



Shelly Kramer: Okay. Hi, Sunya. Welcome to the Six Five Summit. We're so happy to have you as part of this year's event. By way of introduction, my guest today is Sunya Norman and she's the VP of ESG Strategy and Engagement for Salesforce. And this is a conversation I've very much been looking forward to. So welcome, Sunya.

Sunya Norman: Thanks so much for having me. It's a pleasure.

Shelly Kramer: I think we're going to have a great conversation. So today we're going to talk about an ever important topic and one that I know is close very near and dear to both of our hearts, sustainability. Sustainability and other environmental issues. I know that you're experiencing this. I know that we're seeing this. These have risen to what I think is the same level of importance in the C-suite as digital transformation has been over the course of the last decade. And I think that we're going to continue to see increased interest in and concentration on and efforts dedicated toward ESG efforts, which I think is a good thing. I would guess that you do as well.

We know that customers care about sustainability. We know that employees care about sustainability and as I said, we believe that, that interest and concern is going to continue to grow. And I'm really excited to hear from you about what Salesforce is doing in this area. So without further ado, we're going to dive right in. So let's talk a little bit Sunya, if we could about stakeholder capitalism. I know that Salesforce is a champion of stakeholder capitalism. What does that mean? And why is it important?

Sunya Norman: Thanks so much. Yeah. Salesforce is a champion of stakeholder capitalism, and what's so exciting about the concept of stakeholder capitalism is it's recognizing that the world needs a new way of operating businesses, no longer can rely on old school capitalism. Of course, shareholders are incredibly important and will continue to be so, and we need to create value as businesses for a whole slew of other stakeholders. When we think about our key stakeholders at Salesforce, we include customers, partners, employees, the communities where we live and work. But also we actually even say that the planet is a key stakeholder as well.

Shelly Kramer: Absolutely. And I love how you explain that ecosystem and it's beyond... When I introduced this conversation I was talking about customers, employees, you mentioned partners. I mean, I love extrapolating that out to communities and all of these other stakeholders. And I think sometimes we think too narrowly when it comes to that. So that's really cool and I do think that when organizations embrace ESG and sustainability initiatives, it shows in the community, it shows throughout the partner ecosystem, employees make decisions sometimes on where they're going to accept a job offer based on what a company's values as it relates to ESG initiatives might be. So I think that's really cool. I'm now a fan of stakeholder capitalism. Thanks for explaining it to us. So talk a little bit about, where I was talking about values. Talk a little bit more, if you would, how does this connect with, and two Salesforce's corporate values?

Sunya Norman: There's a really deep connection between the concept of stakeholder capitalism and our embracing of that as a business principle and our core values. We're really fortunate at Salesforce that our founding team was unique in that they knew they wanted to integrate strong



values from day one. Were known for launching something called the 1-1-1 integrated philanthropy model. So before we even went public from day one, the founder said, "Hey, we want to make sure that 1% of our equity, 1% of our product, and 1% of our employee time goes to social and environmental issues.

So that was the ethos that we started with as a company and that's been baked into our DNA. Over time, we're 23-years-old, we just had our 23-year-old birthday. We have fine-tuned our core values and they are in just so important to how we show up. And two of those are equality and sustainability. We actually just added sustainability this fiscal year because we recognize that the world is in a climate emergency and everyone, not just government, not just non-profits and policymakers, but businesses as well need to step up.

Shelly Kramer:

Yeah. No, I agree very much. Absolutely. And I think that people are looking for that from organizations and we're... I will tell you even from a consumer standpoint you have to tell me if you do this, I order something online and when I get it and I open it up and I can see sustainable packaging, or maybe it's a box that has packing inside, have you ever had something that the packing is something that dissolves, it's made of corn starch and it dissolves in water. But I see that, I order dog food online and The Farmer's Dog happens to be where I order and I love the fact that when I get their packaging, it is that corn starch thing.

