SUSTAINABLE COMPANY SUSTAINABLE WORLD

Salesforce.com

FY13 & FY14 Sustainability Report

salesforce

Overview

Sustainability at Salesforce.com

Introduction from Marc Benioff

Friends,

In the two years since our inaugural sustainability report, salesforce.com has made significant progress on its commitment to sustainability, and we're pleased to share our progress in the following pages.

Salesforce.com leverages our people and products to reduce our environmental impact. Our multi-tenant cloud platform makes it possible to use a remarkably small number of servers as efficiently as possible. In fact, our core platform is 98% more carbon efficient on average than on-premise software. By moving to the cloud, our customers avoided emitting almost 1,000,000 tons of carbon in fiscal year 2014.

I'm particularly excited about several key milestones outlined in this report, including our commitment to work toward powering 100% of our data center operations with renewable energy. Over the past two years, we have nearly doubled the percentage of our offices that follow green building best practices (LEED).

Thanks to the success of our customers, we have become one of the 10 largest software companies in the world. By the end of fiscal year 2014, salesforce.com delivered an average of 1.5 billion transactions every business day on our core platform, a growth of 52% from the previous year. We delivered this phenomenal growth without increasing our average carbon emissions per transaction, and we are taking steps in our data center site selection and energy sourcing to manage our carbon emissions in the future.

We believe that part of our sustainability commitment is integrating social good into everything we do as a company. Our 1-1-1 model of integrated philanthropy invests 1% of product, 1% of equity, and 1% of time into the Salesforce.com Foundation to improve communities worldwide. Since the company's founding 15 years ago, the Salesforce.com Foundation has given more than $55 million in grants and more than 580,000 hours of service to nonprofit organizations around the world. It is one of the reasons why Ethisphere has named salesforce.com as one of the World's Most Ethical Companies for seven straight years.

Marc Benioff, Chairman & CEO

I would like to extend a sincere thank you to all of our customers and partners for their inspiration and to our more than 13,000 employees for their focus on customer success and improving our sustainability record. Their passion and hard work is why Fortune Magazine has ranked salesforce.com the World's Most Admired Company in its industry and #7 among the Best Companies to Work For, and why Forbes Magazine has named us the World's Most Innovative Company for three years in a row.

As always, there is more to do. We are determined to continue innovating and remain at the forefront of positive change.

Aloha,

Marc Benioff
salesforce.com
Chairman & CEO

About Salesforce.com

Salesforce.com is the world's largest provider of customer relationship management software (CRM).Thanks to our dedicated employees, partners, and the customers we serve, salesforce.com has become one of the world's leading enterprise cloud ecosystems.

Using our latest innovations in mobile, social, and cloud technology, industries and companies can now connect to their customers in a whole new way and sell, service, market, and succeed like never before.

We're currently the fastest growing top 10 software company in the world. Organizations of all sizes, sectors, and industries use our technologies. Our headquarters are located in San Francisco, California, but we have customers and employees worldwide. A complete list of our global office locations and subsidiaries is available at www.salesforce.com/company/locations.

By the Numbers: Salesforce.com Revenue Growth
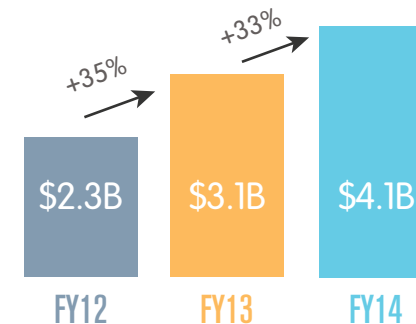
By the Numbers: Key Growth Stats

Fiscal Year	Revenue	Operating Cash Flow	Employees
2012	$2.3B	$592M	7,800
2013	$3.1B	$737M	9,800
2014	$4.1B	$875M	13,300

The salesforce.com fiscal year starts February 1 and ends January 31. Complete salesforce.com corporate financials are available at http://www.salesforce.com/company/investor.

Salesforce.com Sustainability at a Glance

FY14

**13,300+ employees
30+ countries**

At salesforce.com, sustainability =

environmental

social   **economic**

Renewable Energy

FY13	**17%**	
FY14	**19%**	**15%**

■ Clean and renewable electricity purchased from the grid

■ Renewable energy credits (RECS)

34% of our energy in FY14 came from clean and renewable sources

#7

on Fortune's Best Companies to Work For 2014

98%
more efficient

38%

The percentage of our office portfolio built to LEED standards nearly doubled, from 21% in FY13 to 38% in FY14

On the Ethisphere Institute's list of the

World's Most Ethical Companies

for 7 consecutive years

The Salesforce platform is 98% more carbon efficient on average than on-premise software

1999 to January 2014
$55+ million
in Salesforce.com Foundation grants

1999 to January 2014
580,000+
hours of volunteer service

FY14

20,000+
nonprofits and higher education organizations used Salesforce to power their efforts

Protecting Our Planet
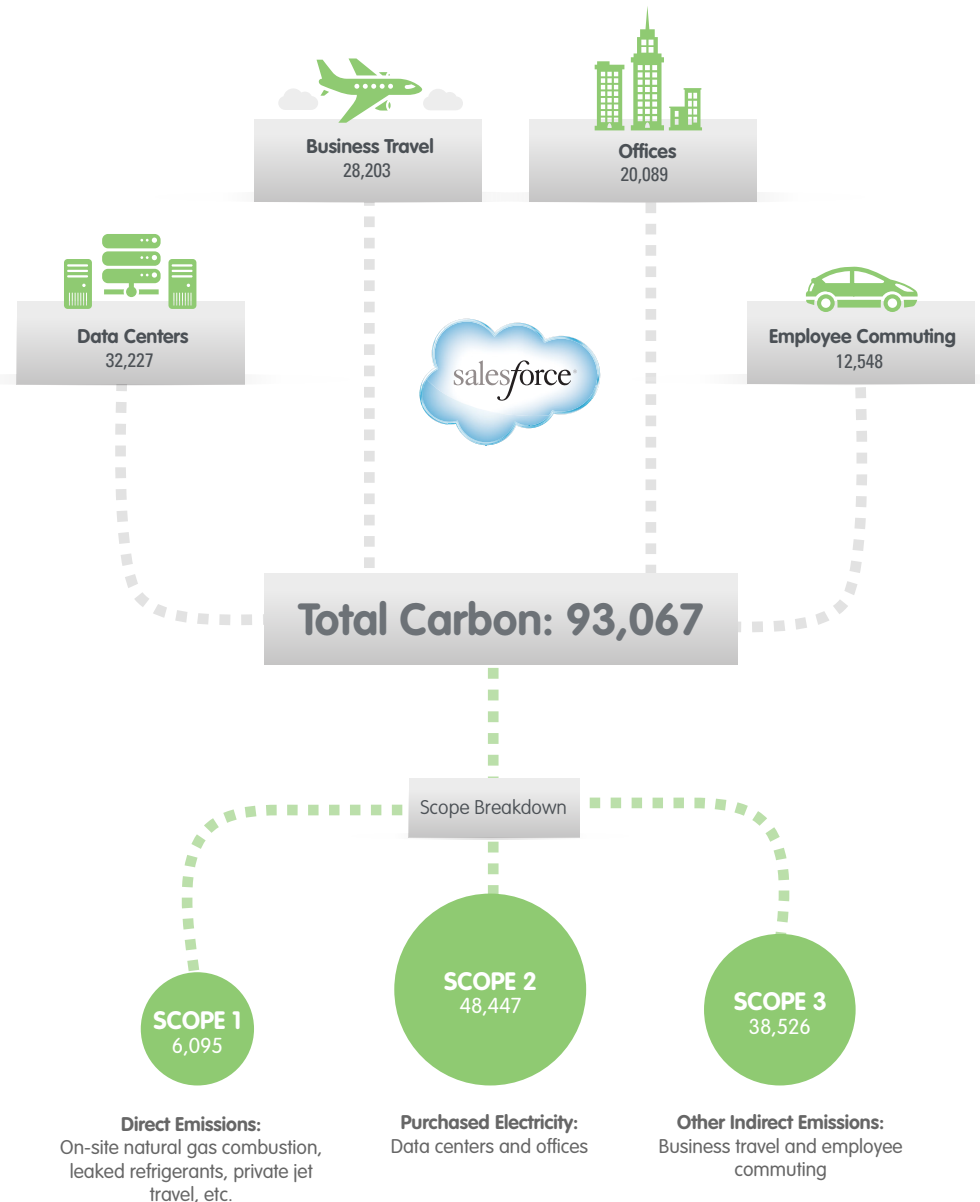
Sustainability Vision

