

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Adobe is changing the world through digital experiences. Our creative, marketing and document solutions empower everyone - from emerging artists to global brands – with everything they need to design and deliver exceptional digital experiences.

In 2017, Adobe grew annual revenues to over \$7.3015 billion (up 25% from FY2016) and FTE to 17,973 employees (up 14% from FY2016), with 373 new patents, in 77 locations around the world. Adobe integrates products from Digital Media and Digital Marketing, to create a comprehensive suite of solutions and services to deliver innovation and productivity. Major acquisitions, including Macromedia (2005); Omniture (2009); Echosign (2012); Behance (2013); Neolane (2014); Fotolia, Maximo and Digital Analytix (2015); LiveFyre (2016); and TubeMogul (2017) have grown the company and solidified Adobe's leadership in digital experiences.

By the end of FY2017, over 99% of all Adobe solutions were delivered digitally, completely eliminating a physical supply chain and the subsequent environmental impact that goes with it. As a result, Adobe now offers three “clouds” in its product portfolio: Creative Cloud (Photoshop, Illustrator, InDesign), Experience Cloud (Advertising, Analytics, Digital Marketing); and Document Cloud (Adobe Sign, Acrobat, PDF).

From its inception, Adobe has been committed to responsibly managing our business. The company has a long history of energy efficiency leadership, resource conservation, waste reduction, and most recently to powering our operations and digital delivery of product with 100% renewable energy by 2035. Adobe was the first company to earn Leadership in Energy and Environmental Design (LEED) certification through the U.S. Green Building Council (USGBC) at the Platinum level in June 2006, and today 8 out of 22 current LEED certifications are at the Platinum level. By the end of 2017, 76% of Adobe employees work in LEED/Green-Certified workspaces. We employ aggressive waste management in all of our controlled buildings resulting in a diversion rate of over 92% globally. The same resource strategy, processes and best practices apply to our leased sites where we don't directly manage the utility bill but accept that energy efficiency, water conservation, waste diversion, and providing the best workspaces anywhere makes us desirable tenants, best-in-the-world employers, and responsible citizens in every community where we work and live.

In 2017, Adobe made significant progress toward achieving our 100% renewable energy (RE) goal and our commitment to a low-carbon economy. The four key elements to our strategy: 1. Energy Efficiency: the foundation of any renewable strategy and the hallmark of our operational leadership. 2. Advocacy: partner, collaborate and push utilities whose grids we are on to implement grid-scale RE strategies enabling a low-carbon economy. As examples, the 2016 Amicus Brief supporting the U.S. Clean Power Plan, 2017 We Are Still In, and 2-year support for Clean Power Virginia. 3. On-site RE: when it makes business sense or when the technology implementation moves us and the market forward. As examples, in 2010 the company installed wind energy turbines at its San Jose campus. In 2014 we installed Stem battery system to reduce peak demand in our San Francisco campus. 4. Offsite RE: In 2017 Adobe signed an open-access solar PPA covering 100% of our Bangalore campus -- not only powering our Adobe site with clean energy and reducing our utility bill ~30% but replacing coal with RE in the communities where we live and work (true additionality).

Adobe is committed to reducing Scope 3 emissions by encouraging our employees to take action at home and at work through our Green Teams. Adobe partnered with BMW and Nissan to incentivize employees to purchase electric vehicles, and we continue to add charging stations to provide employees added encouragement to go electric. Employees are provided site-specific alternative commuting options so they can use no- or low- carbon ways to get to work each day. Our verified Science-Based Targets state that Adobe will reduce emissions per employee by 5% for business travel by 2025.

Now more than ever, Adobe enables customers to be more sustainable through their use of our products. Adobe Connect, Adobe Sign, as well as Creative and Marketing Clouds help customers reduce physical workflows and lower their footprint. The environmental impact of Adobe Sign is remarkable: for every 1M transactions using Adobe Sign services instead of traditional print, sign, or fax, 1,142,674 gallons of water, 96,090 pounds of waste, and 372,500 pounds of wood is saved. Adobe worked with EDF and the EPN to develop our Resource Saver Calculator (URL: <http://blogs.adobe.com/documentcloud/resource-saver-calculator/>) so that customers understand how this product can help make any business more sustainable by saving time, resources and costs.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	December 1 2016	November 30 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Australia
Belgium
Brazil
Bulgaria
Canada
China
Denmark
France
Germany
India
Ireland
Italy
Japan
Mexico
Netherlands
Republic of Korea
Republic of Moldova
Romania
Singapore
Spain
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board/Executive board	All major sustainability strategies and initiatives are reviewed annually (or as needed and/or appropriate) with three C-suite leaders: Executive Vice President (EVP) and Chief Marketing Officer; EVP, Customer and Employee Experience; and EVP, General Counsel and Secretary of the Board of Directors. The rationale for why these three positions have Board level oversight as well as the highest level of sustainability and climate oversight, is they are the global leads for brand and reputation; employee and customer experience; and legal, policy advocacy and oversight – all top-level elements for outcomes of the company's climate strategy. These three Adobe leaders are the perfect blend of highest-level oversight of climate-related risks and opportunities for Adobe, both in how they are the ultimate decision makers in overall sustainability strategy but also the highest visibility to the Board, the CEO, employees, customers, investors, and the public in general.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
<p>Sporadic - as important matters arise <i>Action on climate-related initiatives, projects, and strategy are ongoing and have C- and Board-level visibility as needed and appropriate -- this follows the process for the majority of Board level agenda items in that they are included if it requires this level of responsibility and priority. If, at such time that it requires prioritization at each and every Board meeting, it certainly would be.</i></p>	<p>Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Overseeing major capital expenditures, acquisitions and divestitures</p>	<p>The frequency of climate-related issues at this level depends heavily on if there are budget requirements for certain projects (ex. new office building built to sustainable standards). This can range from all meetings within a certain period or, with no immediate Adobe-wide, board-level oversight necessary, only as appropriate. The vast majority of assessment, oversight, decisions, reporting, policy, and monitoring are owned and managed at the VP, Director, Manager, and contributor levels.</p>

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Executive VP & General Counsel)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other C-Suite Officer, please specify (VP of Brand, VP of EWS and VP of GA) <i>Adobe's VP's of Marketing/Brand, Employee & Workplace Solutions (EWS, or Global Operations), and Government Affairs report directly to our C- and Board-level executives (listed in 1.1b) that have the highest oversight to overall sustainability and climate initiatives, projects, and strategy. There is weekly- to monthly- contact with each of these by the Sustainability Strategist and escalation to their C-level reporting chain on demand.</i>	Both assessing and managing climate-related risks and opportunities <i>All elements of climate and sustainability strategy must be approved by each of these VPs for their respective ownership before implementation. Depending on scope or need, further approval is up through the respective C-suite leads or immediately approved at this level. In many cases, decisions on smaller impact projects are made at the Director, Manager or Strategist level with visibility to VPs, as needed.</i>	More frequently than quarterly
Sustainability committee <i>The broader Sustainability Committee meets twice per year. However, there are scheduled weekly meetings for sub-sets of this group for Renewable Energy (RE) Task Force, Reporting, Policy, TechOps, IT, and others as appropriate. The Sustainability Committee includes all levels of reporting (EVP, VP, Director, Strategist, Managers, etc.) as needed, available, and appropriate.</i>	Both assessing and managing climate-related risks and opportunities <i>All overall sustainability and climate-related risks and opportunities are evaluated and acted on at this level. Escalation is based on priority, need, reputation impact, etc. on a case-by-case basis.</i>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

Adobe's Executive Vice President (EVP) & General Counsel (GC) reports directly to the CEO, serves as the Secretary of the Board of Directors, and is the executive/C-level point-person for all sustainability/climate strategy, including policy and CDP sign-off. This EVP is the lead for Government Affairs and Public Policy, Real Estate and Finance Legal, Compliance, Privacy, Employment Legal, Patents and Product Legal – all sectors of Adobe business that are stakeholders in sustainability strategy and policy. This is the main rationale for assigning our EVP/GC as the main go-to for climate-related issues, risk, opportunities, policy and strategy (and for sign-off on CDP). In addition, this EVP is perfectly positioned, and tasked with a scope broad enough, to assess overall risk to the company (legal, reputational, community, product, etc.) as well as opportunities for the company to set meaningful strategy that is in line with Adobe's core values, advocating policy that accelerates our 100% renewable energy goals for both Adobe and the communities where we work and live (in 2017 this role approved Adobe's participation in further support of the CPP, We Are Still In campaigns, Virginia Clean Power Acts, and other policy), government affairs (ex. support of CA's CEE, Bangalore open access for renewable energy), to define how Adobe products may serve as climate- and sustainability-related opportunities, and to provide highest-level visibility to the entire C-Suite, including CEO, the Board, employees, and community and government affairs. The process of monitoring of climate-related issues flows from the Sustainability Strategist to Director of S+SI, VP of Brand, VP of GA and up to the EVP, as necessary (ex. 2017 emerging renewable energy policy in Virginia, pushed up the chain to the EVP, advocacy approved for Adobe to support). Additionally, we there are occasions when the EVP is directly approached externally (ex. 2017 request from US Senator for information on renewable energy commitments), and the requests flow down through this group to take action, provide information, or monitor. Again, engagement with, and monitoring by, the EVP/GC on any one of these elements could take place weekly to monthly depending on need.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**Who is entitled to benefit from these incentives?**

Facilities manager

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

Every site manager's key performance indicators (KPIs) are tied directly to specific Science-Based Targets (SBTs) for each site. This includes an average annual ~2% reduction in energy consumption and subsequent reduction in emissions.

Who is entitled to benefit from these incentives?

Environment/Sustainability manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

A number of positions throughout Global Workplace Services, as well as Corporate Responsibility (at Adobe, CR is named "Sustainability + Social Impact" or "S+SI") and Procurement / Digital Supply Chain, have sustainability performance built directly into their incentive structure, which can be monetary, recognition, or both, depending on the achievement. Similarly, our facility partners as well as food service partners under the direction of Adobe also have specific sustainability initiatives that tie to their performance.

Who is entitled to benefit from these incentives?

Business unit manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction project

Comment

"Incentives" can be monetary, recognition, or both, depending on the achievement and impact of team accomplishing sustainability goals and reporting KPIs. Leaders in this category are Directors in operations and corporate responsibility leadership. Performance indicators are reported KPIs, successful project/program implementation, thought leadership, and management of sustainability personnel. Also, as above, Increase in # of Adobe Sign transactions / year (reported as resource reduction and cost savings for customers) as well as pipeline development from product sustainability

Who is entitled to benefit from these incentives?

Director on board

Types of incentives

Recognition (non-monetary)

Activity incentivized

Behavior change related indicator

Comment

"Incentives" can be recognition, monetary bonus or both, depending on the achievement, the ownership of the program lead, and the significance of the impact to the business. Majority of employees (FTE) of the organization are eligible for the Annual Incentive Plan ("AIP"), where specific goals are set and rewarded if met. Hence, a reward can be monetary, recognition, or have impact on broader business goals: A typical example is positive media attention on the company's sustainability performance recognized at a Board meeting (non-monetary recognition). Example of behavioral change would be CFO promotion of an initiative to change employee travel behaviours, reduce emissions and OpEx, which may have positive impact on EPS.

Who is entitled to benefit from these incentives?

Corporate executive team

Types of incentives

Monetary reward

Activity incentivized

Environmental criteria included in purchases

Comment

For Director level and above, "Incentives" can be recognition, monetary bonus or both, depending on the achievement. Any monetary reward would be through the Annual Incentive Plan ("AIP "). Non-monetary recognition is also an incentive. A typical example is recognition for meeting sustainability goals, driving stakeholder awareness and affinity, and for team's accomplishments -- all can be rewarded monetarily or through recognition. An example, as above, would be a year-over-year (YOY) increase in incremental sales of Adobe Sign, as a result of the customer purchase coming from the positive environmental attributes (reduced paper and ink purchases, reduced waste and cost) and subsequent transactions / year (reported as resource reduction and cost savings for customers), from product sustainability.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	Depending on the KPI, target, or anticipated outcome, a short-term horizon would likely be something that would commence and be completed within a 1-year time horizon.
Medium-term	1	10	As above, depending on the KPI, target, or anticipated outcome, a medium-term horizon could be a new building/workspace or fulfillment of our medium-term 2025 Science-Based Target (SBT) of reducing absolute Scope 1+2 emissions by 25% (w/Scope 3 business travel by 5%) from a 2015 baseline.
Long-term	5	20	As above, depending on the KPI, target, or anticipated outcome, a long-term horizon would be for projects (ex. new buildings or owned data center (which could be 5 years for a life of 20-30 years) or purchases (ex. 20-year contract renewable energy PPAs) and/or any initiatives working toward fulfillment of our long-term 2035 100% renewable energy and 2035 Science-Based Targets of reducing absolute Scope 1+2 emissions reduction by 80%; and by 2050, by 100%, from 2015 base.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Sustainability Strategy development, integration, review and approval begins with the Sustainability Strategist and the Sustainability Committee (or other sub team), and is vetted with appropriate C-suite individuals (EVP/CMO, VP & Director of CR, EVP of Customer and Employee Experience, VP of Operations, EVP/General Counsel), ultimately with outcomes reported to the CEO. Risk management/mitigation initiatives, as well as operational and thought leadership opportunities are constantly reviewed, strategies are developed, and approval is granted in this way. Timeline: 1-20 years, with the level of risk or opportunity driving the timeline. For example, the strategy for developing our 2035 100% renewable energy goal incorporated action needed by the company within a 1-year period, a reasonable analysis of policy, regulations, trends, opportunities over the next 3–10 years, and an analytical approach of what the energy landscape will look like 20 years from now.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

The following is an overview of the process for assessing specific climate-related risks at Adobe, how these types of risks flow into the company, including specific examples, and action taken at various levels of the organization. There are many ways in which a potential climate risk – or opportunity -- can arise and flow into our organization: real-time climate disruption that may impact ongoing business (ex. periods of excessive heat and “brownouts” requiring immediate throttling of HVAC systems and/or back-up generators; drought in CA, UT, or India that may require immediate action and long-term assessment and planning), policy changes that either require a change in business processes that benefit long-term climate change initiatives (ex. the US CPP, CA CCE) or may work against long-term climate action (US withdrawal from the Paris Accords, relaxing of RE or transportation emissions standards in CA or UT). The main points of contact for any and all climate-related risks and opportunities flows through the Sustainability Strategist, the Sr. Director of Ops (GSO) and/or Director of Sustainability + Social Impact.

Sustainability strategy development, integration, review and approval begins with the Sustainability Strategist and the Sustainability Committee (or other sub team), and is vetted with appropriate C-suite individuals (EVP/CMO, VP and Director of Brand/S+SI, EVP of Customer and Employee Experience (CEE), VP of Operations (CEE), EVP/General Counsel), ultimately with outcomes reported to the CEO.

The cross-functional Sustainability Committee is the key entity that evaluates climate/environmental risks and opportunities and interprets them into business risk/opportunity assessment with recommendations. Depending on urgency, information is shared immediately or in team meetings (bi-weekly to annual) with functional staff owners, project leads, and in larger scope risk/opportunities with upper leadership/C-Suite owner(s), as appropriate. All internal stakeholders (Ops, Procurement, IT, etc.) are informed by committee members about key business issues, changes in regulations, trends, innovations in new technologies and other factors that could disrupt (risk) or improve (opportunity) the resiliency of the business. Recent examples include Adobe's justification to LEED certify new buildings in India, in setting Adobe's 100% renewable energy (RE) goal, and for setting verified and approved Science-Based Targets (SBTs). Approval was based on forward-looking, economic opportunity (OpEx stabilization, employee and customer brand affinity, etc.) and risk mitigation (reduced value chain risk from fossil fuel dependence, etc.).

