



Accelerating Climate Action with our Supplier Sustainability Exhibit

At Salesforce, sustainability is a core company value, and we have a vision to leverage the full power of our business to accelerate the world to net zero. We have set [ambitious targets](#) to reduce and compensate for our full value chain emissions in pursuit of a 1.5°C future that avoids the worst impacts of climate change. To support these goals, we are working to include a set of binding climate-related contract provisions, which we call our “Sustainability Exhibit,” into our supplier agreements. By making sustainability a requirement of doing business with Salesforce, we can create a ripple effect of impact in our supply chain and beyond. Our vision is that climate provisions become the norm, which is why we [share the Exhibit and our approach publicly](#).

Overview of Key Requirements of the Salesforce Sustainability Exhibit



Set an SBT and reduce emissions in line with a 1.5°C future



Report allocated emissions to Salesforce



Share a third-party sustainability scorecard



Deliver carbon neutral products and/or services



Agree to a climate positive remedy

- 1. Set a science-based target (SBT) and use good faith efforts to achieve it by reducing absolute emissions.** SBTs guide our shared net zero journey with suppliers. They provide a globally-recognized framework for each company to chart their own path to decarbonize in line with limiting global warming to 1.5°C.
- 2. Report the GHG emissions attributable to the products and/or services provided to Salesforce.** Salesforce has prioritized reducing our GHG emissions by 50% by 2030 and reaching near-zero emissions by 2040. To effectively measure and manage our impact, we require that our suppliers share their GHG emissions data with us. The Exhibit also requires suppliers to begin publicly disclosing corporate scope 1, scope 2, and scope 3 emissions within one year.
- 3. Deliver the products and/or services on a carbon neutral basis.** Salesforce believes that companies must prioritize reducing absolute emissions but should also act now to help accelerate the deployment of climate solutions. To mobilize such action, this provision

requires suppliers to compensate for the residual emissions arising from the products and/or services provided to Salesforce with high quality carbon credits.

4. **Share a third-party sustainability scorecard on an annual basis.** Third-party ratings help us evaluate suppliers' sustainability performance and identify potential risks in our supply chain. EcoVadis is our preferred sustainability scorecard provider.
5. **Agree to a climate positive remedy.** The intent of the Exhibit is to help create a more sustainable future. If a supplier is unable to meet the agreed upon terms, the climate positive remedy obligates the supplier to fund an activity that removes or avoids emissions in the atmosphere, such as a renewable energy project or tree planting. This way even if things fall short, a more positive outcome is achieved for the planet than business as usual.

Our Approach to Implementation

Strategic supplier engagement. When it comes to engaging suppliers to sign the Exhibit, we focus on a mutual interest in doing good and alignment with the outcomes we're trying to drive for both Salesforce and the planet. Sustainability is a journey that will look different for every company, and our suppliers know their businesses best. The Exhibit is designed to be adaptable to a supplier's unique situation (industry, size, geography, etc.) while maintaining its integrity and ambition. We put significant consideration into the intent behind each provision, and we've aligned the consequences of non-compliance with our objective of ensuring a more sustainable future than business as usual.

Support from leadership. Salesforce's leaders recognize the critical role the Exhibit will play in achieving our climate commitments, increasing supply chain resilience, meeting increasing stakeholder demands, and demonstrating leadership. In FY23, Salesforce began [linking executive compensation to sustainability goals](#), including increasing spend with suppliers who have signed the Exhibit. This will build greater accountability and reinforce the message both internally and with suppliers that sustainability and net zero are priorities in our business relationships. Top-down support is essential to success, because it means teams can prioritize the Exhibit in contract negotiations and other supplier engagements.

Scaling success. To support implementation at scale, we empower our Procurement and Legal teams with Exhibit training and playbooks. We've added the Exhibit to standard agreement templates, which means it's part of the day-to-day contracting process. In addition to including the Exhibit with new contracts and renewals, we've engaged proactively with many of our highest impact suppliers to add the Exhibit as an amendment to their existing contract.

We hope others follow suit to accelerate climate action by strategically engaging with suppliers and by elevating sustainability in supplier relationships.

SUSTAINABILITY EXHIBIT

This sustainability exhibit (“**Sustainability Exhibit**”) is incorporated by reference into the Agreement by and between Salesforce, Inc., a Delaware corporation (“**Salesforce**”), and/or the Salesforce affiliate that is party to the Agreement (together with Salesforce, “**SFDC**”) and the supplier noted in the signature lines (“**Supplier**”). SFDC and Supplier are collectively defined as the “**Parties**” and each individually as a “**Party**.” All capitalized terms that are not expressly defined in this Sustainability Exhibit shall have the meanings assigned to them in the Agreement.