Salesforce.com leverages the power of our people and our products to reduce the impact that we and our customers have on the planet. Concern about climate change drives our commitment to long-term sustainability initiatives. From how we deliver our products to our focus on renewable energy, we incorporate sustainability into all aspects of our business.

Our Carbon Footprint

Transparency is important to us at salesforce.com. That's why we disclose our carbon emissions each year to the Carbon Disclosure Project (CDP). Tracking our global environmental performance helps us craft effective programs to reduce our emissions.

In fiscal year 2014 (FY14), our business grew significantly, as we helped more customers connect with their customers and welcomed ExactTarget, our largest acquisition to date, to the salesforce.com family. And our customers have been busier than ever. Our platform now supports an average of 1.5 billion transactions every business day. Each transaction represents an action taken by a user, such as an edit to a contact record. It takes energy to process each of those transactions, which shows up in our total carbon emissions.

By the Numbers: FY14 Carbon Footprint (In Metric Tons CO_2e)

Business Travel 28,203

Offices 20,089

Data Centers 32,227

salesforce

Employee Commuting 12,548

Total Carbon: 93,067

Scope Breakdown

SCOPE 1 6,095

SCOPE 2 48,447

SCOPE 3 38,526

Direct Emissions:
On-site natural gas combustion, leaked refrigerants, private jet travel, etc.

Purchased Electricity:
Data centers and offices

Other Indirect Emissions:
Business travel and employee commuting

Minimizing our energy use and carbon during periods of rapid growth is a challenge. As our revenue grew by more than 30%, our carbon footprint also grew, mainly in two of our most business-critical areas. This growth in data centers and business travel is reflected in our latest carbon footprint. Data center expansion in locations that have a more coal-intensive energy mix impacted carbon emissions as well. We are taking steps in our data center site selection and with our energy sourcing to help manage these carbon emissions in the future. Recognizing the additional carbon emissions from travel to Dreamforce, our signature conference, we purchased carbon offsets for employee travel associated with the 2013 conference.

For more details on reporting scope and methodology, see report details >

By the Numbers: FY12-FY14 Carbon Footprint (In Metric Tons CO_2e)

Type of Emission (Scope)	FY12	FY13	FY14
Data Center Energy (Scope 1 & 2)	13,909	19,058	32,227
Business Travel (Scope 1 & 3)	15,188	21,492	28,203
Offices (Scope 1 & 2)	11,961	17,261	20,089
Employee Commuting (Scope 3)	9,335	10,572	12,548
Total	50,393	68,383	93,067
Direct Emissions (Scope 1) On-site natural gas combustion, leaked refrigerants, private jet travel, etc.	3,280	3,858	6,095
Purchased Electricity (Scope 2) Data centers and offices	23,573	33,338	48,447
Other Indirect Emissions (Scope 3) Business travel and employee commuting	23,540	31,187	38,526

Note: Baseline footprint has been adjusted to include ExactTarget, except for FY12 scope 3.

The Benefits of Our Cloud

Not all clouds are created equal. Salesforce.com is recognized for the environmental efficiencies our cloud model delivers. Our multi-tenant architecture lets more than 100,000 organizations share a single infrastructure stack, providing substantial energy and carbon efficiency savings over other types of IT deployments. Our core platform is 98% more carbon efficient on average than on-premise software. We are always working to make our platform more efficient.

With Salesforce, our customers avoided emitting almost a million tons of carbon in FY14.

In FY14, we processed 52% more transactions on the Salesforce platform than in the previous year. Despite this, we've kept the average amount of carbon (CO_2e) produced per transaction steady at 0.07 grams in FY13 and FY14. Our ability to maintain our carbon per transaction metric demonstrates our ongoing commitment to an energy-efficient architecture.

Calculations are based on a model developed by WSP Environment & Energy for a **March 2011 research study** commissioned by salesforce.com—and updated annually.

By the Numbers: Carbon Per Transaction

A transaction is defined as the transmission of a single piece of data online, such as an edit to a contact record.

Grams CO_2e/Transaction

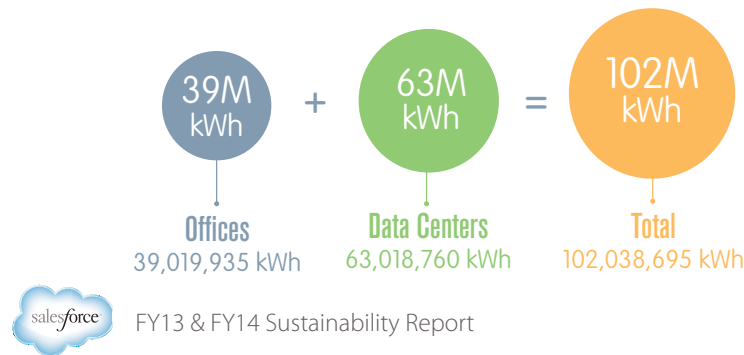|		
0.15		
0.10		
.08	.07	.07
0.05		
0.00		
FY12	FY13	FY14
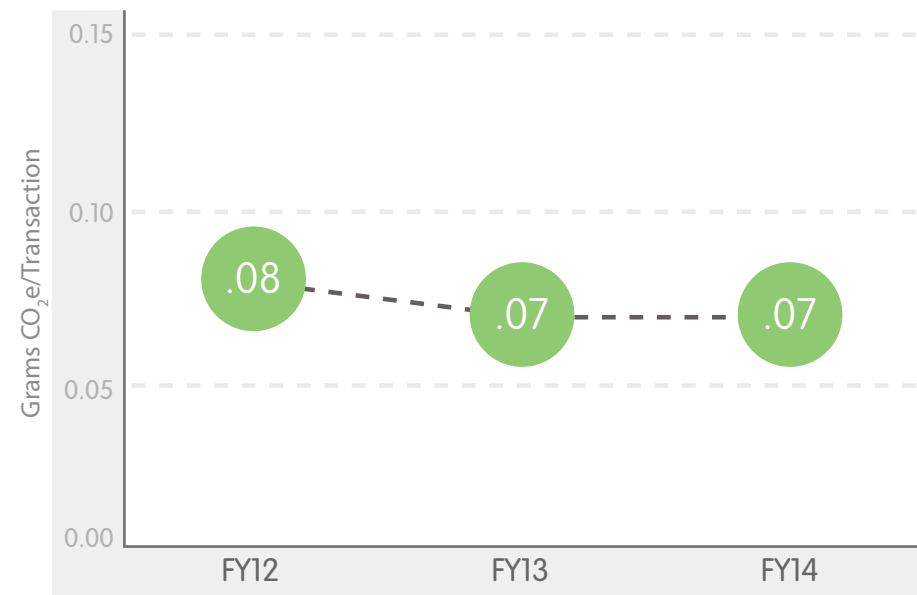
Striving for Operational Excellence

