Investor CDP 2013 - Adobe Systems, Inc.

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

Adobe is the global leader in digital marketing and digital media solutions. Our tools and services allow our customers to create groundbreaking digital content, deploy it across media and devices, measure and optimize it over time, and achieve greater business success. We help our customers make, manage, measure, and monetize their content across every channel and screen.

At Adobe, we believe a creative world sustains itself. We continue to strive to exceed industry certification standards and maximize efficiency with cutting-edge technology — all while empowering employees to create a culture of environmental sustainability.

Founded in 1982, Adobe has grown to more than 11,000 employees in 112 locations around the world and annual revenues in excess of $4.403 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. Adobe products are well known and include among others Photoshop, Air, Breeze, and new Creative Suites.

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, including the goal of achieving carbon neutrality. Adobe was the first company to earn LEED (Leadership in Energy and Environmental Design) Certification through the US Green Building Council at the Platinum level (the highest level possible) under the permanent LEED program for existing buildings (LEED-EB) in June 2006. Today, Adobe has twenty-three LEED certifications, seventeen at the Platinum level, four at the Gold level, and two at the Silver level. All of Adobe's owned or fully managed buildings are certified through at least one of the LEED programs. Most recently, Adobe-Noida, Adobe-Beijing and Adobe-London were certified and attained LEED-EB, and two LEED-CIs at the Silver, Gold and Platinum levels, respectively. Adobe-Sydney was certified under the NABERS green building program, obtaining 4.5 out of a possible 5 stars. Adobe has directly reduced and/or avoided its Scope 1 and Scope 2 carbon emissions through these measures for its owned and managed buildings in the United States by 53%, and through purchase of RECs, Adobe has offset its total Scope 2 emissions by 100%.

Of the seven buildings Adobe owns and/or controls in the U.S., all have achieved the EPA Energy Star label with an average rating of 99 out of a possible 100, meaning that Adobe's buildings are performing in the top one percentile in terms of energy efficiency of all buildings in the U.S. All seven buildings have an average solid waste diversion percentage (either through recycling or composting) of 99%.

For its leased suites, Adobe has a comprehensive sustainability checklist listing 100 energy conservation and sustainability measures which are reviewed quarterly to showcase each site's performance and to generate competition between Adobe's managers to undertake additional sustainable initiatives. In addition to conservation measures and LEED certification, Adobe has installed wind energy turbines at its San Jose campus, and fuel cells at its San Jose and San Francisco campuses. While the fuel cells use natural gas, Adobe purchases clean, alternative bio methane to offset the natural gas used, making them effectively carbon-neutral. Together, these alternative sources of energy provide approximately 28% of Adobe’s total electricity demand and carbon emissions (Scope 2) for their San Jose headquarters buildings, and 50% for their San Francisco buildings, which together represent approximately 42% of Adobe’s total global portfolio. Adobe has also developed a sustainable purchasing policy, and it has worked to increase the percentage of its product that is sold digitally on-line. In 2012, an estimated 73% of Adobe licensed product were delivered through an electronic channel. And for that product that is still sold in packages, Adobe has worked to reduce the amount of packaging used, and to use more recycled content in its packaging.

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
Sun 01 Jan 2012 - Mon 31 Dec 2012

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($)

0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors 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 not appear below but will automatically appear in the navigation bar when you save this page.

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.

Module: Management

Page: 1. Governance

1.1

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

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

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

The name of the committee with responsibility for climate change is the Management Review Committee headed by the CEO of the company. The Head of Environmental Programs, the Senior Director of Facilities who is also the Director of Sustainable Strategies reporting to the Chief Financial Officer, and the Director of Corporate Social Responsibility are tasked with implementing the programs and initiatives and reporting back to the committee.

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	Incentivized performance indicator
Facility managers	Monetary reward	Meeting Annual Carbon Emissions Reduction Targets; Meeting Annual Energy Use Reduction Targets; Achieving EPA Energy Star Certification Ratings; Achieve Annual Water Usage Reduction Goals; Achieve Annual Solid Waste Diversion Goals (diversion of solid waste from landfill through a combination of composting and recycling)
Energy managers	Monetary reward	Meeting Annual Carbon Emissions Reduction Targets; Meeting Annual Energy Use Reduction Targets; Achieving EPA Energy Star Certification Ratings; Achieve Annual Water Usage Reduction Goals; Achieve Annual Solid Waste Diversion Goals (diversion of solid waste from landfill through a combination of composting and recycling)

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Other: Environment/sustainability managers	Monetary reward	Meeting Annual Carbon Emissions Reduction Targets; Meeting Annual Energy Use Reduction Targets; Achieving EPA Energy Star Certification Ratings; Achieve Annual Water Usage Reduction Goals; Achieve Annual Solid Waste Diversion Goals (diversion of solid waste from landfill through a combination of composting and recycling)
Business unit managers	Monetary reward	Meeting Annual Carbon Emissions Reduction Targets; Meeting Annual Energy Use Reduction Targets; Meeting Annual Water Reduction Targets.
Management group	Monetary reward	Sustainability and energy management performance is tied to bonus and promotion.
Director on board	Recognition (non-monetary)	Sustainability and energy management performance is tied to bonus and promotion.

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

Adobe has incorporated its climate change strategy into a multi-disciplinary, company-wide sustainability and risk management process.

i. Scope of Process: The scope of this process incorporates the impacts of regulations, market structure, potential reputational concerns, weather-related changes, types of available energy and other resources, and other areas that could affect business potential.

ii. How Risks and Opportunities are Assessed at Company Level: At the company level, members of different departmental groups including Global Workplace Solutions (GWS-Facilities and Real Estate Management), Supply Chain, Legal, Purchasing, Finance, and IT groups continuously report to the MRC Committee the status of different sustainability program and initiatives undertaken during the previous six months. The MRC reviews the material with an aim to both educate and set future goals. Departmental members read industry literature and attend workshops and seminars regularly (including the US Green Building Council, Sustainability Roundtable, Center for the Built Environment, and Sustainable Silicon Valley to name just a few of the organizations Adobe has collaborated with- and continues to - over the past year and in previous years), in order to stay informed regarding climate related issues, changes in regulations, market structures, and other factors that could affect business, both locally and globally. As these risks are understood and mitigated, potential for different business opportunities that arise are analyzed by different groups such as Product Groups, Finance and others for research and production and then implemented if deemed feasible. This successful methodology has been utilized for many of Adobe's current products including Adobe Connect (TM) that helps minimize the need for travel, and also for the reduction of packaging, which arose from understanding European regulations.

