Investor CDP 2011 - Adobe Systems, Inc.

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

Adobe is changing the world though digital experiences. We help our customers develop and deliver high-impact experiences that differentiate brands, build loyalty, and drive revenue across every screen, including smartphones, computers, tablets, TVs, and countless others. Adobe products are well-known and include, among others, Adobe Acrobat and Adobe Portable Document Format (PDF) which is currently used by governments, organizations, companies and individuals around the world for more secure, reliable electronic document exchange and which is now an ISO Standard (ISO 32000); Adobe desktop software applications, such as Adobe Photoshop, which is the professional industry standard for digital image editing; and Adobe Air, Adobe Breeze, Adobe Connect and Adobe Flash, which assist developers to create stand-alone applications across various systems, browsers, platforms and devices. Founded in 1982, Adobe has grown to approximately 9500 employees in 75 locations around the world and annual revenues in excess of $3.8 billion; Major acquisitions, including Macromedia in 2005, and Omniture in 2009, furthered the growth of the company and facilitated Adobe's entry into the world of on-line site analytics. From its

inception, Adobe has held a strong core belief that corporations have a responsibility to their local community and the global environment, and it has consistently taken a strong, pro-active approach to resource conservation, waste reduction, environmental protection, and sustainability. Adobe was the first company to earn LEED (Leadership in Energy and Environmental Design) Certification at the Platinum level (the highest level possible) under the permanent LEED program for existing buildings (LEED-EB) in June 2006. Adobe was the first company to have three buildings certified through LEED-EB at the Platinum level, Adobe's San Francisco site is the oldest building certified through LEED-EB at the Platinum level, and Adobe was the first company to re-certify buildings through the LEED-EB program at the Platinum level. Today, Adobe has twelve LEED certifications, ten at the Platinum level, two at the Gold level, and three more in process, including one in Beijing, China and one in Noida, India. Adobe Sydney has certified under the NABERS green building program and obtained 4.5 out of a possible 5 stars. Of the seven buildings Adobe owns and/or controls in the United States, all seven are certified at the Platinum level, all seven have an average Energy Star rating of 97 (with two having achieved scores of 100 each out of a possible 100), and the seven have an average Solid Waste diversion percentage (either through recycling or composting) also of 97%, with three buildings have diversion scores of 99+% . For its leased suites, Adobe has a comprehensive sustainability checklist with 92 energy conservation and sustainable measures which are reviewed quarterly, both to encourage additional sustainable initiatives be undertaken and to measure accurately the results. In addition to conservation measures and LEED certification, Adobe has installed wind energy turbines and fuel cells at its San Jose campus. While the fuel cells use natural gas, Adobe purchases clean, alternative biogas to offset the natural gas used, making them sustainable. Together, these alternative sources of energy provide approximately 30% of Adobe's total electricity demand for their San Jose headquarters buildings, which represent approximately 31% of Adobe's total portfolio. Adobe is now in the process of installing fuel cells at its San Francisco campus, and will be upgrading the fuel cells at its San Jose site next year to supply 80% of its total electricity demand. Adobe has developed a sophisticated system for measuring and tracking its carbon emissions for those sites that are metered (approximately two-thirds of the total, and for estimating emissions for those leased sited that are not individually metered. This is system is a sub-set of a larger, more comprehensive system call IBIS (short for Intelligent Building Interface System), which interfaces with all of the existing building meters, sub-meters, controls and systems equipment to monitor, control and record all building operational data including predicting and tracking energy usage in real time. Adobe also purchases VERs and RECs to offset its Scope 1 and Scope 2 carbon emissions for its U.S. and Canadian sites and it is continuing to expand this program.Adobe has also developed a sustainable purchasing policy, and has worked to reduce packaging for its products, to use more recycled content in its packaging, and to sell more products on-line, eliminating the need for packaging altogether.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2010 - Fri 31 Dec 2010

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
United States of America
Rest of world

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD($)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Adobe Systems Incorporated develops software, and hence is not captured under these sectors.

Module: Management

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Senior Manager/Officer

1.1a

Please identify the position of the individual or name of the committee with this responsibility

The position is titled Senior Director, Global Workplace Solutions, and Head of Environmental Programs.