Managing our global environmental impacts is central to what we do. That's why we're embedding environmental management strategies and goals into our business practices. Our company-wide Environmental Policy helps us manage our overall environmental performance, along with a number of specific initiatives.
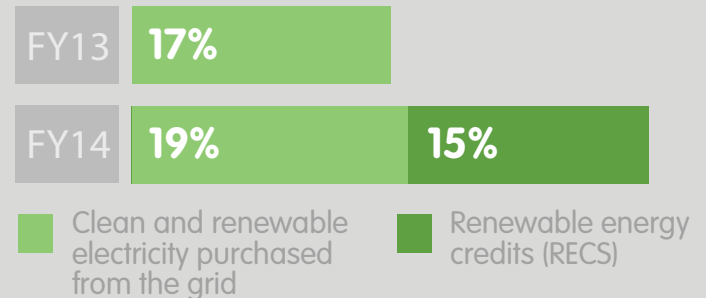
Energy

The energy we use in our offices and data centers is a significant part of our environmental impact. While our multi-tenant platform is highly energy efficient, the type of energy powering our servers affects our carbon footprint. We want our cloud to be powered by clean sources of energy. That's why we have committed to steadily increase the amount of renewable energy we use in our data center operations, striving to reach 100%. In FY14, 19% of the energy we used from the grid was from clean and renewable sources.

In addition to the renewable energy we use from the grid, in FY14 we purchased 15 million kilowatt hours of renewable energy credits (RECs), which offset approximately 15% of our global energy use. We will continue to increase the amount of renewable energy we use over time.
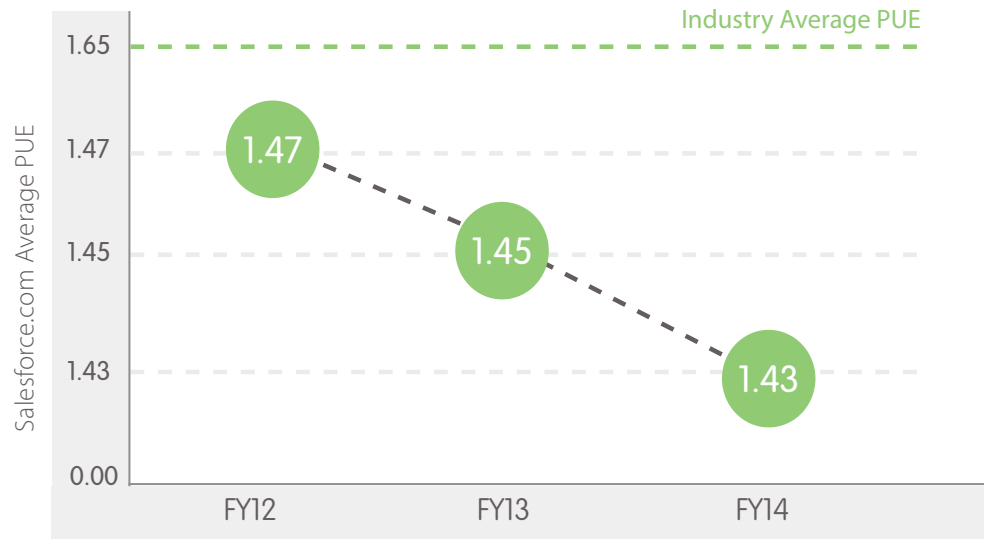
Renewable Energy

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By the Numbers: FY14 Energy by Type

39M kWh + **63M kWh** = **102M kWh**

Offices	Data Centers	Total
39,019,935 kWh	63,018,760 kWh	102,038,695 kWh

By the Numbers: FY14 Grid Energy Mix

34% Coal
24% Natural gas
22% Nuclear
19% Clean & renewable
1% Other

◀ *In FY14, 19% of the energy we used from the grid was from clean and renewable sources.*
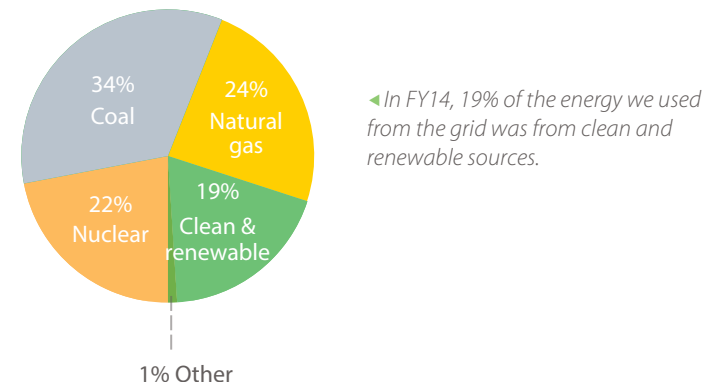
Data Center Energy

We're focused on making our data centers as efficient as possible, and powering them with renewable energy.

Industry Average PUE

Salesforce.com Average PUE

1.65

1.47 — **1.47**

1.45 — **1.45**

1.43 — **1.43**

0.00

FY12   FY13   FY14

Source for Industry Average PUE: Uptime Institute 2013 Data Center Industry Survey

The power usage effectiveness (PUE) of our data centers has declined over time, which means we are operating efficiently. We've also adopted a data center site selection process that integrates sustainability as a priority. For example, our UK Data Center, coming online in FY15, will be powered 100% by renewable energy.

PUE is a metric used by the tech industry to track data center energy efficiency. A PUE of 2.0 means that for each watt of computing equipment power used another watt of power is required for cooling and other supporting infrastructure. A PUE approaching 1.0 is preferred and means that nearly all energy is used to power computing equipment.

Disposing Responsibly

We resell or responsibly recycle 100% of our electronic equipment, using vendors that are certified by social and environmental management standards like R2, e-Stewards®, and ISO. This keeps hazardous e-waste out of landfills around the world.

Creating Inspiring Workplaces

We are on a journey to make our offices the greenest, healthiest, and most inspiring spaces for our employees.Given our ongoing growth in the number of our employees and offices worldwide, this is an important part of our environmental strategy.