RECITAL

For Salesforce and for Supplier, the environment is a key stakeholder. Climate change is the greatest challenge humans have ever faced. Global experts agree that we need to immediately and collectively create a significant year-on-year decline in global greenhouse gas emissions in order to keep global temperature rise to 1.5°C or less. Salesforce and Supplier recognize that swift action is imperative to address climate change and that we cannot do it alone. Collaboration with other corporations, the public sector, and non-governmental organizations is a key step in driving positive change. In connection with each Party’s commitment to address climate change, the Parties acknowledge their common intention in the fulfillment of their obligations under the Agreement to mitigate climate change.

1. DEFINITIONS

“**Agreement**” means any and all agreements for the purchase of goods and/or services by SFDC from Supplier.

“**Carbon Credit Criteria**” means the Sustainability Exhibit Carbon Credit Criteria, available at https://www.salesforce.com/content/dam/web/en_us/www/documents/legal/no-index/carbon-credit-criteria.pdf as of the Effective Date.

“**Carbon Neutral Basis**” means procuring carbon credits equivalent to the Total Emissions during the applicable Salesforce Emissions Reporting Period.

“**Climate Deficiency**” means any material breach of this Sustainability Exhibit.

“**Climate Positive Remedy**” means (i) with respect to a Climate Deficiency related to **Section 2.1.2**, an amount equal to the cost of carbon credits that must be procured to provide the Products and/or Services on a Carbon Neutral Basis and (ii) with respect to any other Climate Deficiency, one-half of one percent (0.5%) of the aggregate amount paid by SFDC to Supplier or invoiced by Supplier to SFDC over the prior twelve (12) months.

“**Effective Date**” means the date on which this Sustainability Exhibit became binding upon the parties to the Agreement.

“**GHG Reporting Standard**” means the (i) Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition 2015, (ii) Greenhouse Gas Protocol, GHG Protocol Scope 2 Guidance, An Amendment to the GHG Protocol Corporate Standard, 2015, and (iii) Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard, 2011 or the then-current version of the applicable GHG Reporting Standard.

“**Neutrality Documentation**” means the documentation delivered pursuant to **Section 2.1.2(ii)**.

“**Products and/or Services**” means any goods and/or services that Supplier provides to SFDC under the Agreement.

“**Salesforce Emissions Reporting Period**” means the consecutive twelve (12) month period beginning on February 1 and ending on January 31 of a given year.

“**Scope 1 Emissions**,” “**Scope 2 Emissions**,” and “**Scope 3 Emissions**” will each have the respective meanings set forth in the GHG Reporting Standard.

“**Total Emissions**” means an approximation reasonably acceptable to the Parties of the greenhouse gas emissions arising out of the provision of the Products and/or Services in a given Salesforce Emissions Reporting Period, including Scope 1 Emissions, Scope 2 Emissions, and Scope 3 Emissions. Total Emissions should be provided using both the location-based and market-based methodologies, as defined by the GHG Reporting Standard.

2. SUSTAINABILITY OBLIGATIONS

2.1. Commitments.

2.1.1. Supplier shall (i) within ninety (90) days of the Effective Date submit a letter to the Science-Based Targets initiative (“**SBTi**”) establishing Supplier’s commitment to set a science-based target that is aligned with reduction pathways to limit global warming to 1.5°C or less, (ii) use good faith efforts to timely set and have such science-based target validated by SBTi by the earlier of (x) two (2) years after committing to it and (y) the then-current deadline required by SBTi, and (iii) use good faith efforts to timely achieve such science-based target. After Supplier has set its science-based target, Supplier shall promptly provide a copy of its plan to achieve its science-based target upon SFDC request.

2.1.2. Supplier shall (i) throughout the term of the Agreement provide the Products and/or Services under the Agreement on a Carbon Neutral Basis and (ii) upon SFDC request, timely deliver documentation reasonably satisfactory to SFDC substantiating that the Products and/or Services were provided on a Carbon Neutral Basis in each Salesforce Emissions Reporting period, beginning with the Salesforce Emissions Reporting Period that starts in the same year as the Effective Date. All carbon credits purchased to provide the Products and/or Services on a Carbon Neutral Basis must meet the Carbon Credit Criteria. Supplier will use commercially reasonable efforts to promptly respond to any inquiries or requests for clarification from SFDC related to Neutrality Documentation.

2.1.3. Supplier agrees to use commercially reasonable efforts, and to cooperate in good faith with SFDC and Supplier’s subcontractors, as far as reasonably practicable to (i) minimize and measure the negative environmental impact and quantity of greenhouse gas emissions related to the Agreement and (ii) review, share, and use good faith efforts to implement relevant sustainability best practices guidance within thirty (30) business days of SFDC providing such guidelines to Supplier.

2.1.4. Supplier represents and warrants that (i) Supplier has operated in material compliance with all Environmental Laws, (ii) Supplier has not received written notice of material violation of Environmental Law with respect to the Products and/or Services or Supplier has remediated any material violations of Environmental Law for which it has received notice, and (iii) Supplier has provided SFDC with reasonable detail of all environmental practices or negative environmental impacts, that, in SFDC’s reasonable discretion, could have a material negative impact on SFDC’s reputation as a result of conflicting with SFDC’s published sustainability, carbon reduction, or renewable energy targets. For purposes of this section, “**Environmental Laws**” means any and all national, regional, or municipal legislative and regulatory provisions of an environmental nature, including, in all cases, any judgments, orders, notices, notices of infraction or non-compliance, decrees, codes, rules, directives, policies, guidelines and guides, authorizations, authorization certificates, approvals, permissions, and permits issued by any competent authorities, in each case as they may have been amended from time to time.

2.2. Disclosure

2.2.1. If requested by SFDC, Supplier must provide a summary of its sustainability commitments, initiatives, implemented sustainability practices, and a plan of continuous improvement to reduce the environmental impact of the Products and/or Services provided under the agreement to sustainable_procurement@salesforce.com within thirty (30) business days.

- 2.2.2. Supplier must maintain a Sustainability Scorecard and if requested by SFDC, provide a copy of such Sustainability Scorecard to SFDC on an annual basis promptly following Supplier's receipt of a Sustainability Scorecard from Supplier's Sustainability Scorecard provider. For purposes of this section: "**Sustainability Scorecard**" means a corporate social responsibility assessment report prepared by a reputable provider that is reasonably acceptable to SFDC.
- 2.2.3. On an annual basis, Supplier must (i) disclose Total Emissions in a form reasonably acceptable to SFDC beginning with the Salesforce Emissions Reporting Period that starts in the same year as the Effective Date and (ii) within twelve (12) months of the Effective Date, publicly disclose its Scope 1 Emissions, Scope 2 Emissions, and Scope 3 Emissions.
- 2.2.4. Notwithstanding anything to the contrary in the Agreement, Supplier acknowledges and agrees that SFDC may, but is not obligated to, publicly disclose that Supplier has incorporated the Sustainability Exhibit into an agreement with SFDC.
3. **TERMINATION.** Without affecting any other right or remedy available to it, SFDC may terminate the Agreement by giving one (1) month written notice to Supplier if the Supplier's environmental practices or negative environmental impacts, in SFDC's reasonable discretion, could have a material negative impact on SFDC's reputation as a result of conflicting with SFDC's published sustainability, carbon reduction, and renewable energy targets.
4. **EXCLUSIVE REMEDIES**
- 4.1. If SFDC reasonably determines or suspects that a Climate Deficiency has occurred, SFDC shall provide a written notice containing details of the Climate Deficiency and nominating an Appointed Beneficiary (a "**Climate Remediation Notice**") to the Supplier. Upon receipt of a Climate Remediation Notice, Supplier must promptly investigate the matter and work in good faith to remedy the Climate Deficiency. If Supplier is unable to resolve the Climate Deficiency to SFDC's reasonable satisfaction within thirty (30) days of receipt of a Climate Remediation Notice, Supplier must pay the Climate Positive Remedy to the Appointed Beneficiary to purchase carbon credits or fund tree planting, as applicable, within thirty (30) business days of receipt of the applicable Climate Remediation Notice and promptly provide evidence of payment to SFDC. In no event shall the aggregate amount of Climate Positive Remedies paid by Supplier over the term of the Agreement exceed one percent (1%) of the aggregate amount paid or to be paid by SFDC to Supplier over the term of the Agreement. For purposes of this section: "**Appointed Beneficiary**" means (i) Cool Effect, Inc., (ii) Gold Standard Foundation, (iii) only with respect to **clause (ii)** of Climate Positive Remedy, any tree planting project on SFDC's tree planting platform (currently available at trees.salesforce.com or such successor URL as SFDC may provide), or (iv) another entity mutually acceptable to the Parties.
- 4.2. The Parties acknowledge and agree that (i) each Climate Positive Remedy is not a penalty, (ii) such amount is reasonable and proportionate to the legitimate interests of the Parties in mitigating, setting off, counteracting, and repairing the applicable Climate Deficiency, in part reflecting each Parties' public commitments to reduce greenhouse gas emissions, and (iii) otherwise obtaining an adequate remedy for such Climate Deficiency would be difficult or inconvenient. Other than termination as set forth in **Section 3** of this Sustainability Exhibit, if applicable, the payment of Climate Positive Remedies shall be SFDC's sole and exclusive remedy and Supplier's sole and exclusive liability, following the occurrence of a Climate Deficiency.