This position reports to the CFO.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Facility managers	Monetary reward	Senior management sets Key Performance Indicators (KPIs) that must meet goals set by the Facility Managers and the Environmental Manager, and be approved by the Management Review Committee. Current KPIs include electricity, gas and water conservation; carbon emissions reduction; and solid waste diversion. Goals were initially instituted in 2006, and were used to calculate the KPIs each year through 2010. The goals established included: 1) Reduction in electricity, natural gas, domestic water, irrigation water, and amount of solid waste to landfill – all to CY 2000 usage levels per capita by CY 2010. These goals were achieved. 2) Measurement of Adobe's total global carbon emissions by CY 2008; Offsetting 100% of Adobe's Scope 1 and 2 carbon emissions for owned and controlled sites through purchase of carbon offsets by 2009; and Reduction of total carbon emissions for managed properties to 2000 levels by 2009, to 1990 levels by end of 2010. The first two items were completed. However, for the last item, Adobe measured 2000 levels in 2010. Further goals were set in 2011 for all owned and/or controlled buildings to be met by 2013. These include: 1) Reduction in electric and natural gas utility use per capita for to 1990 levels by 2013; 2) Solid waste diversion from landfill rates should be at 99% or higher; and 3) Benchmarking and achieving a score of 100 under Energy Star for all owned and/or controlled properties. Additional goals were set in 2011 to be achieved by 2013 for ALL Adobe buildings. These are as follows: 1) ALL Adobe sites being audited quarterly against a comprehensive Sustainability Checklist that compares each site's operations against a list of 92 sustainability initiatives; 2) 35% of all energy used by ALL Adobe sites being generated on (or off) site from clean, renewable energy sources by 2013, and most importantly 3) ALL Adobe sites effectively operating carbon neutral for Scope 1, Scope 2, and Scope 3 corporate travel by 2013, through a combination of energy conservation, on- and off-site clean, renewable energy generation, and through the purchase of off-setting carbon and renewable energy credits. Many of these goals have already been met.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Environment/sustainability managers	Monetary reward	Senior management sets Key Performance Indicators (KPIs) that must meet goals set by the Facility Managers and the Environmental Manager, and be approved by the Management Review Committee. Current KPIs include electricity, gas and water conservation; carbon emissions reduction; and solid waste diversion. Goals were initially instituted in 2006, and were used to calculate the KPIs each year through 2010. The goals established included: 1) Reduction in electricity, natural gas, domestic water, irrigation water, and amount of solid waste to landfill – all to CY 2000 usage levels per capita by CY 2010. These goals were achieved. 2) Measurement of Adobe's total global carbon emissions by CY 2008; Offsetting 100% of Adobe's Scope 1 and 2 carbon emissions for owned and controlled sites through purchase of carbon offsets by 2009; and Reduction of total carbon emissions for managed properties to 2000 levels by 2009, to 1990 levels by end of 2010. The first two items were completed. However, for the last item, Adobe measured 2000 levels in 2010. Further goals were set in 2011 for all owned and/or controlled buildings to be met by 2013. These include: 1) Reduction in electric and natural gas utility use per capita for to 1990 levels by 2013; 2) Solid waste diversion from landfill rates should be at 99% or higher; and 3) Benchmarking and achieving a score of 100 under Energy Star for all owned and/or controlled properties. Additional goals were set in 2011 to be achieved by 2013 for ALL Adobe buildings. These are as follows: 1) ALL Adobe sites being audited quarterly against a comprehensive Sustainability Checklist that compares each site's operations against a list of 92 sustainability initiatives; 2) 35% of all energy used by ALL Adobe sites being generated on (or off) site from clean, renewable energy sources by 2013, and most importantly 3) ALL Adobe sites effectively operating carbon neutral for Scope 1, Scope 2, and Scope 3 corporate travel by 2013, through a combination of energy conservation, on- and off-site clean, renewable energy generation, and through the purchase of off-setting carbon and renewable energy credits. Many of these goals have already been met.