Greener Office Buildings

In 2012, we became the first software company to commit to U.S. Green Building Council's LEED Volume Program, committing to meet LEED green building standards for all large build-outs to come. We're excited that the percentage of our office portfolio built to these standards nearly doubled, from 21% in FY13 to 38% in FY14. Our commitment to LEED has had clear environmental benefits: Our office-related carbon emissions per square foot dropped over those same two years.

U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system is the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings. LEED spaces are rated on criteria like sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

We're also excited about our growing commitment to the San Francisco Bay Area. Our new 61-story Salesforce Tower will draw power from one of the cleanest energy grids in the country. Employees in San Francisco are also able to take advantage of the Bay Area's extensive public transportation network.

Building Health

We know the built environment profoundly affects the well-being of employees and communities. In 2013, as part of the Building Health Challenge, we joined a multi-sector coalition of companies exploring the health and environmental effects of our building materials. As we design new workspaces, we'll apply what we've learned to our sourcing decisions. We also plan to expand our current green cleaning practices more broadly across our facilities. We're pleased to be collaborating with our peers to bring more transparency—and healthy choices—to the building industry.

By the Numbers: Greener Offices

38%

◀ *The percentage of our office portfolio built to LEED standards nearly doubled, from 21% in FY13 to 38% in FY14.*

-9%

◀ *Our carbon per square foot of office space decreased by 9%, from .0093 metric tons CO2e in FY13 to .0085 metric tons CO2e in FY14.*

Involving Passionate Employees

Earthforce is a group of volunteer employee champions dedicated to promoting and celebrating environmental responsibility at salesforce.com. Since our last report, we've expanded earthforce so it now has a presence in our largest offices around the world.

Earthforce members raise awareness of key issues like energy conservation and efficiency, recycling and composting, responsible purchasing, low-carbon commuting, and many others. They identify and support the implementation of solutions that help salesforce.com operate in a more environmentally sustainable way. By leveraging the power of our employees, both in the office and at home, we're creating a greener world for all.

Encouraging Sustainable Behavior with Social Gaming

We reinforce the green habits of our employees by awarding social badges that show up on their Chatter profiles. Employees can earn a "Green Hero" badge by participating in a variety of sustainability activities, such as conserving energy. This kind of recognition reinforces how important our sustainability activities are to the culture of our workplace. One by one, we're building a team of employees who feel valued for their contributions.

"After I joined earthforce Hillsboro, I led an initiative to adopt a local park. We've committed to volunteer to maintain the park. In just a few weeks, I went from simply wanting to learn more about recycling, composting, and energy conservation in my own home to making a notable contribution to the well-being of my community!"

— Lynnise Searcy, Technical Support Analyst, salesforce.com

▲ *Employees can earn a "Green Hero" badge by participating in a variety of sustainability activities, such as conserving energy.*

Operating with Integrity
& Maintaining Trust

Integrity

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
- Child Labor
- Wages and Benefits Working Hours
- Nondiscrimination

- Respect and Dignity
- Freedom of Association
- Protection of the Environment
- Health and Safety

- Ethical Dealings
- Laws, Regulations, and Other Legal Requirements
- Anti-corruption

Read more at www.salesforce.com/company/investor/governance.jsp >

Corporate Governance

We don't take for granted that people invest their money in our company. To protect shareholders' interests, we're 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. 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 to which all employees, officers, and directors must adhere.
- The charters of our board committees clearly establish their respective roles and responsibilities.
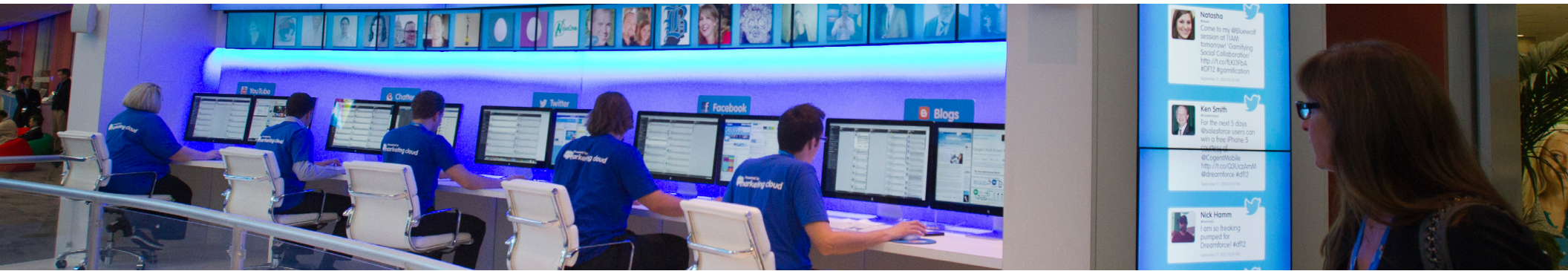
Trust

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.

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.

Read more at www.trust.salesforce.com >

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 apps, 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
- Security awareness

"Salesforce.com employees willingly take responsibility for ensuring trust and thinking like chief security officers."

— Brian Naylor, Content and Delivery Analyst, salesforce.com
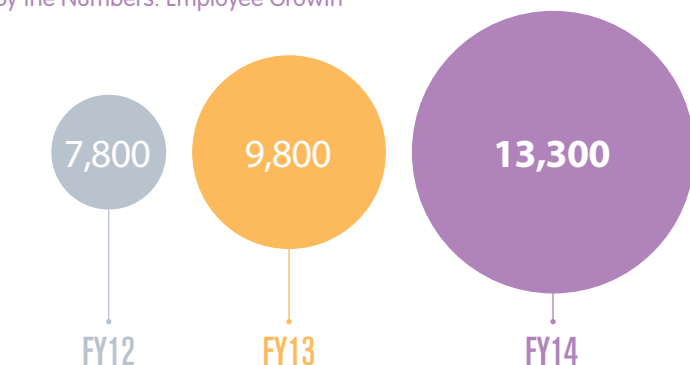
Fostering Employee Success

Creating #Dreamjobs

A job at salesforce.com is not just a job … it's a #dreamjob. A #dreamjob starts with passionate people who do work that matters, win as a team, and celebrate success together. It ends knowing that together, we are the force innovating the future of business for customers. Salesforce.com is a team sport, and our collaborative spirit and fast-paced environment allow us to do the best work of our careers here.

Every year, there are more and more of us living our #dreamjobs as salesforce.com continues its rapid growth. In 2013, our global workforce grew to more than 13,300 thanks to new global offices, expanding teams, and the acquisition of ExactTarget. But no matter how big we grow, we make sure to stay true to who we are, and keep our Aloha spirit—an emphasis on being caring, welcoming, and compassionate, with a sense of family and fun—front and center.