So I feel like I'm doing good things. So whether it doesn't matter if I'm buying a laptop or if I'm buying cloud services or whatever, knowing that an organization cares about and has that baked into their DNA. I think that matters to a lot of consumers. And I think that's going to continue to matter increasingly more in the future. Don't you think?

Sunya Norman:

I think that's absolutely correct. We saw it first in the consumer space, but in the enterprise space where Salesforce primarily operates as a B2B business, we see it as well. Our customers articulate their values as well. They make values driven decisions as well. But listen, it's not just about values, they're smart business decisions. So they are evaluating Salesforce in terms of how we're thinking about risks and opportunities. And there's really strong correlation between strong, robust ESG programs and social impact programs and how a management team is considering all aspects of their business and how they are establishing governance, accountability, visibility, all these things that make a business stronger. And to be honest, we're seeing companies, you can't even do business with them in order to even be qualified, to be considered for a deal, you have to meet a certain threshold of ESG performance. So this is a pretty cool new era that we're in.

Shelly Kramer:

I love that and I think that I love seeing that, because I think that there's anything that's going to move the needle forward, whether we're talking about DEI initiatives or ESG initiatives. When organizations plant a flag and say, X number of our suppliers need to meet these standards as it relates to DEI, or X number of vendors that we were all vendors that we work with, have to have an ESG policy, have to be publishing reports, have to be tracking... I think those are the things. It's like shopping at Aldi.



The only way you can get a grocery cart is to put your quarter in, and it trains people to do that, to return their carts. And I think some of these things and in some ways, it's too bad that we have to take these measures to train people. But I think as you mentioned, we are at the stages of a climate emergency. We don't have time to waste. We have to make these things happen. So I really like to hear that customers that you work with and vendor partners and things like that are looking at ESG initiatives in that way. I think that's good for everyone.

Sunya Norman: Yeah. Absolutely. And Salesforce is among them. We're really proud of a couple initiatives we've launched in that area. We have something called a Sustainability Supplier Exhibit, which is exactly what you were describing a second ago. It's our articulation that suppliers should be joining us in taking action in setting science based targets and making sure that they're sharing their climate footprint with their key customers. So as businesses, we have a tremendous amount of voice and power and we should all be using that.

Shelly Kramer: Yeah. I agree. So speaking of voices and power, let's shift a little bit and talk about trust. Consumer trust I think is the foundation upon which business success is built. And I think that trust is reliant on corporate transparency and especially as it relates to ESG initiatives. So would you share with us a little bit, I know you've learned some lessons along the way as it relates to trust and corporate transparency. I'd love to hear some of the lessons that you've learned, you and your team at Salesforce have learned as it relates to the importance of these things?

Sunya Norman: Thanks. Yeah. And trust ties back to Salesforce's core values as well. Trust has long been a core value, and we really believe that in order to create trusted relationships with all of those stakeholders we were talking about earlier, but especially investors, analysts, employees, customers, they need to understand what you stand for, what you committed to and where you are on your journey. So there's a lot of criticism out there in public discourse around oh, are corporates just saying one thing and doing another.

So corporate transparency enables you to articulate the Say:Do ratio. On the one hand I'm committing to net zero emissions and on the other, I'm telling you where I am in terms of our progress. How Salesforce thinks about this is through our annual ESG reporting. And we have something called our annual Stakeholder Impact Report. And we've been reporting publicly on ESG issues for over a decade. So like you mentioned, we've learned some things along the way, and we evolved our strategy. We like to think we've become more robust and more sophisticated as time has gone by. But the Stakeholder Impact Report is a critical piece of engaging again, that investor and analyst community, but all of our stakeholders who really want to follow along with us.

Shelly Kramer: Right. Yeah. No, I think that's incredibly important and you mentioned it, there are a whole lot of people who talk the talk and who don't walk the walk. And that's one of the reasons that... I lead our ESG practice here at Futurum. So I work with your counterparts across all of our clients and what we see is that, and this is why I equated the importance of ESG initiatives to digital transformation initiatives because a lot what we've seen happening is that organizations have been making, planting flags, okay.