Adobe prioritizes risks and opportunities based on maintaining or improving the long-term resiliency of the business. All priorities start with elements of the business that have a positive, or potentially negative, impact on our customers, employees, and the environment. For example, to gain intelligence from data that was gathered from across the organization on governance, sustainability, social impact, etc., in late 2015 Adobe worked with BSR to develop a complete materiality assessment. The intelligence derived from this assessment led Adobe to prioritize five of the UN's Sustainable Development Goals. Subsequently the UN SDGs on (#12) Responsible Consumption and Production, (#13) Climate Action, (#14) Life Below Water have been used to shape and focus our overall Sustainability Strategy, including our verified Science-Based Targets, LEED Building and Building Health Initiative (BHI) commitments (76% of our employees work in LEED certified workspaces), and other elements of our strategy. Additionally, partnering with our NGO stakeholders allows Adobe to identify risks and opportunities and act on it. For example, our partnership with Ceres has served to inform, educate and keep us up-to-date on key local, regional, national and global policies and act on specific policy advocacy. In 2017 alone, we reaffirmed our commitment to the US Clean Power Plan (in 2016 we signed the Amicus Brief) by signing on to the We Are Still In campaign as well as Virginia Clean Power and the SF and SJ California Community Choice Energy (CCE) programs, all to support our business, our supply chain, and local communities to run on clean, affordable renewable energy – a major component of our RE100 goals and SBTs. Our NGO working groups (REBA, BSR-FoIP, USGBC-BHI, WRI-CPC) and partnerships (Ceres-BICEP, RMI, etc.) keep us informed so that we can identify specific climate-related risks and opportunities and act on them through the process described here.

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	A major component of our renewable energy strategy is the assessment of renewable energy policy (at the local, state, regional, national, etc. levels) by our Sustainability Strategist working closely with our VP of Government Affairs' team, and with external NGOs and stakeholders to stay current, guide recommendations, and justify policy advocacy up through our management chain (EVPs). Renewable energy policy advocacy is always part of Adobe's risk mitigation strategy, as well as assessing business opportunity for our clouded, low-carbon products. It not only has a significant bearing on our ability to budget energy costs, it deeply affects how we can achieve our RE100 goals and SBTs, as well as creating incremental sales based on the environmental benefit to our customers (ex. selling Adobe Connect or Sign to reduce customer waste and emissions). Because of this, renewable energy policy advocacy is at the heart of our renewable energy and sustainability strategy. As examples, we have supported the US Clean Power Plan (CPC) through signing the Amicus Brief in favor of its widespread adoption in 2016, we reaffirmed our commitment to this in 2018 by signing on to the We Are Still In campaign, we signed support for the Virginia Clean Energy policies to support our digital supply chain partners who have data centers there, to help them set and reach RE100 goals. Very importantly, 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.
Emerging regulation	Relevant, always included	As with current regulations, above, Adobe's ability to assess emerging regulation; develop strategy around supporting, not supporting, or even staying away from upcoming policy; and then develop internal strategy to manage long-term costs, mitigate potential risk, boost reputation with customers, employees, and the communities where we work and live; and reach our sustainability goals – especially RE100 goals and SBTs -- depends heavily on staying out front of any emerging policy. Our NGO working groups (REBA, BSR-FoIP, USGBC-BHI, WRI-CPC) and partnerships (Ceres-BICEP, RMI, etc.) keep us informed so that we can identify specific climate-related risks and opportunities and act on them through the process described above. As a specific example, potential regulations that make renewable energy (RE) economically unfavorable for businesses to choose it over fossil fuel grid energy makes delivery of digital product subject to the risk of the grids our data center and CoLo partners are on. In a case such as this, working with our NGO partners and our peer companies, we can leverage the power of all our brands to affect policy change that impacts our long-term business success. As above, policy information would flow from NGOs and external stakeholders to the Sustainability Strategist and Government Affairs team, and, depending on impact and visibility, be reviewed and approved through our C-level (EVP/GC, CMO, EVP CEE) Sustainability and Climate process. This is exactly how we attained approval to support the Virginia Clean Energy initiative in 2017: emerging regulation/policy in VA was brought to Adobe's Sustainability Strategist by WWF, the strategist determined that support of this policy would help our digital suppliers (CoLo and Cloud) that have data centers in VA to implement renewable energy there (subsequently helping our overall RE100 objectives), the strategist presented this to Adobe's VP of GA, who then sought and obtained approval to support from the C-Suite leads for Sustainability and Climate. The process has become streamlined and the entire cycle has been reduced from weeks to less than one work week. It works extremely well and we anticipate continued policy advocacy on meaningful emerging regulation in the coming years.
Technology	Relevant, always included	As a major technology company, Adobe is a leader in helping our customers make their digital transformation. This is the heart of our business. By the end of 2017, 99% of all our business is through a digital supply chain – we have completely eliminated our physical supply chain. Because of this, we understand that our customers' transition to low-carbon products and their adoption of new, efficiency technologies not only mitigates risk and lowers costs associated with physical workflows, but also is a significant revenue generator for us. Our success depends on our customers ability to make this digital transformation. However, there are fully-assessed (sustainability/climate and throughout our entire risk assessment processes) risks all technology companies need to consider: unsuccessful investment in new technologies, acquisitions that are not fully integrated to succeed, costs to transition to lower emissions technology (or, more importantly, not transitioning since newer computing technology inherently is more efficient and produces less emissions while generating more computing power), or even failing to manage climate-related customer expectations of technology/IT sector companies. More than being a risk in itself, technology is helping Adobe assess and address climate-related risks and/or leverage climate opportunities. As a very specific example, as integrated server, storage and networking technology is steadily progressing according to Moore's Law, the computing power of our internal server rooms, our data center, and those of the best CoLo and Cloud suppliers will increase with decreasing energy consumption and emissions per unit. And as everyone in this value chain is transitioning to renewable energy, the impact will continue to decline. And if products like Document Cloud, Adobe Sign, and Experience Cloud (digital marketing) continue to reduce inefficient workflows, eliminate paper and printing waste, and conserve natural resources, we are well positioned to benefit from the vast majority of technological advancements.
Legal	Relevant, always included	A core value of Adobe is running our business responsibly. Energy efficiency, waste diversion (in 2017 over 90% of our global waste was diverted from landfill), water conservation, proper disposal of IT equipment, and company-wide Code of Business Conduct is critical to every aspect of our business -- including all elements of our climate strategy -- to our suppliers, customers, and employees. Adobe has been very careful to mitigate risks associated with climate-related litigation by supporting policy that conserves natural resources, supports energy efficiency, and transitions the company and its surrounding communities to 100% renewable energy grids. While Adobe has enjoyed 25% YOY revenue growth in 2017, we do not anticipate reduced demand for products and services resulting from fines or severe reputational loss due to lack of support in addressing climate-related issues.
Market	Relevant, always included	Market risk is also an important factor in Adobe's climate-risk assessment and it is in every part of our value chain, from customers to suppliers, to investors. "Inbound," our digital suppliers are encouraged and supported for setting and acting on renewable energy goals. Inbound to our workplaces, we ask for information about the health and environmental impacts to make sure we are providing the best workspaces available. For our customers, we need to be trusted partners (see "Reputation") not only in the sales cycle but in product stewardship -- many report to CDP and we need to provide them with accurate information about the impact of our products. The digital market is an ecosystem and we have risks and opportunities at every point the we need to assess and act on.

	Relevance & inclusion	Please explain
Reputation	Relevant, always included	Adobe continues to enjoy reputational benefits from its strong commitment to sustainability and climate impact reduction. We know this is an important element in every part of our value chain: to customers choosing Adobe as a trusted partner; for investors looking for the most responsible businesses for long-term profits; to our suppliers for mitigating their risk and providing stable business relationships; and to our employees who expect Adobe to embrace their values. Sustainability, renewable energy, and climate strategy -- and our ability to successfully act on all these elements -- are all important factors for recruiting and retaining talent. How do we know this? Adobe is a digital marketing leader and assesses risks, opportunities, gaps, and successes through many surveys and market research outlets (Gartner, Edelman Trust Indices, etc.), from our customers, investors, and employees. For climate-related assessments we look to the process of compiling CDP data as an exercise, in itself, for understanding our sustainability and climate-related risks, opportunities, gaps, and successes. Our business continuity planning throughout all BUs (finance, product, engineering, etc.) and transparency in reporting (CDP, DJSI Leadership Index, etc.) help our reputational/brand value. But no one outlet is taken as a summary of performance in this space -- Adobe does not call itself a sustainability leader -- we rely on all these outlets to let us know where we are, including NGOs and our peers. And the aggregation calls Adobe a leader in this space. We will do whatever we can to be a leader in the eyes of these stakeholders going forward.
Acute physical	Relevant, always included	Adobe is a highly automated, digital business that relies on our digital supply chains, technology and system back-ups. With a digital supply chain, acute physical climate risks are assessed and heavily mitigated through the same processes as data security, supplier reliability and 24/7 uptime planning. However, single grid disruptions (due to climate-related issues or otherwise) at CoLo or Cloud sites (owned by Adobe TechOps), or even Adobe sites (owned by IT and TechOps for OR1), can be problematic but the risks are mitigated through back-up processes, switching computing to other sites, or simply through back-up generators and UPS systems. Overall, this is a low assessed risk. But concurrent grid failures at multiple data center sites (Adobe's and suppliers) is an assessed risk with a very low probability occurrence but with considerable risk to normal business operations. These could be from an extreme climate disruption (flood, hurricane, etc.) -- but they could also be from severe earthquake or even a widespread cyberinvasion -- so there are systems in place to keep flow of digital products seamless. We work with our stakeholders on elements like this to make sure we are making our business resilient to any risks. For acute physical or chronic physical risk (below) the scope of the Sustainability Strategist, Council/Committee's ownership for assessment and planning is in the site selection phase for data centers (OR1, our data center in Oregon, is assessed as very low for climate-disruption), supplier selection for CoLo or Cloud operations (virtualized and/or distributed computing as primary or back-up), or in location of physical workspaces at which point risks are assessed as part of the holistic site-management process which includes sustainability and climate assessment processes.
Chronic physical	Relevant, always included	As with acute risks, with a digital supply chain chronic physical risks are much lower than they would be for any physical or heavy industrial operation. Nevertheless, examples would be on location of data centers that deliver our digital product to customers. Example climate-related assessment questions are: is the data center site location by us or our suppliers at risk from climate change impacts? If so, what are they? And what specific, proactive measures could be taken -- and at what estimated costs -- that could mitigate each of these potential risks? Or, are we in a position of advantage by being in a low-risk area (as with our OR1 data center)? As with acute elements (above) we assess these risks at the Sustainability Committee level and then work with Procurement, IT, and TechOps and our stakeholders on all these elements to insure we are making our business resilient to any risks. To the extent that this process is well-defined, many of these questions are imbedded in our RFPs to existing suppliers at contract renewal or in evaluating new suppliers.
Upstream	Relevant, always included	While our products have no raw materials, upstream climate risks are also part of our overall assessment and stem primarily from our ability to provide safe and healthy workspaces, including options for when getting to work (commuting) is compromised due to extreme climate disruption. This could affect the company's ability to procure resources (food, water, energy, etc.) to our workplaces, disruption or destruction of mass transit or commuting lanes, which could have impact to normal business operations. The ability to get our employees to our sites, and have 100% uptime at all sites, is always a priority. In the case of any particular risk, Adobe has short term and long term plans that follow each risk. For example, if floods were to wipe out our San Jose or San Francisco office lower floors, the plan is short-term, and the risk is low. We have contingency operations where employees could work from home, digital load could shift to back-up sites, and normal business operations would not stop. The plans scale due to the type of potential disaster (some caused by climate change, some not i.e. earthquake).
Downstream	Relevant, always included	Downstream climate risks are an important part of our overall assessment. Destruction or disruption of our workspaces (sites) or data centers due to extreme climate disruption could affect the company's ability to conduct normal business operations. Again, our ability to work with digital suppliers, to help them set renewable energy goals, report on progress, etc. is a key component of this risk mitigation.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Adobe's process for managing climate-related risks and opportunities tracks with the process outlined for assessing all climate-related risks and acting on them. The main points of contact for managing any and all climate-related risks and opportunities flows through the Sustainability Strategist, the Sr. Director of Ops (GSO) and/or Director of Sustainability + Social Impact. Management begins with the Sustainability Strategist and the Sustainability Committee (or other sub team) and is vetted with appropriate C-suite individuals (EVP/CMO, VP and Director of Brand/S+SI, EVP of Customer and Employee Experience (CEE), VP of Operations (CEE), EVP/General Counsel), ultimately with outcomes reported to the CEO.

Sub-teams (ex. RE Task Force, Ops Sustainability) perform specific assessments and interprets them into specific business recommendations – this is typically where all climate risk/opportunity is owned and managed. All priorities start with elements of the business that have a positive, or potentially negative, impact on our customers, employees, and the environment. Immediate action is taken on anything that may disrupt, compromise, or enhance these elements. And as part of Adobe's core values (Genuine, Exceptional, Innovative, Involved) we strive to be forward-looking, assess long-term risks and trends, and implement new technologies when appropriate to continue to be a trusted brand to our customers.

Following are specific examples of climate-related risks and opportunities Adobe has managed through this process.

Physical risk and opportunity: a chronic physical climate risk for our Bangalore, India site is polluted air and reliance on a coal-fired grid. In 2017 Adobe completed an assessment of state (Karnataka) opportunities for renewable energy and entered into a solar, direct-access PPA for 100% of Adobe Bangalore's electricity load. The assessment and action to do this not only mitigates the inherent risk of relying on an unreliable, coal-powered grid to powering our site with renewable energy; Adobe is now also enjoying the reputational benefits of being among the very first US-based tech companies to do this.

Transition/Reputational opportunity: in 2016 Adobe set verified, approved Science-Based Targets (SBTs) to add to BSR's materiality assessment and our RE100 goal. Our SBTs now serve as our site-by-site operational KPIs. SBTs provide forward-looking, economic opportunity (ROI, OpEx stabilization, employee and customer brand affinity, etc.) and risk mitigation (reduced value chain risk from fossil fuel dependence, etc.).

Transition/Market risk/opportunity: Adobe's successful transition of 99% of all product delivery to the cloud over the past 5 years, eliminated all risks associated with creating physical product. However, these risks have been replaced with challenges of a digital supply chain: energy efficiency, resource availability (energy, water), power mixes, location of CoLos, etc. Our priority is now on managing these risks through our own data center (OR1) and our CoLo and Cloud providers to ensure resilient and responsible (ex. RE goals) delivery of digital products. This strategy has provided a tremendous opportunity to help our customers reduce their energy consumption, emissions, waste, costs, and inefficient processes through transition to low-carbon, 100% cloud-based products with a goal of being powered by 100% RE. Sustainability benefits are being highlighted in customer discussions.

Transition/low-carbon technology risk/opportunity: As part of its operational overhead structure, Adobe secures annual budget for comprehensive energy efficiency programs, LEED certification and new, low-carbon technologies. At the end of 2017 over 76% of Adobe employees work in LEED certified workspaces. Over the past 10 years, LEED has not only reduced OpEx by millions \$US, it has provided Adobe with clean, healthy, creative workplaces that have helped us recruit and retain top talent – in 2016 and 2017 we have increased our employee population by 14% each year.