By the Numbers: Employee Growth

7,800   9,800   13,300
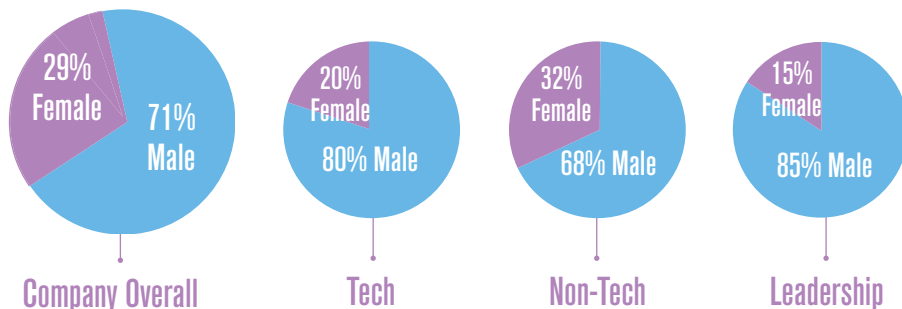
FY12   FY13   FY14

Supporting Diversity and Inclusion

Our company was built around the values of trust, transparency, caring, and inclusion, and it is very important to us that our workplace includes a wide range of mindsets, cultures, backgrounds, and experiences.

We believe that hiring and supporting a diverse employee community is part of our competitive advantage—it brings in new perspectives and allows us to learn from one another and move forward, both as individuals and as a company. We're proud that in early 2014, Human Rights Campaign announced that we received a perfect score—100%—on its Corporate Equality Index, a 20-point improvement over 2013.
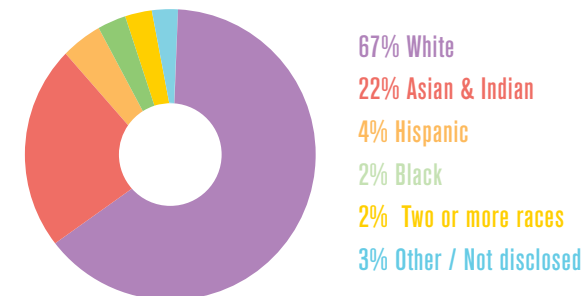
Read more at www.salesforce.com/company/careers >

▲ *At Salesforce.com Pride Is a Team Sport*

By the Numbers: U.S. Employees by Ethnicity as of June 2014

67% White
22% Asian & Indian
4% Hispanic
2% Black
2% Two or more races
3% Other / Not disclosed

By The Numbers: Employees by Gender as of June 2014

Company Overall	Tech	Non-Tech	Leadership
29% Female / 71% Male	20% Female / 80% Male	32% Female / 68% Male	15% Female / 85% Male

Keeping Our Employees Happy in Their #Dreamjobs

We're here to help our employees unlock their full potential and develop their careers ... and to have fun while doing it! And that all starts with benefits that give people the space and support to be their best in every part of life:

- Financially: Employee Stock Purchase Plan and 401(k) matching program.
- Socially: Six paid days off every year to volunteer and an employee matching gift program.
- Personally: $100/month wellness allowance, paid holidays, and time off.
- Family: Meal allowance for new moms and dads, parental/family care plan, child- and elder-care centers.
- Professionally: Education reimbursement and access to internal training resources.

Learning from and supporting each other is part of every #dreamjob. That's the thinking behind our grassroots Employee Resource Groups (ERGs). These groups are founded by employees, for employees, and they encourage camaraderie and provide support to enhance professional and personal development. Current ERGs include FemmeForce (our women's network), OutForce (LGBTA), VetForce (our veteran's group), BoldForce (employees of African descent), LatinoForce (our Latino employee network), and more. Employees are also encouraged to create their own affiliate communities, so new ERGs pop up all the time.

Note: International financial and family benefits vary country to country.

▲ *FemmeForce: The Power of Women Video*

One of our largest resource groups is FemmeForce, a powerhouse global community of more than 1,700 members that make up the Salesforce Women's Network. FemmeForce is developing future leaders and enabling women to build meaningful professional connections through Lean In Circles. These small, cross-functional groups meet monthly to share, learn from each other, and discuss hot topics facing women in the workplace. FemmeForce members also participate in mentoring, job shadowing, fundraising, and attend spirited speaking engagements and networking events for women's causes. With a new Woman of the Month blog series, a new quarterly newsletter, and global events in conjunction with our Salesforce1 tour, FemmeForce is definitely a force to be reckoned with.

Employees Talk, We Listen

Our employees are smart, talented, and innovative, and we love hearing what they think about how to make salesforce.com an even better place to work. That's why we give our people plenty of opportunities to be heard at meetings large and small, on Chatter, in blogs, and through employee surveys.

Here are a few ways we listen to our employees:

- Employee Survey: Lets us know what employees think about everything from what it's like to work here and how they like their physical work space to whether they feel treated fairly and recognized for their efforts.

- Rewards Survey: Gives employees the opportunity to weigh in on our benefits and compensation programs.

- Commute & Sustainability Survey: Collects input on our efforts to reduce our carbon footprint, from our Bike-to-Work program to our pre-tax commuter benefit.

- Chatter Polls: Our executive team conducts quick, open polls on their Chatter profiles to get a pulse on hot topics within the company.

- Airing of Grievances Chatter Group: Provides employees with an open forum to air their grievances about anything and everything within the company. It serves as an organic help desk: Many teams monitor the group and use employee feedback to make changes to programs.

And the Award Goes to ...

Creating an awesome workplace is a huge priority for us, so it's a real honor to be recognized in this area.

For the last six years, we've been placed on Fortune Magazine's list of Best Companies to Work For—in fact, in 2014 we made it into the Top 10, coming in at #7! We were also named Fortune's Most Admired Company in Software for two years in a row, the World's Most Innovative Company by Forbes three years in a row, and the 5th Smartest Company in the World by the MIT Technology Review.

