leads the Foundation’s efforts to encourage volunteering in her department, which includes nearly 2,000 employees around the world. With her leadership, she has connected her fellow employees to their local communities. In the past year her department has sponsored over 55 volunteer events in seven countries.

Volunteering is social at salesforce.com. All employees use Volunteerforce, a transparent tool built using Force.com, which helps them search for volunteering opportunities, create volunteer activities, recruit others and track hours. In the past year, over 17,500 activities have been populated in Volunteerforce. Chatter groups are used to communicate volunteering opportunities and give teams tools for collaboration. You can find groups for Pro Bono, Foundation Ambassadors, the “Wave to Wine” fundraiser and many others. Alexa uses Chatter to “share pictures, celebrate the work we’ve done, report metrics and promote upcoming events.”
Integrity is a value we take seriously at salesforce.com. We strive to manage our business ethically, transparently and responsibly throughout our global offices. To help all salesforce.com employees act with integrity, we’ve adopted a set of values called our Business Conduct Principles. Together with our Code of Conduct and other internal policies, the principles describe the kind of behavior required by all of our employees worldwide and address the following areas:

- Forced or Involuntary Labor
- Nondiscrimination
- Health and Safety
- Child Labor
- Respect and Dignity
- Ethical Dealings
- Wages and Benefits
- Freedom of Association
- Laws, Regulations and Other Legal Requirements
- Working Hours
- Protection of the Environment
- Anti-corruption
In June 2012, salesforce.com relaunched our official Employee Earthquake Response Plan. The rollout provided an opportunity to educate employees about emergency preparedness while also demonstrating how disaster protocol communications can be social, yet actionable.

Are You “Reddy”?
Disaster Preparedness at salesforce.com

As part of this effort, we created Reddy, an avatar dedicated to delivering preparedness information in an engaging and interactive manner. Reddy relies on social channels, including Chatter, Pinterest and Facebook, as well as an interactive online training program, to inform employees of disaster protocols in the event of an earthquake or other disasters.

Employees are encouraged to interact with Reddy in a variety of ways. His Chatter page allows employees to ask questions, participate in trivia contests, access critical preparedness documents and receive updates following an incident. The Pinterest page offers recommendations for preparedness supplies and encourages employees to post their own suggestions. Finally, the interactive training requires employees to engage with the educational content in order to complete the session.

This digital activation is supplemented by in-person events such as the 2012 Earthquake Preparedness Fair at the San Francisco headquarters. Attended by over 500 salesforce.com employees, the Fair featured nonprofit organizations like the Red Cross and City’s Department of Emergency Management, in addition to local vendors distributing emergency kits.
Improving the sustainability of our company is only one part of the equation. At salesforce.com, we use our company assets — products, services, time, equity, etc. — to help others achieve their social and environmental objectives. Whether this means delivering a 95% more carbon-efficient platform to our customers or investing time and money into nonprofits, we strive to create a more sustainable world.
The salesforce.com cloud-based delivery model can help deliver significant environmental benefits to our customers. In 2011, we partnered with WSP Environment & Energy to analyze the carbon reduction benefits of the salesforce.com cloud. Research indicates that our cloud is 95% more efficient than traditional on-site hardware and software and 64% more efficient than private clouds.3

We consider the environmental impact of our data centers from the very beginning of our procurement process. Incorporating sustainability into our data center decision-making process helps us offer more sustainable solutions to our customers. Another important way we’re able to deliver a more sustainable service is through multitenancy. By essentially offering our platform architecture as a “shared service” for our customers, we can be more efficient with our resources across the entire customer base.

Salesforce.com’s cloud computing model is much more energy efficient than traditional IT hardware and software.

Salesforce.com’s cloud uses **95% less carbon** than on-premises servers

And is **64% more energy efficient** than private clouds

With multitenancy and optimized code and configuration, we can maximize the number of transactions per unit of energy used. This greater efficiency translates into measurable carbon avoidance for our customers. Between 1999 and 2011, we estimate that the collective impact of our cloud has helped avoid 796,900 tonnes of CO$_2$e emissions, as compared to traditional on-site hardware and software and private clouds. With more and more companies taking advantage of our products and services, we expect this number to grow significantly — and it is one of the most meaningful ways we help reduce the environmental impact of computing in general.
Salesforce.com was founded with a strong commitment to the community—a commitment that is expressed by each of our employees, our businesses and the Salesforce.com Foundation. Through leveraging our greatest assets—our employees’ time and talent, our products and our financial resources—for the greater good, we aim to make a meaningful social impact.