Current and emerging regulation: Adobe's ability to manage long-term costs and reach our renewable energy goals depends heavily on policy advocacy. We continue to work with NGO working groups (ex. BSR's Future of Internet Power (FoIP), Ceres-BICEP, WRI-CPC), to collaborate with our ICT peers to help digital suppliers set renewable energy goals (to join RE100, CoLo and Cloud Buyers Principles) and to understand and report on our suppliers' renewable energy progress. As part of this strategy, Adobe has been an outspoken advocate along with NGO partners such as WRI and Ceres, as well as like-minded peers, to encourage all companies to reduce and ultimately stop purchase of offsets and unbundled RECs and focus time, energy, and money on true grid decarbonization. We firmly believe the goal should not be to simply offset our carbon footprint, but to fundamentally change it.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver

Market: Abrupt and unexpected shifts in energy costs

Company- specific description

Variable costs and increased taxes on fuel/energy necessary to run our operations imparts inherent risk to our business. For all owned and leased sites, as well as co-located data centers (CoLos) where Adobe pays the utility bill, electricity costs are a significant portion of total OpEx. With variable utility costs, increased taxes from regulations, and in some regions, potential lack or even loss of energy availability the risk grows. For example, our Bangalore and Noida, India sites are subject to scheduled brown-outs that requires the use of backup diesel generators for business continuity. Any reliance on these generators, on a fossil-fuel dependent grid -- even though our Bangalore site is on an open-access solar array for 100% of its load -- carries significant emissions, costs and availability risk -- grid modernization and infrastructure resiliency are key. In California, reliance on a grid primarily powered by natural gas (NG) with single-option utilities that control pricing, is not sustainable: recent data reveals that the lifecycle of NG is not necessarily a "cleaner" option than coal, increased politicization of fossil fuel regulations carry risk, and exposes all businesses (and residences) in these regions to this risk. Adobe is actively engaged in policy advocacy in CA to open up direct access, to regionalize and modernize the grid, to support Community Choice Energy when it employs grid-scale RE PPAs (not offsets), and encourage energy storage and other new technologies. Additionally, Adobe is pushing for technologies that promote "fuel switching" as part of our 2035 RE strategy. We intend to be fossil fuel independent and mitigate risks associated with dependence on these fuel sources.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Potential financial impact

100000

Explanation of financial impact

New initiatives involve consultants to scope out locations and research power mixes and regulations, leases and agreements. For example, this is a calculation of potential "soft" (non-capital) costs that could be up to \$100,000 per building/leased facility if external energy consultants, possible renewable energy developers, legal fees, or other service organizations are deployed to assess the risk and make recommendations. In the event Adobe would need to sequester capital equipment costs to resolve this issue the costs would exceed this estimate -- but in Adobe's 30+ year history, this is extremely rare (very low risk).

Management method

Adobe's management of this risk is to ensure energy efficiency excellence, FIRST: over 76% of our global facilities are certified as green buildings under Leadership in Energy and Environmental Design (LEED) under the United States Building Council (USGBC). This certification program offers a structured approach to ensuring that the facility maintains its sustainability, through a series of focused actions. The LEED program serves as both. Adobe has even certified its owned data center to LEED-Gold standards. In 2014, as Adobe expanded its operations in India and realized the risks inherent in the unreliable grid, the company decided to invest in green building initiatives in the India facilities, as green buildings historically consume less energy and are robust. By FY2017, Adobe implemented solar panels at the Noida offices to generate renewable power, reduce emissions in our operations and in the region, curtail the use of diesel onsite from backup generators, and minimize dependency on a fossil-fuel heavy grid. In mid-2017, Adobe signed an open-access, grid-scale (2MW) PPA for our Bangalore site, making this the first effort by a US-based tech company in India to be powered by 100% RE and serve as a first step toward achieving our RE100 commitment. These actions will stabilize long-term OpEx, reduce energy costs, minimize risk from grid dependence on fossil fuels, and reduce emissions owned by Adobe in the region.

Cost of management

100000

Comment

By proactively mitigating risks in the beginning, costs would run about \$75,000-\$125,000 per building, including costs of consultants, legal and incidental "soft" costs. With solar running 100% of the load at our Bangalore site at the end of 2017 at a savings of 30% off our utility bill, and a US-based virtual PPA (vPPA)/cost-for-differences (CFD) to be launched in 2018, our push is for cost-parity as a minimum for entering into an agreement, ideally (and likely, only) if there is a cost benefit. Prices will depend on local utility costs now and predicted in the future and we will have progress to report in the 2018 reporting cycle.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Mandates on and regulation of existing products and services

Type of financial impact driver

Market: Abrupt and unexpected shifts in energy costs

Company- specific description

As Adobe eliminates its physical supply chain and completes its transition to 100% digital delivery of products, access and availability of renewable power becomes highly important to maintain Adobe's climate action objectives as well as uninterrupted delivery of product to our customers. Potential regulations that make renewable energy (RE) economically unfavorable for businesses to choose it over fossil fuel grid energy makes delivery of product subject to the risk of the grids our data center and CoLo partners are on. Both the risk of potential unavailability of RE and misunderstanding of regulations that either promote its proliferation, or deter it, can prevent sites from both financial and functional efficiency.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Potential financial impact

1000000

Explanation of financial impact

The \$1M US figure used here could be added costs to grid energy in CA but it could also be thousands \$US in savings, as we are presently enjoying with our Bangalore 100% RE PPA implemented in 2017 where we immediately started realizing a 30% reduction in utility costs for this site. New initiatives involve renewable energy consultants to scope out locations and research power mixes and regulations, but also new technologies (hydrogen fuel cell, battery/storage, etc.) with potential incentive programs ("State and Government Incentive Programs" or SGIPs in the US). Also, regulated utilities could make renewable power more expensive than existing grid power or conversely less expensive in order to compete with Community Choice Energy (CCE) programs, as in CA, except in certain locations such as states in India where we have found it to be lower cost than grid. That is the point of this risk: there are unknowns and we need to be informed and prepared to take appropriate action.

Management method

In 2016, Adobe implemented verified and approved Science-Based Targets (SBTs) and finalized its plan to meet its aggressive renewable energy goals starting first at its owned and managed sites. This involves first focusing on energy efficiency and conservation methods in each of its sites, making our SBTs functional KPIs for each site manager. Then, looking at on-site renewable energy opportunities, as appropriate, and RE PPAs while simultaneously working with NGOs, utilities, and other groups to advocate for local and region renewable energy policy so that everyone on the grids where we work and live can have access to RE. For example, we took advantage of RE policies in place in the Indian state of Uttar Pradesh to begin the process of signing a solar, grid-scale PPA -- and save 30% off our utility bill. Additionally, we worked with our co-located data centers to understand their baseline of renewable energy and how that affects our Scope 2 reporting. This gives us a very clear landscape of how to prioritize renewable energy implementation and in a clear timeframe. We intend to meet the objectives of our medium-term SBT goal to reduce absolute Scope 1 + 2 emissions by 25% by 2025. This is how we will do it.

Cost of management

100000

Comment

Staff time, as well as consultant time to determine overall efficiency and renewable strategy, is ongoing. External legal, energy consultancy, membership costs to policy NGO working groups (ex. Ceres-BICEP, WRI-Clean Power Coalition, BSR-Future of Internet Power (FoIP), etc.), and other "soft" costs are nominal.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Technology: Costs to transition to lower emissions technology

Type of financial impact driver

Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description

Adobe has spent considerable amounts of time and funds in using predictive technology, both its own and that of consultants, to understand the purchasing behaviors of existing and potential customers to adopt new technologies that Adobe offers. Two very specific examples of this would be first, sets of large enterprise customers that delay in transitioning from slow, inefficient and wasteful paper workflows to Document Cloud for all contracts, procurement, RFPs, etc. Essentially, this large customer sees the costs to transition embedded in the digital subscription as a barrier to entry despite not calculating the life cycle costs of paper workflows -- so they do not purchase. Another Adobe product where this could be the case is with Adobe's Experience Cloud, specifically for digital marketing: if a large enterprise is performing blanket, paper (print, mail, even junk) marketing campaigns versus digital ones they may see only the cost per campaign versus ongoing targeted (based on target customer data) digital processes. In both cases, if the enterprise customer(s) do not transition to these low-carbon, digital workflows revenue generation may be delayed (but not removed) for Adobe. However, our assessments see this as a short-term technology adoption challenge ("crossing the chasm") that can be overcome simply by highlighting lifecycle costs of both processes plus conversion rates increases, while demonstrating the environmental benefits of making the transition.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Potential financial impact

730150

Explanation of financial impact

\$730K US is a very rough estimate of revenue that is pushed due to delayed adoption. This also represents incremental revenue opportunities (not lost, but delayed) simply from adoption from companies that are looking to reduce their impact through Adobe products and their environmental attributes. This number was calculated as a potential 0.01% of Adobe revenue in 2017 (\$7.31B).

Management method

There are three specific management methods Adobe has employed to reduce/eliminate this transition risk: 1. The Sustainability Strategist working with the product teams has developed tools using external verified data to build tools to help customers understand their potential environmental and cost benefits. A specific example: for Adobe Sign (part of Document Cloud) we have developed a Resource Saver Calculator (on Adobe.com) to demonstrate how much paper/wood, waste, water, emissions, energy and cost savings customers can realize by transitioning from a paper to a digital workflow. We did this by partnering with a highly-regarded environmental NGO in this space, the Environmental paper network (EPN), to build the calculator, using their verified data, and work with them to keep it up-to-date, 2. Customer meetings with the Sustainability Strategist and product team leads to create awareness around specific environmental product attributes, as well as overall benefits of technology adoption, and 3. Partnering with customers on broader environmental initiatives to share best practices and develop "Trusted Partner" relationships to adopt each others' products and services and work and collaborate on climate-related issues and how businesses can work together to solve these challenges.

Cost of management

50000

Comment

\$50K US is a very conservative estimate for the annual update of the Resource Saver Calculator and other tools for customers that can use to determine total lifecycle costs of physical versus paper workflows. It includes staff time, external design consultants (website), consultant fees, and membership dues with the EPN.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Opp1

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company- specific description

When Adobe moved from physical, boxed software to a 100% digital, clouded product the environmental impact of these products were reduced by more than 90%, and by more than 95% when used on a mobile device (confirmed by Lawrence Berkeley Laboratory's CLEER methodology). Even the cloud that did has been digital through its lifecycle to date, Experience Cloud, has significant benefits in enabling customers with a digital transformation away from slow, physical workflows. Additionally, we set RE100 and SBT goals early on which moves our products from low- to no-carbon over time. We know through customer interactions, as well as investor feedback, that this presents Adobe as an end-to-end "trusted partner" and, on the margin, has the potential for annual incremental sales increases.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

High

Potential financial impact

70000000

Explanation of financial impact

Ongoing, and with short- to medium-term impact, business and government directives to reduce waste, become more efficient, adopt technology and digital transformation would have significant incremental sales of Adobe products -- all of which are "low carbon" moving to zero carbon with our RE100 goal underway. Environmental benefits of Adobe products could potentially contribute an additional 1-5% of overall revenue of \$7 billion with this type of federal directive.

Strategy to realize opportunity

Promoting Adobe's "green" product portfolio to all customers, including federal, state, city, and county agencies is a key enabler. Creating awareness about the efficiency benefits of Document Cloud, integrating PDFs with Sign so no paper resources are used or wasted; or with Experience Cloud where a customer can realize remarkable efficiency benefits moving from, for example, "junk" mail advertising to directed digital advertising. And creating and promoting product tools that show customers actual savings. For example, Adobe's Resource Saver Calculator, which provides information on potential resource savings (wood, water, waste, emissions, energy) as well as costs, will help in this effort: <http://blogs.adobe.com/documentcloud/resource-saver-calculator/>

Cost to realize opportunity

100000

Comment

Adobe's cost impact is nominal (less than \$100K per year) to take advantage of this opportunity. The technology exists and is doing very well so most would be from events, employee travel, small web and app development, and partnerships.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

At the end of 2017, more than 70% of all worldwide Adobe employees worked in LEED certified workspaces. In a year where Adobe revenues grew 25% YOY, FTE grew 14% YOY, stock price grew over 80%, but our Scope 1+2 emissions grew less than 2% -- our company has effectively decoupled business growth and success from a growing negative environmental impact. How? Adobe has been committed to energy efficiency excellence and to LEED, BREEAM or other healthy, efficient and smart building certifications since 2002 and it has provided the company with an array of financial and reputational benefits: reduced operating costs (the company has saved millions of \$US over the years), enhanced reputation (the 70% global LEED benchmark demonstrates Adobe's commitment to the environment, human health, and resilient business practices), and in recruiting and retaining talent (our employees love our workspaces and people want to work here). Additionally, Adobe anticipates increased regulations by cities and counties on "green" building standards, chiefly, in building to the USGBC's LEED and/or BREAM standard and achieving ongoing certification. Even with new buildings coming online in late 2018 into 2021, the company is extremely well positioned to continue to manage its business responsibly. To that point, Adobe advocates for policy that encourages these practices. Examples of such legislation are the EU Energy Performance of Buildings Directive, AB-32 in California where we are headquartered (campuses in San Jose and San Francisco, ~2M sq. ft., 7000 FTEs), and LEED commitment guidance for new buildings in San Francisco where we own 3 buildings (~500K sq. ft. and 2500 FTEs). The company anticipates the net effect could potentially generate an increased demand in Adobe's products and services, as well as lower operational risk and costs.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Potential financial impact

1000000

Explanation of financial impact

In addition to lowering long-term costs and risk with our owned and managed assets, Adobe's commitment to LEED has helped in recruiting and retaining employee talent, as well as influencing a broader brand halo with customers -- many of whom have mentioned this in meetings. On the margin, Adobe anticipates a stronger, more trusted brand in promoting its LEED global footprint alongside its "green" products. This demonstrates the company develops sustainable products, out of responsibly run facilities, with plans for long-term, low-carbon economic resiliency. Reputational opportunities could potentially contribute an estimated 5-10% of the overall revenue of \$7 billion, with cost reductions over \$1M per year.

Strategy to realize opportunity

To minimize our climate impact as we grow our business, operational excellence in energy and resource efficiency is critical. Adobe

certifies its buildings under the U.S. Green Building Council's Leadership in Energy and Environmental Design program (USGBC-LEED), including its owned data center in Oregon, multiple sites in India, as well as Sydney, Australia (BREAM), and in Europe. Overall, Adobe will: 1. Seek to maintain and/or grow its existing global footprint of 78% of employees working in LEED workspaces 2. Highlight the operational footprint alongside "green" products 3. Strive to exceed local, state, and federal government guidelines for green buildings 4. Focus on energy efficiency excellence for low-carbon digital delivery of Adobe products, moving toward zero-carbon delivery by 2035 when we intend for our data centers as well as our vendors to operate on 100% renewable energy. As an example, in 2015, Adobe's two new sites in India filed to achieve LEED Gold certification. Throughout 2017 we worked towards LEED EBOM recertification of our Adobe Seattle, San Jose, San Francisco, and Lehi, Utah buildings in LEED ARC.