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Business unit managers	Monetary reward	Senior management sets Key Performance Indicators (KPIs) that must meet goals set by the Facility Managers and the Environmental Manager, and be approved by the Management Review Committee. Current KPIs include electricity, gas and water conservation; carbon emissions reduction; and solid waste diversion. Goals were initially instituted in 2006, and were used to calculate the KPIs each year through 2010. The goals established included: 1) Reduction in electricity, natural gas, domestic water, irrigation water, and amount of solid waste to landfill – all to CY 2000 usage levels per capita by CY 2010. These goals were achieved. 2) Measurement of Adobe's total global carbon emissions by CY 2008; Offsetting 100% of Adobe's Scope 1 and 2 carbon emissions for owned and controlled sites through purchase of carbon offsets by 2009; and Reduction of total carbon emissions for managed properties to 2000 levels by 2009, to 1990 levels by end of 2010. The first two items were completed. However, for the last item, Adobe measured 2000 levels in 2010. Further goals were set in 2011 for all owned and/or controlled buildings to be met by 2013. These include: 1) Reduction in electric and natural gas utility use per capita for to 1990 levels by 2013; 2) Solid waste diversion from landfill rates should be at 99% or higher; and 3) Benchmarking and achieving a score of 100 under Energy Star for all owned and/or controlled properties. Additional goals were set in 2011 to be achieved by 2013 for ALL Adobe buildings. These are as follows: 1) ALL Adobe sites being audited quarterly against a comprehensive Sustainability Checklist that compares each site's operations against a list of 92 sustainability initiatives; 2) 35% of all energy used by ALL Adobe sites being generated on (or off) site from clean, renewable energy sources by 2013, and most importantly 3) ALL Adobe sites effectively operating carbon neutral for Scope 1, Scope 2, and Scope 3 corporate travel by 2013, through a combination of energy conservation, on- and off-site clean, renewable energy generation, and through the purchase of off-setting carbon and renewable energy credits. Many of these goals have already been met.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Energy managers	Monetary reward	Senior management sets Key Performance Indicators (KPIs) that must meet goals set by the Facility Managers and the Environmental Manager, and be approved by the Management Review Committee. Current KPIs include electricity, gas and water conservation; carbon emissions reduction; and solid waste diversion. Goals were initially instituted in 2006, and were used to calculate the KPIs each year through 2010. The goals established included: 1) Reduction in electricity, natural gas, domestic water, irrigation water, and amount of solid waste to landfill – all to CY 2000 usage levels per capita by CY 2010. These goals were achieved. 2) Measurement of Adobe's total global carbon emissions by CY 2008; Offsetting 100% of Adobe's Scope 1 and 2 carbon emissions for owned and controlled sites through purchase of carbon offsets by 2009; and Reduction of total carbon emissions for managed properties to 2000 levels by 2009, to 1990 levels by end of 2010. The first two items were completed. However, for the last item, Adobe measured 2000 levels in 2010. Further goals were set in 2011 for all owned and/or controlled buildings to be met by 2013. These include: 1) Reduction in electric and natural gas utility use per capita for to 1990 levels by 2013; 2) Solid waste diversion from landfill rates should be at 99% or higher; and 3) Benchmarking and achieving a score of 100 under Energy Star for all owned and/or controlled properties. Additional goals were set in 2011 to be achieved by 2013 for ALL Adobe buildings. These are as follows: 1) ALL Adobe sites being audited quarterly against a comprehensive Sustainability Checklist that compares each site's operations against a list of 92 sustainability initiatives; 2) 35% of all energy used by ALL Adobe sites being generated on (or off) site from clean, renewable energy sources by 2013, and most importantly 3) ALL Adobe sites effectively operating carbon neutral for Scope 1, Scope 2, and Scope 3 corporate travel by 2013, through a combination of energy conservation, on- and off-site clean, renewable energy generation, and through the purchase of off-setting carbon and renewable energy credits. Many of these goals have already been met.