**Product Donations**

As a part of our model of integrated philanthropy, the Foundation donates and discounts products, services and events to qualified community organizations. More than 14,000 nonprofits are using our product. These product donations and discounts help our nonprofit and higher education customers increase efficiency and streamline operations, allowing their impact to go further.

14,000 nonprofits are using salesforce.com products as of January 31, 2012
Teach for America is working to ensure that one day all children have the opportunity to attain an excellent education. As its network of corps members and alumni grows — now over 38,000 strong — Teach For America needed a better way to maintain and manage relationships, track metrics, foster collaboration and build its social profile. Salesforce changed the way the organization “thinks about, shares, and leverages information,” explains Josh Griggs, Teach For America’s Chief Administrative Officer.

Teach for America first tapped Salesforce when it wanted to build out social profiles to maintain records over time and internally share information across its 46 regions and many business units on its corps prospects, alumni, supporters, donors and partners. Now, with Salesforce, staff members can easily track donor pipeline by region, calculate individuals’ likelihood of giving and measure prospective corps members’ intent to apply.

“As we grow, we want to maintain the close, one-on-one relationships that we had when we were smaller,” says Griggs. “Social helps us do that.” Teach For America has added a social overlay to everything from recruiting to training to alumni connections. Chatter provides the employee social network they rely on to quickly train users, crowd-source problems and share information about records.

“As we become more social, our core values are more relationship focused.”
Investing in Nonprofits

At salesforce.com, we want grants to have impact beyond just a financial donation. In many cases, our grant-making programs also encourage employees to get involved. In 2011, the Salesforce.com Foundation made grants totaling nearly $6 million. As of January 31, 2012, we have distributed grants totaling more than $30 million to nonprofit organizations.

Employee-Sponsored Grants

Team grants, which are awarded based on employee-submitted proposals, fund activities that provide an opportunity for ongoing employee involvement or group volunteerism.

One example of how employees drive team grants can be viewed through our relationship with Playworks. During the summer of 2012, employee teams of volunteers transformed playgrounds at four Playworks schools. The Community Action Team grants funded $10,000 to help Playworks pay for the necessary materials to transform the playgrounds. The playgrounds are now ready for the new school year and will give kids a great place to play and exercise. Over time, we have donated over $385,000 and 7,700 hours to Playworks schools throughout the U.S.

Matching Gifts

We think it’s important to stand beside our employees and support their incredible spirit of financial giving. That’s why, through our Matching Gifts program, we match our employees’ charitable donations up to $5,000 per employee per year to any qualified nonprofit organization. More than 20% of global employees take advantage of this program as a way to enhance their support of favorite charities and causes.

Force-for-Change Grants

Our Product Donation program enables us to help nonprofits improve their own operations and services, but we also see an opportunity to increase collaboration and efficiencies across the nonprofit sector. We offer Force-for-Change grants to help fund the development of technology solutions that enhance collaboration, increase efficiencies and support effectiveness across the nonprofit sector. Internationally, our current focus is on supporting partners in emerging regions who can actively help us grow and support our nonprofit user community in those regions. We quadrupled our investment in 2011 to $1,000,000, enabling us to make bigger investments in potentially system-changing efforts.

In San Francisco, for example, the Family Service Agency of San Francisco is expanding its cloud-based, electronic client record system available on AppExchange. Meanwhile in Japan, The NPO Support Center Japan will hold seminars and trainings, and develop tools to support nonprofits on Salesforce.
Making a Difference at Home and Abroad

A member of salesforce.com’s Services team, Debbie Kuklis spends much of her time on the road, providing service to customers to help them maximize the capabilities of their salesforce.com products. But even with constant travel and after-hours calls, she still finds the time to volunteer and invest in communities.

“"A lot of people have the passion to volunteer, and at salesforce.com, we are encouraged to commit our time and engage with nonprofit organizations in our communities,” says Debbie. “I’ve always had a strong mindset to volunteer, but it is wonderful that this is embedded in our company’s culture.”