Cost to realize opportunity

100000

Comment

Costs associated with this are about \$100,000 per building including consultants, etc. Major renovations, new equipment, and new buildings represent significantly higher cost activities than certification and/or recertification.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Supply Chain

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact driver

Increased reliability of supply chain and ability to operate under various conditions

Company- specific description

Partnering with our digital suppliers on long-term resiliency initiatives is already demonstrating significant value to both parties' businesses. In 2017 we have worked with at least 5 digital suppliers (CoLo and Cloud) to develop RE100 commitments, review and commit to the principles in the "CoLo and Cloud Buyer's Principles" (which Adobe is a founding member of BSR-Future of Internet Power (FoIP), who launched this) and to begin the process of setting verified Science-Based Targets -- and to report to CDP. Adobe is already realizing reduced emissions and seeing incremental increases in renewable energy powering suppliers' data centers. We believe actions such as these will significantly increase the resiliency of our digital suppliers' businesses, lower risk to our business as a customer, drive higher reputational value for both and provide responsible financial growth for our businesses as well as everyone in the value chain.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

High

Potential financial impact

1000000

Explanation of financial impact

While Adobe cannot give out specific spend costs for suppliers, we estimate that a minimum of \$1M US could be saved in utility costs over the next 10-20 years (within a contract term for good economic CFD vPPAs) by both us and our suppliers from transitioning away from fossil-fuel powered grids, to site new data centers based on availability of renewable energy (green tariffs, vPPAs, etc.), to work together on energy efficiency and resource conservation and new technology implementation. From a financial -- and impact -- perspective, we strongly encourage our digital suppliers to NOT sequester funds to purchase offsets or unbundled RECs. We see this as a low- to no-impact strategy that provides temporary marketing splashes, with no long-term benefit, at a business cost -- financially responsible companies should not engage in this practice.

Strategy to realize opportunity

Pure and simple, collaboration on resiliency -- doing so benefits both businesses in many ways. While the vast majority of technology sector companies have worked together to set meaningful renewable energy goals, SBTs, and even new technologies for energy efficiency and storage (ex. onsite and grid-scale batteries), the vast majority of our peers have also committed to work with digital suppliers to move the market forward. The starting point has been through NGO working groups (ex. Ceres-BICEP, WRI-Clean Power Coalition, BSR-Future of Internet Power (FoIP), etc.). This is where the "CoLo and Cloud Buyer's Principles"

were developed, this is where we assess the benefits of transitioning to low- to no-carbon economies through adoption of renewable energy and storage, and for the vast majority of companies that do not have the scale of the very largest tech companies, collaboration is the only way forward. These are all elements of what we, and our technology peers, are calling "The Fourth Industrial Revolution": We encourage all suppliers to adopt similar strategies as our own: start with energy efficiency excellence and invest in new technologies that provide meaningful environmental benefit; site data centers in low-risk, high renewable energy access locations; and focus on grid decarbonization in the communities where you work and live.

Cost to realize opportunity

100000

Comment

As many digital suppliers are engaging in virtual PPAs (vPPAs) for renewable energy, much of the costs are embedded in the long-term (10-20 years) contracts. The \$100K listed here is staff time, as well as consultant time to determine overall efficiency and renewable strategy, on an ongoing basis. External legal, energy consultancy, membership costs to policy NGO working groups (ex. Ceres-BICEP, WRI-Clean Power Coalition, BSR-Future of Internet Power (FoIP), etc.), and other "soft" costs are nominal.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Impact: significant/high, both short- and long-term opportunities. The increased demand for low-carbon products, which all Adobe products are, has significant impact on medium-term revenue. As mentioned in both risks and opportunities in C2.4a, as customers look to procure products that are low-carbon or emissions reducing, Adobe clouds have an opportunity to expand sales revenues for the climate-related benefits of Document Cloud (paper/wood, waste, energy, emissions reductions) and Experience Cloud (elimination of waste, natural resources and inefficient processes) in addition to the "Trusted Partner" elements from setting ambitious SBT and RE goals, moving from low-carbon to zero-carbon over time.
Supply chain and/or value chain	Impacted	Impact: significant/high, both short- and long-term opportunities. Digital suppliers have been encouraged and supported to make RE100 goals. There are almost immediate short-term reputational benefits in setting RE goals for our digital supplier from NGOs, peers, customers. When put in place there are typically followed by advancements in deploying energy efficiency technologies, and Adobe is already realizing reduced emissions from lower energy consumption as well as incremental increases in renewable energy powering suppliers' data centers. Long-term there are resource efficiency benefits, energy source (reduced operational costs) and reputational benefits to setting ambitious climate-related goals, including commitment to the "CoLo and Cloud Buyers Principles", throughout the supply chain. Suppliers that do this have an advantage over competitors that do not since it directly impacts what energy source is powering end-users digital products and will likely increase business for these suppliers in the same way Adobe products have an advantage to customers wanting to partner with responsible businesses.
Adaptation and mitigation activities	Impacted	Impact: significant/high, both short- and long-term impact. Implementation of new technologies (ex. Stem batteries, chiller water reduction methodology), resource reduction strategies and tools (demand management software, sensor technology), as well as broad collaboration on regional climate risk mitigation (NGO groups like BSR-FoIP). If we look at the example of battery/storage (Stem) implementation in our SF offices, we are enjoying thousands \$US in demand costs and with state incentives we are on track for a very reasonable ROI (3-5 years). By deploying saline water softeners (versus chemical) in cooling towers in SJ we are significantly reducing water consumption in a severe drought region. We both learn and share best practices with our peers, with whom we communicate weekly-monthly, thereby driving impact across every region where we operate. And when we partner with NGO working groups with our peers, we can address a wide array of climate-related risks and opportunities. For examples, with Silicon Valley companies on drought risk mitigation (Bay Area Council) and renewable energy in digital supply chains (BSR's Future of Internet Power Group), and energy efficient and healthy workspaces (USGBC-BHI).
Investment in R&D	Impacted for some suppliers, facilities, or product lines	Impact: significant/high, both short- and long-term opportunities. As a major technology company, Adobe depends heavily on its ability to invest in R&D, both in its software engineering and across its operations and supply chain. As an example, investment in and development of Sensei, Adobe's artificial intelligence platform, has created an array of efficiency gains for both Adobe and our customers across all platforms. We recognize that any automation of an inefficient process will save time, resources, and money. Across our data center (OR1), server rooms and supplier data centers energy efficient technology research and adoption is a priority, especially when considering provisioning renewable energy -- no one wants to over-procure energy even if it is renewable. This is true for all sites, managed or leased, for Adobe. This has impact from our operations through our products and across the entire value chain for Adobe.
Operations	Impacted for some suppliers, facilities, or product lines	Impact: medium, both short- and long-term risk mitigation and climate-related opportunities. At the end of 2017, more than 76% of all global Adobe employees work in LEED-certified workspaces. This is noted throughout the CDP submission, but it is important to point out that Adobe adopted the standard for its energy efficiency excellence, as well as for reducing natural resource consumption, well over ten years ago. In that time it has saved the company millions \$US in OpEx as well as provided an important climate-related reputational benefit in recruiting and retaining talent. Our employees see creative, beautiful, healthy, well-lit, and clean workspaces that serve as educational tools for applying sustainability and climate-related practices at home and in their communities. The workspaces are also a source of pride for our employees. We continue to embrace the standard to stay a leader in operational excellence and by doing so, it has allowed us to implement verified SBTs which now serve as our operational site-by-site annual KPIs.
Other, please specify	Please select	

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Impact: significant/high, both short- and long-term opportunities. As mentioned in C2.5, Adobe has already experienced increased revenues from digital technology adoption, demand for low-carbon products, and for products that decrease customer waste and emissions. Across all three Adobe clouds (Creative, Document, Experience), the low carbon attributes have proven to be attractive to customers and have the potential to serve as a differentiator to competitive physical products or processes. The fact that Adobe has adopted SBTs and set meaningful RE100 goals across the business is also a "trusted partner" benefit to customers, investors, and employees is also a competitive advantage compared to other digital competitors that have not implemented climate-related mitigation strategies. We know we can realize incremental sales from these benefits (as in C2.5, 0.01% of revenue or \$700K or greater per year), as well as positive engagement from investors such as BlackRock and Goldman Sachs, who we have partnered with on product events. Again, we assess customer demand for digital products to increase, not decrease, so the risk of this moving in the opposite direction is minimal.
Operating costs	Impacted	Impact: medium, both short- and long-term opportunities and risks. We know energy efficiency saves OpEx – over the last 10+ years we have saved millions \$US from over 200 sustainability/climate-related operational projects and initiatives, most with ROIs of less than 3 years. We believe renewable energy deployment, by Adobe and our digital suppliers, will save costs, preserve resources, create efficiencies, establish partnerships with utilities and policymakers, and benefit our reputation to our customers, employees, and in the communities where we work and live. As a very recent example of success on this is demonstrated in our Bangalore solar PPA: because of the state incentives on renewable energy PPAs in Karnataka, India, where our Bangalore site is located, we are already saving ~30% in costs on our utility bills from the time we signed our open-access PPA in March of 2017 and we have received positive media attention in the region as being a sustainable business leader by being the first US-based tech company to run their entire site on 100% renewable energy (RE). We do anticipate low- to moderate-risk associated with current and emerging policy in many regions where we have owned and managed sites that may limit our ability to deploy RE. However, the vast majority of regions are setting RPSs to include more RE in the short- and long-term.
Capital expenditures / capital allocation	Impacted	Impact: medium, both short- and long-term opportunities. Across the organization: financial, human, and social capital. As examples, in 2017 Adobe began expansion plans for sites in San Francisco, CA; Lehi, Utah; and San Jose, CA. Each site has prioritized LEED certification (minimally gold, mostly platinum) that includes specific energy efficiency and sustainability projects that bear climate-related risk mitigation strategies (EV deployment, building decarbonization, water reuse/recycling) and will save the company money (financial capital). Additionally, each site is working to procure healthy building materials and elements that provide the healthiest workspaces for our talent (employees, human capital). We use our sites as platforms for environmental education (ex. our "Green Teams") where employees go out into their communities as good environmental stewards (social capital). Climate-related risks associated with these projects include long-term drought, excessive heat, and shortages of resources (food, water, energy, etc.) which could have an impact to normal business operations. Because of this, we anticipate continued investment in capital budget specifically for new buildings in SF, SJ, UT, and Bangalore, as well as expansion of our data center in OR – all to be LEED certified, all with a goal of investment in technologies that promote energy efficiency and building decarbonization, as well as potential onsite renewable energy and storage -- to name a few examples. But because of mitigation strategies planned (renewable energy, storage) and already in place (back-up generators, etc.) we assess the risk of not doing these projects, and the long-term impact from any of these not helping us reach our RE100 and SBT goal, as this low.
Acquisitions and divestments	Impacted	Impact: significant/high, both short- and long-term opportunities, low risk. As an example, the late 2016 acquisition of TubeMogul brought new leased workspaces as well as digital supply chain vendors into Adobe's existing mix. Acquisitions like this require implementation of the same sustainability strategies applied across the organization. All projects have inherent ROIs for recruiting and retaining talent, reducing costs, and enhancing reputation -- all of which are material business opportunities; or, when missed, high risk. However, Adobe acquisitions follow its core technologies, none of which have a physical supply chain or heavy industrial impact. It is extremely probable that Adobe will only acquire software/digital businesses with similar impacts to previous acquisitions. We do anticipate that as acquisition targets become more and more sustainable to their employees and customers, the processes for integration may be easier and the financial costs could be minimized.
Access to capital	Impacted for some suppliers, facilities, or product lines	Impact: significant/high, both short- and long-term opportunities. As mentioned above in "Capital expenditures", reduced operating costs from energy efficiency initiatives (ex. IT consolidation and virtualization, LED swap outs, battery storage deployment) have increased the "appetite" for upper management to approve access to capital for ongoing sustainability projects. As in the IT example, success in virtualizing and consolidating old server labs across our global sites has not only improved computing performance -- particularly when we consider revenues grew 25% and full-time employment grew 14% in 2017 -- yet our absolute (before we factor in renewable purchases) Scope 1+2 emissions grew less than 5% (location- and market-based). Transition strategies, such as technology adoption, is at the heart of what Adobe does and it has had a tremendous impact on climate-related risks through energy reduction, natural resource conservation, and cost savings – all benefits to Adobe's bottom-line and reputation. This is serving as justification to continue this initiative and for consolidating computing to digital suppliers, as well as investigating new sustainability/climate-related technologies. In addressing potential grid disruption, severe drought, and access to clean resources (food, water), we anticipate greater access to capital (thousands-millions \$US) and we assess the risk of not doing this as minimal.
Assets	Impacted for some suppliers, facilities, or product lines	Impact: significant/high, both short- and long-term opportunities. There are quite a few examples of Adobe assets being upgraded, replaced or retired due to their emissions profiles or environmental benefits. Case in point, in 2017 our entire fleet of diesel vehicles in Bangalore were replaced with electric vehicles and onsite EV charging stations. Also in 2017, our Bangalore site completed an open access solar PPA to supply 100% of our electricity demand (at a state incentivized 30% reduction in costs compared to traditional grid) – so now the EVs are all being charged by solar energy. Additionally, our employees and local community view this move as substantial in addressing the challenges of historical reliance on a coal-fired grid, as well as pollution from internal combustion engines. Across our global operations, Adobe has data showing that climate-related action such as this has cost reputational benefits that, when presented with a reasonable ROI, the company would invest in. In regions where the company is experiencing drought, and predict the effects will worsen over the middle- to long-term horizon, we are already evaluating technologies to mitigate this risk (ex. Capture, water recycling) even though the cost ROI is challenging, we will continue to evaluate because of the security of investing in technologies that mitigate disruption of normal business, as well as promote our standing as a steward of natural resources in the communities where we work and live.