Further Information

The following Energy and Sustainability goals were established in 2006 and were used to calculate the KPIs each year through 2010-2011. 1) Reduce electric utility use per capita for owned or controlled buildings to 2000 levels by 2010 – achieved; reduced by 32.2% per capita 2) Reduce natural gas utility use per capita for owned or controlled buildings to 2000 levels by 2010 – achieved; reduced by 7.69% per capita 3) Obtain 3% of owned or controlled buildings' total electricity use from onsite, renewable sources by 2010 – achieved; 18% 4) Reduce domestic water use per capita for owned buildings to 2000 levels by 2010 – achieved 16% 5) Reduce total irrigation water use for owned buildings by 75% from 2003 (earliest year for which we have data) – achieved 67% 6) Reduce landfill of solid waste for managed sites by 99% by 2011 – achieved 98% 7) Measure total carbon emissions annually for Adobe worldwide beginning with calendar year 2000 - achieved 8) Have details of plan with interim goals defined by end of FY2008 – achieved. 9) Offset 100% of Adobe's Scope 1 and 2 carbon emissions for owned and controlled sites through purchase of carbon offsets by 2009 - achieved. 10) Reduce total carbon emissions for managed

properties to 2000 levels by 2009, to 1990 levels by end of 2010 – not achieved; .2% increase from 2000. New goals proposed in 2011 (many which are already achieved): 1) All owned and/or controlled buildings to achieve Energy Star Scores of 100 by 2013 (meaning in the top less than 1% of all commercial buildings in terms of energy efficiency). 2) Reduce electric utility use per capita for owned and/or controlled buildings to 1990 levels by 2013. 3) Reduce natural gas utility use per capita for owned and/or controlled buildings to 1990 levels by 2013. 4) All owned and controlled buildings to have achieved 99% diversion of solid waste from landfill by 2013. (Note that we have chosen 99% versus 100%, as we know there will always be some items that even if accepted as recycling by the hauler, will still have to be separated out at the recycling center, including Mylar packaging, in some areas polystyrene (Styrofoam), and certain other types of plastics, though we have tried to eliminate these contaminants where possible.) 5) ALL Adobe sites being audited quarterly against a comprehensive Sustainability Checklist that compares each site's operations against a list of 92 sustainability initiatives developed in cooperation with BOMA San Francisco Bay Area and Cushman & Wakefield's Energy and Sustainability Task Force and showing significant, ongoing improvement by 2013. 6) 35% of all energy used by ALL Adobe sites being generated on (or off) site from clean, renewable energy sources by 2013. 7) ALL Adobe sites effectively operating carbon neutral for Scope 1, Scope 2, and Scope 3 corporate travel by 2013, through a combination of energy conservation, on- and off-site clean, renewable energy generation, and through the purchase of off-setting carbon and renewable energy credits.

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

Adobe Corporate Social Responsibility, the Global Workplace Solutions, Legal, and Finance groups consistently review industry literature and attend workshops and seminars to stay informed regarding climate related issues, changes in regulations, market structure, and other areas that could affect business, both locally and globally. These groups monitor the regulatory market on a both a monthly and quarterly basis, while reputational issues are constantly monitored by the Marketing Department. All teams meet monthly to discuss and review items,and then relevant ones are brought to upper management through the MRC channel and staff meetings. Issues that are relevant for a specific functional team (such as supply chain or procurement) are addressed by those specific teams, during weekly and monthly meetings. An active Green Team keeps the pulse on issues that are important to our employees with monthly meetings. Company-wide issues are then reviewed and prioritized by the Sustainability Council, which is comprised of representatives from all the groups named above. The Council meets monthly on these issues and develops strategies for addressing them. The Management Review Committee (a senior management team comprised of the CFO, Senior VP of Human Resources, and the Senior VP of Global Marketing) also reviews energy and emission data on a quarterly basis, and addresses pertinent issues presented by the the chairperson of the Sustainability Council.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

The Management Review Committee (MRC) reviews performance metrics on a quarterly basis. This data includes energy usage and carbon emissions data from across the portfolio. The MRC reviews actual metrics against goals to determine if goals have been met, and if not, why not, and what modifications need to be made, following up as required.

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

The Head of Environmental Programs and his staff have established goals regarding reduction of energy, water, solid waste, carbon emissions and conservation of energy and natural resources. In working to develop realistic goals, senior managers have been actively engaged in dialogue with other leaders and policy makers through industry associations in attempting to determine what is realistically attainable, and where resources can best be directed. Associations include CORENet (Corporate Real Estate Network), BOMA (Building Owners and Managers Association), IFMA (International Facilities Management Association), Sustainability Roundtable, and US Green Building Council, among others. Activities include participating in and leading presentations with such titles as: “Beyond LEED”, “Net Zero Buildings”, and “Toward Carbon Neutrality”, as well as meeting with and discussing pending legislation with legislators. Positions taken have included supporting legislation requiring building owners to benchmark their buildings with Energy Star and to disclose their scores to potential lessees and buyers, maintaining incentive programs for energy conservation measures and alternative energy programs, and incorporating green building measures into local codes and law. Our experience with Adobe’s buildings is that operating buildings more sustainably equates to operating them more efficiently, resulting in a cleaner, healthier work environment with lower absenteeism, reduced operating costs, increased building value, and greater occupant comfort and satisfaction (besides being good for the planet).