We're going to be carbon zero by 2030, or we're going to accomplish this by this time. And now I think what we're seeing happening is in many instances, organizations are stopping and saying, "Oh, we made some big promises here. How are we going to get there?" And some of that is reliant upon technology solutions that they might invest in. Some of it is reliant on reporting that they might do. And I think that organizations like Salesforce are ahead of the curve on this front, when you've been doing this, when you've been doing this reporting, when you've been paying attention to sustainability initiatives, to ESG initiatives as a whole for a decade. I think you're a little bit ahead of the game. That's exciting.

Sunya Norman: Yeah. And we're fortunate the tech sector is traditionally some of the leaders, especially in climate action. So we are not alone. We have a cohort of fellow business folks in our sector and we're not alone in the world has just accelerated action in this area. Coalitions from the UN, we mean business, the number of corporate pledges increased dramatically. And with that, we have to make sure that the action follows suit.

Shelly Kramer: Absolutely. So you mentioned your annual stakeholder impact report. I'm going to say that over. So you mentioned earlier your Stakeholder Impact Report. That's an annual report. What's exciting about it and when did it come out?

Sunya Norman: A month ago. Late April.

Shelly Kramer: Okay. So you mentioned earlier Salesforce's Stakeholder Impact Report. I know it was just recently published. Talk with us a little bit, if you would about, what's exciting? What did you find some of the most exciting parts of that report this year?

Sunya Norman: Yeah. So our latest Stakeholder Impact Report, I'd say there are a couple things that are really unique this year. One is that we released our first TCFD report last year, which is a wonky way of saying we were purported on how we think about climate risk and governance and our carbon emissions. So we were able to bring all of that goodness from our TCFD report, into our Stakeholder Impact Report this year to give our audience a much more robust view on Salesforce's perspective on climate and how that impacts our business. So that's one thing.

The second thing that we're really excited about is we've been on a journey to have many of our key metrics, externally assured third party reviewed. And we went a step further this year and produced a consolidated statement of environmental, social, and equality metrics. And what that means is we have pulled back the curtain and we've shared exactly what we mean when we say we've achieved net zero residual missions, or we have this dollar amount in annual social value. We've shared the methodology, we've shared with you, that it's been reviewed by Ernst & Young, our external auditor. And we've shared the specifics year over year of our data. So we're just pushing that boundary on transparency, even further, which we think, again, goes back to building additional trust with all of our key stakeholders. And we hope that it's helping others think about how they might be transparent on these issues.

Shelly Kramer: Oh, I love it. That sounds awesome. So what's next? What's next for Salesforce as it relates to ESG?



Sunya Norman:

Well, there's no finish line when it comes to ESG and that's one of the reasons I love being in this field and one of the challenges. We were really proud to have achieved net zero residual emissions and 100% renewable energy this past fiscal year. One of the things looking forward to this upcoming fiscal year that we're really proud of as well is we announced recently that we'll be tying a portion of executive compensation to ESG performance. And again, this is just beating that drum around transparency and accountability. So we're really excited to have our leaders showcase the importance of driving these metrics for the entire business and hopefully that'll also help us surge in a few key areas, including climate and representation that we feel are most important at these time.

We're hoping that this program will also help us surge action and progress in a couple of these key areas, climate and representation that are so important for Salesforce's future business success.

Shelly Kramer:

Oh, that's awesome. That's awesome. Well, I have so enjoyed our conversation, Sunya. Sunya Norman, VP of ESG Strategy. Sunya Norman, VP of ESG Strategy and Engagement for Salesforce. What a fantastic conversation. This has been a terrific conversation Sunya, and I so appreciate you making time to share with me everything that's going on with Salesforce and ESG efforts. And to our listening audience this is again, Sunya Norman, the VP of ESG Strategy and Engagement for Salesforce. And Sunya, all I can say is keep up the impressive work. This is amazing. So great to hear. And I really appreciate you sharing your insights with us today.

Sunya Norman:

Thank you so much.