iii. How Risks and Opportunities are Assessed at the Asset Level: At the individual site level, the facility managers of each site, along with the regional managers, ensure that the site complies with local and federal regulations, prepare for energy costs and availability issues, as well as plan for any natural disaster that could disrupt business practices, including the potential effects of global warming and the impact of measures taken to mitigate the effects of global warming. Each Adobe facility shares best practices with

regard to energy and resource management and reduction of carbon emissions. Generally, best practices become standardized and are incorporated into Adobe's overall strategy.
In the event of a natural disaster, Adobe's business recovery plans include redundancy in business operations and subsequent site recovery. Other risks such as availability of power, and repurposing of the site and equipment, if deemed necessary, are also documented and planned per site requirements.
The Adobe Global Workplace Solutions department has regular weekly reviews and discussions with each facility to understand its risks and requirements. Any new items are then researched and developed. Policies have been created to ensure that appropriate actions are followed through and completed. Opportunities are assessed on a case-by-case basis by locations as a direct component of mitigating risks. For instance, in India, when the facility was tasked to reduce paper usage as a result of environmental goals and cost reduction, engineers developed LeanPrint, a software program that minimizes the amount of printed paper by allowing target printing of specified data.
iv. The Frequency of Monitoring in terms of Weeks, Months and Years: Adobe monitors risks and opportunities annually by using the following methodology. Global Workplace Solutions monitors energy usage and carbon emissions in real time on an on-going basis, and also monitors energy and green energy costs and availability in all locations in order to take advantage of favorable market conditions and to ensure we are obtaining the most sustainable power available where we have the ability to control that. Adobe's Corporate Social Responsibility organization monitors social and financial trends annually to ensure that Adobe remains on the cutting-edge of sustainability in comparison with its peers. The Sustainability Council, which includes representation from all of the above groups, then refines and focuses Adobe's climate needs and strategies with the business climate to better understand and address these issues. The Management Review Committee reviews all the metrics, data and the requirements set forth by the Sustainability Council Members and approves the subsequent policies.
iv. Criteria to Determining Materiality and Priorities: Materiality and priorities are determined based on a combination of regulatory, life-cycle costs, and reputational factors, in addition to environmental considerations, both workplace environment as well as the overall health of the planet.
v. To Whom are the Results Reported: Adobe managers obtain monthly and quarterly status reports, including status of energy and other resource conservation achieved, carbon emissions reduction, percentage of solid waste diversion from landfill, sustainable procurement, and financial documentation along with the business metrics. Presentations are provided semi-annually to the Management Review Committee, a group consisting of the CEO, who is also a member of Adobe's Board of Directors, the Senior VP of Human Resources, the Senior VP of Global Marketing and the Chief Financial Officer.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes

i) How the business strategy has been influenced: Adobe has always been a strong advocate for the conservation of natural resources, and therefore its business model and products are closely tied with its climate action plan. As is well known, the inspiration for Adobe's original products, including PageMaker, arose from the perceived need for a paperless system that would reduce costs and dependency on natural resources.
In 2012, Adobe's business strategy was influenced by strong direction from many facets of the company including management, Global Workplace Solutions, Corporate Sustainability, Supply Chain and other, to create products that maintain and strengthen Adobe's vision for communicating digitally, substituting electronic communications for printed copy and physical travel, significantly reducing demand on natural resources, reducing the generation of solid waste, and thereby facilitating the reduction of carbon emissions. For instance, the groups proposed digital product delivery reducing the need for packaging. This digital product delivery method conserves natural resources required for packaging, reduces waste garnered from packaging and fuel usage from transportation and effectively mitigates carbon emissions from all of the above. Adobe also introduced digital signatures to further mitigating paper use. Both initiatives remove end-of-life product emissions.

ii) Climate change aspects that have influenced this business strategy: Adobe's climate change strategy is influenced by the aspect of climate change to develop a green business. In addition our long term climate strategy is linked with our emission reduction target of reducing 75% of our carbon emissions from our baseline year of 2000 and our new Net Adobe's LeanPrint product was developed to address the need to reduce extraneous printing. With LeanPrint, an enterprise-class software-based printing solution that optimizes document layout to facilitate Adobe's customers saving paper and toner reduces not only the amount of printing time but also the need for paper (tree harvesting, energy, water and waste) and toner (energy, water, and waste). Since printing uses energy and procuring printing-related goods such as paper and toner generates emissions, this efficiency maximizing technology reduces business GHG emissions on multiple fronts. An opportunity was captured for reduction of Scope 3 emissions.
Additionally, the Supply Chain group saw an opportunity to reduce packaging and thereby reduce CO2e emissions. As a direct result of consumer and reputational risk assessments, the Supply Chain group reduced the packaging by 80% in 2012 and created sustainable packaging for the remainder. In fact one of the products is a 100% recyclable package. Furthermore, Adobe decided to move towards digital downloads of its product suites, eliminating the need for packaging and subsequent emissions altogether. Adobe's new methodology was based on risk assessments, as well ease of product delivery, which is integral to doing business in this environment. Adobe is investing new technologies to tackle these new business requirements.
Fuel taxes and regulations were analyzed in key locations. This study was conducted concurrently with a need to place more people within an existing office environment. Adobe wanted to reduce energy consumption while increasing headcount in its owned facilities. Hence the SmartFloor concept was introduced. An existing floor was opened up with an open floor plan integrated with Adobe's teleconferencing technology, Adobe Connect, and with a cohesive energy monitoring plan. The new floor housed 50% more employees and concurrently reduced energy and related carbon emissions by 60%, and was certified under the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) for Commercial Interiors program. This floor is now being replicated in the company's owned facilities.

iii). Most important components of climate change that have influenced short term strategy: At Adobe, short term strategy are impacts that are felt over the course of one year. As such, the most important components of meeting the short term business strategy include reduction in operating costs due to the installation of the Fuel Cells and mitigating fuel and energy taxes and regulations, and the reputational effects of reduction of packaging, which improve Adobe's brand. These short term impacts are also mirrored in the long-term strategy. The success of the Smart Floor and the open floor concept with respect to reduction in energy usage and related carbon emissions and increased headcount on a floor generated such interest that now the CEO and the executive level employees of Adobe sit on such a floor.
iv) Most important components of climate change that have influenced long term strategy: Long term strategies, which are five years into the future, are also influenced by climate change aspects. addition our long term climate strategy is linked with our emission reduction target of reducing 75% of our carbon emissions from our baseline year of 2000. Products such as LeanPrint are developed to meet growing customer requests to add green methodology to Adobe's suite of products to assist them in conserving natural resources. Another product suite was created to generate ease of use and purchase for the customer, who now does not contribute to end-of-life product emissions. Location of facilities with respect to availability of abundant, affordable energy and the development of sustainable data centers are critical to Adobe's long-term strategy. The new data center in Oregon was sited due to the abundance of clean energy in Oregon and the ability to utilize the cold temperatures of Oregon into the data center design using the natural cooling and thereby reducing energy and carbon emissions. Adobe also is in the process of certifying this data center under the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) for Data Centers. These efforts create a healthy work environment for Adobe's employees, reduce operating costs, and strengthen Adobe's image. Currently, Adobe has twenty-three certifications, including seventeen at the Platinum level, the highest level attainable. In addition, Adobe in 2012, delivered 73% of its products through an electronic distribution channel. This new method eliminates the need for packaging and related carbon emissions and increases the ease of product delivery.