Further Information

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Intensity target

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
CO2e	Scope 1+2	100%	12%	metric tonnes CO2e per square foot	2000	23285	2010	In 2000, Adobe's net revenue was $1.266 billion, and in 2010 it was $3.800 billion dollars, following the acquisition of various companies, including Macromedia and Omniture. The overall square footage of Adobe, also increased from 1,941,126 square feet to 2,914,614 square feet. And carbon emissions were 23, 286 metric tons and 30, 710 metric tons of CO2e in 2000 and 2010, respectively. The decrease in overall emissions is due to the use of alternative fuel technologies, like Fuel Cells and Windspires, in our headquarters building, and overall global energy efficient projects. The Fuel Cells utilize renewable fuels to generate electricity. The reduction of carbon emissions is calculated based on Scope 1 and 2 only, as Scope 3 emissions (travel) was tracked only since 2006, when the travel providers were capable of doing so.

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
CO2e	Decrease	10%			The decrease in overall emissions is due to the use of alternative fuel technologies, like Fuel Cells and Windspires, in our headquarters building, and overall global energy efficient projects. The Fuel Cells utilize renewable fuels to generate electricity. Over 80 energy efficiency projects have been completed in the Headquarters building alone, resulting in over 40% energy savings.

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
CO2e	100%	100%	Adobe has met its target of reducing its carbon emissions levels to those in 2000 by 2010.

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

Adobe's product offerings allow organizations to reduce their travel needs and thus their Scope 3 emissions. Adobe Connect allows companies to conduct meetings, sales, presentations, sales calls, etc. via the web thus reducing the need to travel. Adobe's PDF and LiveCycle Suite of tools allows companies to create, distribute, and review documents electronically thus reducing the need for printing documents and/or sending documents via mail. Utilization of paper or printing paper greatly increases deforestation and contributes to the reduction of various natural resources. The use of Acrobat and PDF in the creative workflow also reduces the need for printing and inks in the review and approval process.

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please provide details in the table below

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Low carbon energy installation	Use of Alternative Energy Systems such as Fuel Cells to generate electricity using renewable fuel, and other energy efficiency measures to conserve resources and reduce carbon emissions.	1300000	12337000	>3 years

3.3b

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Cushman & Wakefield, Adobe's facility management provider, works in tandem with Adobe to research and recommend new technologies, and new projects for energy efficiency. Both companies educate themselves on regulations and trends that would also drive many of the energy and resource conservation markets. Based on these recommendations, Adobe then decides on the particular investments not only based on various financial controls, such as Return on Investment, Simple Payback, etc., but also on if the investment will further the technology and drive emission reduction activities. And this is the process by which many projects are approved.

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (underway) – previous year attached	16-20	Adobe Corporate Social Responsibility Summary 2009
In voluntary communications (underway) – previous year attached	7-9	Sustainable Silicon Valley 2009 Annual Progress Report

Attachments

2009 csr_summary.pdf

ssv-annual-report-2010.pdf

Module: Risks and Opportunities

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters

Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
REG1	Air pollution limits	Countries and cities are developing their own regulations regarding climate change. Since Adobe has facilities in locations across the globe, the company will indeed be captured under these new standards. In fact, Adobe has already begun to respond to the new climate rules set forth by the City of Tokyo.	Increased capital cost	1-5 years	Direct	Virtually certain	Medium-high
REG2	Fuel/energy taxes and regulations	Conservation of natural resources and a reduction in those resources themselves, results in higher costs for fuel and energy. These costs translate into higher lease fees and subsequent costs.	Increased operational cost	1-5 years	Direct	Very likely	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
REG3	Air pollution limits	In order to prevent air pollution which directly contributes to global warming and therefore climate change, many cities, states and countries are requiring removal of old equipment and installation of new equipment that meets the criteria.	Increased capital cost	1-5 years	Direct	Likely	Medium-high
REG4	Uncertainty surrounding new regulation						

