

Second-Party Opinion

Salesforce Sustainable Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Salesforce Sustainable Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Technology for Climate Action, Green Buildings, Renewable Energy, Pollution Prevention and Control, Nature-Based Solutions, Sustainable Water Management, Technology for Social Good, Commitment to Racial Equality, Socioeconomic Advancement and Empowerment – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 4, 5, 6, 7, 8, 9, 10, 11, 12 and 15.



PROJECT EVALUATION / SELECTION Salesforce has established a committee, consisting of representatives from Salesforce’s Treasury, Finance, Sustainability and Legal teams, to oversee the project evaluation and selection process. The committee is responsible for final project selection and sign-off and ensuring ongoing alignment with the Framework. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Salesforce intends to track and manage proceeds raised under this Framework using its internal recording system. Unallocated proceeds will be temporarily held in cash, cash equivalents, and/or high-quality marketable securities. Sustainalytics considers this process to be in line with market practice.



REPORTING Salesforce commits to provide allocation and impact reporting on an annual basis until full allocation or in case of any material changes. The report will include allocations made towards Eligible Projects on a category basis and, where feasible, on a project basis. In addition, Salesforce is committed to reporting on relevant impact metrics. Sustainalytics views Salesforce’s allocation and impact reporting as aligned with market practice.

Evaluation date	June 29, 2021
Issuer Location	San Francisco, United States

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Introduction

Salesforce (the “Issuer” or the “Company”) is a global leader in customer relationship management (“CRM”) technology. Through its ‘Customer 360 platform’, the Company aims to connect customer data across systems, applications, and devices to help companies sell, service, market, and conduct commerce from anywhere. Since its founding in 1999, Salesforce has developed technologies in cloud, mobile, social, analytics and artificial intelligence (“AI”), helping companies adapt their businesses to the all-digital, work-from-anywhere era. Headquartered in San Francisco, United States, Salesforce employs nearly 60,000 employees as of April 30, 2021.

Salesforce has developed the Salesforce Sustainable Bond Framework (the “Framework”) under which it intends to issue green, social and/or sustainability bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that reduce its environmental footprint and create positive socio-economic impact. The Framework defines eligibility criteria in nine areas:

1. Technology for Climate Action
2. Green Buildings
3. Renewable Energy
4. Pollution Prevention and Control
5. Nature-Based Solutions
6. Sustainable Water Management
7. Technology for Social Good
8. Commitment to Racial Equality
9. Socioeconomic Advancement and Empowerment

Salesforce engaged Sustainalytics to review the Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG),¹ Green Bond Principles 2021 (GBP),² and Social Bond Principles 2021 (SBP).³ This Framework has been published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.9, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Salesforce’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Salesforce representatives have confirmed (1) they understand it is the sole responsibility of Salesforce to ensure that

¹ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-100621.pdf>

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

³ The Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Social-Bond-Principles-June-2021-100621.pdf>

⁴ The Salesforce Sustainable Bond Framework is available on Salesforce’s website at: <https://investor.salesforce.com/>

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Salesforce.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Salesforce has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Salesforce Sustainable Bond Framework

Sustainalytics is of the opinion that the Salesforce Sustainable Bond Framework is credible, impactful and aligns with the four core components of the GBP and SBP. Sustainalytics highlights the following elements of Salesforce's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible categories – Technology for Climate Action, Green Buildings, Renewable Energy, Pollution Prevention and Control, Nature-Based Solutions, Sustainable Water Management, Technology for Social Good, Commitment to Racial Equality, Socioeconomic Advancement and Empowerment – are aligned with those recognized by the GBP and SBP.
 - Sustainalytics recognizes that the GBP and SBP require project-based financing, and that there is, in general, less transparency with non-project-based finance. While Salesforce's framework includes project-based financing, it also provides for private equity investments made through the Salesforce Ventures Impact Fund (the "Fund"). By placing a quantitative threshold of 90% of revenue that an investee must derive from sustainability-related areas defined within the eligibility criteria, Sustainalytics believes that Salesforce has ensured that proceeds of the sustainability bonds will be directed to environmentally and/or socially beneficial activities.
 - The Framework's exclusionary criteria includes activities related to the exploration, production, or transportation of fossil fuels; consumption of fossil fuels for the purpose of power generation; activities involving the exploitation of human rights, modern slavery; and companies that produce weapons, ammunitions, or tobacco. Sustainalytics is of the opinion that these exclusions strengthen the Framework.
 - The Technology for Climate Action category includes expenditures related to an external-facing sustainability information system, in particular the Salesforce Sustainability Cloud, that is primarily designed to measure and manage environmental impact, such as greenhouse gas (GHG) emissions, from customers' offices, data centers, business travel and employee commuting.
 - Salesforce's commitment to scale IT systems that help accelerate measurement and monitoring of environmental impacts and to annually provide information related to ways its customers are achieving positive environmental impact are viewed favorably by Sustainalytics. Please refer to Section 3 for more information on the impact of such investments.