v) How is this gaining strategic advantage over competitors: Adobe differentiates itself from its competitors by developing tools and services that allow customers to create groundbreaking digital content, by running its operations sustainably, and by also developing products that reduce the need for printed paper and for physical travel. In this industry niche, Adobe has market share.

vi) Most substantial business decisions driven by climate change: The most substantial business decisions that have been made in 2012 that have been influenced by climate change aspects are those that develop green business, enhance reputation, and reduce emissions as listed in the previous paragraphs: the development of Adobe's Echosign technology that allows digital signatures eliminating the need for paper; the implementation of the Smart Floor and open floor concept to increase the headcount on a floor with integration with Adobe Connect while reducing energy and subsequent emissions; the reduction of packaging of Adobe's products by 80%; the increase in digital downloads to the now 73% of Adobe's overall sales; and the siting of Adobe's new data center in central Oregon with its abundance of clean energy in an area which is less susceptible to the impacts of climate change than other areas.

2.3

Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)

Direct engagement

2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Energy efficiency	Support	: Adobe participated in discussions with the California Energy Commission to draft the NetZero Energy Action Plan. This bill ensures that all new construction within California will be net zero energy by 2030. A net zero energy building uses as much energy as it generates, through the reduction of usage by energy efficiency projects; on-site generation through alternative energy systems such as the fuel cells; and through the purchase of offsets generated through clean energy. These methods will also ensure that Adobe reduces its carbon emissions. Adobe attended all the meetings and discussed the merits of each of proposed plan items as part of the planning process. Adobe was invited to participate based on the company's implementation of many energy efficiency projects and general understanding and interest in the topic.	Adobe supports this standard by its initiative for all its existing North American owned facilities by becoming net zero and subsequently carbon neutral by 2015. Although the bill is currently set only for new construction and also only in California, Adobe sees merit in following the principles in all its existing facilities as well. For its sites in San Jose and San Francisco, Adobe has already installed alternative energy systems that are generating energy on-site that meets 30% and 50% of the sites' overall energy respectively, utilizing a carbon-neutral process. Adobe has also purchased renewable energy offsets for its other North American sites. Based on the success of the current methodology, Adobe will expand the plan to sites globally.

2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Adobe has established goals regarding reduction of energy, water, solid waste, carbon emissions and conservation of energy and natural resources. Upon learning of future new regulations and standards, Adobe meets with appropriate parties such as the regulators, energy commissions, utility companies, sustainability groups and other entities to understand these regulations and how they will affect Adobe's current climate policies. Adobe directly engages with the appropriate groups to ensure that they have a

voice in the regulation regardless of whether the company completely supports the new standards or has alternative view points. In this manner, Adobe ensures that its overall sustainability and climate strategy are meeting the standards.

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?

Absolute target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
ABS 1	Scope 1+2	50%	75%	2000	23286	2015	Adobe's goal translates to reducing or avoiding 75% of Adobe's base year Scope 1 and 2 emissions. Adobe's plan to meet this goal is to reduce, avoid or off-set through a combination of conservation, on-site generation, and off-site purchase of renewable energy and to offset remaining Scope 2 emissions through the purchase of RECs.
ABS2	Scope 1+2	50%	100%	2012	25740	2015	In 2012, Adobe further refined its plan to attain Net-zero energy and subsequent carbon neutrality by 2015 for its North American facilities which encompasses over 50% of Adobe's total global footprint. The Net-Zero Energy Plan states that Adobe will only use as much energy as it generates in its owned and controlled sites and offset the corresponding carbon emissions with RECs for Scope 2.

3.1d

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

ID	% complete (time)	% complete (emissions)	Comment

ID	% complete (time)	% complete (emissions)	Comment
ABS 1	50%	99.94%	Adobe completed the development of its enhanced climate action plan per its goals, and has reduced and/or avoided 100% of its Scope 2 carbon emissions. Adobe has invested in boiler efficiency projects; data center efficiency projects, next generation lighting and existing clean alternative energy systems, including hydrogen fuel cells and wind turbines to reduce electricity and natural gas usage and carbon emissions.
ABS 2	25%	28%	Adobe has met 28% of its Net Zero goals by implementing new Smart Floor Technologies to reduce energy consumption and both Scope 1 and 2 emissions on its floors while increasing headcount, developing even greater efficiencies, data center energy projects, addition of variable frequency drives for chillers and hot water supply pumps, and carbon monoxide sensors in the garages, along with the existing clean alternative systems.

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 Connect, a web conferencing solution for web meetings, eLearning and webinars, creates an engaging virtual communication experience that is a viable substitute for most business travel. Since business travel makes up the majority of Scope 3 emissions, this product has immense potential to slash our customers' GHG emissions. With the Connect licenses that have been sold and assuming a moderate use rate (25% physical meetings replaced by virtual), we estimate that the annual GHG savings from Connect use range from 1000 to 1500 metric tons of CO2e for a company, based on calculations using the GHG Protocol for carbon emission factors and average travel distances taken from the EPA and other governmental agencies, and GWP values of 1, 25, and 298 for CO2, CH4, and N2O, respectively. The GWP values were obtained from IPCC Fourth Assessment. Our methodology was based on the GHG Protocol and the average travel distances taken from the guidance from EPA Climate Leaders, based on our assumptions are that there are 50% short haul, 30% medium haul, and 20% long haul flights per year for a given company and based on estimates from our travel provider. Adobe Acrobat streamlines personal and professional communication through the use of fillable, editable PDF forms. Forms can be compiled and signed securely on the computer, largely eliminating the need to print, scan and fax documents. Since PDF is such a universally used product, we estimate that if PDF has replaced even just 50% of print/scan/fax needs across large businesses alone, the use of Acrobat is responsible preventing the emission of at least an annual 1400 metric tons of carbon emissions for an average company. Adobe LeanPrint, an enterprise-class software-based printing solution that optimizes document layout to save paper and toner, reduces not only the amount of printing time but also the demand for paper and toner. Since printing uses energy and procuring printing-related goods such as paper and toner generates emissions, this efficiency maximizing technology reduces business GHG emissions on multiple fronts. Given that Adobe lab tests have found a 40% reduction in paper and toner use on average and, thus, a 40% reduction in printer use and with the licenses that have been sold to large businesses thus far, we can estimate the direct GHG reductions from LeanPrint to number 60 metric tons of carbon. The carbon values were calculated using carbon emission factors from the IPCC Fourth Assessment and the GHG Protocol. We are not considering originating these credits currently for any mechanism.