	Relevance	Description
Liabilities	Impacted for some suppliers, facilities, or product lines	Impact: significant/high, both short- and long-term opportunities. In a business where uptime has to be 24/7/365, we have to be able to respond to customer needs around the clock. Because our systems rely on backup generation in case of grid disruption for any reason, we own and operate generators that run on diesel. We consider the emissions from these older technologies climate liabilities and are actively exploring alternative, renewable sources (ex. hydrogen fuel cell backup generators that could ultimately replace this older, likely to become obsolete, technology. The goal is to research, and adopt when appropriate, new technologies that do not rely on fossil fuels. Decarbonization of our assets (buildings, data centers, workspaces) and our local grids are fundamental elements of our sustainability strategy – we consider any use of fossil fuels a liability, both in emissions and as sunsetting energy source. As part of our RE100 strategy, we aim to “fuel switch” from anything onsite running on fossil fuels to electric, and work with local policymakers to make our grids 100% renewable. On our local grids we are seeing this transition slowly taking place so the assessed risk is in it not happening quickly enough to accelerate new technologies in-front of extreme climate disruption (drought, unreliable grids, resource scarcity, etc.).
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Process by which the strategy is influenced: Sustainability data collection, analysis: The process for evaluating climate-related risks, costs, opportunities and integrating them into business strategy is at the operational & product level. Operational: In 2016 we deployed CR360+Urjanet software to collect and manage sustainability data, to develop operational strategy in line with climate goals (SBTs, RE100, etc.). Data & insights are vetted with Ops executives (FMs, Directors, VP) to take immediate action or develop short- & long-term strategies with execs and sustainability committee. Reporting: communicated to Adobe's Dirs. of Sustainability & Social Impact (S+SI (CR)) & Ops, who report findings/recommendations to the Ops VP, EVP/CMO, EVP People & Places, EVP/CFO, & EVP/GC & Board Secretary, as appropriate, who report directly to the CEO. Feedback & recommendations are communicated through the business teams to shape relevant strategies. Results and goals are reported annually in the S+SI Report and our materiality assessment is reviewed annually to ensure actions are aligned with climate science and Adobe products. Last, we report potential business risks from climate-related issues in our annual SEC 10-K report. Stakeholder engagement: Adobe actively engages with NGO working groups (ex. BSR, WRI, RE100, REBA, SBTi, etc.) and with industry peers to obtain guidance, identify trends, share best practices, benchmark, & collaborate on industry-wide initiatives, to assess climate-related business risks & opportunities, and incorporate them into action plans. 2. Examples of business strategy influenced by climate change: Adobe's Standards of Business Conduct: our SBCs explicitly integrate environmental considerations into employee performance. Employees are educated on Adobe's sustainability strategies, how they are derived from climate risks + opportunities, and areas where employees can act on business-wide goals related to sustainable strategy, process, program & product design. Adobe "green" products are perhaps the best examples: all three Adobe clouds (Creative, Document, Experience) transition customers away from inefficient, physical processes to low-carbon digital workflows. In transitioning from physical, boxed software to Creative and Document clouds, customers reduce their environmental impact of using them by more than 90% of what it was, more than 95% when using a mobile device. As we continue to make progress on our RE100 goal, the impact of digital delivery and customers' emissions from use of these products will move to zero. 3. Aspects of climate change have influenced the strategy: Risk: mitigating climate, business and reputational risk were drivers in setting our RE100 strategy and SBTs in 2016. Operational excellence through energy efficiency is the core of our short- and long-term RE strategy and it has worked to ensure business continuity and mitigate energy price volatility risk associated with fossil fuel dependent grids. Annual energy efficiency projects (ex. sensor technology, submetering, demand-response software, over 200 sustainability projects in 10 years w/average ROIs <3 years, saving millions \$US) enabled us to hold the first LEED-EB platinum certifications in the US with >76% of global employees in LEED workspaces. Long-term energy efficiency excellence is the only way to "right size" any grid-scale RE PPAs. Revenue opportunity: the move from boxed software to the cloud not only accelerated business growth, but it also it allowed us to develop business strategy that directly impacts climate change: it eliminated all emissions tied to Adobe's physical supply chain, it reduced environmental impact of product use by more than 90%, it focused IT to set annual data center efficiency goals, consolidate and virtualize Adobe's IT, set resilience standards for digital suppliers, reduce energy costs, all while increasing business resiliency and profit margins: in FY2017 revenue grew by 25%, FTE by 14% but absolute Scope 1+2 emissions by less than 5%. 4. Short-term strategy: climate-related energy efficiency and reputational opportunities drove development of our SBTs' goal to reduce emissions by 2% per site per year. Success depends on annual energy efficiency projects, deployment of new technologies (LEDs, Stem storage), on-site renewables (PV in Noida, Windspires in CA) when feasible, and ongoing policy advocacy (w/NGOs, peers) to open grid-scale RE. These short-term solutions prove that smart sustainability projects are good business. 5. Long-term strategy: we developed our SBTs specifically to set long-term operational KPIs and RE milestones aligned with the Paris Agreement. Long-term emissions reduction targets are: by 2025, absolute Scope 1+2 emissions reduction by 25% (w/Scope 3 business travel by 5%); by 2035, 80%; by 2050, by 100% from 2015 base. 6. Strategic advantage: as in (iii.) above, Adobe is enjoying revenue growth alongside the ratcheting of meaningful operational sustainability goals from its cloud strategy. Adobe products that can reduce or eliminate employee travel (Connect) & paper+printing resources (Sign), uniquely positions us to gain incremental sales revenues by helping customers become more sustainable, particularly w/customers who have set sustainability goals. Our RE strategy underscores our commitment to take meaningful climate action: it will NOT involve purchase of unbundled RECs or offsets. Adobe did this in 2012 but quickly determined it had low- to no-impact, did little to nothing to grow grid-scale RE, it carries a weak economic case for RE, and we need to do better. This sets Adobe apart from organizations that choose to spend additional funds offsetting emissions rather than save costs eliminating them. Last, companies that do not have RE goals, SBTs, or sustainability goals are at a competitive disadvantage. This has proven to be the case in competitive bid situations where a "trusted partner" wins on the margin. vii. Substantial business decisions: as above, climate-related resource efficiency and reputational opportunities drove development of our SBTs', to use them as operational KPIs, and assemble our RE Task Force to set our RE Strategy and achieve it. In 2017 we completed a grid-scale solar PPA for 100% of our Bangalore site, launched an RFP for US vPPA, and allocated "sustainability funds" toward water and energy audits. 7. Adobe's verified SBTs are aligned with the recommendations of the Paris Agreement, and SDA v7 IPCC guidance, with consideration of 2C scenarios implicit in the strategy to achieve them. SBTs are the means for Adobe to own and reduce its share of emissions in each country where we operate, in line with their Intended (& actual) NDCs. Adobe has adopted elements of the reporting recommendations by the TCFD, we include climate-related risks in our financial reporting (FY2016 SEC 10-K), CR Report, and Sustainability Policy Statement.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
Greenpeace	The Greenpeace Advanced Energy [R]evolution (5th Edition) scenario sets a specific, ambitious pathway toward a fully decarbonized energy system by 2050. Since 2013 Adobe has reported information directly to Greenpeace using their guidance for their "Clicking Clean" report. This is a quantitative assessment of digital supply chain energy consumption and estimates of renewable energy. We look to the Greenpeace guidance specifically for three reasons: 1. It is very ambitious and advocates against the use of unbundled RECs and offsets to make renewable energy claims – Adobe eliminated this practice in 2013 and adopted this guideline in line with Greenpeace's recommendations, 2. Aligned with The Climate Group's "Smart2020" report from 2008, and Smarter2030 report (recent), technology companies need to completely decarbonize the grids where their businesses operate – policy advocacy and collaboration is at the heart of Adobe's RE100 strategy, and 3. Greenpeace's reporting guidelines set the early push for owning and managing all emissions across the digital supply chain -- An important element of this reporting is that all owned and managed CoLo energy and emissions are reported as Scope 2 in order to work with suppliers to develop and achieve renewable energy goals and to work with us in meeting our verified Science-Based Targets and RE100 commitments. Adobe's SBT emissions reduction targets are: by 2025, absolute Scope 1+2 emissions reduction by 25% (w/Scope 3 business travel by 5%); by 2035, 80%; by 2050, by 100% from 2015 base. This aligns with the Greenpeace 2050 goal and scenario analysis.
IEA Sustainable development scenario	Adobe has adopted 12 Sustainable Development Goals (SDGs) and follows the IEA scenario analysis for quantitatively and qualitatively reporting on progress toward them. For climate-specific SDGs, we have committed to SDG #3 (Good health and wellbeing – for Adobe, LEED certification, Building Health Initiative (BHI) procurement standards, local sourcing, employee health and climate education), 6 (Clean water and sanitation – for Adobe, water conservation (60% reduction in 10 years), renewable energy and water strategy in drought regions/sites (CA, UT, Noida, Bangalore), 7 (Affordable and Clean Energy – for Adobe, energy efficiency excellence (greater than 70% of global footprint is LEED certified) and RE100 goals), 9, 11 (Sustainable Cities and Communities – for Adobe, ex. SF and SJ Community Choice Energy, Sustainability Action Teams), 14 (Life below water – for Adobe, building and grid decarbonization, water conservation in drought areas strategies), 15 (Life on Land – SBTs, RE100, LEED commitments), and 17 (Sustainability Action Teams Green Teams). These are all listed in Adobe's 2017 S+SI (CR) Report. The reason the IEA Sustainable Development Scenario is used as a guide is because, specifically, it integrates the objectives of the three Sustainable Development Goals (SDGs) that are most closely related to energy and we recognize that the link between energy sector activity and air pollution is key in developing our goals for our business. As with our SBTs and RE100 goals, the timeline for our climate-related SDGs tracks to our short (5-10 year) and long- (beyond 2025) milestones.
Other, please specify (Science-Based Targets, SDA v7 IPCC)	Development and verification of Adobe's Science-Based Targets aligns with the SDA v7 IPCC scenario analysis in 1. Time horizon and scopes (Long-term emissions reduction targets are: by 2025, absolute Scope 1+2 emissions reduction by 25% (w/Scope 3 business travel by 5%); by 2035, 80%; by 2050, by 100% from 2015 base., 2. Relevance to our organization (energy efficiency, policy advocacy, grid decarbonization, RE purchase, no unbundled RECs or offsets), 3. Company-specific strategy that informs business objectives (SBTs are now site-by-site KPIs).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

% reduction from base year

25

Base year

2015

Start year

2016

Base year emissions covered by target (metric tons CO2e)

64736

Target year

2025

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)

0

Target status

Underway

Please explain

Adobe commits to reduce absolute global scope 1 and 2 emissions 25% by 2025 from 2015 levels. We have to point out that, Adobe has experienced substantial growth in business since 2015: in 2017 our business grew 25% (revenues), FTE 14%, while our absolute emissions grew by less than 6%. Essentially, we are managing our carbon footprint despite major business growth but we anticipate progress on both short- and long-term SBTs in coming years particularly due to our ambitious RE100 goals that do not rely on offsets and instead on true renewable energy additionality. Also, since we are ONLY using true grid-scale RE as an offset to absolute emissions, our Bangalore solar PPA that launched in August of 2017 gave us only a partial year's emissions -- which did not bring down our total absolute emissions. We are planning progress on reducing absolute emissions over the next few years as this, and other vPPA, CCE, green tariffs are in place and up-and-running.

Target reference number

Abs 2

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

% reduction from base year

55

Base year

2015

Start year

2016

Base year emissions covered by target (metric tons CO2e)

64736

Target year

2040

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)

0

Target status

Underway

Please explain

As with Abs 1, Adobe commits to reduce absolute global scope 1 and 2 emissions 55% by 2040 from 2015 levels. In 2017 our business grew 25% (revenues), FTE 14%, while our absolute emissions grew by less than 5%. Essentially, we are managing our carbon footprint despite major business growth but we anticipate progress on both short- and long-term SBTs in coming years.

Target reference number

Abs 3

Scope

Scope 3 (downstream)

% emissions in Scope

100

% reduction from base year

100

Base year

2013

Start year

2014

Base year emissions covered by target (metric tons CO2e)

10444

Target year

2018

Is this a science-based target?

No, but we are reporting another target that is science-based

% achieved (emissions)

99

Target status

Underway

Please explain

In 2012 Adobe adopted a cloud strategy for all products. This strategy not only made it easier and more efficient for customers to use Adobe products, but it also dematerialized our entire physical supply chain and eliminated all downstream waste from the businesses, all material waste and emissions from transportation and logistics throughout each product's lifecycle, and decreasing the environmental impact of the customers by a minimum of 70%, with an average greater than 90% reduction, and greater than 95% when customers use Adobe products from a mobile device. The goal was to achieve 100% digital download of product by 2017. By the end of 2014, Adobe achieved greater than 90% digital download. By the end of 2015, greater than 97%. At the end of 2016, greater than 98%. And at the end of 2017, 99% of all Adobe products are delivered digitally with no physical material procurement.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**Target reference number**

Int 1

Scope

Scope 3: Business travel

% emissions in Scope

100

% reduction from baseline year

5

Metric

Metric tons CO2e per unit FTE employee

Base year

2015

Start year

2016

Normalized baseline year emissions covered by target (metric tons CO2e)

2.09

Target year

2025

Is this a science-based target?

Yes, this target has been approved as science-based by the Science Based Targets initiative

% achieved (emissions)

100

Target status

Underway

Please explain

Adobe will strive to reduce scope 3 business travel emissions per employee 5% by 2025 from 2015 levels. Regarding our scope 3 business travel to reduce emissions per employee by 5% from 2015 to 2025, Adobe is projected to have strong business growth and therefore travel growth. As a result, an emissions per employee intensity goal would allow us to focus on reducing travel per employee while still allowing for business growth. Looking at our growth projection, we determined that a 5% reduction in normalized emissions per passenger was an aggressive target that over the long term would be challenging to achieve. Although IEA models predict that per-mile air travel emission factors will decrease due to reduced carbon intensity, we are not relying on emission factor reductions to achieve our goal. Rather, the way we plan to achieve our goal is to focus on reducing business travel and the resulting airline miles traveled per employee. With significant business growth the last two years, employee population growth over 14%, revenue growth of 25% over 2016, and with CFO support of the effort, this target is sufficiently ambitious but achievable for a fast-growing technology company. With normalized base year emissions of 2.09 Mtonnes CO2e/FTE in 2015, we moved to 1.81 Mtonnes CO2e/FTE in 2017, a reduction of 11%.

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

43

Target reference number

Int 2

Scope

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

% emissions in Scope

100

% reduction from baseline year

15

Metric

Metric tons CO2e per square foot*

Base year

2015

Start year

2016

Normalized baseline year emissions covered by target (metric tons CO2e)

13000

Target year

2025

Is this a science-based target?

Yes, this target has been approved as science-based by the Science Based Targets initiative

% achieved (emissions)

0

Target status

Underway

Please explain

Adobe will work to reduce its scope 3 Fuel and Energy-Related Emissions per square foot by 15% by 2025 from 2015 levels for its owned and managed facilities. Because Scope 3 FERA emissions are directly related to Scope 1 and 2 emissions, we expect decreases in both Scopes 1, 2, and 3 for this target. With 2015 baseline FERA emissions equal to 13,000 MtCO₂e and 3,637,644 square feet growing to 16873 MtCO₂e and 3,824,412 square feet in 2017, we experienced an increase in FERA emissions from our SBT baseline year. The calculation we use for FERA emissions is based on OpEx for utilities and in 2017 our square footage grew by 6% -- as utility costs grow, our FERA number grows. We anticipate Adobe's ability to reduce this, even with business growth, due to our commitment to decarbonize our facilities through fuel switching and efficiency projects.

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

60

C4.2**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.****Target**

Renewable energy consumption

KPI – Metric numerator

All energy consumed

KPI – Metric denominator (intensity targets only)**Base year**

2015

Start year

2016

Target year

2035

KPI in baseline year

192545

KPI in target year

100

% achieved in reporting year

1

Target Status

Underway

Please explain

Adobe Renewable Energy (RE100) goal: 100% of Adobe operations and digital delivery of product to be powered with renewable energy by 2035 (includes owned and managed sites, owned data centers, and managed collocated data centers (CoLos)) as well as "Fuel Switching" out all fossil fuel use -- diesel, natural gas, and electricity -- including all electricity presently produced from our fuel cells. It is important to note that Adobe reached "carbon neutrality" in 2015, a goal set in 2012 (prior to our Cloud strategy implementation) through purchase of clean, local carbon offsets and unbundled RECs. But by 2015 we recognized that purchase of unbundled RECs to achieve this goal did little to nothing to move the market toward true, grid-scale renewable energy. We ended this strategy, did not offset our emissions, never made the claim of "carbon neutral" (even though the RECs were paid for) and instead moved toward our goal of 100% bundled renewable energy ONLY as our strategy, reflected here. As part of this strategy, Adobe has been outspoken advocates with NGO partners such as WRI and Ceres to encourage peer companies to reduce and ultimately stop purchase of offsets and unbundled RECs and focus time, energy, and money on true grid decarbonization. By the end of 2017 we made tremendous progress toward our RE100 goal, demonstrated with our open-access solar PPA in place for our Bangalore, India site. As part of our SBTs, CDP and S+SI reporting, Adobe includes all electricity, and subsequent emissions (market- and location-based) from managed CoLos into our Scope 2 emissions going back to our 2015 baseline. We continue to work with NGO working groups, such as BSR's Future of Internet Power (FoIP) group, to collaborate with our ICT peers to help digital suppliers set renewable energy goals (to join RE100 and commit to the CoLo and Cloud Buyers Principles) and to understand and report on our suppliers' renewable energy progress. According to the results from 2017, Adobe used a mix of

renewable electricity at our COLO sites powered through a combination of utility green tariffs and power purchase agreements. At this point we do not report this as our own since we do not own and/or retire the RECs.

Part of emissions target

100% of all energy consumed in 2035 will be from renewable sources.

Is this target part of an overarching initiative?

