



**Sustainability Accounting Standards Board
1045 Sansome Street, Suite 450
San Francisco, CA 94111**

Reference: Software and IT Services Proposed Changes to Provisional Standards Exposure Draft

January 31, 2018

Ladies and Gentlemen,

Salesforce.com, inc. (“Salesforce”/“we”) is pleased to respond to the Sustainability Accounting Standards Board (“SASB”) proposed changes to the provisional standards for the Software and IT Services industry. We applaud SASB for its efforts to develop industry specific standards for companies to consider when preparing their Securities and Exchange Commission (“SEC”) filings. Please know that we stand ready to assist the SASB Staff should you require clarification on our comments. We greatly appreciate your consideration in this matter.

Salesforce is the global leader in customer relationship management, or CRM, software. We deliver our cloud-based software through the internet as a service. We introduced our first CRM solution in 2000, and have since expanded our service offerings into new areas and industries, as well as introduced new features and platform capabilities. Our core mission is to empower our customers to connect with their customers in entirely new ways through cloud, mobile, social, Internet of Things and artificial intelligence technologies. Salesforce’s revenue of \$8.39 billion for the year ended January 31, 2017 and market capitalization of approximately \$80 billion in January 2018 places Salesforce in the Fortune 500 and Standard & Poor 500 Index, respectively.

Salesforce operates with a set of core values: trust, growth, innovation and equality. As a result, we have spearheaded initiatives to create a world where equal pay, equal advancement, equal opportunity and equal rights become a reality for our employees and the broader world. At Salesforce, we also consider the environment to be one of our key stakeholders. Climate change impacts everyone and its effects are compounded in the world’s poorest regions, amplifying global inequality. Starting in 2017, Salesforce began delivering a carbon neutral cloud and we made a commitment to source clean renewable energy for our global operations.

Salesforce also recognizes the importance of, and need for, public disclosure of certain sustainability metrics. This is why we have disclosed our annual carbon emissions to the Carbon Disclosure Project since 2011. To this end, we are pleased to provide the following comments for SASB’s consideration as you work to standardize these important disclosures.



Comments:

Materiality considerations and applicable SEC Filing: In order to determine whether a sustainability topic is likely to be material, the SASB implementation guide refers to the definition in the SEC Staff Accounting Bulletin (SAB) No. 99, which states registrants should perform “a full analysis of all relevant considerations,” including both quantitative and qualitative factors, in deciding whether information is material. We agree it is important for SASB to align with the SEC’s materiality guidance.

While the SASB recognizes that it may be difficult to determine whether particular sustainability information is material in certain situations, we note that the metrics recommended by SASB may require data from a number of different sources, teams and systems, which may not all be readily available or be subject to internal controls or processes to assess materiality. And while the SASB provides registrants the option to disclose any information that a registrant deems of importance to security holders using a Form 8-K, we note that this approach could lead to confusion for users of the information on where to find key SASB topics and metrics.

We recommend that SASB address these concerns by allowing an entity to select which topics to disclose in the registrant’s Form 10-K (rather than a Form 8-K) based on the data available and provide an option for additional, supplemental disclosures as to what topics and metrics were excluded and why.

Convergence with the Task Force on Climate-related Financial Disclosures (“TCFD”): We recommend that SASB align their guidance with the recommendations of the TCFD pertaining to governance and strategy. Specifically, in the section titled “Guidance on Accounting for Sustainability Topics,” the SASB recommends that registrants provide a description of their “strategic approach regarding actual and potential impacts of topic-related risks and opportunities on the organization’s business, strategy, and financial planning, over the short, medium and long term.” However, there is a gap with the SASB guidance and the TCFD’s concept of an organization's strategy with regard to different future climate scenarios, including the 2 degree Celsius or lower scenario.

Percentage of outsourced data: In the section titled “Activity Metrics and Normalization” in Table 1, a more precise definition of “outsourced” is required for the metrics “data processing capacity, percentage outsourced” and “[p]etabytes of data storage, percentage outsourced.” We recommend categories such as “On-Premise,” “hosted on Public Cloud” and “residing in Colocation Data Centers” as a way to clarify “outsourced” to ensure that the data received will be comparable across responses.

Employee Engagement as a percentage: We feel that the recommendations in this section are too vague to allow for a meaningful comparison between filers. Specifically, section



TC102-12.70 states that when disclosing employee engagement as a percentage, “[t]he registrant shall briefly describe... the methodology used to calculate the percentage... and the summary of questions or statements included in the survey.” We think that SASB should clearly outline a methodology to calculate employee engagement and provide a list of required questions to allow for greater comparability between filers.

In addition, we believe the guidance should be expanded to require disclosure of the number of employees surveyed and the percentage of response rates. Additional, optional disclosures could include qualitative or quantitative disclosures around employee engagement rates disaggregated by age, gender and diversity.

Renewable Energy consumption as a percentage of total energy consumption: With respect to section TA03-03-01, we agree that a focus on greenhouse gas emissions and renewable energy should be included within the SASB standard. Transparent disclosure surrounding a company’s sources of electricity can provide valuable information. There are many components to cover that the existing standard seeks to define - total energy demand, mix of electricity sources and renewable energy supply, including the details for renewable energy certificates (“RECs”). However, Salesforce believes there may be a clearer and more comprehensive approach to seek information in this area by improving the structure and framework of the response guidance. We recommend an approach that maintains the simplicity and universality of the guidance.

For example, the guidance could include: (1) the location (national boundary) and grid mix (location-based) of all energy consumption including the total amount of energy consumed; (2) a list of all renewable energy activity including location and details of REC treatment; and (3) the details of allocation - connecting the renewable energy (from section 2) to demand (from section 1), including to which load the RECs are applied and the resulting market-based emissions by location (national boundary).

Convergence with Carbon Disclosure Project (“CDP”): There are opportunities to more closely align the SASB recommended disclosures regarding “*Environmental Footprint of Hardware Infrastructure*” with CDP, especially in sections regarding emissions, emissions reductions and emissions targets. The current SASB standard focuses primarily on strategies, policies and programs related to site selection but focuses little on ongoing operations. A company’s activities related to capturing opportunities in ongoing operational efficiency can provide valuable information and we encourage SASB to focus on this portion of the infrastructure lifecycle as CDP has done.



Concluding Remarks:

If you have any further comments or questions, please direct them to my attention.

Very truly yours,

/s/ Mark J. Hawkins

Mark J. Hawkins

President and CFO, salesforce.com, inc.