3.3

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

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	600
To be implemented*	6	735
Implementation commenced*	6	1763
Implemented*	18	11189
Not to be implemented	1	17

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Low carbon energy purchase	Adobe purchases Renewable Energy Credits (RECs) generated from wind for its facilities in San Jose, San Francisco, Seattle, Boston, Lehi, New York, McLean, and Ottawa. This is a voluntary reduction. This project offsets Scope 2 emissions for these facilities, and there is a total savings of 10,050 metric tons of carbon that is associated with this action. Adobe also purchases renewable energy from the utility grid for its facilities in Germany. This initiative ensures that Adobe uses clean energy in its facilities. This is a voluntary reduction. The RECs have a lifetime of 1 year, while the renewable energy is availbale for 3 years.	10353	0	42913	1-3 years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency: Building fabric	Adobe implemented its Smart Floor design, an integrated design that monitors and controls lighting and heating and cooling, allowing the number of people on a floor to be increased by 45%, while reducing the overall energy usage and subsequent associated carbon emissions. This technology affects both Scope 1 and Scope 2 emissions and is a voluntary reduction. Seven separate projects were conducted with a total carbon savings of 546 metric tons of carbon is associated with this initiative. This initiative has a lifetime of ten (10) years.	546	58627	299172	1-3 years
Energy efficiency: Processes	Adobe placed energy efficient initiatives in its East Tower data center to include hot/cold aisles,ducting modifications for the HVAC systems; and server racking configurations to reduce electricity usage. These initiatives directly affect Scope 2 emissions and have a carbon savings of 116 metric tons. This is a voluntary reduction that has an eight year life.	116	17428	56784	1-3 years
Energy efficiency: Processes	Installation of Variable Frequency Drive motor controllers for the Chillers and Hot Water Supply pumps provides accurate control of the pumps themselves. This reduces electricity and subsequent carbon emissions. These two projects are associated with Scope 2 emissions and have a carbon savings of 109 metric tons. This is a voluntary reduction with a ten (10) year life.	109	50972	110500	<1 year

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Transportation: fleet	Installation of electric car chargers for the employees and visitors to promotes the use of clean energy vehicles. This reduces gasoline usage and overall Scope 3 emissions. This is a voluntary reduction that has resulted in a carbon savings of 32 metric tons. This project is viable for 15 years.	32	0	32000	4-10 years
Energy efficiency: Building fabric	Adobe installed automatic carbon monoxide (CO) sensors for the garage exhaust fans. Installation was required in order to bring two facilities up to current CO exhaust control code standards. This iniative was a mandatory reduction as it was based on regulation, but it conserved energy and subsequent emissions. The alternative would be that all the fans would need to run at full speed, and this system allows them to be ramped up and down only when needed. The project affects Scope 2 emissions and is viable for 12 years. It has a carbon savings of 228 metric tons CO2e.	228	161091	141750	<1 year

3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Particularly in the San Francisco Bay Area in California, many sustainability measures have been mandated through legislation. In some cases, Adobe has even testified on behalf of passing this legislation. In every case, Adobe management strives to be at minimum compliance; in most cases going well beyond mere compliance.
Dedicated budget for energy efficiency	Adobe has a dedicated budget for its very comprehensive energy efficiency program, and has had for over ten years. This budget is prepared by the facilities group and overseen by the Head of Environmental Programs. The Management Review Committee, made up of the CEO, CFO, vice president of human resources, and the head of Corporate Social Responsibility, reviews and approves the final budget.

Method	Comment
Dedicated budget for low carbon product R&D	Many of Adobe products, such as Adobe Connect, Adobe Acrobat, and Adobe Connect (TM), LeanPrint, and EchoSign allow users to operate more sustainably - virtually - using electronic media in place of paper and ink or physical travel. These "green" products which enable resource use and emissions reduction, are major core deliverables for Adobe, with dedicated budget for continued development.
Employee engagement	Adobe employees are encouraged to engage in the sustainability decisions of the company and, in fact, play a major role in developing many of Adobe's sustainability programs. Adobe employees have formed a Green Team under the sponsorship of the company that is made up nominally of about 5% of the total employee population. The Green Team receives funding from Adobe to independently organize and run emission reduction activities to target emissions generated by Adobe as well as the community as a whole. These projects include planting on-site "edible gardens" for the cafeteria, organizing e-waste drives and implementing SunShares, a program that allows employees to purchase photovoltaic solar systems for their homes at reduced rates with optimal financing..
Financial optimization calculations	As the CFO and Vice President of Operations review all investment decisions in sustainability-related and emissions reduction projects, careful financial analysis is completed to assess the viability of each initiative. Market research, benchmarking, and investment modeling are employed to justify environmental projects. Furthermore, original research into the relationship between return on equity and market value has been conducted.
Partnering with governments on technology development	Adobe has partnered with a number of government agencies including National Aeronautics and Space Administration (NASA), General Services Administration (GSA), Lawrence Berkeley Labs (LBL) and Center for Built Environment (CBE), making presentations, touring Adobe's facilities, and sharing best practices, including Adobe's state-of-the-art monitoring system, IBIS (Intelligent Building Interface System) which Adobe uses to monitor and strategize carbon emissions, energy usage, water usage, and alternative energy production.
Other	Voluntary compliance with standards developed by organizations such as Australia's NABERS, U.S. Environmental Protection Agency's Energy Star for Buildings, and the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) programs have been pivotal to shaping Adobe's emissions and energy reduction strategy. Adobe currently operates twelve LEED-certified facilities across the globe, with twenty-three LEED certifications between them. (Some buildings were certified both under new construction certification program as well as the on-going building operations program) Adobe's buildings were the first buildings to be certified at the Platinum level (the highest level possible) under the permanent LEED for Existing Buildings Program; Adobe has the oldest building certified at the Platinum level; and Adobe's buildings have been listed as the greenest buildings in the world.

Further Information

Carbon emissions (CO2e) also have reduced 47.2% per capita in 2012 for its owned and controlled properties from base year 2000.

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 places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	1	Environment GHG Emissions.pdf
In voluntary communications (complete)	3	Adobe_CSR_Brief_Env_Sust.pdf
In voluntary communications (complete)	14-15	ASHRAE Article 2012.pdf
In voluntary communications (underway) – previous year attached	2-3	2011-adobe-csr-data-summary.pdf

Module: Risks and Opportunities

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) that have the 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
CARTX	Carbon taxes	Conservation of natural resources and a reduction in those resources themselves, results in higher costs for fuel and energy, essential in effectively running a business. These costs translate into higher energy and lease fees and other subsequent costs, which could dictate where facilities are located and what types of business units could exist. Adobe currently	Increased operational cost	1-5 years	Direct	Likely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		pays these taxes in certain countries where it has facilities. The European Union Emissions Trading System (EU ETS), which started in 2005, is run by the European Commission, and affects twenty-one Adobe offices in terms of added surcharges to the cost of power. Adobe's UK facilities are captured similarly by the UK CRC Energy Efficiency Scheme, which started in 2010, and is run by the UK Government. Currently, China has proposed a carbon tax on fuel from 2013. India from July, 1, 2010, imposed a nation-wide carbon tax of 50 INR per ton of coal. Many of the countries where Adobe is located within Europe have imposed energy taxes based on carbon content. Adobe faces exposure to this risk if carbon					

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		taxes are levied and impacts its facilities, resulting in increased operating costs.					
PRODE	Product efficiency regulations and standards	Commercial buildings use the greatest amount of energy, and subsequently are directly responsible for increased carbon emissions due to the energy usage and the building materials themselves. Regulations and standards have been instituted globally, such as the EU Energy Performance of Buildings Directive or AB-32 in California, that dictate the energy measures, efficiency iniatives, and reporting procedures that buildings need to take in order to cut down on emissions. With over 85 facilities globally, and as Adobe moves towards digital delivery, these initiatives and related costs	Increased operational cost	Current	Direct	Virtually certain	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		translate into higher leasing fees, higher costs for fuel, and a general re-definition of the types of facilites that Adobe can lease globally. As the company grows and more commercial sites as well as data center locations are scoped, Adobe faces exposure to this risk if certain facilites are deemed unsuitable and poses impacts to the facilities, resulting in increased operating costs.					

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

For CARTX: (i) New rulings and initiatives may involve upfront costs, such as hiring consultants to assist the process of understanding new regulations and other impacts, and costs of meeting these requirements - from planning through implementation. For quantitative costs, in the United States, total electricity and carbon tax costs, along with the costs above can be around $4.8 million and along the same lines for Europe, it will be an estimated $1.2 million. These costs are derived from the actual utility costs and estimation of the potential carbon taxes based on specific locations.

(ii) Adobe invests in energy efficiency projects and to date has invested $16.3 million over ten years, and completed over 157 sustainability projects, resulting in reduced or avoided electricity usage of over 50%, natural gas 30%, domestic water 79%, irrigation water 71%, and 97% of Adobe's solid waste is diverted from landfill through a combination of composting and recycling. With these projects alone, CO2 is also reduced. The average EPA Energy Star Score for Adobe's owned and or managed buildings is 97+, meaning that Adobe's buildings are operating in the top third percentile of all commercial office buildings in the U.S. In concert with these initiatives, Adobe has certified most of their own buildings through the U.S. Green Building Council’s Leadership in Energy and Environmental Design program (USGBC, LEED). The LEED program serves as both a sustainability benchmarking tool and a third-party, authoritative validator of sustainability achievement. In addition, Adobe has developed an enhanced, comprehensive building systems and monitoring and controls technology through which Adobe monitors, controls, and continuously commissions building systems and operations to optimize building operating efficiency, minimizing energy and other resource requirements. Practices developed, such as ongoing monitoring and measuring of building operations, energy management, continuous commissioning, water conservation, solid waste management, indoor environmental quality control, “green” procurement, and encouraging use of

alternative transportation - all combine to reduce Adobe's carbon emissions and to help create a greater environmental awareness and a culture of concern. Adobe also purchases Renewable Energy Credits to offset its Scope 2 emissions in its LEED certified sites in the United States.
(iii) Costs associated with these initiatives are the costs outlined in part (i), a total of $16.3 million. However, as noted annual operating costs were lowered through these initiatives, primarily electricity, gas, water and solid waste, with a simple payback of 2.1 years, and an annual return on investment of 47%, including increased costs for day-to-day operations, consultation fees, and capital costs for retrofitting or replacing equipment.

For PRODE: (i) New initiatives may involve costs of hiring consultants to understand the regulations, scoping out locations that have renewable energy available, training of existing personnel on the new leases and agreements to include management of these locations, and certification costs. Quantitatively, this cost also means that Adobe potentially can pay upwards of $100,000 per building/leased suite and more specifically for data centers to ensure that the site meets the appropriate requirements, obtains the proper site scoping to ensure that the site minimally impacts the environment, and to understand the requirements to be certified under LEED or other green building certifications by way of the consultancy to ensure compliance with the building directives.
(ii) Adobe currently manages this risk by certifying its buildings under the United States Green Building Council's (USGBC) Leadershio in Energy and Environmental Design (LEED) program. This certification program offers a structured approach to ensuring that the facility maintains its sustainability, through a series of credits incluing Energy and Atmosphere. Adobe also registers its buildings under EPA's Energy Star Program. The average EPA Energy Star Score for Adobe's owned and or managed buildings is 97+, meaning that Adobe's buildings are operating in the top three percentile of all commercial office buildings in the U.S. In concert with these initiatives, Adobe has certified most of their own buildings through the U.S. Green Building Council's Leadership in Energy and Environmental Design program (USGBC, LEED). The LEED program serves as both a sustainability benchmarking tool and a third-party, authoritative validator of sustainability achievement. Adobe also utilizes COLO vendors that have a sustainable program in place. But since Adobe does not have too much control over the COLOs themselves, Adobe is currently building its own data center in Oregon to avail of the cold temperatures in the design. The site is also being LEED certified.
(iii) By mitigating the risk in the beginning, the costs are only about $50, 000 per building. These costs would include the consultants and other costs.