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

REG 1 - General Environmental Regulations, including planning: (i) Any new specific ruling will involve some upfront costs such as hiring consultants to assist the process of understanding the regulations; costs of meeting the requirements - from planning process to implementation; understanding the landlord's plans if it is a leased property; and finally even searching for a new locale based on the costs. (ii) Adobe has certified many buildings under LEED, (Leadership for Energy and Environmental Design), a green building certification tool developed by the US Green Building Council. The practices developed by this tool, such as energy conservation, constant commissioning of equipment, water conservation, monitoring and measuring, and even alternative transportation methods - all create a framework to assist in development of a good plan to meet the criteria. (iii) Costs associated with these actions are primarily the same as part (i) including operational costs for day-to-day actions; capital costs for equipment; and other costs including consultation fees and implementation. REG 2 - Fuel Energy taxes and regulations : (i) Any new specific ruling will involve some upfront costs such as to hiring consultants to assist the process of understanding the regulations; and understanding the landlord's plans if it is a leased property; and finally even searching for a new locale based on the costs. (ii) Adobe will try to use energy conservation methods to cut down on existing energy usage, including sub-metering, constant commissioning and use of alternative fuels and renewable energy. Adobe will also budget for the future cost hikes. (iii) Costs associated with these actions include operational costs for day-to-day actions; and capital costs for equipment. REG 3 - Air Pollution limits: (i) Purchasing and installing new equipment is a large capital cost and time-commitment. Cost will also exist for any permitting or other construction related items. (ii) Adobe and Cushman & Wakefield constantly keep abreast of new rules and regulations. The companies then use this knowledge to acquire the equipment and forecast budgets, accordingly. (iii) Costs associated with these actions include operational costs for day-to-day actions; and capital costs for equipment.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PHY1	Uncertainty of physical risks	Uncertainty of physical risks including potential for sea level rises, climate and precipitation issues demand appropriate planning. Planning is also imperative for natural disasters such as cyclones, hurricanes, flooding, and even non-climate related natural disasters such as earthquakes and tsunamis.	Reduction/disruption in production capacity	Unknown	Direct	Likely	Medium-high

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

PHY1 - Uncertainty of Physical Risks - (i) Physical risks always demand planning on employee welfare and safety, potential loss of product, and potential loss of the facility. All these three have varied costs to the company. (ii) Adobe has site emergency plans and built in redundancy on operations throughout its various sites across the globe. If one site succumbs to a major physical event due to climate change or otherwise, the operations of that facility are immediately shut down and transferred to another facility. This plan works well as can be seen during the recent earthquake and tsunami that occurred in Japan. The Tokyo operations were immediately transferred to another office and functionality was resumed. (iii) Costs associated with these actions include operational costs for day-to-day actions; capital costs with re-building/re-opening the facility; and costs for employee welfare.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OCR1	Induced changes in human and cultural environment	Due to changes in the climate and the world's ever burgeoning population, natural resources would be in scarce demand. Hence the human and cultural environment, which plays a large part in the success of Adobe will change as well.	Reduction/disruption in production capacity	6-10 years	Direct	About as likely as not	Medium-high

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

OCR1 - Reduced demand for Goods/Services- (i) Climate change will indeed change the way the world does business. The world's natural resources would have diminished causing a different human and cultural environment. Potentially, reduced demand for Adobe products may occur, as the world goes back to a different way of doing things. Loss of business is a real financial cost. (ii) Adobe consistently comes out with new innovative products that are on the cutting edge of society's needs while ensuring and aiding the conservation of natural resources. Use of Adobe products cuts down on paper usage and need for business travel. (iii) Costs associated with these actions include operational costs for day-to-day actions; costs for R&D; costs of understanding human behavior; and costs for building new facilities and hiring employees.

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
COR1	Fuel/energy taxes and regulations	Adobe's product offerings allow organizations	Increased demand for existing products/services	6-10 years	Direct	Very likely	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		to reduce their requirements for printing, mail and travel. Adobe's PDF and LiveCycle Suite of tools allow companies to create, distribute, and review documents electronically, reducing their need for printing documents and/or sending documents via mail. Adobe Connect allows companies to conduct meetings and presentations electronically, reducing the need for corporate travel. One effect of Fuel/Energy Taxes and Regulations could be the increased cost of energy. The increase in energy costs, as well as increased environmental regulation directly could					

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		lead to greater demand for Adobe's products.					