RE100

Target

Renewable energy production

KPI – Metric numerator

MWh

KPI – Metric denominator (intensity targets only)

per year

Base year

2010

Start year

2010

Target year

2035

KPI in baseline year

26954

KPI in target year

16080

% achieved in reporting year

1

Target Status

Underway

Please explain

Adobe's renewable energy production goal for this target is for on-site renewable energy production in total. In 2010 Adobe installed Windspire wind turbines at Adobe's San Jose headquarters with the initial goal of producing up to 10% of the San Jose sites energy by the wind. Unfortunately, we have never achieved that level of production but we plan to continue to review and report on it as well as determine if the Windspires are having a positive impact on energy use, our communities perception of Adobe with this iconic symbol in San Jose, and employee and community affinity for company's who are trying to deploy on-site renewable energy generation. Additionally, in 2017 we installed solar panels at our Noida, India site in order to take as much energy possible off this traditionally heavy fossil fuel grid. We know that these are very small contributions but the effort is as much a learning project as it is a functional renewable energy solution and we will continue to experiment with new technologies in the future, as appropriate.

Part of emissions target

Medium- and long term Science-Based Targets, RE100 goals, internal innovation objectives.

Is this target part of an overarching initiative?

RE100

Target

Energy usage

KPI – Metric numerator

MWh

KPI – Metric denominator (intensity targets only)

per year

Base year

2015

Start year

2016

Target year

2035

KPI in baseline year

63660

KPI in target year

100

% achieved in reporting year

0.02

Target Status

Underway

Please explain

Goals related to energy efficiency and reduction, when possible, of owned and managed workspaces. While our 100% renewable energy goal includes more than just electricity, we intend to reduce, and ultimately eliminate, natural gas consumption across all sites that use this fossil fuel for heating, cooking and fuel cells. This is entirely on our owned and managed sites worldwide and their energy consumption, over which we have operational control. While we have made progress on our stationary consumption of natural gas (1% increase over 2016) and diesel use from generators (-32% reduction), we have seen a spike in natural gas consumption from fuel cell electricity production (70%) leading to an overall 23% increase in Scope 1 emissions. Fortunately, this is a small percentage of overall Scope 1+2 emissions (6% and 6.4% for Location- and Market-based emissions, respectively).

Part of emissions target

Scope 1 emissions from natural gas consumption is approximately 18% of Location-based and 19.4% of Market-based emissions.

Is this target part of an overarching initiative?

RE100

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	13121
To be implemented*	5	500
Implementation commenced*	1	3000
Implemented*	5	1047
Not to be implemented	1	200

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Energy efficiency: Building services

Description of activity

Other, please specify (Projects: LEDs, server virtualizations)

Estimated annual CO2e savings (metric tonnes CO2e)

1047

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

250000

Investment required (unit currency – as specified in CC0.4)

500000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

As in "Description", above, energy efficiency projects range from simple LED replacements, to server lab consolidations and virtualization, to complete floor renovations. It is important to note that the vast majority of major and minor energy efficiency projects have been completed and have enjoyed an ROI in ~1.5 years for 80% of over 180 projects. The goal here is to do everything possible, each year, to adopt new technologies and processes to minimize energy consumption and subsequent emissions. These market-based emissions represent 420 MTCO2e of location-based emissions.

Activity type

Low-carbon energy purchase

Description of activity

Other, please specify (Managed CoLo renewable energy purchases)

Estimated annual CO2e savings (metric tonnes CO2e)

2020

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

0

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Please note that in 2016, Adobe began including Scope 2 electricity emissions from our managed collocated data centers. We recently worked with our suppliers to determine the amount of renewable energy purchased at these COLO facilities. We would like to note that we are working with our suppliers to understand their, and subsequently our, renewable energy profiles at these COLO sites. According to our digital suppliers, Adobe used their purchases of renewable electricity at these COLO sites powered through a combination of utility green tariffs and power purchase agreements -- but at this point we do not report this as our own since we do not own the RECs. Adobe will work in future years to incorporate this information into our regular reporting structure so that we can identify the reduction in CO2e through market-based and location-based emissions. Because we have not verified this information through our third-party verifier, we are not reducing our market-based emissions for 2017 nor claiming this renewable energy here. Rather, we seek to be transparent with our data collection and ongoing refinement of processes for gathering and reporting on this data.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	All construction projects follow efficiency and code requirements to achieve better energy efficiency. Adobe has publicly advocated for passing stricter code compliance and other related sustainability standards. In each project, Adobe management has always reached minimum compliance and in most projects goes well beyond mere compliance to achieve a sustainability and efficiency-focused project.
Dedicated budget for energy efficiency	As part of its operational overhead structure, Adobe secures budgets annually for comprehensive energy efficiency programs. While Adobe does not use the terminology "Carbon Tax" simply because of the punitive overtone for business units that are doing exceptionally well with energy efficiency, the funds gained from this budget are used for an array of projects across operations, including all sustainability and energy efficiency projects. This budget is prepared by the facilities group and overseen by the Director of Global Site Operations (GSO). GSO has a Sustainability Committee, comprised of cross-departmental members that meets regularly (bimonthly) to discuss priorities, projects, and budgets. There is also a Sustainability Strategy Committee with the Director of Sustainability + Social Impact (S+SI, formerly Corporate Responsibility (CR)), VP of Marketing, VP of Operations (Employee & Workplace Solutions), and the CFO further reviews projects and sustainability initiatives, as needed.
Dedicated budget for low-carbon product R&D	All three of Adobe's Cloud offerings are low-carbon products. Specifically, products such as Adobe Document Cloud (PDF, Adobe Sign), Experience Cloud (digital marketing), Adobe Connect (TM), and LeanPrint allow users to operate more sustainably - virtually - using ICT in place of paper, ink and other resources; inefficient, physical workflows; and diminish business travel. These products enable resource use and emissions reduction and are major core deliverables for Adobe with dedicated budget for continued development. Case in point, Adobe Procurement adopted Adobe Sign and enjoyed a 70% reduction in transaction time as well as an 80% decrease in printing purchases and subsequent paper and ink use and waste. See http://www.images.adobe.com/content/dam/Adobe/en/customer-success/pdfs/adobe-at-adobe-esign-procure-case-study.pdf
Employee engagement	Adobe fosters a culture of sustainability by encouraging employees to engage in the Green Teams. Currently, Green Teams make up over 10% of the total employee population. The Green Teams receive 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, employee discounts for living more sustainably (EVs, solar, etc.) and educational lunch-and-learn opportunities. Beyond the Green Teams, 63% of Adobe employees enjoy participation at an array of levels in voluntary community engagement.
Financial optimization calculations	All significant environmental initiatives are reviewed by the Vice President of Employee/Global Workplace Solutions and, for most large-scale projects or commitments, is reviewed by at least one member of the C-suite. All investment decisions in sustainability-related and emissions reduction projects involve careful financial analysis to assess the viability of each initiative. Market research, benchmarking, and investment modeling are employed to justify environmental projects.
Partnering with governments on technology development	Adobe has partnered with a number of government agencies including General Services Administration (GSA), Lawrence Berkeley Labs (LBL) and Center for Built Environment (CBE), sharing best practices, including development of Adobe's energy monitoring system, IBIS (Intelligent Building Interface System) which Adobe uses to monitor and manage carbon emissions, energy usage, water usage, and alternative energy production as well as potential renewable energy projects in the Bay Area.
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 twenty-five LEED-certified facilities across the globe, with seven at the Platinum level, including our San Jose headquarters and major San Francisco site. Adobe's buildings were the first buildings to be certified and re-certified at the Platinum level (the highest level possible) under the permanent LEED for Existing Buildings Program.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Document Cloud, including PDFs, Adobe Sign, and Adobe Scan: create, edit, share, sign, and store documents digitally versus any paper workflow.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

10

Comment

Customer use of Adobe Sign (part of Adobe Document Cloud along with PDF, Acrobat, etc.), can eliminate paper workflows and substantially reduce paper and printing resource consumption (wood, water, waste, and emissions) from the paper production process. The impact reduction is so significant that Adobe, in partnership with the Environmental Defense Fund (EDF) and the Environmental Paper Network (EPN), developed the Resource Saver Calculator specifically -- and conservatively -- estimate water, wood, waste, and cost avoidance simply by using Adobe's digital tools versus a paper workflow. See <https://blogs.adobe.com/documentcloud/resource-saver-calculator/>

Level of aggregation

Product

Description of product/Group of products

Experience Cloud: includes Adobe Digital Marketing, Analytics Cloud, Advertising Cloud. All digital, automated products versus physical workflows.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

22

Comment

IT is central to any digital transformation initiative and Adobe's Experience Cloud allows customers to make this transition while eliminating inefficient physical and wasteful process in moving to digital workflows. As just one example, imagine if all "junk" mail advertising transitioned to only specific, targeted digital branding -- the elimination of mailbox to recycling bin waste would be immense. Another would be customer analytics that allows providers to provision precisely for customers rather than "blanket" procurement. The result: less overpurchasing, less waste, more resource, energy and emissions reductions for customers.

Level of aggregation

Product

Description of product/Group of products

Creative Cloud: incorporating, Photoshop, InDesign, Premiere, After Effects, Behance, Spark, Stock, etc. all consolidated in a single cloud offering (with options) versus each as a boxed, physical product (Creative Suite + individual products)

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

63

Comment

There are two elements of Creative Cloud as a low carbon product: the cloud offering versus Creative Suite and individual products (all boxed), and the use of Creative Cloud versus any physical workflow for creative design. Independent analysis of the overall environmental impact of each product, and using the Lawrence Berkeley Labs (LBL) CLEER method for estimating data center consumption of a digitally delivered product, we estimate that the impact is at least 90% less than it was as a physical product, 95% when used with a mobile device. The advent of cloud storage for customer workproducts in Creative Cloud has removed the need to print or even store on a local device (PC, workstation, etc.). Overall, when a customer uses Creative Cloud where the majority of computing is done at the server versus desktop level ("virtualized") there are massive environmental benefits -- Adobe sees this even within our own operations when we move small, server stacks to efficient cloud (data center) providers. As these providers

adopt and reach RE100 goals, the environmental impact moves to zero.

Level of aggregation

Product

Description of product/Group of products

Adobe Connect: our URL/web-based meeting platform.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

4

Comment

URL based meeting platform. Many large corporations use Connect to avoid employee travel and reduce emissions. We estimate with over 6 billion meeting minutes completed in 2017, and with only about 5% of these representing avoided business travel by using a virtual meeting (Skip a Trip: Connect instead), a minimum of 6M tonnes CO2e were potentially avoided by Adobe customers and employees.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

December 1 2014

Base year end

November 30 2015

Base year emissions (metric tons CO2e)

10992

Comment

Scope 1 emissions include all Stationary Combustion from diesel generators, domestic natural gas, and fuel cell natural gas; from mobile sources (company vehicles); and from refrigerants.

Scope 2 (location-based)

Base year start

December 1 2014

Base year end

November 30 2015

Base year emissions (metric tons CO2e)

61602

Comment

Scope 2 (market-based)

Base year start

December 1 2014

Base year end

November 30 2015

Base year emissions (metric tons CO2e)

53744

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

14477

End-year of reporting period

<Not Applicable>

Comment

Scope 1 emissions include all Stationary Combustion from diesel generators, domestic natural gas, and fuel cell natural gas; from mobile sources (company vehicles); and from refrigerants.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Adobe chooses to perform both reporting methodologies to evaluate priority areas and identify where strategy adjustments can have the most impact.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based

66268

Scope 2, market-based (if applicable)

59184

End-year of reporting period

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

35952.82

Emissions calculation methodology

Calculations were made through combining 1) MT CO₂e determined by the Quantis Scope 3 Evaluator tool based on FY2017 OpEx across all Adobe properties and 2) the MT CO₂e from the operations of Adobe's unmanaged colo data centers. The MT CO₂e of unmanaged colo data centers is determined through multiplying emissions factors against estimated and actual kWh of operations.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

33

Explanation

In 2017 all emissions from managed CoLos are reported as Scope 2 emissions. The number here represents both the electricity emissions associated with our unmanaged COLOs, emissions reported from cloud suppliers, as well as a proportional share of our operational expenses.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

0

Emissions calculation methodology

This category is covered by Purchased Goods and Services. As such, there is no applicable text for the emissions calculation methodology.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

The GHG Protocol calculation guidance, states that this category can be difficult to separate from Category 1 (Purchased goods and services). Given that the entirety of our spend data (which includes purchases of capital goods) has been captured in category 1, the scope 3 emissions from capital goods are not reported out separately. The scope 3 emissions reported within category 1 includes purchased goods and services as well as purchases of capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

16872.85

Emissions calculation methodology

The FY2017 FERA value was calculated using the Quantis Scope 3 Evaluator tool. To generate the FERA value, we entered our verified Scope 1 and Scope 2 values and the tool generated a FERA value through multiplying Scope 1 emissions by .25 and multiplying the Scope 2 emissions by .20. The tool can be found at: <https://quantis-suite.com/Scope-3-Evaluator/>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Note: Adobe has verified Science-Based Targets that include fuel-and-energy related activity goals: to reduce its scope 3 fuel-and-energy related emissions per square foot by 15% by 2025 from 2015 levels for its owned and managed facilities.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant since Adobe owns no upstream transportation or distribution.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Over 99% of Adobe's product is produced and distributed digitally, so there is no physical product to transport. The remaining less than 1% was produced in prior years so no supply chain procurement and distribution of physical product is being done.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

52.85

Emissions calculation methodology

Adobe collects data on its US owned and managed sites for waste and recycling. The EPA WARM model version 14-1 was used to calculate emissions from waste

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Adobe diverts greater than 92% of its global waste. So, only waste that goes to landfills is included in this calculation otherwise the emissions number would be negative due to the lifecycle emissions implications from recycling and composting.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

32512

Emissions calculation methodology

Employee business travel was calculated for both car rental and air travel based on numbers from travel provider. Car rental estimates assumed an average mileage per day driven. Air travel included short, medium and long-haul flights with specific emissions factors for each length based on the most recent UK DEFRA factors. We calculate a net reduction in business travel emissions from 28925 mtCO2e in 2015 (baseline year for Scope 3 Science-Based Target), to 27763 mtCO2e in 2016, and to 32511 mtCO2e in 2017 (32362 air + 149.21 car).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

100% of all emissions data reported here is from Adobe suppliers.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9988

Emissions calculation methodology

Employee surveys are conducted at large sites and miles commuted are aggregated. Estimates of public/mass transportation are taken from employee counts at each site as well as estimates from reimbursed commute expenses. Estimations of miles traveled are made for smaller sites. EPA emission factors were used to calculate carbon emissions from travel.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe uses "0%" for emissions from suppliers or value chain simply because the 100% value is extrapolated using employee data for completeness.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Adobe does not have any upstream assets.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe includes all of its leased assets in Scopes 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

169

Emissions calculation methodology

169 Mtonnes represents 1% of emissions in from Fuel-and-energy-related activities (not included in Scope 1 or 2).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

This category is not relevant or material to Adobe given that greater than 99% of product is delivered digitally and we anticipate this moving to zero in 2019 reporting. However, 169 Mt is an overly conservative estimate for any remaining physical product in the 1% of global inventory -- whether it is sold or not. It includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant given 99+% of all Adobe products are delivered digitally.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe Clouds are final products and there is no third-party processing.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

505

Emissions calculation methodology

This calculation is based on the energy values of Creative and Document Clouds versus boxed, physical Creative Suite and Acrobat and per-use for a standard customer using the digital products. Calculations are based on Lawrence Berkeley Laboratory's CLEER methodology calculated as a greater than 90% overall reduction in emissions from physical product depending on "client" (iPad, mobile device vs. workstation or desktop). It also includes per-use per customer emissions for a standard user of either product for one year as total subscriptions multiplied by standard customer use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

As Adobe works with suppliers to obtain more detailed information about energy consumption, utilization, etc. we will more accurately account for this information. This number represents 100% of what is provided, not including what we already report in scope 1 and 2 emissions.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant for Adobe with no physical products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

With greater than 99% of product delivered digitally, Adobe no longer has a physical supply chain or a need to implement an end-of-life treatment of sold products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant with no downstream leased assets.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe leases office space to tenants in facilities within the company's operational boundaries. This value is already calculated and accounted for in our Scope 1 and 2 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant with Adobe owning no franchises.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe does not own any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant since Adobe does not own outside investment assets.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe does not make outside investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant since Adobe has no other upstream emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe has no other upstream emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Not relevant since Adobe has no other downstream emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Adobe has no other downstream emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000010088

Metric numerator (Gross global combined Scope 1 and 2 emissions)

73661

Metric denominator

unit total revenue

Metric denominator: Unit total

7301500000

Scope 2 figure used

Market-based

% change from previous year

15

Direction of change

Decreased

Reason for change

To calculate the -17% change from the previous year, we used our FY2017 \$US revenue per metric tonne CO2e Scope 1+2 (market-based) emissions. Adobe's Scope 1+2 emissions increased by 7% at the same time that revenue increased 25% in FY2017. This provided Adobe with an overall decrease in normalized intensity. We know that the revenue increase is significant, but it was similar in FY2016 (22% increase), so we can credit the overall decrease to highly effective energy reduction projects (renovations, server lab virtualizations and consolidations, etc.) which reduced subsequent Scope 2 emissions.