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
TMPEX	Change in temperature extremes	Changes in temperature extremes will result in need for increased energy usages to heat or cool Adobe's facilities. Changes in mean temperature could mean higher temperatures, and correspondingly	Increased operational cost	6-10 years	Direct	Very likely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		electricity costs to cool the building or investment in cooling technologies; or lower temperatures could result in increased heating costs. Adobe does anticipate that these costs would significantly impact overall costs of operation, and they could result in energy shortages. To help mitigate this potential impact, Adobe has implemented over 160 sustainability projects, most of which are energy conservation related, and Adobe installed on-site natural gas fueled hydrogen fuel cells to help reduce overall energy demand, encourage similar measures by other companies and generate clean energy on-site, as an alternative to					

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		that provided by public utilities.					
CHPPT	Change in precipitation pattern	Changes in precipitation patterns would negatively affect only those properties that are in a flood plain, if precipitation in those areas increased significantly. The primary property that would be affected is Adobe San Jose, as it is the only site located in a flood plain. This site is currently rated for a 500 year flood and the property has flood gates and hydraulic pumps to address this potentiality. Another risk mitigator for Adobe is that most of the non-owned sites are on fixed-term leases that do not extend beyond 10 years. If conditions in a given area deteriorate, Adobe has the option of relocating.	Increased capital cost	6-10 years	Direct	Very likely	Medium

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

for TMPEX: (i) Potential financial implications of temperature extremes include excessive use of cooling and heating strategies and even loss of power itself. The latter would be detrimental for the data centers which house the product for the SAAS operation. Costs would include utility costs which will exceed the current estimated $5.2 million of utility spend; starting the facility back up should the power suddenly turn off which could be an estimated $5 million and the costs of impacts on the business which could be several million dollars.

(ii) One method of mitigating this risk is to have an alternative power source such as a diesel generator, or an on-site source of clean renewable power such as a hydrogen fuel cell. In order to reduce this risk, the Bangalore and Noida, India offices installed large diesel generators that automatically start if there is a power failure. In order to mitigate this risk further, Adobe invests in clean power systems like the fuel cells currently implemented in San Jose and San Francisco. However, larger systems would need to be installed in times of extreme temperature differentials. This would ensure that power was available despite negative impacts to the grid. Another management method that has been implemented is built in redundancy such that the business systems could be immediately transferred to another unaffected location.

(iii) Diesel generators can cost about $700 K and can be costly to maintain on an ongoing basis. Alternative fuel sources like hydrogen fuel cells can cost $5 million, but can utilize state and governmental incentives for purchase and installation. Building in redundancy involves business infrastructure that can cost $5-10 million dollars to implement.

for CHPPT: (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. Employee Welfare and Safety has an annual estimated budget for emergencies However, closure of a facility due to a physical risk, entails costs from $300,000 to $600,000. Potenial loss of product however, will generally be minimal due to the plan detailed below in (ii).

(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.

(iii)Costs associated with these actions include operational costs for day-to-day actions and capital costs with re-building/re-opening the facility, which is an estimated $5-10 million.

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
INHUD	Increasing humanitarian demands	In case of a climate changed world, funds may be allocated towards life support systems including clean water, and may not be apportioned to purchasing Adobe's products. Accordingly, business trends may be impacted. This would negatively impact Adobe’s bottom line in that it would create a reduced demand for goods and services.	Reduced demand for goods/services	>10 years	Direct	Likely	High

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
INDUC	Induced changes in human and cultural environment	Climate change could cause certain global areas to become uninhabitable, thereby causing movement for large populations. Therefore, the world may not have access to the internet or to a computer due to shortages in natural resources, electricity, and natural gas, because of the high demand. Accordingly, business trends may be impacted. This would negatively impact Adobe's bottom line in that it would create a reduced demand for goods and services.	Reduced demand for goods/services	>10 years	Direct	Likely	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

for INDUC and INHUD: (i) Climate change will change the way the world does business. The world's natural resources would have diminished causing a different human and cultural environment. The world may have its natural resources depleted, and only certain areas would be habitable. These scenarios will result in a high demand for basic human needs including clean water. Potentially, reduced demand for Adobe products may occur, as the world goes back to a different way of doing things. Loss of business could result in a 15% reduction in global revenue, resulting in an estimated loss of revenue of about an estimated $1 Billion.

(ii) Adobe consistently supports the innovation of new 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. LeanPrint, Adobe Connect, Adobe Photoshop are some of the products developed by Adobe to reduce printing paper and ink, reduce carbon emissions from travel, and reducing overall consumptions of natural resources. Adobe consistently supports the innovation of new 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. LeanPrint, Adobe Connect, Adobe Photoshop are some of the products developed by Adobe to reduce printing paper and ink, reduce carbon emissions from travel, and reducing overall consumptions of natural resources. Adobe's products while used to deliver digital content are also sustainable. The ability to be creative and sustainable in any environment makes Adobe products useful in a future world where there is high demand for natural resources. Adobe product can be used to develop digital content, generate reading material, have meetings across the globe, and even sign contracts without impacting natural resources. These attributes make Adobe products useful.
(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 - an estimated $20 million, a value derived from utility costs and lease costs, 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
PRES	Product efficiency regulations and standards	In the case of product efficiency regulations and standards, such as the EU Energy Performance of Buildings Directive, Adobe can easily meet these initiatives. Of the seven buildings Adobe owns and/or controls in the U.S., all have achieved the	Increased demand for existing products/services	6-10 years	Direct	Virtually certain	High

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		EPA Energy Star label with an average rating of 99 out of a possible 100, meaning that Adobe's buildings are performing in the top one percentile in terms of energy efficiency of all buildings in the U.S. Adobe also certifies under the U.S. Green Building Council's Leadership in Energy and Environmental Design, where the company has obtained seventeen certifications, of which eleven are Platinum, the highest level possible. Through this strong environmental commitment, Adobe would meet and/or exceed these regulations and standards and be more desirable. This could generate an increased demand in					

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		Adobe's products and services.					
EMREP	Emission reporting obligations	Reporting guidelines are becoming increasingly stringent and monitored. Adobe's products allow easy capture of the emissions and thus will be able to meet the standards easily. Adobe product will also be desirable for furthering these goals. Adobe's products can be used easily and can be downloaded digitally, reducing carbon emissions from transportation, having minimal impact on the environment, and thus reducing operational costs.	Reduced operational costs	1-5 years	Direct	Virtually certain	High

6.1b

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

for EMREP: (i) As emission reporting guidelines are made, Adobe will not only be able to capture emissions data quickly, but the emission reporting companies will come to Adobe to purchase the software. In this case, Adobe would have opportunities to generate more revenue, which may be about 10% of overall revenue or $4.4 million. (ii) Adobe is researching and discussing concepts and trends with the CSR group and leading local organizations. Adobe also monitors is own carbon emissions in real time with the use of its internal building monitoring system, IBIS. This allows Adobe to not only track its own emissions, but be

a guide to other companies that would like to do the same, by example. (iii) Adobe will need to hire more employees to develop the products at the pace required and provide infrastructure in the form of more facilities and equipment to do so. This can be an estimated $25 million, but Adobe will generate revenue from this venture.

for PRES: (i) Adobe product will be more attractive to the consumer as Adobe meets the standards, generating an estimated 10% of the overall revenue of $4.4 billion. (ii) Adobe certifies its buildings under the U.S. Green Building Council's Leadership in Energy and Environmental design program and also under U.S. EPA to get Energy Star labels for the facility. (iii) Costs associated with this is about $100,000. This cost includes LEED certification, Energy Star, and other requirements.