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

(i) As Adobe products provide a less expensive alternative to business travel, printing and mail, companies will increasingly purchase and download Adobe products. More products will be sold and new and better products developed, driven by this demand. (ii) Adobe is continuously monitoring and studying the energy and carbon markets and how they might impact Adobe's business. (iii) These costs are included within the overall costs associated with research and development and are simply part of the normal costs of doing business. As demand for Adobe products grows, increased costs will be more than offset by increased revenues from sales. Concurrently, operating Adobe's facilities more sustainably has meant operating Adobe's facilities more efficiently, actually resulting in decreased operating costs per square foot and per employee, overall.

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CPO1	Induced changes in natural resources	Climate change impacts the physical climate in varying ways: shifting weather patterns resulting in increased precipitation and storms in some areas, reducing them in others areas. To the extent that agriculture and natural resources are negatively impacted by these	Increased demand for existing products/services	6-10 years	Direct	Likely	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		changes, the overall impact is disruption of traditional business patterns and shortages of resources in some areas, concurrent with disruptions in the supply chain for water, wood, gas, oil, etc., in turn driving up the costs of doing business in traditional ways. To the extent that shortages will result in increased costs for wood products (paper), water costs (cooling tower operations, restrooms, irrigation), corn and soy products (ethanol), and so forth, Adobe's products offer less costly					

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		solutions to clients, offsetting these increased costs. To the extent that Adobe products offer more flexible alternatives to traditional business practices, they represent potential solutions					

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

CPO1 - (i) Climate change will most likely lead to significant changes in the availability of and the distribution of natural resources with concurrent disruption of commerce. Water, wood, production of corn and soy, are all likely candidates for disruption of production due to local and regional climate change impacts, resulting in higher paper and energy prices generally. (ii) Adobe products offer less expensive alternatives to printing on paper (wood for paper pulp), mailing (wood for paper pulp; corn and soy for ethanol fuel), and corporate travel (corn and soy for ethanol fuel). (iii) the costs of addressing this growing demand are the normal costs of doing business for Adobe: research and design, product development and testing, marketing, merchandizing, which should be more than offset by increased revenues.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OCD1	Induced changes in human and cultural environment	As the need to conserve natural resources increases, due to high demands and population growth, and lower availability, there will be a dramatic increase in the need to use products that conserve resources. Adobe products will thus be impacted favorably., specifically those which reduce the need for travel, for printing, and even those that conserve paper.	Increased demand for existing products/services	6-10 years	Direct	Likely	Medium-high

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OCD1 - CPO1 - (i) As the population grows and natural resources dwindle, demand for products that conserve natural resources will increase. Adobe products will be in demand. (ii) Adobe products offer less expensive alternatives to printing on paper (wood for paper pulp), mailing (wood for paper pulp; corn and soy for ethanol fuel), and corporate travel (corn and soy for ethanol fuel). (iii) the costs of addressing this growing demand are the normal costs of doing business for Adobe: research and design, product development and testing, marketing, merchandizing, which should be more than offset by increased revenues.

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sat 01 Jan 2000 - Sun 31 Dec 2000	1419	21866

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1

7.2a

If you have selected "Other", please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
Other: Carbon dioxide	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: Methane	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: Nitrous oxide	IPCC Fourth Assessment Report (AR4 - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	328.5	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	517.8	kg CO2 per MWh	eGrid/WRI GHG Protocol/Intern
Electricity	873.3	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	943.4	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	848.4	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	428.5	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	198.7	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	584.2	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	90.9	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	699.0	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Electricity	472.5	kg CO2 per MWh	eGrid/WRI GHG Protocol/International Energy Agency Data Ser
Natural gas	0.05	metric tonnes CO2e per GJ	WRI GHG Protocol

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	0.07	metric tonnes CO2e per GJ	WRI GHG Protocol

Further Information

Electricity carbon emission factors were provided for all locations where Adobe facilities reside and were used to calculate the total carbon emissions.

Page: 8. Emissions Data - (1 Jan 2010 - 31 Dec 2010)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

3642

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

27068

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Assumptions Extrapolation	Uncertainty occurs primarily from estimation of emissions from sites which are not sub-metered and therefore, for which we do not have precise data. Our methodology for estimating is very sophisticated, however. Estimates represent about 30% of total emissions data.
Scope 2	More than 5% but less than or equal to 10%	Assumptions Extrapolation	As with Scope 1, uncertainty occurs primarily from estimation of emissions from sites which are not sub-metered and therefore, for which we do not have precise data. Our methodology for estimating is very sophisticated, however, and estimates represent about 30% of our total emissions data.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance underway but not yet complete - last year's certificate attached

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Verification/assurance underway	ISO14064-3	Statement is attached below verifying methodology.