In fact, in 2011, salesforce.com employees volunteered over 75,000 hours with more than 900 organizations.

Throughout Debbie’s 10 years at salesforce.com, she has taken full advantage of the many ways the Foundation enables employees to give back. She has mobilized employees across the country in pro bono projects, encouraging them to donate their skills and talents to nonprofit customers. Her team has organized team-building events volunteering in their local communities, and she has played a role on the Product Council, helping to direct in-kind donations to worthy nonprofit organizations.

Of all the ways Debbie has served communities, perhaps the most meaningful for her have been the volunteer trips she’s taken to Brazil, Peru, Morocco and Tanzania. On one trip in 2005, Debbie spent three weeks volunteering abroad in Tanzania, Africa at the Rau Village Nursery School.

“My experience had too many dimensions to describe — it was joyful, reflective, funny, challenging and humbling,” remembers Debbie. The trip was a result of a unique partnership between Cross-Cultural Solutions (CCS) and salesforce.com.

Through her tireless efforts in communities around the world, Debbie is just one example of how salesforce.com employees support our global neighbors every day.
Salesforce.com offers its employees an open, accepting and inviting community in which all members can feel comfortable in being exactly who they are. When employees saw the “It Gets Better” video campaign sweeping the Internet, many couldn’t wait to get involved and share their diversity of experience with the outside world.

Founded by writer Dan Savage, the It Gets Better project was a response to a rash of gay teen suicides that occurred in the United States in the fall of 2010. Many of these deaths were attributed to the persistent bullying that the gay teens endured at the hands of their classmates. While the project started out as a simple way for individuals to send inspiring, encouraging video messages to gay teens, many companies began to participate as well.

“I was inspired by the videos featuring employees from … other San Francisco Bay Area companies, and I wanted our wonderful salesforce.com employees to have the opportunity to add their voices to this terrific campaign. Adding more unique experiences and words of encouragement to the project increases the likelihood that something will resonate for a troubled teen and help them realize that they are not alone and that it does get better,” said Monica Norton, Web Managing Editor.

Monica joined forces with several of her colleagues to encourage salesforce.com employees to add their voices of support to this important message directed toward LGBT youth. This employee-led effort is just another example of how our commitment to the community takes shape.
Being a good corporate citizen is an integral part of salesforce.com’s sustainable operations. For our customers, employees, the communities we serve and shareholders, trust is at the heart of how we operate. In all aspects of our business, we build trust by operating with honesty, transparency, ethics and integrity. This is why we take trust so seriously and go to great lengths to build trust with our stakeholders. Read more at trust.salesforce.com

Trust
We help our customers organize and understand vast amounts of data every day. The confidentiality, integrity and availability of this information is vital to our customers’ success, so privacy and security matters are extremely important to us.

Privacy
Protecting the privacy of our customers’ data is integral to our mission of earning and maintaining their trust. We seek to lead the industry as a trusted repository for customer data through a world-class privacy program. We provide a secure infrastructure and flexible tools that enable our customers to comply with global privacy and data protection regulations.

Security
We use a multi-layered approach to protecting customer data, constantly monitoring and improving our applications, systems and processes to meet the growing demands of security.

Our comprehensive security program includes:

- Secure data centers
- Secure transmission and sessions
- Network protection
- Disaster recovery
- Backups
- Internal and third-party testing and assessments
- Security monitoring
Corporate Governance

We don’t take for granted that people invest their money in our company. To protect shareholders’ interests, we’re deeply committed to exercising our oversight responsibilities throughout the company, managing our affairs consistent with the highest principles of business ethics, and exceeding the corporate governance requirements of both federal law and the NYSE. With all diligence, these are some of the steps we’ve taken to fulfill this commitment:

A majority of our Board members are independent of salesforce.com and its management.

All members of our key Board committees — the Audit Committee, the Compensation Committee, and the Nomination and Governance Committee — are independent.

We have a clear code of conduct and corporate governance monitored by our legal department and annually affirmed by all of our employees.

The charters of our Board committees clearly establish their respective roles and responsibilities.

Our internal audit control function maintains critical oversight over the key areas of our business and financial processes and controls, and reports directly to our Audit Committee.
About Salesforce.com and This Document
Salesforce.com is the enterprise cloud computing leader. Using salesforce.com’s social and mobile cloud technologies, companies can connect with customers, partners and employees in entirely new ways. Based on salesforce.com’s real-time, multitenant architecture, the company’s platform and apps give customers the tools to create a social front office and revolutionize the way they sell, service, market, collaborate, work and innovate. Our technologies are used by companies of all sizes and industries worldwide.

With offices in 23 countries, salesforce.com’s principal executive offices are located in San Francisco, California. A complete list of our global office locations and subsidiaries is available at www.salesforce.com/company/locations/.
We offer applications and platforms that are easy to use and intuitive, that can be deployed rapidly, customized easily and integrated with other business applications or platforms. We deliver our service through all of the market-leading Internet browsers and mobile devices. Customers who use our social business applications and platforms are able to avoid much of the expense and complexity of traditional enterprise software development and implementations. As a result, our customers face less risk and lower upfront implementation and ongoing costs, and benefit from increased productivity and efficiency. Our cloud model also enables our customers to significantly reduce their carbon emissions. More information about our products and services is available at www.salesforce.com.

**sales cloud**
Super-charge your sales with the world’s #1 sales and CRM application

**service cloud**
Deliver amazing service with the leading support, service and help desk solution

**marketing cloud**
Engage customers everywhere with the leading social marketing application

**platform**
Build and run innovative apps and websites on the leading cloud platform

**chatter**
Transform the way you work with the leading enterprise social network

**work.com**
Sell, service and market better using the Work.com sales performance management platform
We are honored to have received the following awards and recognition for our efforts in sustainability and citizenship:

One of Ethisphere magazine’s
“World’s Most Ethical Companies” 2012

#62 on Newsweek’s 2012
U.S. Green Rankings

One of Fortune’s
“100 Best Companies to Work For”

Inclusion in Carbon Disclosure Project’s 2011
Carbon Disclosure Leadership Index
with a disclosure score of 91 (out of 100)

A more comprehensive list of awards and recognition is available at www.salesforce.com/company/awards/.
Scope

Unless noted otherwise, this document focuses on salesforce.com’s global commitments and practices, except where noted and pertains to the period covered by fiscal year 2012, (Salesforce.com’s fiscal year 2012 is February 1, 2011 — January 31, 2012). All references to currency are in U.S. dollars.

As a rapidly growing company, salesforce.com has made several acquisitions during the reporting period, which may affect the statistics in this report. For all carbon-related data, our baseline and current year reporting has been adjusted to reflect acquisitions deemed material to our footprint. All other data is not adjusted to reflect new acquisitions.

Materiality & The Salesforce Marketing Cloud

In determining the topics to include in this document, we took a uniquely salesforce.com approach. We used the Salesforce Marketing Cloud, our product that helps companies make better business decisions in marketing, sales and service, to learn which sustainability issues matter most to our stakeholders.

With the help of the Salesforce Marketing Cloud, we discovered that three topics are top-of-mind when it comes to salesforce.com and sustainability or corporate social responsibility:

- Carbon footprint related to cloud computing
- Salesforce.com environmental initiatives
- Security and privacy

In this report, we have addressed the above issues directly in the Trust, The Salesforce.com Cloud: Slashing Our Customers’ Carbon Emissions and Our Journey Toward Environmental Sustainability sections.

In addition, we consulted with the Global Reporting Initiative’s G3 Guidelines to understand which sustainability topics are important for a company in our business. You’ll see the most significant ones addressed in this document. In particular, for companies in the IT industry, it is important to manage greenhouse gas emissions and energy usage. Also, for us community service and our innovative 1/1/1 model of philanthropy are important to include, as is how we create a rich, rewarding work environment for our employees. Finally, stakeholders have revealed that the topics covered in our
Trust section are material for any large, public company that manages vast volumes of data.

We also turned to our own executives and employees to define what’s important for us to include in the report. Interviews with key executives and employees from Campus Development, Employee Success, Finance, Internal Audit, Investor Relations, Sales, Strategy and Sustainability all informed the content in this report.

**Feedback**

Our journey toward greater sustainability requires ongoing dialogue and we welcome feedback on our efforts and this report. Please contact us at sustainability@salesforce.com to share your thoughts.