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
NATOP	Induced changes in natural resources	Adobe's products and facilities minimize impact on natural resources. Therefore, the company's growth would continue offering jobs to the population. This would result in wider social benefits that would increase Adobe's brand value.	Wider social benefits	6-10 years	Direct	Likely	Medium

6.1d

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

for NATOP (i) Climate change will cause reduction in our natural resources. And as population increases more people will move to areas that are not affected drastically by climate change, causing further reduction. Companies will need to use products that conserve existing resources, such as Adobe products. Hence there will be an increased need for product. This need translates to about 20% of overall revenue which is about $880,000,000. (ii) Adobe is always developing technologies that conserve resources and educating people on them. Adobe developed LeanPrint with this in mind, and uses its EchoSign technology to do the same. Adobe products help companies save natural resources. (iii) Adobe will need to hire more employees to develop the products at the pace required and provide infrastructure in the form of more facilities and equipment to do so at costs of about $10-15 million.

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
CCBOP	Changing consumer behaviour	As climate change issues become more pronounced, customers will want products that have minimal impact on natural resources. Adobe's products are poised for that opportunity. This premium price opportunity will positively affect Adobe's bottom line and increase business.	Premium price opportunities	6-10 years	Direct	Virtually certain	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

for CCBOP: (i) More consumers will utilize Adobe's products as it has minimal impact on the environment. And that will result in Adobe being able to raise its proces for its products. This will result in a a 10% increase in revenue at $440,000, as this is based on general growth. (ii) Adobe is constantly monitoring the consumer environment to analyze trends. Based on people's awareness of packaging, Adobe went to digital delivery of its products and changed to all recyclable packaging. Similarly it develops products that have minimal impact on the environment like LeanPrint. (iii) Costs associated with these actions include hiring analysts, product managers to ensure product sustainability, and software developers to create the product itself, at an estimated $300,000. These costs based on the types of jobs.

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)

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)
The Climate Registry: General Reporting Protocol
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

Attachments

2012 Emission Factors and Origins.xlsx

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

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

Operational control

8.2

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

2744

8.3

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

22995

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 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 5% but less than or equal to 10%	Data Management	Errors in data entry may be a cause of uncertainty.	More than 5% but less than or equal to 10%	Extrapolation Metering/ Measurement Constraints	The uncertainty here lies in the extrapolation of the data utilized for leased sites which do not have a managed measurement process.

8.6

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

Third party verification or assurance complete

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	Attach the document
Limited assurance	ISO14064-3	Adobe 2012 CDP Verification Statement.pdf

8.7

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

Third party verification or assurance complete

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	Attach the document
Limited assurance	ISO14064-3	Adobe 2012 CDP Verification Statement.pdf

8.8

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
United States of America	2080
Rest of world	664

9.2

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

By activity

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Combustion of fuel in Boilers, furnaces, or generators (natural gas)	2074
ombustion of fuel in generators (diesel fuel)	671

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
United States of America	12720	38183	
Rest of world	10275	16832	1519

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 emissions (metric tonnes CO2e)
Office and Data Center Activity	22492

Page: 11. Energy

11.1

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

More than 30% but less than or equal to 35%

11.2

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

Energy type	MWh
Fuel	13175
Electricity	49550
Heat	0
Steam	0
Cooling	0

11.3

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

Fuels	MWh
Natural gas	11451
Diesel/Gas oil	1724

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
Tracking instruments, RECS (USA)	26171	Renewable Energy Credits were generated via a wind farm in Texas. The RECs are ourchased to offset electricity usages for the North American facilities of San Jose, San Francisco, Boston, Seattle, New York, Lehi and Virginia.

Page: 12. Emissions Performance

12.1

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

Decreased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	21	Decrease	Decrease is due to implementation of Smart Floor, boiler efficiency projects, data center projects, and ongoing alternative energy and low carbon energy.
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

12.2

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	Reason for change
1	metric tonnes CO2e	unit total revenue	14	Decrease	Emission reduction activities described above specifically introduction of Smart Floors, data center efficiency projects, and use of RECs contributed to the decrease.

12.3

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	Reason for change
2	metric tonnes CO2e	FTE employee	25	Decrease	Emission reduction activities described above specifically introduction of Smart Floors, data center efficiency projects, and use of RECs contributed to the decrease. We also have more employees this year.

12.4

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	Reason for change
3	metric tonnes CO2e	square foot	18	Decrease	In 2012, we had 3,403, 723, square feet with 25, 739 Scope 1 and 2 emissions., resulting in 0.00756 metric tons CO2e per square foot. In 2011, we were at 3,227, 869 square feet with 29, 812 metric tons CO2, which is

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.2

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

No

Page: 14. Scope 3 Emissions

14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated				

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Capital goods	Relevant, not yet calculated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated				
Upstream transportation and distribution	Relevant, calculated	468000	Adobe utilizes the Electronic Industry Citizenship Coalition's environmental reporting tools to measure GHG emissions, energy, water, and waste data in its supply chain. Using this tool, suppliers self-report their emissions data to share with Adobe and other customers on an annual basis.	100%	
Waste generated in operations	Relevant, calculated	1113	Data obtained from waste logs is translated to carbon emissions using GHG Protocol Scope 3 Emissions Standard (Sept. 2012)		
Business travel	Relevant, calculated	25813	Travel data is obtained from the travel provider and carbon emission factors are attributed to specific travel lengths (short, medium, and long haul) based on the Greenhouse Gas Protocol Initiative – "Calculations tools for calculating CO2 emissions for business travel." The legs of travel are then placed into our own internal travel spreadsheet that verifies the distances and ensures the appropriate carbon emissions. This spreadsheet has been verified by our verification provider, Bureau Veritas.	100%	
Employee commuting	Relevant, not yet calculated				
Upstream leased assets	Relevant, calculated	2854	GHG Protocol Scope 3 Emissions Standard (Sept. 2012) was used to calculate this data for our leased facilities.	100%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Investments	Not relevant, explanation provided				Adobe does not make investments with the objective of making profit and does not provide financial services.
Downstream transportation and distribution	Relevant, not yet calculated				
Processing of sold products	Not relevant, explanation provided				Adobe's products are final products and are not processed by a third party.
Use of sold products	Relevant, not yet calculated				
End of life treatment of sold products	Relevant, not yet calculated				
Downstream leased assets	Not relevant, explanation provided				Adobe leases office space to tenants in facilities within Adobe's operational boundaries. This value is already accounted for in our Scope 1 and 2 CO2e emissions.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Franchises	Not relevant, explanation provided				Adobe has no franchises.
Other (upstream)					
Other (downstream)					

14.2

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

Third party verification or assurance complete

14.2a

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

More than 40% but less than or equal to 60%

14.2b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISO14064-3	Adobe 2012 CDP Verification Statement.pdf

14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Emissions reduction activities	13	Decrease	Better management of business travel.

14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Adobe utilizes the Electronic Industry Citizenship Coalition's environmental reporting tools to measure GHG emissions, energy, water, and waste data in its supply chain. Using this tool, suppliers self-report their emissions data to share with Adobe and other customers on an annual basis. A standardized questionnaire gathers quantitative carbon emissions and energy data, as well as qualitative information on energy and carbon management practices. Once the data is collected, Adobe summarizes the findings and encourages continuous improvement by providing on-line training resources to suppliers.

14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
5	100%	These suppliers are upstream and include transportation and distribution.

14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	Data on supplier's GHG emissions and climate change strategies helps us to identify and monitor our supply chain's most material impacts.

Module: Investor-ICT

Page: ICT1. Data center activities

ICT0.1a

Please identify whether "data centers" comprise a significant component of your business within your reporting boundary

Yes

ICT1.1

Please provide a description of the parts of your business that fall under "data centers"

Adobe has internal data centers within each major site that provide internal data processing and telecommunications functions. These large sites include San Jose (the headquarters), San Francisco, Boston, Lehi and Noida, India. Adobe provides Software-as –a-Service (SAAS) operations. Adobe is a leader in Software-as-a-Service (SAAS); its Digital Marketing business processes more than six trillion transactions per year for its clients. Therefore, Adobe's data centers are equipped to handle these heavy business transactions via its server rooms and racks. This year we have further refined our data collection for our data centers and have provided below.

ICT1.2

Please provide your absolute Scope 1 and 2 emissions and electricity consumption for the data centers component of your business

Business Activity	Scope 1 emissions (metric tonnes CO2e)	Scope 2 emissions (metric tonnes CO2e)	Annual electricity consumption (MWh)	Electricity data collection method
Data centers		32851	60000	Meter or submeter reading

ICT1.3

What percentage of your ICT population sits in data centers where PUE is measured on a regular basis?

Percentage	Comment
10%	

ICT1.4

Please provide a Power Usage Effectiveness (PUE) value for your data center(s). You can provide this information as (a) an average, (b) a range or (c) by individual data center - please tick the data you wish to provide (tick all that apply)

Average

ICT1.4a

Please provide your average PUE across your data centers

Number of data centers	Average PUE	% change from previous year	Direction of change	Comment
6	1.8	16	Decrease	Data center efficiency projects have been completed in the data centers within owned sites. This allows Adobe to decrease energy usage and subsequent carbon emissions.

ICT1.5

Please provide details of how you have calculated your PUE value

Green Grid, or Total Facility Power/IT Equipment Power

ICT1.6

Do you use any alternative intensity metrics to assess the energy or emissions performance of your data center?

ICT1.7

Please identify the measures you are planning or have undertaken in the reporting year to increase the energy efficiency of your data center(s)

Status in reporting year	Energy efficiency measure	Comment
Implemented	Other	Hot/Cold Aisle - Energy efficiency measures decrease energy usage and increase overall efficiency.

ICT1.8

Do you participate in any other data center efficiency schemes or have buildings that are sustainably certified or rated?

Yes

ICT1.8a

Please provide details

Scheme name	Level/certification (or equivalent) achieved in the reporting year	Percentage of your overall facilities to which the scheme applies
LEED		
Other: NABERS - National Australian Built Environment Rating System		

ICT1.9

Do you measure the utilization rate of your data center(s)?

Yes

ICT1.9a

What methodology do you use to calculate this?

ICT1.10

Do you provide carbon emissions data to your clients regarding the data center services they procure?

No

ICT1.11

Please describe any efforts you have made to incorporate renewable energy into the electricity supply to your data center(s) or to re-use waste heat

Our data centers are currently placed in locations that have good sources of renewable power; have implemented energy efficiency initiatives or utilize natural cooling techniques.

Page: ICT2. Provision of network/connectivity services

ICT0.1b

Please identify whether "provision of network/connectivity services" comprises a significant component of your business within your reporting boundary

No

Page: ICT3. Manufacture or assembly of hardware/components

ICT0.1c

Please identify whether "manufacture or assembly of hardware/components" comprise a significant part of your business within your reporting boundary

No

Page: ICT4. Manufacture of software

ICT0.1d

Please identify whether "manufacture of software" comprises a significant component of your business within your reporting boundary

No

Page: ICT5. Business services (office based activities)

ICT0.1e

Please identify whether "business services (office based activities)" comprise a significant component of your business within your reporting boundary

Yes

ICT5.1

Please provide a description of the parts of your business that fall under "business services (office based activities)"

i. The types of activities at Adobe that fall under business services include software development, IT support, and research and development.
ii. These are the main components of building Adobe's software suites, and are revenue generating activities.
iii. The facilities are based globally, and include both purely office locations, as well as larger facilities that house data centers for research and development and software development.
iv. Inaccuracies may have arisen in documenting these locations when they are mixed with other activities such as sales or finance.

ICT5.2

Please provide your absolute Scope 1 and 2 emissions and electricity consumption for the business services (office based activities) component of your business

Business services	Scope 1 emissions (metric tonnes CO2e)	Scope 2 emissions (metric tonnes CO2e)	Annual electricity consumption (MWh)	Electricity data collection method
Business services (office based activities)	2744	22995	49550	Other: Utility bills and extrapolation data

ICT5.3

Please describe your gross combined Scope 1 and 2 emissions for the business services (office based activities) component of your business in metric tonnes per square meter

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1	metric tonnes CO2e	Square meter	18	Decrease	In 2012, emission reduction activities such as energy efficiency projects were implemented that lowered our overall energy usage and subsequent carbon emissions.

ICT5.4

Please describe your electricity use for the provision of business services (office based activities) component of your business in MWh per square meter

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
2	MWh	Square meter	5	Decrease	In 2012, emission reduction activities such as energy efficiency projects were implemented that lowered our overall energy usage and subsequent carbon emissions.

Page: ICT6. Other activities

ICT0.1f

Please identify whether "other activities" comprise a significant component of your business within your reporting boundary

No

Module: Sign Off

Page: Sign Off

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

Eric Kline, Global Workplace Strategy Manager

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