



Sustainability | Leadership | Innovation



**Deloitte.**

# Salesforce: Tackling carbon emissions throughout the value chain

Climate leader

## What

Salesforce is a US-based software company. Limiting global warming to 1.5°C is a strategic priority for the company, influencing its products, operations, capital allocation and stakeholder relationships. Salesforce has used its pre-existing organisational alignment tool, the V2MOM, to integrate climate and other ESG focus areas into its day-to-day decisions. 'V2MOM' stands for 'Values, Vision, Methods, Obstacles & Measures'.

Every employee has their own annual V2MOM with goals that guide their work for the year. The CEO's version operates as the corporate V2MOM, and the focus on ESG and climate cascades down, with metrics for these areas included in the V2MOM of every executive.

Salesforce has aligned its carbon emissions reduction target with a 1.5°C degree pathway, with short-term targets validated by the Science Based Targets initiative. Aiming to have an impact beyond its own operations, another target is for suppliers representing 60% of its scope 3 emissions to set science-based targets of their own by 2024. Salesforce released its Climate Action Plan in September 2021.

Through its activities, Salesforce has achieved net zero carbon emissions across its value chain and 100% renewable energy in its own operations. At the same time, Salesforce has doubled its global revenues between financial years 2018 and 2021.

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**'Salesforce articulated the discipline of its annual process to set goals and strive to achieve them. The company is aware of the role it can play in creating systemic change far wider than Salesforce and demonstrated working with suppliers, customers, government and other stakeholder groups.'**

Finance for the Future Awards judges

## Why

Salesforce believes that values drive value – financial, environmental and social. Its core values, including equality and trust, have been central to the company since it was founded. A focus on climate action stems from these values. Salesforce sees climate action not only as an environmental issue but as a vital means to further equality. This prompted the company to integrate climate metrics into V2MOMs to spur action throughout the organisation, putting its full power towards achieving a 1.5°C pathway.

Having minimal property of its own, one of the most effective ways Salesforce believes it can support a low-carbon transition is by supporting and influencing its customers and suppliers to reduce their carbon emissions. As a major provider of customer relationship management software, Salesforce is aware that customer relationships are critical for amplifying companies' climate impacts. This is where, through its technology and its own relationships, the company seeks to drive change. And with more companies seeking to reduce their scope 3 emissions, the company's environmental credentials also strengthen its financial sustainability.

Salesforce also knows that climate action must be a shared global priority. Its Climate Action Plan offers a blueprint for others to accelerate their journey to net zero.



**‘The finance and sustainability team have learned from each other as we have worked to expand and integrate our climate disclosures into our mainstream financial filings. It’s been a great partnership that demonstrates how a relationship grounded in shared values can be an accelerant for change. This collaboration is critical for all companies as we continue to accelerate climate action and build the infrastructure to support transparent, timely and verifiable climate disclosures.’**

**Chris Power**  
Senior Manager SEC Reporting, Salesforce

## How

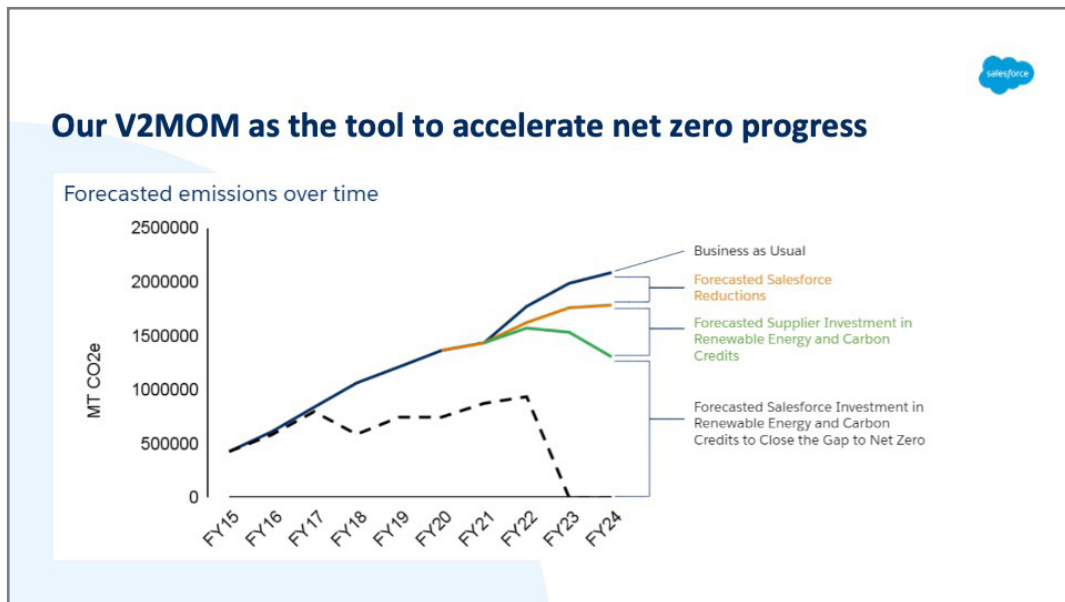
Salesforce strives to reduce carbon emissions throughout the business – and beyond:

- > The board is engaged on climate change and other ESG topics and receives regular updates on these areas. Specific sub-committees have oversight over particular areas. The nominating and corporate governance committee oversees and reviews Salesforce's ESG initiatives. The audit and finance committee oversees the corporate accounting and financial reporting process, including the integration of key ESG topics into financial filings, such as the Form 10-K.
- > Finance plays a leading role on the financial and non-financial metrics that are included in the V2MOM and Salesforce's internal and external reporting. In partnership with subject matter experts, finance identifies key metrics and makes sure that the right controls and infrastructure are in place to produce robust data for planning and reporting purposes. Salesforce was also an early supporter of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and released its first TCFD report in October 2021. The company has also publicly called on the US Securities and Exchange Commission to make climate disclosures mandatory.
- > Salesforce reports ESG and climate data in its 10-K, annual report, proxy statement and stakeholder impact report. These reports are reviewed by executive management before filing. The finance team has led on getting scope 1 and 2 data in these reports externally assured, with scope 3 to come.
- > The company developed the Salesforce Net Zero Cloud as an internal tool that would help it to manage, analyse and report on its carbon emissions and other ESG metrics. Using the tool, Salesforce was able to build key environmental data into its 10-k report quickly and get limited assurance over the data. Salesforce then launched the product for customers, to help them achieve the same kinds of improvements. Recently, more scope 3 calculation methodologies have been added in.
- > In 2021, Salesforce brought climate action into its standard supplier contract through a 4-page 'sustainability exhibit'. This operates as a legal appendix to the contract. Salesforce notified its suppliers that all future procurement agreements would include this sustainability exhibit, which requires suppliers to set science-based targets, disclose their scope 1, 2 and 3 emissions, and deliver carbon-neutral products and services.
- > To meet Salesforce's target for suppliers setting their own science-based targets, the finance, procurement and sustainability teams collaborate to support suppliers with webinars and conversations.

[www.salesforce.com](http://www.salesforce.com)

**'For us as a technology company, the most important thing we can do is use our technological powers to help all of our stakeholders achieve climate success of their own.'**

**Patrick Flynn**  
VP Sustainability, Salesforce



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