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance underway but not yet complete - last year's certificate attached

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Verification/assurance underway	ISO14064-3	Statement is attached below verifying methodology.

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

Further Information

Attachments

20090709 Adobe Greenhouse Gas Emission Inventory Report - ClimateCHECK.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
United States of America	3316
Rest of world	491

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By GHG type

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e
CO2	3796
CH4	8
N20	2

Further Information

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e

Country	Scope 2 metric tonnes CO2e
United States of America	14418
Rest of world	10615

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 metric tonnes CO2e
Office and Data Center Activity	25033

Further Information

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

Yes

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments
Renewable Energy Certificates	26171	The RECs are purchased to offset electricity usages for the North American facilities of San Jose, San Francisco, Boston, Seattle, New York , and Virginia.

Further Information

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 45% but less than or equal to 50%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	
Electricity	53572
Heat	
Steam	
Cooling	

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	17978
Other: Gas/Diesel oil	2486

Further Information

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	34	Decrease	In addition to conservation measures and LEED certification, Adobe has installed wind energy turbines and fuel cells at its San Jose campus. While the fuel cells use natural gas, Adobe purchases clean, alternative biogas to offset the natural gas used, making them sustainable. Together, these alternative sources of energy provide approximately 30% of Adobe's total electricity demand for their San Jose headquarters buildings, which represent approximately 31% of Adobe's total portfolio.

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
7.6	metric tonnes CO2e	unit total revenue	34	Decrease	In 2009, the absolute emission intensity for Scope 1 and Scope 2 was 11.52 metric tons per million USD. In 2010, the intensity has decreased to 7.6 metric tons per million USD. As stated above, In addition to conservation measures globally and LEED certification, Adobe has installed wind energy turbines and fuel cells at its San Jose campus. While the fuel cells use natural gas, Adobe purchases clean, alternative biogas to offset the natural gas used, making them sustainable. Together, these alternative sources of energy provide approximately 30% of Adobe's total electricity demand for their San Jose headquarters buildings, which represent approximately 31% of Adobe's total portfolio.

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
3.17	metric tonnes CO2e	FTE Employee	20	Decrease	In 2010, Adobe installed wind turbines and fuel cells to generate electricity. While the fuel cells use natural gas, Adobe purchases clean, alternative biogas to offset the natural gas used, making them sustainable. Together, these alternative sources of energy provide approximately 30% of Adobe's total electricity demand for their San Jose headquarters buildings, which represent approximately 31% of Adobe's total portfolio.

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
0.010	metric tonnes CO2e	square foot	12	Decrease	In addition to conservation measures and LEED certification, Adobe has installed wind energy turbines and fuel cells at its San Jose campus. While the fuel cells use natural gas, Adobe purchases clean, alternative biogas to offset the natural gas used, making them sustainable. Together, these alternative sources of energy provide approximately 30% of Adobe's total electricity demand for their San Jose headquarters buildings, which represent approximately 31% of Adobe's total portfolio.

Further Information

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

Further Information

Page: 15. Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	43408	Emissions from short, medium and long haul business air travel miles were calculated. Emissions form miles traveled in rental cars on business purposes were also calculated using emission factors for gasoline.	
Leased assets (upstream, not included in Scope 1 or 2)	456	For these Scope 1 emissions in a leased property, calculations were performed as follows -taking the known values and usages from controlled locations, weather conditions, and other known factors for each location, Adobe extrapolates energy usage values of leased spaces where known values are unavailable. And from these energy use values, Adobe then calculates carbon emissions using emission factors from the GHG Protocol.	

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance underway but not yet complete - first year it has taken place

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Verification/assurance underway	ISO14064-3	

15.3

How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

Increased

15.3a

Please complete the table

Reason	Emissions value (percentage)	Direction of Change	Comment
Acquisitions	100	Increase	Adobe acquired Omniture during the 2009 year. Therefore, business travel and subsequently emissions increased, as various locations and business units were consolidated as required into Adobe.

Further Information

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Randall H. Knox III, Senior Director, Global Workplace Solutions (Head of Environmental Programs), Adobe Systems Incorporated

CDP: [X][-,-][P2]

Still need help? Contact us.