- Within the Green Building category, Salesforce will finance the acquisition, design, development, construction, certification, furnishing, equipping, leasing, maintaining, or improvement of offices that have obtained or are expected to obtain the following sustainability certifications: International Living Future Institute (“ILFI”) Zero Carbon and LEED (Gold or Platinum), or equivalent standards. Sustainalytics views these certifications and the selected levels to be credible. Sustainalytics also notes that it is market expectation to specify all eligible schemes and encourages Salesforce to report on any other schemes it intends to include. See Appendix 1 for further description of the referenced green building standards.
- Under the Renewable Energy category, Salesforce may invest in solar and wind projects with direct emissions of less than 100g CO_{2e}/kWh that are long-term and new to the grid. Specific projects may include (i) the installation of onsite renewable energy generation; (ii) utility renewable energy offerings, and/or (iii) Virtual Power Purchase Agreements (VPPAs) and Power Purchase Agreements (PPAs) that meet the objective of bringing new renewable energy sources to the grid. Sustainalytics views the selected emissions threshold to be in line with market practice.
- Salesforce has confirmed to Sustainalytics that all utility renewable energy offerings, VPPAs and PPAs will be long-term (>5 years), directly tied to specific and identifiable renewable energy generation projects, and that it will exclude one-time, short-term purchases of unbundled renewable energy certificates. Sustainalytics believes that Salesforce, through such investments, will enable the construction of renewable energy assets and support the overall development of the renewable energy market, which will deliver environmental benefits.
- Under the Pollution Prevention and Control category, Salesforce will finance projects that reduce or sequester GHG emissions, including clean cookstoves or ecosystem restoration projects. Salesforce commits to verifying each project with the Gold Standard or equivalent standards. Sustainalytics views this certification to be credible, while encouraging Salesforce to report on any other schemes it intends to include in order to align with market expectation. Please refer to Appendix 2 for an overview of the standard.
- Within the Nature-Based Solutions category, Salesforce intends to support philanthropic projects that focus on environmentally sustainable forestry (afforestation or reforestation), and the preservation or restoration of natural landscapes.⁶ Salesforce has confirmed that activities in this category relate to conserving, restoring, or growing natural ecosystems, and that it will not be purchasing certified commodities or goods for its own operations. It is also noted that this category will make up a minimum share of total allocation. Considering these commitments, Sustainalytics considers these approaches to be aligned with market expectation.
- Through the Sustainable Water Management category, Salesforce plans to reduce its water footprint by financing projects such as greywater and blackwater recycling systems, green roofs, low flow fixtures and appliances, dry cooling systems and water restoration projects. Sustainalytics views investments in these activities to be in line with market practice.
- Within the Technology for Good category, Salesforce intends to invest in technologies with the goal of promoting positive social impact. This may include investments in external-facing CRM technologies that aim to empower non-profits, philanthropic organizations and education institutions with the tools required to measure and manage their own social impact programs.
 - Eligible platforms include the Salesforce Non-Profit Cloud, the Salesforce Philanthropy Cloud, and the Salesforce Education Cloud. Sustainalytics anticipates that investments in these technologies will provide net-positive benefits for the target populations either directly or indirectly.
 - Salesforce has defined the end-target population as excluded and/or marginalized populations and communities, women and/or sexual and gender minorities, as well as children and young adults from underserved and underrepresented communities.
 - Salesforce has confirmed that in order to qualify for free or discounted access to the Non-Profit Cloud and/or the Education Cloud, interested parties must either be qualified as a non-profit⁷ or meet the definition of a higher education institution.⁸
- Under the Commitment to Racial Equality category, Salesforce intends to allocate bond proceeds to expenditures intended to support equity for underrepresented communities. This includes the procurement of products and services from certified or classified diverse suppliers

⁶ This includes projects that adhere to the ICUN’s Global Standard for Nature Based Solutions and the Together with Nature initiative. Nature-based Solutions are defined as actions to protect, sustainably manage, and restore natural or modified ecosystems. See more, at: [IUCN Global Standard for NbS | IUCN](#). Together with Nature is a non-profit initiative that aims to support nature-based solutions to responsibly tackle the climate crisis, restore biodiversity, and benefit planetary health and human wellbeing. See more, at [We stand #TogetherWithNature](#)

⁷ <https://www.salesforce.org/power-of-us/eligibility-guidelines/>

⁸ <https://definitions.uslegal.com/i/institution-of-higher-education/>

and workforce development programs, training, and education for Black and other underrepresented communities. Diverse suppliers are defined as businesses that are a minimum of 51% owned and operated by at least one of the following: LGBTQ, person(s) with disability(ies), minority, veterans, women, small business.⁹

- Sustainalytics considers the targeting of historically disadvantaged and marginalized groups as aligned with market expectations.
- Sustainalytics notes that the green/social bond market generally favours expenditures directly associated with an issuer's green and/or socially beneficial assets/activities, and that allocation toward procurement costs based on the identity of suppliers rather than the nature of the products/services being supplied is not fully aligned with market practice. The criteria of the Framework do not restrict the potential share of allocations that may be directed to this category, and therefore Sustainalytics views this to be a limitation of the Framework. Nevertheless, Sustainalytics recognizes the social benefits of supporting businesses owned/operated by members of historically disadvantaged groups through procurement, as well as the strong exclusionary criteria in the Framework, and encourages Salesforce to report on its expenditures in this area.
- Within the Socioeconomic Advancement and Empowerment category, Salesforce intends to invest in workforce development programs with the goal of spurring employment generation. This may include investments in the following: (i) technology platforms and support infrastructure to provide individuals with access to education and training for jobs;¹⁰ (ii) programs to support employee "access, retention, belonging and fairness"; and (iii) upskilling opportunities for veterans.¹¹
 - Salesforce aims to provide programs specifically targeted to underrepresented groups, which addresses a specific challenge in the technology sector. Sustainalytics recognizes the positive intents of these programs and the potential for supporting social benefits, while also noting that allocation to internal employee programs is not common practice within the social bond market.
 - Sustainalytics views the targeted nature of the professional development and upskilling programs in this sub-category positively and expects that such investments will provide veterans and members of the military community facing barriers with the tools needed to successfully reintegrate into society. Sustainalytics notes that these programs are free and therefore accessible to the target population.
 - Salesforce aims to make available free training and skills development support to unemployed and underemployed individuals. This includes increasing access to education, training, mentors, and other professional resources. Sustainalytics views positively the targeted nature of these activities, and considers investments related to such platforms and program to be aligned with market expectation.
- Project Evaluation and Selection:
 - Salesforce has established a committee to oversee the project selection and evaluation process. The committee, comprised of representatives from Salesforce's Treasury, Finance, Sustainability and Legal teams, will prioritize projects with the following characteristics: (i) demonstratable and measurable environmental and social benefit; (ii) alignment with Salesforce values, including its environmental and social impact priorities; and (iii) association with future projects, where possible.
 - Based on the establishment of a cross-departmental committee, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Salesforce's Finance department will track an amount equal to the net proceeds of any green, social, or sustainability bonds, in accordance with its internal recording system. Pending full allocation, the Company may hold proceeds in accordance with its internal investment policy, temporarily investing in cash, cash equivalents, and/or high-quality marketable securities.
 - Sustainalytics considers it market practice to allocate within 24-36 months of an issuance and notes that Salesforce intends to fully allocate as soon as practicable.
 - Based on the presence of internal tracking systems and disclosure on temporary allocation of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:

⁹ 'Minority' and 'Small Businesses' are defined by the country where the business was established.

¹⁰ Examples include Salesforce's Trailblazers program. See more, at: [Trailhead](#)

¹¹ See more, at: <https://veterans.force.com/s/>

- Salesforce is committed to reporting on the allocation and impact of proceeds on an annual basis and until full allocation. Reporting will be made available on its website.
 - Allocation reporting will be conducted either at the project or category level and will include a list of eligible project categories with brief descriptions, expected impact, and the outstanding amount of net proceeds.
 - As part of its impact reporting, the Company will provide a breakdown of the projects by category and will draw on several environmental and social impact metrics, where feasible, such as emissions avoided or reduced, renewable energy capacity sourced and developed, and progress towards underrepresented minorities' leadership targets.
- Based on Salesforce's commitment to allocation and impact reporting on an annual basis, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Salesforce Sustainable Bond Framework aligns with the four core components of the GBP and SBP. For detailed information please refer to Appendix 3: Sustainability Bond / Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of Salesforce

Contribution of Framework to Salesforce's sustainability performance

Sustainalytics is of the opinion that Salesforce demonstrates a strong commitment to sustainability with a focus on creating a sustainable, low-carbon future. The Company has established three overarching sustainability goals as follows: (i) reduce emission sources and scale nature-based solutions aligned to the world's mission to reach net zero emissions by 2050, (ii) reorient economies and financial systems around a net-zero future, and (iii) ensure an equitable transition to a more resilient society.¹²

Salesforce has committed to a 1.5-degree Celsius Science-Based Target.^{13,14} The Company has also committed to reducing absolute Scope 1 + 2 emissions by 50% by 2030 with FY19 as a baseline.¹⁵ In April 2021, Salesforce stated to have a) achieved net-zero operational greenhouse gas emissions,^{16,17} and, b) sourced 75% renewable electricity for all of its global operations, while being on track to achieve 100% renewable electricity by the end of FY22.¹⁸ The renewable energy target was achieved through the purchase of Renewable Energy Certificates as well as through renewable energy delivered from the grid.¹⁹ In FY21, Salesforce reported a 48% reduction of Scope 1 and Scope 2 market-based emissions relative to its FY19 emissions.²⁰ In line with the Company's second sustainability goal, Salesforce's 1.5 degree Science Based Target includes a commitment that suppliers representing 60% of the company's Scope 3 emissions will set Science Based Targets of their own by 2024.²¹

In 2020, Salesforce committed to developing all of its new office interiors to align with LEED Platinum v4 and to pursue International Living Future Institute Zero Carbon Certification by 2030.²² As of FY21, 84% of its global office space have achieved or are in the process of achieving one of these green building certifications.²³

¹² The Salesforce fiscal year ends January 31. Dates included in this section are calendar year unless denoted as fiscal year ("FY").

¹³ Science Based Targets (STBs) are targets adopted by companies to reduce GHG emissions. These targets are in line with the goals of the Paris Agreement, which is to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Read more at: <https://sciencebasedtargets.org/>

¹⁴ Approved by SBTi in 2020.

¹⁵ Salesforce, "Protecting Our Planet: Annual Emissions" (2021), at: <https://stakeholderimpactreport.salesforce.com/pdf/FY21-SIR-Summary-ESG-Metrics-And-Indicators.pdf>

¹⁶ Salesforce, "Salesforce Urges Suppliers to Reduce Carbon Emissions, Adds Climate to Contracts", (2021), at: <https://www.salesforce.com/news/stories/salesforce-urges-suppliers-to-reduce-carbon-emissions-adds-climate-to-contracts/>

¹⁷ Salesforce has confirmed that it measures and reports on both Scope 1 and 2 emissions. See more, at:

https://www.salesforce.com/content/dam/web/en_us/www/documents/reports/sustainability/sustainability-fy21-ghg-ey-ia-report.pdf

¹⁸ Salesforce, "Protecting Our Planet: Annual Emissions" (2021), at: <https://stakeholderimpactreport.salesforce.com/pdf/FY21-SIR-Summary-ESG-Metrics-And-Indicators.pdf>

¹⁹ Salesforce, "Salesforce's Step-Up Commitments", at: https://www.salesforce.com/content/dam/web/en_us/www/documents/white-papers/step-up-commitments.pdf

²⁰ Salesforce, "Protecting Our Planet: Annual Emissions" (2021), at: <https://stakeholderimpactreport.salesforce.com/pdf/FY21-SIR-Summary-ESG-Metrics-And-Indicators.pdf>

²¹ Salesforce, "Salesforce Announces Sustainability Cloud Scope 3 Hub and New Climate Commitments to Create a More Sustainable Future", at: <https://www.salesforce.com/news/stories/salesforce-unveils-sustainability-cloud-scope-3-hub-update/>

²² Salesforce, "Salesforce Step Up Commitments" at: [step-up-commitments.pdf](https://www.salesforce.com/content/dam/web/en_us/www/documents/white-papers/step-up-commitments.pdf) (salesforce.com)

²³ Salesforce, Salesforce Stakeholder Impact Report, at: <https://stakeholderimpactreport.salesforce.com/pdf/FY21-SIR-Summary-ESG-Metrics-And-Indicators.pdf>

Salesforce recognizes that data centers account for a large portion of its carbon footprint, with data centers accounting for approximately 91% of its Scope 1 + 2 carbon emissions in FY21 if using location-based methodology, and 84% using market-based methodology.²⁴ Recognizing this, through its Carbon Neutral Cloud initiative, Salesforce offsets emissions from its operations through the purchase of carbon credits.²⁵ Salesforce has been offsetting remaining emissions from its operations as well as 100% of its cloud related emissions through this initiative since 2017.²⁶ Since 2020, Salesforce has additionally offset business travel and employee commute emissions. Salesforce is also a signatory to a number of initiatives, pledges and programs aligning with its second overarching sustainability goal, including the Corporate Colocation and Cloud Buyers' Principles,²⁷ Powering Past Coal Alliance,²⁸ and the Paris Solution Campaign.²⁹

In line with its third goal of ensuring a more equitable transition to a resilient society, in 2017, Salesforce established the Salesforce Impact Fund³⁰ to provide financing for entrepreneurs and startups that provide climate solutions such as better access to clean energy, improving resource efficiency and increasing supply chain performance. The Company tracks and discloses its global employee gender representation as well as employee race and ethnicity representation, including a target to have 50% of its U.S. workforce to be made up of underrepresented groups by 2023. As of 2021, approximately 47.4% of the US workforce is made up of underrepresented groups.³¹

In addition, Salesforce has demonstrated a commitment to building trust with their stakeholders through the external verification of ESG metrics and goals. In fiscal 2021, the Company obtained a third party review opinion on selected ESG metrics including: greenhouse gas emissions, diversity metrics, and their donated and discounted product metrics.

Sustainalytics is of the opinion that the Salesforce Sustainable Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental and social priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are expected to yield positive environmental and social impact, it is acknowledged that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include emissions, effluents, and waste generated in construction projects, occupational health and safety, risks related to supply chain activities, risks related to inadvertently exacerbating existing inequalities, and risks associated with financing controversial companies. In addition, as Salesforce operates in the software technology sector, it also is susceptible to risks pertaining to data privacy and unethical use of technology.

Sustainalytics is of the opinion that Salesforce is able to manage and/or mitigate potential risks through implementation of the following policies, systems, and practices:

- Salesforce's 'Business Conduct Principles'³² outlines its commitment to conduct and manage its business ethically, transparently, and responsibly by adopting a set of guiding principles, some of which include freedom of association, collective bargaining and workers councils, non-discrimination and respect at work, protection of the environment, doing business fairly and ethically, respecting privacy etc.
- Salesforce has a 'Global Environment Policy' which outlines the Company's commitment towards various environmental targets such as renewable energy in operations, net-zero GHG emissions and minimizing environmental impact in operations such as waste, water, and packaging. The policy also highlights the emphasis it places on the need to ensure that its employees are aware of the environmental impact of the Company and of the relevant policies and initiatives that aim to mitigate

²⁴ Salesforce, "Protecting Our Planet: Annual Emissions" (2021), at: <https://stakeholderimpactreport.salesforce.com/pdf/FY21-SIR-Summary-ESG-Metrics-And-Indicators.pdf>

²⁵ Salesforce, "Salesforce's Journey to Net-Zero Greenhouse Gas Emissions", at: <https://www.salesforce.com/blog/salesforce-net-zero-greenhouse-gas/>

²⁶ *Ibid.*

²⁷ BSR, The Corporate Colocation and Cloud Buyers' Principles, accessed in September 2020, at: <https://www.bsr.org/en/collaboration/groups/corporate-colocation-cloud-buyers-principles>

²⁸ Powering Past Coal Alliance, accessed in September 2020, at: <https://poweringpastcoal.org/>

²⁹ International Living Future Institute, Join the Campaign – Paris Solution, accessed in September 2020, at: <https://living-future.org/pscampaign/>

³⁰ Salesforce, Impact Fund from Salesforce Ventures, at: <https://www.salesforce.com/company/ventures/impact/>

³¹ Salesforce, "Equality", at: <https://www.salesforce.com/company/equality/>

³² Salesforce, Salesforce Business Conduct Principles, (2018), at:

https://www.salesforce.com/content/dam/web/en_us/www/documents/legal/compliance%20documents/salesforce-business-conduct-principles.pdf

risks such as landfill diversion from data centers for waste management and including environmental criteria in the supplier selection process.³³

- Salesforce has a 'Health and Safety Policy' in place for its employees, contractors, and visitors.³⁴ This policy emphasizes the need to ensure that its employees and stakeholders have open communication, proactive identification and management of health and safety risks, and compliance with applicable laws and regulation. Risks are mitigated through implementation of a health and safety management system, health and safety performance targets and programs with improvement objectives for performance monitoring.
- Salesforce's supplier policy documents include the 'Global Supplier Code of Conduct' (the "Code"),³⁵ 'Integrating Sustainability into Salesforce Supply Chain Contracts'³⁶ and 'Sustainability Exhibit'³⁷ which set the Company's expectation for its supplier to conduct business ethically and to reduce emissions across the supply chain. The Code applies to all its suppliers of products or services, including consulting firms, independent contractors, staffing agencies and licensees; laying down expectations and providing guidance to meet shared standards. Some of these include the expectation that its suppliers know and follow all applicable federal, state, provincial, and international laws and regulations, process to report concerns, protection of confidential information, following antitrust and competition laws etc.
- Salesforce is committed to the fundamental protection of human rights, consistent with the Universal Declaration of Human Rights. The Company's commitment to promoting human rights includes the following: (i) privacy – respecting and protecting its users' right to privacy; (ii) anti-corruption – operating ethically and with integrity; (iii) labor standards – treating its employees with integrity, not using forced labor or child labor, or tolerating discrimination; and (iv) protection of the environment.³⁸
- Committed to the ethical use of technology, Salesforce has established the Office of Ethical and Humane Use of Technology which works across product, law, policy, and ethics to develop and implement a strategic framework for the ethical and humane use of technology across Salesforce.³⁹ Salesforce has also formed an Advisory Council comprising of executive employees, academics and industry experts to inform the Office of Ethical and Humane Use of Technology, to understand and advise on the human and societal impacts of modern technologies.⁴⁰ Salesforce's Ethics AI provides guidance to its employees, customers and partners for developing and using AI responsibly, accurately and ethically.⁴¹ Salesforce has enforced policies that extensively describe its commitment to protect data and ensure privacy of information.⁴²

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that Salesforce has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All nine use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on the below where the impact is specifically relevant in the local context.

Contribution of corporate renewable energy procurement to drive low-carbon energy growth

In order to decarbonize the energy sector, investments from both the public and the private sector are necessary. The private sector is increasingly becoming an important driver in accelerating the energy transformation.⁴³ There are several commonly used procurement methods, including power purchase

³³ Salesforce, Global Environmental Policy, (2018), at: https://www.salesforce.com/content/dam/web/en_us/www/assets/pdf/datasheets/sfdc-global-environmental-policy-2018.pdf

³⁴ Salesforce, Health Safety Policy, at: https://www.salesforce.com/content/dam/web/en_us/www/documents/company/salesforce-health-safety-policy.pdf

³⁵ Salesforce, Global Supplier Code of Conduct, (2015), at:

https://www.salesforce.com/content/dam/web/en_us/www/documents/legal/supplier/salesforce-supplier-code-of-conduct.pdf

³⁶ Salesforce, Integrating Sustainability Supply Chain Contracts', (2021), at: [Sustainability Contracting Article \(salesforce.com\)](https://www.salesforce.com/content/dam/web/en_us/www/documents/legal/supplier/salesforce-supplier-code-of-conduct.pdf)

³⁷ Salesforce, Sustainability Exhibit, (2021), at: [Sustainability Exhibit \(5\) \(salesforce.com\)](https://www.salesforce.com/content/dam/web/en_us/www/documents/legal/supplier/salesforce-supplier-code-of-conduct.pdf)

³⁸ Salesforce, Our Commitment to Human Rights, accessed in September 2020, at: <https://www.salesforce.com/company/human-rights/>

³⁹ Salesforce, Ethical and Humane Use, accessed September 2020, at: <https://www.salesforce.com/company/ethical-and-humane-use/>

⁴⁰ *Ibid.*

⁴¹ Salesforce, AI Ethics, accessed in September 2020, at: <https://einstein.ai/ethics>

⁴² Salesforce, Privacy Information, accessed in September 2020, at: <https://www.salesforce.com/ca/company/privacy/>

⁴³ IRENA, Corporate Sourcing of Renewables: Market and Industry Trends, 2018, at: https://irena.org/-/media/Files/IRENA/Agency/Publication/2018/May/IRENA_Corporate_sourcing_2018.pdf

agreements, utility green procurement programs, or green tariffs.⁴⁴ In 2020, global corporates purchased a clean energy record of 23.7 GW, up by 18% from the previous year⁴⁵ and more than 130 companies signed clean energy contracts within sectors ranging from oil and gas to technology. In the US alone, corporate renewable energy projects increased by 45% in 2020, and approximately 220 companies are already procuring renewables or plan to do so.⁴⁶ Growth in corporate renewable energy contracts was estimated to contribute 8 GW of wind and solar power installations in 2020. That same year 1,541 companies committed to net zero targets⁴⁷ and the world contributed a record of \$501.3 billion towards decarbonization.⁴⁸ The increasing demand for corporate renewable energy sourcing is beneficial in driving investments in renewables, and companies with such renewable energy procurement targets present significant opportunities to strengthen corporate commitments to support a low-carbon economy. Therefore, Sustainalytics is of the opinion that Salesforce's target to source renewable electricity will contribute positively towards increasing private sector investments in support of clean energy.

Importance of enabling companies to track greenhouse gas emissions

In order for a company to reduce its carbon footprint, the tracking of GHG emissions is a necessity. It is estimated that over one third of the world's largest 200 companies do not fully disclose their emissions.⁴⁹ One reason for corporates not measuring and reporting their emissions, is the lack of adequate infrastructure to gather data across different parts of business operations. Additionally, the World Bank identifies challenges in GHG emission data gathering, including the costs and resources associated in developing a data management system.⁵⁰ To limit global warming to 1.5 Celsius, GHG emission measuring and reporting is also essential to track progress on a larger scale, beyond individual companies.⁵¹ Additionally, the CDP has reported that through 150 CDP companies requesting environmental data disclosure of 15,637 suppliers, 619 million tons of emissions were reduced, indicating the power of emissions monitoring and disclosure. In this context, the Salesforce Sustainability Cloud⁵² is intended to help address this issue by facilitating companies to track their emissions through energy usage and travel related carbon emissions. Overall, Sustainalytics is of the opinion that the provision of the Salesforce sustainability information platform will enable businesses to manage their environmental impact through GHG emissions monitoring.

The importance of investing in companies that are creating social and environmental impact

In August of 2019, 181 CEOs of America's largest corporations adopted a new 'Statement on the Purpose of a Corporation'⁵³ (the "Statement") declaring that "companies should serve not only their shareholders, but also deliver value to their customers, invest in employees, deal fairly with suppliers and support the communities in which they operate."⁵⁴ Since the release of the Statement, several companies have launched investment strategies to advance social and environmental causes without comprising ongoing business objectives.⁵⁵ A large portion of this activity has been in venture investments, with the goal of steering industries toward a more sustainable future, without compromising on financial return.⁵⁶ As of 2021, corporate impact investors now manage more than USD 7.2 billion in committed capital globally, an amount that has been increasing at a 54% compounded annual growth rate since 2016.⁵⁷ The aftermath of the COVID-19 pandemic has further magnified the role companies can play in raising capital to meaningfully support all stakeholders within society.

⁴⁴ NREL, Corporate Renewable Energy Procurement, (2016) at: <https://www.energy.gov/sites/prod/files/2016/09/f33/Bird.pdf>

⁴⁵ Renewable Energy World, "Global Corporate Clean Energy Purchasing up 18% in 2020", at: [Global corporate clean energy purchasing up 18% in 2020 | Renewable Energy World](#)

⁴⁶ Solar Power World, "Global Corporate Renewable Energy Procurement Jumps 45% in 2020", at: [Corporate renewable energy procurement jumps 45% in 2020 \(solarpowerworldonline.com\)](#)

⁴⁷ UNFCCC, "Commitments to Net Zero Double in Less Than a Year", (2020), at: [Commitments to Net Zero Double in Less Than a Year | UNFCCC](#)

⁴⁸ Bloomberg, "Energy Transition Investment Hit \$500 billion in 2020", (2021), at: [Energy Transition Investment Hit \\$500 Billion in 2020 – For First Time | BloombergNEF \(bnf.com\)](#)

⁴⁹ Arabesque Asset Management, Disclosing GHG Emissions, September 2019, at: Arabesque Asset Management, Disclosing GHG Emissions, September 2019, at: [Disclosing GHG emissions - Arabesque](#)

⁵⁰ World Bank Group, "Greenhouse Gas Data Management" (2016), at: [Greenhouse Gas Data Management \(worldbank.org\)](#)

⁵¹ CDP, "Why disclosure is essential to corporate environmental leadership in 2021 and beyond", (2021), at: [Why disclosure is essential to corporate environmental leadership in 2021 and beyond - CDP](#)

⁵² Salesforce, Salesforce Sustainability Cloud Tool Overview, at: [Carbon Accounting - Measure & Reduce Your Carbon Footprint - Salesforce.com](#)

⁵³ Business Roundtable, "One Year Later: Purpose of a Corporation", at: <https://purpose.businessroundtable.org/>

⁵⁴ Stanford Social Innovation Review, "Corporate Impact Investing Innovation", at:

https://ssir.org/articles/entry/corporate_impact_investing_in_innovation#

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*

In October 2020, Salesforce expanded its 2017 commitment to launch a USD 100 million-dollar Impact Fund, with the specific goal of supporting innovative companies driving social and environmental change through its cloud ecosystem.⁵⁸ Since its launch, the Impact Fund has helped serve 3 million students, one-third of whom are low-income, while supporting 5 million individuals access new financial services.⁵⁹ Overall, by investing in more than 25 companies, the Fund has helped unlock USD 17 billion in grants and donations through its platforms.⁶⁰ From an environmental perspective, the Fund's activities have helped reduced 133,000 metric tons of CO₂.⁶¹ In this context, and while noting that Salesforce will only finance companies defined as "pure-plays", Sustainalytics expects that Salesforce's venture investments will further drive positive social and environmental change through technology.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Salesforce Sustainable Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Technology for Climate Action	9. Industry, Innovation and Infrastructure	9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Pollution Prevention and Control	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
Nature-Based Solutions	15. Life on Land	15.1 By 2020, ensure the conservation and restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with the obligations under international agreements.
Sustainable Water Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
Technology for Social Good	4. Quality Education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

⁵⁸ Salesforce Ventures, "Expanding Our Focus on Impact Investing with a New \$100 M Fund", at: <https://medium.com/salesforce-ventures/salesforce-ventures-100-impact-fund-7de736b5fd41>

⁵⁹ Salesforce Ventures, "Salesforce Ventures Impact Fund", at: <https://www.salesforce.com/company/ventures/impact/>

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

	5. Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere
Commitment to Racial Equality	8. Decent Work and Economic Growth 10. Reduced Inequalities	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
Socioeconomic Advancement and Empowerment	8. Decent Work and Economic Growth 10. Reduced Inequalities	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Conclusion

Salesforce has developed the Salesforce Sustainable Bond Framework under which it may issue sustainability bonds and use the proceeds to finance projects that reduce its environmental footprint and create positive socio-economic impact. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.

The Salesforce Sustainable Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that Salesforce Sustainable Bond Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 4, 5, 6, 7, 8, 9, 10, 11, 12 and 15. Additionally, Sustainalytics is of the opinion that Salesforce has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Salesforce is well-positioned to issue sustainability bonds and that the Salesforce Sustainable Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021) and Social Bond Principles (2021).

Appendices

Appendix 1: Comparison of Green Building Certification Schemes

	LEED ⁶²	ILFI Zero Carbon Certification ⁶³
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	ILFI Zero Carbon Certification is a performance-based, third-party certified standard that was designed to highlight energy efficient existing and new buildings designed and/or operated to fully account for their carbon emissions impacts.
Certification levels	Certified Silver Gold Platinum	Zero Carbon Certification
Areas of Assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Efficiency • Fuel Types • Renewables • Embodied Carbon
Requirements	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Project is assessed based on the actual performance over a twelve-month period, during which time the building must be occupied consistently with its stated use.</p> <p>For energy efficiency, the energy use intensity is assessed for existing or new projects over an equivalent baseline. All (100%) energy use of the project must be offset by on- or off-site project-specific and new renewable energy on a net annual basis. Renewable energy can also be procured through PPAs, community solar, renewable energy investment fund, or other forms approved by ILFI. However, RECs are not an acceptable form of ownership. Additionally, carbon offsets must be certified by Green-e Climate or an equivalent program (subject to approval).</p> <p>Estimated embodied carbon emissions impact of primary materials of the foundation, structure, and enclosure needs to be reduced compared to its equivalent baseline. Total embodied carbon emissions of the project must also not exceed a set threshold. The volume of renewable energy output</p>

⁶² USGBC, LEED: www.usgbc.org/LEED

⁶³ International Living Future Institute, ILFI Zero Carbon Certification: <https://living-future.org/zero-carbon-certification/#certification-process>

		contracted for offset shall be equal to 15 years of energy use the project during its performance period (if the renewables are not directly owned).
Performance display		

Appendix 2: Overview of Gold Standard

Program/Standard	Gold Standard ^{64,65,66,67}
Background	<p>The Gold Standard was established by WWF in 2003 to ensure real and verifiable carbon emission reductions and sequestration that make measurable contribution to sustainable development with strict standards on additionality. Moreover, it requires the participation of internal and external stakeholders, including non-governmental organizations, throughout the lifecycle of the project with approved independent third party and the Gold Standard Secretariat to measure and review carbon emission reductions and sequestration delivered by projects.</p> <p>Gold Standard emission reductions are represented in the unit of one tonne of CO₂. There are two pathways: (i) Gold Standard Verified Emission Reductions (VERs) for voluntary climate action, (ii) Gold Standard Certified Emission Reductions (CERs) for meeting compliance targets.</p> <p>The claimed co-benefits and impact mitigation measures must be monitored. All projects contribute to at least three Sustainable Development Goals (SDGs) and verified by an approved third-party. Additionally, all projects may claim to be 'gender sensitive' and some may also claim to be 'water sensitive'.</p>
Scope (eligible carbon offset projects)	<ul style="list-style-type: none"> ● Renewable Energy, including methane-to-energy ● End-Use Energy Efficiency ● Land Use and Forests ● Waste Handling and Disposal ● Water
Environmental, social and/or other requirements	<p>Projects must demonstrate environmental benefits. Projects with significant negative impacts that cannot be mitigated disqualify. Projects must demonstrate social, economic or technical development benefits. Projects with significant negative impacts that cannot be mitigated disqualify.</p> <p>Relevant stakeholder consultation(s) required with specifically targeted group for initial project planning stage. Gold Standard VER requires a letter to the Designated National Authority (or other relevant authority).</p>
Relationship to the Clean Development Mechanism (CDM)	<p>Gold Standard requirements for large-scale projects are same as CDM. Gold Standard also requires the use of CDM additionality tool for small-scale projects. Verification is conducted by third-party registered under CDM Designated Operational Entities (DOE).</p>

⁶⁴ The Partnership for Market Readiness (PMR) Secretariat, Overview of Carbon Offset Programs:

https://www.thepmr.org/system/files/documents/PMR%20Technical%20Note%206_Offsets_0.pdf

⁶⁵ WWF, Making Sense of the Voluntary Carbon Market: A Comparison of Carbon Offset Standards:

https://www.globalcarbonproject.org/global/pdf/WWF_2008_A%20comparison%20of%20C%20offset%20Standards.pdf

⁶⁶ Gold Standard, Gold Standard Emission Reductions: <https://www.goldstandard.org/articles/gold-standard-emission-reductions>

⁶⁷ Gold Standard, The Gold Standard Principles: <https://www.goldstandard.org/sites/default/files/the-gold-standard-principles-final-270513.pdf>

Appendix 3: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Salesforce
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Salesforce Sustainable Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 29, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Technology for Climate Action, Green Buildings, Renewable Energy, Pollution Prevention and Control, Nature-Based Solutions, Sustainable Water Management, Technology for Social Good, Commitment to Racial Equality, Socioeconomic Advancement and Empowerment – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 4, 5, 6, 7, 8, 9, 10, 11, 12 and 15.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): Technology for Climate Action. |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|---|--|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify): Technology for Social Good; Commitment to Racial Equity. |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Salesforce has established a committee, consisting of representatives from Salesforce’s Treasury, Finance, Legal, and Sustainability teams, to oversee the project evaluation and selection process. The committee is

responsible for final project selection and sign-off and ensuring ongoing alignment with the Framework. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Salesforce intends to track and manage proceeds raised under this Framework using its internal recording system. Unallocated proceeds will be temporarily held in cash, cash equivalents, and/or high-quality marketable securities. Sustainalytics considers this process to be in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Salesforce commits to provide allocation and impact reporting on an annual basis until full allocation or in case of any material changes. The report will include allocations made towards Eligible Projects on a category basis and, where feasible, on a project basis. In addition, Salesforce is committed to reporting on relevant impact metrics. Sustainalytics views Salesforce’s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Several environmental and social metrics as outlined in the Framework. |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
|--|---|

- Information published in ad hoc documents
- Other (please specify): Company's website.
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named
 2015: Best SRI or Green Bond Research or Rating Firm
 2017, 2018, 2019: Most Impressive Second Opinion Provider



The
Green Bond
 Principles



The
Social Bond
 Principles