One of FORTUNE's **100 BEST** Companies to Work For® 2014 — 6 YEARS IN A ROW

By the Numbers: Proud to Work at Salesforce.com

96%

◀ *96% of employees are proud to tell others they work at salesforce.com (2014 Great Place to Work® Trust Index Survey)*
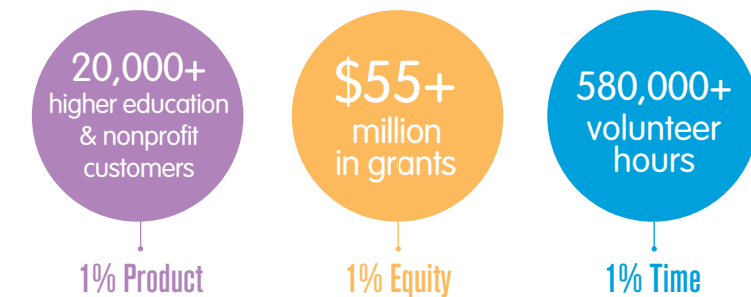
1% to Change the World
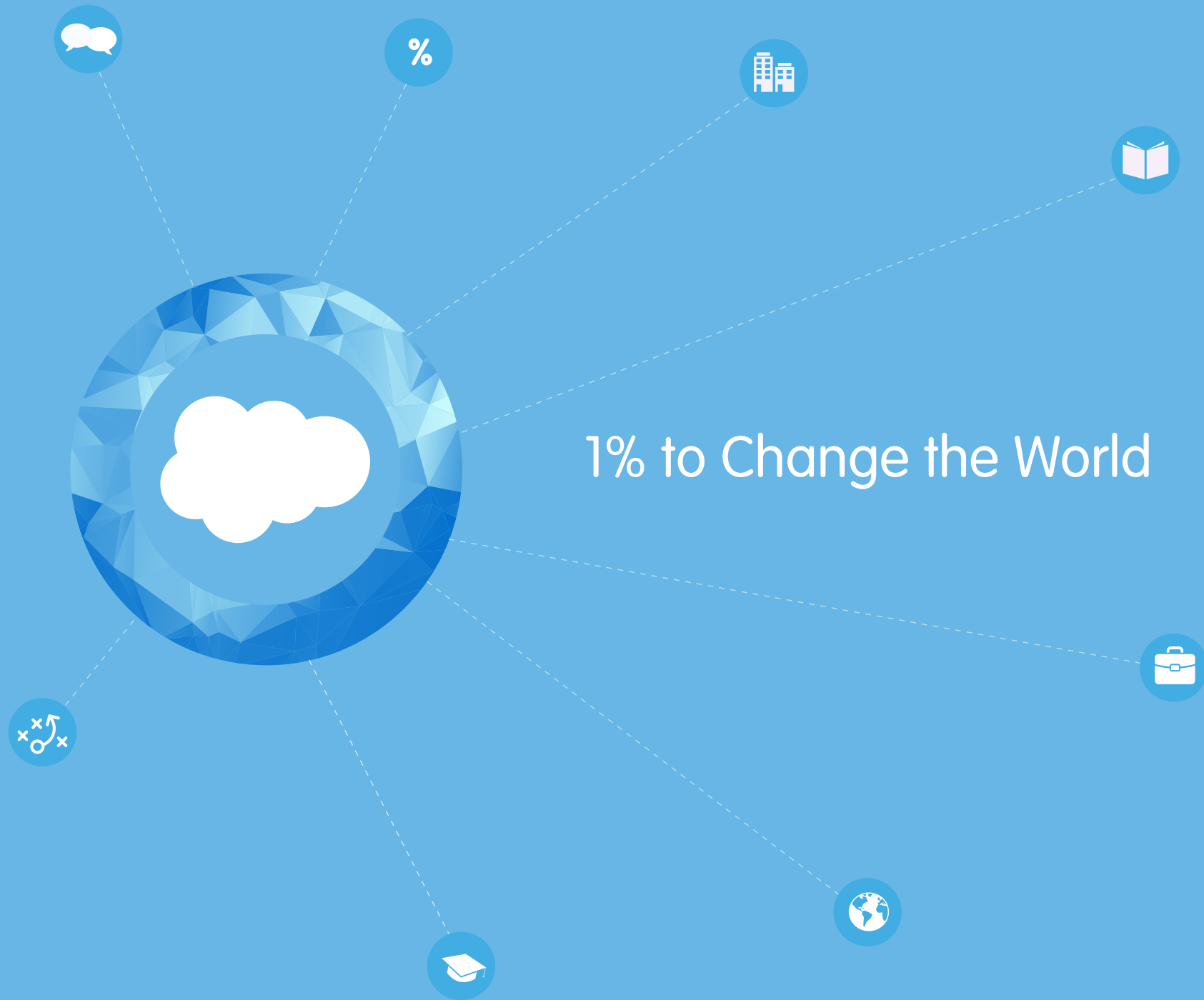
Our 1-1-1 Model

Big numbers and big data are part of our daily life at salesforce.com, but it's the little numbers that mean the most to us: 1-1-1. That's shorthand for our integrated approach to philanthropy. We give 1% of our product, 1% of our equity, and 1% of our time to accelerate social change.

1-1-1 has been part of our business model since day one. (There's that number again!)

By the Numbers: Giving Back as of January 2014

20,000+
higher education
& nonprofit
customers

$55+
million
in grants

580,000+
volunteer
hours

1% Product   1% Equity   1% Time

The Salesforce.com Foundation operates on one simple idea: Leverage salesforce.com's technology, resources, and people to help improve communities around the world. Big picture, here's how that happens:

- We donate and discount our technology for nonprofit organizations and higher education institutions. We're proud that at the end of FY14, more than 20,000 nonprofit and higher education organizations were using Salesforce to help make the world a better place.

- We invest in establishing pathways for 21st century jobs and other community development initiatives and match our employees' enthusiasm for giving, dollar-for-dollar, up to $5,000 a year. From 1999 to the end of FY14, we awarded more than $55 million in grants.

- When you do the math, 1% of a normal workday is just five minutes. But over the course of the year, that 1% of time adds up to six paid days for each employee to dedicate to volunteer work. Between 1999 and the end of FY14, employees gave more than 580,000 hours of service.

"Our vision is to be the world's best and most innovative corporate foundation, unleashing powerful technology, bright minds, compassionate hearts, and strategic investments to accelerate the success of people who are changing the world."

— Suzanne DiBianca, President, Salesforce.com Foundation

1-1-1 in Action: Helping Year Up Close the Opportunity Gap

For the nonprofit Year Up, Salesforce is "the nervous system that's helping us close the opportunity gap," according to its Chief Information Officer Jim Thie. In 2012, Year Up trained 1,500 low-income young adults for careers in finance or technology using a combination of classroom training, college credits, technology certifications, and corporate internships.

Year Up's focus on preparing youth for careers in technology is a perfect match for salesforce.com's business, and a donation of products and services was part of our involvement in 2008, when Year Up arrived in the Bay Area. Today, as Year Up scales toward its goal of serving 1 million students, our products are supporting its efforts. Year Up uses our Sales Cloud to track students' success from initial applications to post-graduate employment information. It uses other products to analyze data and support decision-making. And, with affiliates in 10 cities across the U.S., Salesforce Chatter is how Year Up stays connected with its students, staff, and internship partners.

The Salesforce.com Foundation supports Year Up financially as well. Since our founding partner commitment in 2008, we have provided Year Up with more than $2.5 million in financial support. We also have placed 90 Year Up interns at salesforce.com positions ranging from project management and quality assurance to sales and desktop support. The interns first take part in an intensive five-month training course to learn about key business areas, and then are placed in six-month internships where they hone their skills. Each intern is assigned a mentor to help them develop the skills needed to make it in today's workforce. These mentors have dedicated more than 750 hours supporting Year Up.

▲ *Year Up and Salesforce.com Help Low Income Students Succeed*
This video tells the story of one of the 90 Year Up interns that have worked at salesforce.com since 2008.

By the Numbers: 1-1-1 in Action

◄ *Product: Year Up uses our Sales Cloud to track students' success from initial applications to post-graduate employment information.*

$2.5⁺ million

◄ *Equity: Salesforce.com has given Year Up more than $2.5 million in grants.*

750⁺

◄ *Time: Salesforce.com employees have dedicated more than 750 hours to Year Up as mentors.*

1% of Product: Leveling the Playing Field in the Cloud

Cost and complexity prevent too many nonprofits, colleges, and universities from taking advantage of the latest technology. The Salesforce.com Foundation has a solution for that problem: Our Power of Us program provides 10 free licenses for our technology and steep discounts on everything else. At the end of FY14, more than 20,000 nonprofits and institutions of higher education were transforming themselves with Salesforce technology, and more join us every day.

The Power of Us isn't just about dollars and cents, bits and bytes. It's about building community and creating an opportunity for nonprofits and universities to connect, collaborate, and discover ways to accelerate their mission. They've formed their own Chatter communities and they were more than 3,000 strong at the 2013 Dreamforce, making it the largest nonprofit technology conference.

The Grameen Foundation Uses Salesforce to Fight Global Poverty

When you're working in some of the most remote corners of the world, staying connected is both essential and challenging. That's why the Grameen Foundation uses Salesforce technology in its efforts to break the cycle of poverty.

The Grameen Foundation leveraged the Force.com platform's flexible development tools and real-time analytics to develop its own set of Android-based mobile data collection and poverty outreach apps called TaroWorks. This gives Grameen's customers the ability to collect and analyze data from their field officers and their beneficiaries via mobile devices—regardless of whether they are connected or offline. This data helps organizations make sure their marketing, services, and products are effectively designed to address the needs of the poor.

VisionSpring was an early user of TaroWorks; its COO Peter Eliassen said, "Now that we can so easily collect customer demographic info, we can shift our focus to more robust data analysis, including marketing experiments to target certain segments and new processes to improve sales, customer satisfaction, and thus our overall impact."

▲ *Grameen Foundation Goes Mobile in the Fight Against Poverty*

Grameen also uses Salesforce products to coordinate its own staff and volunteers, relationship management, fundraising, project and performance management, and to track sales and earned revenue. "Salesforce gives us a platform to capture and analyze data, which leads to better decisions," said Grameen Foundation CFO Joshua Tripp.

Education Is Social at Terry College of Business

Dr. David Sutherland, MBA lecturer at the University of Georgia's Terry College of Business, was looking for a better way to engage students. Since students in the Pro MBA program have full-time day jobs, Sutherland wanted to be able to facilitate learning between sessions.

Using Salesforce Chatter, Dr. Sutherland distributed assignments to students, who formed teams and were able to collaborate with each other to complete the assignment. Students were able to browse other teams' Chatter groups to come up with new ideas and build more robust solutions. Chatter reduced the dependence on email and became an important component for grading classroom participation.

The outcome? A 54% increase in learning objectives achieved by students. And 88% of students said Chatter was a significant contributor to their learning in the course.

Chatter created the platform for open innovation and served as an educational delivery form that was easily adopted by students. There was no training needed. And Chatter was flexible enough to adapt to different learning styles.

"As universities go more into online education, it needs to be more social. They need to form communities. Education is social. When you recognize this, the learning outcomes are higher," said Dr. Sutherland.

1% of Equity: Paying It Forward

We combine 1% of founding equity with revenue generated from our nonprofit and university sales to power our giving and investments.

In FY14, the Foundation made nearly $13.9 million in grants. There's no shortage of worthy causes in the world, but we think it's smart to align our philanthropy to our business priorities and what we do well. That means we focus on creating a pathway to 21st century jobs and other community development initiatives in the places where our employees live and work.

By the Numbers: FY14 Foundation Grants

$13.9 million

◀ *The Foundation made nearly $13.9 million in grants, including $3 million in matched employee gifts in FY14.*

But the cloud is everywhere, so we also support global efforts to bring the power and freedom of technology to emerging regions of the world.

Here's how we do it:

- Education and Workforce Development Programs: Supporting programs that align with our technology and on-the-job training, such as BizAcademy, Year Up, Genesys Works, and Vets2Work programs that support youth and returning veterans.

- Force for Change Grants: Rewarding innovators and risk-takers by funding technology solutions that promote social change and collaboration.

- Employee-Inspired Giving: Matching employees' gifts to nonprofit organizations dollar-for-dollar up to $5,000 annually.

- Healthy Communities: Promoting programs that support the development of healthy communities, particularly where our employees live and work.

Taking Tech to School

Like the often-awkward tweens who roam their halls, middle schools sometimes feel left out of the philanthropic loop. Yet, the middle grades—the bridge between childhood and adolescence—are when engagement too often declines. During this period, students must bridge the basics of elementary grades to the advanced work at the high school level. Salesforce.com Foundation's partnership with the San Francisco Unified School District (SFUSD) has a clear goal: to transform educational outcomes for middle grade students.

The Salesforce.com Foundation/SFUSD partnership seeks to prepare these students for a future where technology will be pervasive. Its initiatives are creating a robust technology component at the middle school level to support the implementation of a broader STEM pathway aligned with the new Common Core Standards and next-generation science standards.

The Salesforce.com Foundation has already invested $2.7 million in the partnership. Of that, $1.5 million was spent on technology, infrastructure, professional development, and partnerships. For example, 20 schools now have iPads loaded with a suite of educational apps and WiFi access. An analytics reporting system built on the Salesforce1 Platform tracks the program's progress and success in real time.

The remaining $1.2 million was earmarked for Principals Innovation Funds, $100,000 for each of the city's 12 comprehensive middle schools. Principals have had the discretion and dollars to craft programs uniquely tailored to meet the needs of their schools, like hiring a librarian, investing in robotics, and providing more teacher coaching.

Local salesforce.com employees are contributing their 1% as well. Many helped prepare classrooms for the arrival of all this technology. They've taught Code.org in the Cloud after-school classes and have taken groups of kids—and their iPads—to the zoo for ZooForce Day.

1% of Time: Embracing #DreamVolunteering

People who work at salesforce.com have found their #dreamjobs, so it's no wonder they have a passion for helping others bring their dreams closer to reality.

The Salesforce.com Foundation gives employees lots of ways to donate their sweat, smarts, ingenuity, creativity, laughter, and love to worthwhile organizations in 40 countries. They can be "lone rangers" volunteering on their own, be a member of a "well-oiled machine," or part of a "pit crew" at large events.

Salesforce.om Celebrates Volunteering

Organizing support for the Vets2Work campaign is part of Senior Manager Alexa Eversole's #dreamjob—and she does it well: Of the 31 vets trained in the program so far, 21 have been certified as salesforce.com administrators or developers, and 17 have found jobs. But it was a trip to Kilimanjaro, Tanzania to work in an orphanage sponsored by Make a Difference Now that was

the real game-changer for Alexa. "I was amazed at how the children blossomed when you gave them just a little bit of attention," she said.

Make a Difference Now empowers children living in orphanages and street shelters to unleash their full potential by guiding their education and life choices. Alexa and her team of eight salesforce.com colleagues helped build a library and spent lots of time with the kids. She got to know 15-year-old Upendo so well, that Alexa became her sponsor.

This year, Alexa is off to a fundraising trek at Machu Picchu, where she hopes to raise $1,500, the cost of one year's schooling in Tanzania.

"Volunteering isn't just an available option at salesforce.com, it's encouraged and celebrated. It makes me proud and excited to work here," she added.

▲ *The AHOY Centre Changes Lives*

A Volunteer on Land and Sea

There's nothing like eight hours rowing 23 miles across the English Channel, one of the world's busiest shipping lanes, to take your mind off of work. That's what attracts Tim Clarke, senior account executive in salesforce.com's London office, to the "massive volunteer opportunities" at salesforce.com. Tim's volunteer hours are massive too: 175 to date, for organizations as diverse as London Youth, the Leadership Learning Center, and Make a Difference Now, in England, the U.S., and Tanzania.

The English Channel row was the first stage in the salesforce.com UK 70-Mile Rowing Challenge. The second stage of the Challenge is a grueling row from Staines, southwest of London, 47 miles through the locks and tidal flats of the Thames River, into London itself.

"Our three teams were sponsored by salesforce.com partners, which was a terrific opportunity for us all to share our 1-1-1 philosophy and relate to each other as people," Tim said. "We also got salesforce.com employees engaged with a 'row-off' that pitted senior executives against each other on rowing machines. People enjoyed having a flutter on who would go the farthest."

All of this effort is in support of the AHOY Centre, a charity that changes lives through sailing and rowing, by using water-based activities to break down social barriers, develop life skills, and nurture self-confidence and pride.

"It's so easy to get caught up in the numbers, especially when you work in sales. Rather than interfering with my job performance, volunteering energizes me. I often find myself talking with customers about my latest project, and sometimes igniting their passion as well. Volunteering is all about connecting. I think it's the best perk of my job."

— Tim Clarke, Senior Account Executive, salesforce.com

Sharing the Model and Inspiring Others

The 1-1-1 model is working so well for us, that we want to do one more thing with it: Get more companies to adopt it. We're thrilled that companies like Google, Dropbox, and Yelp took our 1-1-1 pledge, and are finding out how quickly those little numbers add up to big impact.

Dreamforce has also proven to inspire more than our for-profit customers. The annual event has become the world's largest nonprofit technology conference and major gathering for higher education institutions. We have sessions and keynotes that are tailored to the interests of our nonprofit customers and Dreamforce is also one of our biggest hands-on pro bono events, engaging anyone who attends. And, what's a party without music? The annual Concert for Kids during Dreamforce raised more than $6 million in 2013 for the UCSF Benioff Children's Hospital.

"Dreamforce is a great opportunity to meet our partners and share our lessons learned and best practices. Then work together on achieving some of our mission."

— **Bill & Melinda Gates Foundation**

Report Details
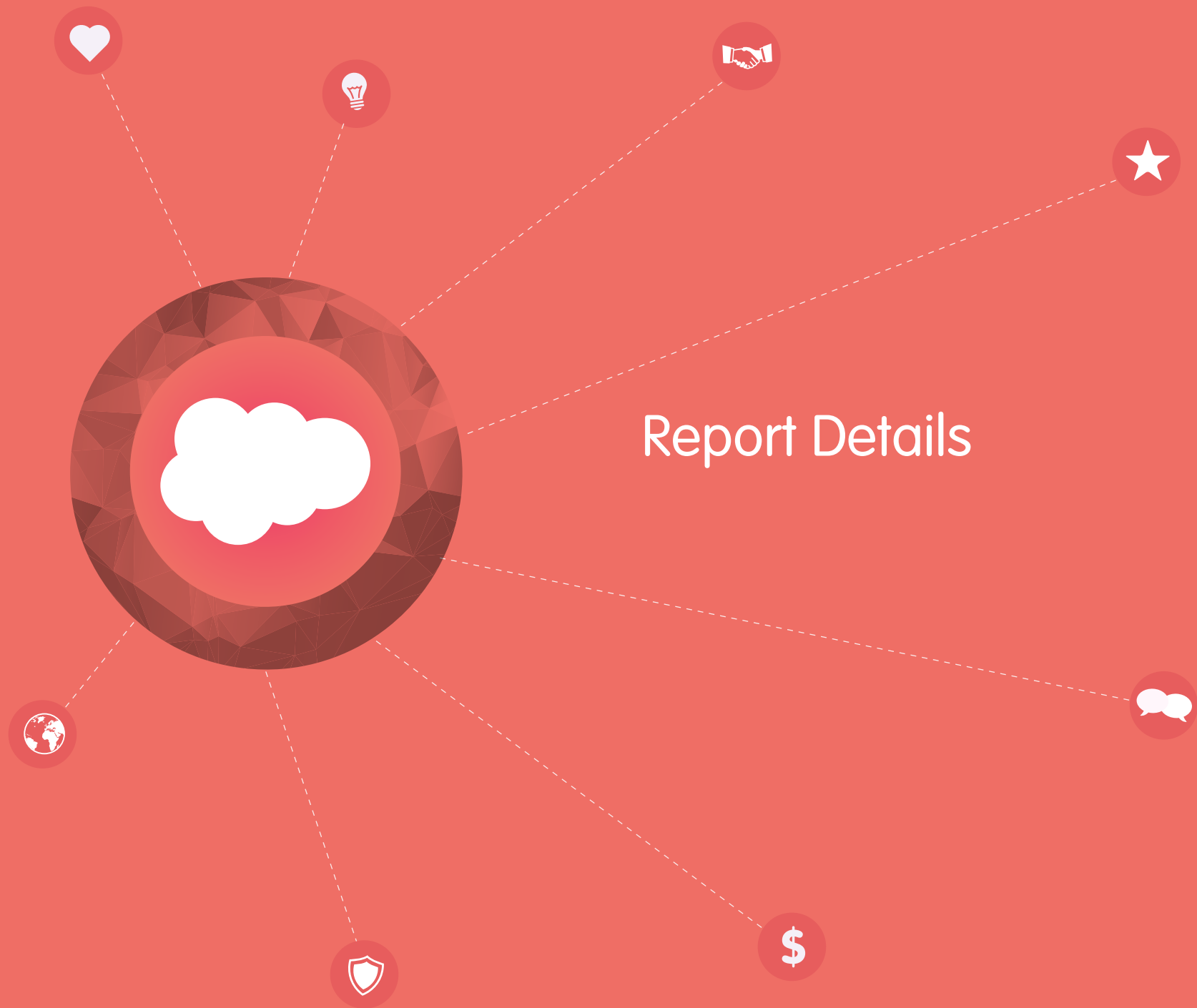
Reporting Scope and Methodology

Every two years we produce a comprehensive sustainability report so that key groups like customers, employees, and partners can stay informed, track our progress, and support our work. Our inaugural report covered FY12 data.

Unless otherwise noted, this document focuses on salesforce.com's global commitments and practices during fiscal years 2013 and 2014 (February 1, 2012 - January 31, 2013 and February 1, 2013 - January 31, 2014). All currency is in U.S. dollars.

In July 2013, we acquired ExactTarget, the leading 1:1 digital marketing platform. As this acquisition represented a significant increase in our operations, we have adjusted our scope 1 and 2 carbon baseline going back to fiscal year 2012. The activities of the ExactTarget Foundation during that time have not been included in this report.

We continually refine our greenhouse gas accounting processes. When new or better-quality data becomes available, we update our footprint data accordingly. Some data in this report has been restated from previous public disclosures.

Materiality

We've conducted a materiality assessment that included an assessment of top business drivers, sustainability impact areas, industry benchmarking, and stakeholder interviews. We also looked to the Global Reporting Initiative's (GRI) G4 Guidelines to inform which topics to report on. In addition, we used the Salesforce ExactTarget Marketing Cloud to monitor social activity and track sustainability issues that are important to our key stakeholders.

Global Reporting Initiative (GRI) Index

This report contains Standard Disclosures from the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. This GRI Index points to where these disclosures can be found within the report.

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Feedback

We welcome feedback on our initiatives and this report. Please contact us at sustainability@salesforce.com to share your thoughts.