Intensity figure

4.1

Metric numerator (Gross global combined Scope 1 and 2 emissions)

73661

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

17973

Scope 2 figure used

Market-based

% change from previous year

7

Direction of change

Decreased

Reason for change

To calculate the -7% change from the previous year, we used our FY2017 Scope 1+2 (market-based) emissions in metric tonnes per FTE at the end of FY2017. Adobe's Scope 1+2 emissions increased by 7% at the same time that FTE increased by 14% in FY2017. This provided Adobe with an overall decrease in normalized intensity. We know that, as with the revenue increase, the FTE growth is significant as well. But, we can credit the overall decrease to highly effective energy reduction projects (renovations, server lab virtualizations and consolidations, etc.) which reduced subsequent Scope 2 emissions. This result is consistent using Location-based intensity figures, as well.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	14477	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	0.27	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	0.27	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify (Includes all refrigerants (see notes))	57	IPCC Fourth Assessment Report (AR4 - 100 year) <i>Includes all refrigerants, HFC-134a (0.00 lb.), HFC-404 (0.00 lb.), R123 (0.00 lb.), R-22 (0.00 lb.), R401a (0.00 lb.), R407c (n/a), R-410a (60 lb., 0.0645 Mtonnes CO2e). Additionally, we have significant decreases in refrigerants due to equipment upgrades and associated changes in refrigerant types, as well as new equipment installations.</i>

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	12017
India	1692
Other, please specify (Rest of the world)	768

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Diesel: combustion in backup generators	233.53
Natural Gas: combustion in fuel cells	4794
Natural gas: domestic use, cooking, heating	9352
Gasoline	9
Refrigerants	57
Diesel vehicle	18

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	36616	29799	104005	42347
India	18393	17385	22486	1119
Other, please specify (Rest of the world)	11260	12000	23889	16453

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Office/workspaces and internal data centers or server rooms	34997	28435
Managed Co-located data centers (CoLos)	18946	18423
Adobe's owned and managed data center (OR1)	12326	12326

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	884	Decreased	1.1	In March of 2017 (wheeling power in August) Adobe entered into an open (direct) access, grid-scale renewable (solar) energy PPA covering 100% of our Bangalore operations, 1119 MWh consumed from August to the end of FY2017. This decreased our overall Scope 2 emissions by 884 Mt, or by 1.1% for global Scope 1+2 emissions. However, 2016 Scope 1 + market-based Scope 2 emissions were 69,555 MtCO2e, in 2017 they were 73,661 MtCO2e, $((73,661-69,555)/69,555)$ a 6% overall increase, or 4106 MtCO2e increase.
Other emissions reduction activities	420	Decreased	1	With significant growth in our business in (revenue up 25%, FTE up 14%, stock price up over 80% in 2017 alone), Adobe successfully managed to grow our emissions by less than 7% (market-based) and 10% (location-based) – significantly less than our business growth. Additionally, our carbon intensity (scopes 1+2 / FTE) decreased by 7% (location) and 8% (market) and we increased our \$ revenue / Mtonne emissions by \$16K US. With Adobe reporting all managed CoLo energy consumption into our Scope 2 emissions, anticipated emissions growth was far less than we expected. On the contrary, continued resource (electricity, water, waste) reduction activities contained emissions growth: calculated as metric tonnes of avoided emissions through energy efficiency projects, Adobe avoided emissions by 420 MtCO2e in 2017 (compared to 389 MtCO2e in 2016). Calculated as Mtonnes avoided by emissions reductions activities divided by Scopes 1 + 2 from 2016, $420/69555 = 0.6\%$ (listed as "1" here). While these values seem low, keep in mind we reduced emissions from 2000 to 2014 by over 60%. We will continue to report all managed data center activities as Scope 2 going forward and deploy energy efficiency projects at on average ~30 per year in the coming years. We also expect to see significant emissions reduction benefits from continued renovations of workspaces as well as consolidation and virtualization of server research labs and internal data centers.
Divestment		<Not Applicable>		
Acquisitions	2942	Increased	3.64	Adobe acquired TubeMogul in late 2016. However, emissions data from the additional leased office spaces and managed co-located data centers were first reported in 2017 when the transition completed and all reporting into the SEC 10-K was complete. Through the acquisition, more than 6 new offices were included in Adobe's portfolio across all global regions. In sum, the newly acquired TubeMogul sites represent an additional 120,000 square feet of office space and additional 2942 MtCO2e estimated Scope 2 emissions from this leased site.
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	81465	81465
Consumption of purchased or acquired electricity	<Not Applicable>	1134	154358	155492
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	1134	235823	236957

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

78036

MWh fuel consumed for the self-generation of electricity

26445

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

3393

MWh fuel consumed for the self-generation of electricity

3141

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

36

MWh fuel consumed for the self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Fuel Oil Number 2

Emission factor

10.18

Unit

kg CO2 per gallon

Emission factor source

Center for Corporate Climate Leadership GHG Emission Factors Hub, available at: <https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>

Comment

Motor Gasoline

Emission factor

8.78

Unit

kg CO2 per gallon

Emission factor source

Center for Corporate Climate Leadership GHG Emission Factors Hub, available at: <https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>

Comment

Natural Gas

Emission factor

53.06

Unit

kg CO2 per million Btu

Emission factor source

Center for Corporate Climate Leadership GHG Emission Factors Hub, available at: <https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) with energy attribute certificates

Low-carbon technology type

Solar PV

MWh consumed associated with low-carbon electricity, heat, steam or cooling

1119

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

This number represents renewable energy purchases from a grid-scale solar farm located 141 kilometers from our Bangalore, India site. The PPA covers 100% of our annual load on the site and is putting solar energy on this traditionally filthy, coal-powered grid. The 1,119 MWh represents the amount of renewable energy purchased and consumed in FY 2017 from August, when the PPA was "turned on", through November and does not represent a full year. It will in 2018 and going forward.

Basis for applying a low-carbon emission factor

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling

16

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

This is the total MWh produced by on-site Windspires at our San Jose. It is important to note that Adobe purchased verified unbundled Renewable Energy Credits (uRECs) and clean offsets in 2013 to achieve "carbon neutrality" for global operations by 2015. However, our RE100 strategy developed and put in motion in 2015 is based on energy efficiency excellence, on-site RE when possible, policy advocacy for grid-scale RE, and investment in true, grid-scale RE PPAs. Because of this, we have never accounted for our 2013 uREC purchases (including distributed biogas purchases for our fuel cells) as offsets for our emissions. Adobe's stance on purchase of uRECs is unwavering: companies, starting with our own, need to do better. We all need to invest in true, grid-scale RE and end purchasing of uRECs to make RE claims. We believe uRECs in the volume necessary to make carbon neutrality, or Net Zero, claims do very little to nothing at all in moving markets to power businesses and communities where we live and work with renewable energy. We believe the purchase of uRECs pushes the market in the opposite direction because it proves that one need only throw money at this challenge to solve it, making RE (by uRECs) a poor economic argument. Last, we believe the practice of purchasing uRECs to make marketing claims drives complacency, rather than urgency, because it allows companies to reach publicly stated RE goals within the year of setting them, or so far ahead of long-term schedules that doing nothing further becomes a reasonable option. In 2017, Adobe made significant progress toward its 100% RE goal by 2035 with our RE PPAs in Bangalore, India. While the number from our Windspires and Bangalore are a small % of total renewable MWh, we will be able to report additional true, grid-scale RE claims in 2018.

Basis for applying a low-carbon emission factor

Other, please specify (Factors vary for each managed CoLo)

Low-carbon technology type

Solar PV

Wind

Other low-carbon technology, please specify (Renewable energy from Adobe's suppliers)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

7547

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

As mentioned in previous sections, Adobe changed its Scope 2 emissions methodology to include our managed collocated data centers' electricity. We worked with our managed COLO suppliers to determine the amount of renewable energy purchased at these COLO facilities. We do not include their renewable energy purchases as our own since we do not own and retire RECs associated with these purchases. However, we intend to refine our reporting processes to be able to report how much (MWh) energy is powering our digital supply chain. We believe we can do this as we work with our digital suppliers to share this information with us and verify it along with our own data from direct operations. According to the results from CoLo suppliers, Adobe used did indeed use renewable electricity at our COLO sites powered through a combination of utility green tariffs and power purchase agreements. Adobe will work in future years to incorporate this information into our regular reporting structure. Because we have not verified this information through our third-party verifier, we are not reducing our market-based emissions for 2017 based on this information. Rather, we seek to be transparent with our data collection and ongoing refinement of processes for gathering and reporting on this data.

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

31669

Emission factor (in units of metric tons CO2e per MWh)

0.133206

Comment

The emissions factor provided above applies to all Adobe load located within the service territory of Pacific Gas & Electric - Adobe's electric utility provider in the region. The data source for this emission factor is: <https://www.theclimateregistry.org/our-members/cris-public-reports/>

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

3115

Emission factor (in units of metric tons CO2e per MWh)

0.023786

Comment

The emissions factor provided above applies to all Adobe load located within the service territory of Seattle City Light - Adobe's electric utility provider in the region. The data source for this emission factor is: <https://www.theclimateregistry.org/our-members/cris-public-reports/>

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

134

Emission factor (in units of metric tons CO2e per MWh)

0.43

Comment

The emissions factor provided above applies to all Adobe load located within Belgium. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

111

Emission factor (in units of metric tons CO2e per MWh)

0.52

Comment

The emissions factor provided above applies to all Adobe load located within Denmark. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

812

Emission factor (in units of metric tons CO2e per MWh)

0.04

Comment

The emissions factor provided above applies to all Adobe load located within France. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling

11419

Emission factor (in units of metric tons CO2e per MWh)

0.48

Comment

The emissions factor provided above applies to all Adobe load located within Great Britain. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

879

Emission factor (in units of metric tons CO2e per MWh)

0.64

Comment

The emissions factor provided above applies to all Adobe load located within Ireland. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV
Wind
Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

213

Emission factor (in units of metric tons CO2e per MWh)

0.43

Comment

The emissions factor provided above applies to all Adobe load located within Italy. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV

Wind

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

1706

Emission factor (in units of metric tons CO2e per MWh)

0.41

Comment

The emissions factor provided above applies to all Adobe load located within Romania. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV

Wind

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

89

Emission factor (in units of metric tons CO2e per MWh)

0.44

Comment

The emissions factor provided above applies to all Adobe load located within Spain. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV

Wind

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

153

Emission factor (in units of metric tons CO2e per MWh)

0.04

Comment

The emissions factor provided above applies to all Adobe load located within Sweden. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV

Wind

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

316

Emission factor (in units of metric tons CO2e per MWh)

0.03

Comment

The emissions factor provided above applies to all Adobe load located within Switzerland. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Solar PV

Wind

Hydropower

MWh consumed associated with low-carbon electricity, heat, steam or cooling

621

Emission factor (in units of metric tons CO2e per MWh)

0.76

Comment

The emissions factor provided above applies to all Adobe load located within Germany. The data source for this emission factor is the European Supplier Residual Mix, available at: https://www.aib-net.org/en_US/facts/european_residual_mix

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2017 Adobe-GHG-Assurance-Review-Letter-FINAL.pdf

Page/ section reference

See "Scope 1", page 1 from attached document or <https://www.images2.adobe.com/content/dam/acom/en/corporate-responsibility/pdfs/Adobe-GHG-Assurance-Review-Letter-2017.pdf>

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2017 Adobe-GHG-Assurance-Review-Letter-FINAL.pdf

Page/ section reference

See "Scope 2 location-based", page 1 from attached document or <https://www.images2.adobe.com/content/dam/acom/en/corporate-responsibility/pdfs/Adobe-GHG-Assurance-Review-Letter-2017.pdf>

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2017 Adobe-GHG-Assurance-Review-Letter-FINAL.pdf

Page/ section reference

See "Scope 2 market-based", page 1 from attached document or <https://www.images2.adobe.com/content/dam/acom/en/corporate-responsibility/pdfs/Adobe-GHG-Assurance-Review-Letter-2017.pdf>

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**Scope**

Scope 3- at least one applicable category

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

2017 Adobe-GHG-Assurance-Review-Letter-FINAL.pdf

Page/section referenceSee "Scope 3", page 1 from attached document or <https://www.images2.adobe.com/content/dam/acom/en/corporate-responsibility/pdfs/Adobe-GHG-Assurance-Review-Letter-2017.pdf>**Relevant standard**

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Drive energy efficiency

GHG Scope

Scope 1

Scope 2

Application

Adobe charges each business unit for costs associated with resource consumption -- but we do not label it a "carbon tax". Rather, it is applied as overhead for global business units for projects at each site. The goal is to implement resource efficiency projects to reduce costs, mitigate business risk, and implement new technologies (like the Stem battery system) whenever possible. However, we believe the title "carbon tax" carries a potentially negative or punitive label that is not productive and not part of our culture. Every business unit has initiatives and the overhead is embedded in annual budgeting cycles relative to total energy spend. Because of our Science-Based Targets as KPIs at each site, sites that have the best opportunity with a certain project to reduce energy consumption and attain a reasonable (1-4 year) ROI may get higher priority for project funds versus a site that has recently completed a renovation.

Actual price(s) used (Currency /metric ton)

0

Variance of price(s) used

Price of "0" is listed here since overhead is a % of overall spend, based on energy costs per site. While Adobe does not release specific energy costs per site, the company generates approximately \$225K US revenue for each Mtonne CO2e emissions in 2017. Our internal carbon productivity metric is effective in delivering budget for sustainability projects across the business.

Type of internal carbon price

Internal fee

Other, please specify (Applied as overhead relative to costs)

Impact & implication

Objective: to extract overhead from every BU as part of overall operational spend and apply it to energy efficiency and/or resource consumption reduction projects. Internal overhead for sustainability/climate-related projects includes LED swap outs, battery/storage (Stem), etc. The impact in 2017 from such projects is conservatively estimated as an reduction 884 Mtonnes from operational sustainability projects.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

Other, please specify (Renewable energy goal and SBT adoption)

% of suppliers by number

25

% total procurement spend (direct and indirect)

92

% Scope 3 emissions as reported in C6.5

25

Rationale for the coverage of your engagement

Adobe engages with its suppliers in these ways: quarterly meetings with our Technical Operations lead (data center management or "Tech Ops"), quarterly to annual surveys to acquire data related to resource consumption, and through RE strategy updates in annual assessments. Throughout the value chain, our goal is to obtain data on energy consumption, PUE, utilization rates, renewable energy goal progress, and on obtaining any information that will help us assemble a complete assessment of our emissions in order to act on reducing them. Since 2014 Adobe has sent its COLOs and cloud suppliers questionnaires/surveys to do this and the company plans to work to influence all COLOs and cloud suppliers to establish renewable energy goals and transparency in reporting. Adobe also prioritizes which supplier partners it engages the most with by level of impact and level of prior engagement -- in other words, we "light touch" partners that are providing requested data complete and on-time; and we have many more touch points with suppliers that do not and may be at risk of losing our business. As part of our surveys, we include "green" preferences in our RFPs to specifically call out vendors to deliver on reporting transparency and renewable energy. For example, PUE is criteria for evaluating potential suppliers' operational efficiency, cost controls, risk mitigation, and commitment to addressing climate change. PUE, utilization rates, energy consumption per unit of computing (ex. kWh/byte) all weigh into evaluating suppliers. Last, supplier setting of renewable energy goals carries significant weight since it directly affects our scope 2 emissions as well as reaching our 2035 100% renewable energy goal.

Impact of engagement, including measures of success

Success is measured by response time, completeness of data requested, willingness to continue or grow the partnership, and progress on 100% RE goals as well as emissions reductions that have a direct impact on Adobe's ability to meet its SBTs as well as 100% RE goal.

Comment

The "campaign" above refers to helping suppliers sign-on to the "Renewable Energy Buyers' Principles" and the "CoLo Buyers' Principles" of which Adobe was a founding member of both.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

Size of engagement

50

% Scope 3 emissions as reported in C6.5

25

Please explain the rationale for selecting this group of customers and scope of engagement

Adobe engages with its customers on a quarterly to an annual basis in at least a few ways: Upon customer request, Adobe can allocate an estimate of customer GHG emissions for use of products purchased in order to be transparent with data for our customers' reporting. Climate change goals and environmental product benefits are regularly communicated in line with CDP Supply Chain reporting. We also engage with our customers via our products and helping them make a digital transformation in their business processes specifically to move away from inefficient, physical workflows to digital ones, with an emphasis on powering them with renewable energy. We provide them with tools to calculate their environmental impact reduction through the use of our products. For example, we provide the Adobe Resource Saver Calculator which measures wood, water, waste, and GHG reduction from paper avoidance through the use of Adobe Sign. We prioritize engagement with our customers based on their reporting needs and timeline. In 2017 we began helping peer companies adopt verified Science-Based Targets. This was new for us and them and we see the only way forward is not to get it alone but to collaborate on things such as this to help everyone move forward.

Impact of engagement, including measures of success

Indicators of success for this strategy are shown in CDP Supply Chain responses and, hopefully, in their ability to score well. Additionally, we look to the number of companies we have helped adopt verified Science-Based Targets as well as in customer adoption of Adobe products due to their environmental benefits -- a standard KPI with our sales teams.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Adobe engages with other partners throughout the value chain such as policymakers and our utility providers in the regions we operate to assess their renewable energy strategies and their effect on our market-based emissions. In California, both SF and SJ Community Choice Energy programs are, or will be, Adobe's energy suppliers. In 2016 we worked with San Francisco CleanPowerSF to gain a better understanding of where the renewable energy and environmental attributes are sourced and how to report it for Adobe and in 2017 Adobe signed a letter of support to the City of San Jose to implement Community Choice Energy with recommendations to procure true grid-scale renewable energy and/or local energy aggregation versus purchase of any unbundled RECs or offsets and passing the cost onto consumers -- both of which we oppose. The strategy for prioritization is the level of impact for short-term and long-term Adobe operations. Indicators of success is based on our partners' in procuring or implementing their strategy with our support (i.e., CleanPowerSF and CCE San Jose (SJ) investing in PPAs and not unbundled RECs).

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	As part of Adobe's ongoing commitment to purchasing renewable power, Adobe participated in early discussions of the first commercial Community Choice Aggregation (CCA) in Silicon Valley. The CCA was adopted in CA in 2002, but thus far no aggregation was implemented for companies. This act allows for entities in California to group together and effectively form their own utility company and dictate and purchase the power mixes required. In CA, the power will be 100% renewable. Adobe was invited to participate based on the company's implementation of many energy efficiency projects and general understanding and interest in the topic.	In 2017, Adobe participated in working groups with Cities around the Bay Area to understand how the Cities can implement renewable energy (CCA for one) and procure enough power for the companies that request renewable energy. As mentioned in C12.2, we signed a letter of support to the City of San Jose's CCE program (Clean Energy SJ) and we will continue to advocate for policy that delivers affordable renewable energy to the communities where we work and live. Adobe is on the City of SF BC3 group and the Bay Area Council to push for true renewable "additionality" and resource reduction.
Clean energy generation	Support	Adobe is a founding member in BSR's (Business for Social Responsibility) -- Future of Internet Power Group to work with other technology peer companies as a consortium to increase the renewable energy percentage in utility company's power mix. Additionally, Adobe was among the first companies to sign the "Renewable Energy Buyer's Principles", a commitment toward long-term deployment of renewable energy, sponsored by WRI, WWF, BSR, and RMI. We engage with our cloud providers: Adobe and 18 other companies that are customers of Amazon Web Services sent a letter to AWS urging the company to adopt greater energy transparency and to increase its supply of renewable energy.	In 2015 Adobe began actively engaging with all COLOs and cloud providers across the portfolio to: 1) Quantify the types of power supplied to each site annually; and 2) Encourage and support setting 100% renewable energy goals. By the end of 2016, all but one supplier were supplying sufficient data to report separate Scope 2 emissions from managed CoLos. We continue to work with these suppliers to streamline the process and attain 100% reporting compliance.
Other, please specify (Building decarbonization, BHI purchases)	Support	Adobe is a founding member of the USGBC's Building Health Initiative. The goal: to make all new construction, and renovation of older buildings, with less environmental impact and subsequently, have a positive effect on human health	As a founding member of the USGBC - BHI (Building Health Initiative) we advocate for implementation of Environmental and Health Product Disclosures (EPDs and HPDs), as part of LEED v4.1, for all new and existing building projects. In 2017, we also advocated in CA to push for legislation on "building decarbonization", to push for policy on energy efficiency, waste reduction, water conservation, EV proliferation, and elimination of fossil fuel consumption.
Clean energy generation	Support	In 2017 we reaffirmed our commitment to the Paris Climate Accords by signing on to the "We Are Still In" campaign as one of the first signatories as well as full-page ads pushing the present US administration to stay in the Paris Accords and the Clean Power Plan. We are still in since 2016 when Adobe signed the Amicus Brief in support of the Clean Power Plan. The company worked with the Environmental Defense Fund (EDF) to sign on to this proposal by the Obama Administration that supports the US commitments to the COP21 Paris accord.	Adobe supports the CPP because of the potential for delivering 100% renewable energy not just to our businesses in the US but to everyone in our communities at cost parity to existing grid, or at lower cost. The company stands by this support for lowering costs and operating expenses associated with grid-scale renewables versus price variability and resource dependence from fossil fuels.
Clean energy generation	Support	In 2016 Adobe signed a letter of support for the Virginia Clean Energy proposal. The company worked with our partners at the World Wildlife Fund (WWF) and Ceres to demonstrate our support of this legislation. While Adobe only has a small office site in McLean, VA, the support was for our digital supply chain providers (ex. AWS) to be able to power their data centers with 100% renewable energy.	Virginia Clean Power legislation will remove barriers to adding grid-scale renewable energy to the PJM service area, allow large data center operators to have low cost choice to getting the renewable energy, and for increasing the amount of renewable energy available to all Virginia communities.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

United States Green Building Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The United States Green Building Council proposed standards and supports legislation regarding green and sustainable building construction, practices and maintenance, including mitigation of energy and resource usage, resulting in lower carbon emissions. In 2017 the USGBC began supporting policy to decarbonize buildings in California and Adobe supports this position.

How have you, or are you attempting to, influence the position?

Adobe's Director of "Sustainability + Social Impact" (Corporate Social Responsibility) has been a Board Member on the Northern California Chapter of the US Green Building Council. In this capacity, Adobe is in the forefront and in front of any new regulation that is generated to mitigate carbon emissions via better building and energy practices. Additionally, Adobe is a founding member of the Building Health Initiative -- along with a handful of peer companies -- whose goal it is to push policy toward the purchase of healthy building materials.

Trade association

BSR-Future of Internet Power (FoIP)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BSR-FoIP's goal from inception in 2013, with Adobe as one of the original 5 companies, has committed to working toward an internet powered by 100% renewable energy.

How have you, or are you attempting to, influence the position?

Adobe's Sustainability Strategist is one of the group's founding members and has worked with peer/partner companies to collaborate with each other, with other NGOs, utilities, regulators and policymakers to move to a low-carbon economy. In 2016 Adobe helped create the "CoLo Buyer's Principles", much like the "Renewable Energy Buyer's Principles", to partner with cloud and CoLo suppliers to commit to powering their businesses with renewable energy. And in 2017, with other peer companies in the FoIP working group developed reporting methodologies for cloud and CoLo supplier energy consumption and emissions.

C12.3f

(C12.3f) 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. In our work with NGOs such as WRI, WWF, RMI and BSR, we are kept up-to-date on new regulations, legislation and standards. It is with these NGOs that Adobe meets with 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 these stakeholders to ensure that they have a voice in policy and regulation regardless of whether the company completely supports the new standards or has alternative viewpoints. In 2013, Adobe hired on its first Sustainability Strategist to lead overall company climate change strategy; employee education of, and action on, climate change; and serve as point-person for collaboration and education with external peers, NGOs, and working groups. In this way, Adobe ensures that its overall sustainability and climate strategy are meeting these standards. The Sustainability Strategist meets at least quarterly with legal, government relations and other internal teams to ensure that policy engagement is consistent with overall climate change strategy. The Strategist also works closely with the operations teams to collaborate on climate change strategy programs and projects.

C12.4

(C12.4) Have you published information about your organization'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

In voluntary sustainability report

Status

Complete

Attach the document

2017 Adobe-SSI-Report.pdf

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Publication

In other regulatory filings

Status

Complete

Attach the document

10232017 WWF_FERC Corporate Energy User Comments_ Docket No RM18_1_000.pdf

Content elements

Other, please specify (Business opposition of DOE grid plan)

Publication

In mainstream reports in accordance with TCFD recommendations

Status

Complete

Attach the document

2017 DJSI World FINAL_Adobe.pdf

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify (DJSI uses all elements to publish list)

Publication

In mainstream reports

Status

Complete

Attach the document

2017 ADBE 10K FY17.pdf

Content elements

Governance
Strategy
Risks & opportunities

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please find attached our RE100 reporting spreadsheet for 2017.
08062018 FY2017 - RE100-reporting-spreadsheet.xlsx

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Dana Rao, Executive Vice President, General Counsel, Secretary to the Board of Directors	Board/Executive board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	7301500000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	US00724F10

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Alliance Data Systems

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

29

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

Amdocs Ltd

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

2

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and

number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

Barclays

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

570

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

32

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

Requesting member
Deutsche Telekom AG

Scope of emissions
Scope 3

Emissions in metric tonnes of CO₂e
114

Uncertainty (±%)
15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member
Diageo Plc

Scope of emissions
Scope 3

Emissions in metric tonnes of CO₂e
21

Uncertainty (±%)
15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified
No

Allocation method
Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member
Swisscom

Scope of emissions
Scope 3

Emissions in metric tonnes of CO2e

31

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

U.S. General Services Administration (GSA)

Scope of emissions

Scope 3

Emissions in metric tonnes of CO2e

7

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

VMware, Inc

Scope of emissions

Scope 3

Emissions in metric tonnes of CO2e

16

Uncertainty (±%)

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

Requesting member

Avianca Holdings S.A.

Scope of emissions

Scope 3

Emissions in metric tonnes of CO₂e

18

Uncertainty (±%)

15

Major sources of emissions

The primary source of scope 1 and 2 emissions are derived from energy and fuel used to operate our R&D, sales, owned and managed data centers, and corporate office buildings. For scope 3, this includes our verified business travel for company employees and upstream transportation.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emissions for this customer are calculated using an economic allocation method. Unverified sources of Scope 3 emissions are not included, such as our unmanaged collocated data centers. Since the products sold are either software licenses in long-term contracts or software as a service (SaaS) based, emissions typically associated with the manufacture and distribution of a physical product are not applicable. One must also make assumptions for the software use phase including device power usage and number of hours using the software in order to calculate emissions. Therefore, the calculation is limited to allocating a percentage of Adobe's annual emissions to our customers.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Revenue based methodology and GHG protocol for scope 3 emissions.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Better accounting of user based models how a "typical customer" uses a software product, how long, on what device, using what servers, in what geographies, etc. would help us overcome challenges in the future.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We developed an economic allocation of emissions to our customers based on the market value of each output/product. However, we could move towards verifying our Scope 3 unmanaged collocated data centers which would better reflect our total of Scope 3 emissions that provide and house our data and product.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member

VMware, Inc

Group type of project

Other, please specify (Peer working group BSR-FoIP)

Type of project

Other, please specify (Collaboration on GHG, CoLo reporting)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

10000

Estimated payback

Cost/saving neutral

Details of proposal

Adobe and VMware are both members in BSRs Future of Internet Power Group (FoIP). FoIP members meet monthly specifically to define digital supply chain reporting, share best practices on how to work with digital suppliers (CoLo, Cloud, etc.) to provide energy, emissions and other resource data (water, end-of-life IT, etc.), as well as help everyone set meaningful renewable energy goals, including Science-Based Targets. The objective is to decarbonize delivery of digital products to our (both companies) customers -- and to ourselves. We are both customers of each other so these working relationships have the ability and impact to

reduce emissions across the entire digital landscape. It is important to note that we work with many of our customers in this capacity and all customers reporting to CDP Supply Chain should use this as a best practice.

Requesting member

Caesars Entertainment

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with Caesars to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Alliance Data Systems

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Please select

Estimated timeframe for carbon reductions to be realized

Please select

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with Alliance Data Systems to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Amdocs Ltd

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with Amdocs to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Avianca Holdings S.A.

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with Avianca to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Barclays

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with Barclays to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Deutsche Telekom AG

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Adobe proposes working with Deutsche Telekom to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Diageo Plc

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Adobe proposes working with Diageo to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

Swisscom

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Adobe proposes working with Swisscom to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities

where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

U.S. General Services Administration (GSA)

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with the US GSA to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

Requesting member

VMware, Inc

Group type of project

Other, please specify (Collocated data center advocacy)

Type of project

Other, please specify (Advocacy for COLOs to adopt RE100 goals)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

3-5 years

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Adobe proposes working with VMWare to identify mutual collocated data center facilities and providers (COLOs) and we could work together to advocate that those COLO providers adopt RE100 goals. Adobe considers its managed COLO facilities (facilities where Adobe has an Adobe employee on the ground) to be in our Scope 2 emissions. By working together, we could increase our advocacy in this important endeavor to move COLO facilities to 100% renewable energy.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2017-2018 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?

No, I am not providing data

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms