



ADOBE CORPORATE RESPONSIBILITY REPORT **2014**

Letter from our CEO

Adobe is committed to the highest level of innovation throughout our business. Our cutting edge technology is transforming the work of creatives and marketers, which in turn is altering the ways the world experiences virtually every type of content. At the same time, we are driving innovative business practices and programs designed to strengthen our commitment to our employees, customers, society and the environment.

Our most valuable asset is our talent. Adobe employees differentiate Adobe within our industry and are at the heart of the company's iconic culture. In fiscal year (FY) 2014, we were proud to be named to Fortune's Best Places to Work survey for the 14th year.

Our strong tradition of volunteerism and community involvement play an important role in employee satisfaction, and we are proud to provide generous individual and team matching grants, pro bono volunteer opportunities, and a board service training program that educates employees in being an effective board member at non-profit organizations.

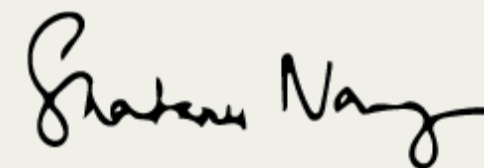
During FY 2014, we completed our multi-year transition to a cloud-based services model, with 94 percent of our software distributed electronically. And although we've made great

strides greening our internal operations, our long-term goal is to power our operations and digital delivery of products with 100 percent renewable energy.

Adobe Youth Voices, our flagship program for underserved youth, ignites their passion to create change in their communities while providing them with the technical and creative skills essential to success in the world today. Since 2006, Adobe and the Adobe Foundation have invested more than \$50 million in the program through grants, partnerships and software donations.

I'm proud of the progress we've made in the past year, and look forward to what the future brings. We remain committed to our leadership in corporate responsibility and to the transparency of our reporting which, we believe, creates value for our company, our stockholders, and our society. This report provides a summary of our performance in FY 2014, and we welcome your feedback.

Sincerely,



Shantanu Narayen
President and Chief Executive Officer

CREATIVE
ENGINE



COMMUNITY

\$37M



total community investment



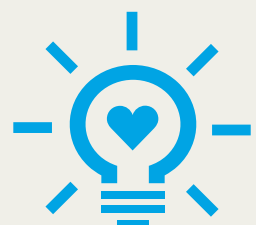
\$3.63M

employee giving



\$4.03M

company match of employee financial contributions & volunteer hours



100%

nonprofits and employees reporting positive outcomes from Adobe Pro Bono

\$0

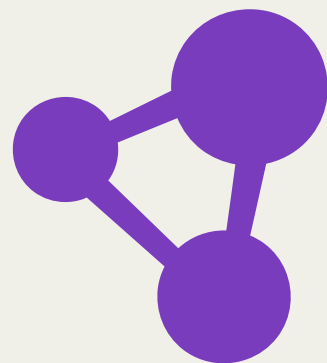
financial contributions to political parties, politicians, PACs



100% significant suppliers have undergone human rights screenings

ADOBE CORPORATE RESPONSIBILITY

2014 KEY PERFORMANCE INDICATORS



INNOVATION

454

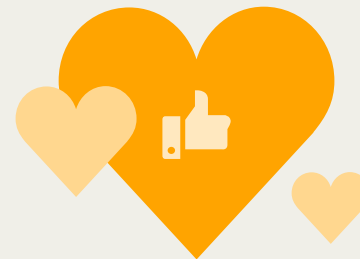
new patents issued



EMPLOYEES

86%

employee satisfaction



48%

employees in U.S.

52%

employees outside U.S.

ENVIRONMENT

70%

employees in LEED workspaces



97%

waste diversion rate



94%

software distributed electronically

2M

Creative Cloud subscriptions reduced carbon footprint of boxed product by 70%



5B

hours of Adobe Connect meetings reduced 5M tonnes of CO2 due to avoided air travel



31M

Adobe eSign transactions saved 11.6M pounds of wood and 35M gallons of water

Governance

GRI CONTENT INDEX

G4-3	Name of organization	Adobe Systems, Inc.
G4-5	Location of organization's headquarters	San Jose, CA
G4-9	Total Revenue	\$4.147B
G4-9	% of Total Revenue	
	Americas	56%
	Europe, Middle East and Africa	28%
	Asia and Pacific	16%
	Net Income	\$268M
	% Effective Tax Rate	26% Effective tax rate
	Total Shareholder Resolutions	0
G4-38	# of Executive and Non-Executive Members of Board of Directors	13
G4-38	% Independent Board Members	92%
	% Female Board Members	15%
G4-39	Separate CEO and Chair Roles	Yes
	Acquisitions	Aviary (9/22/14)
	# of patents received in FY 2014	454
G4-4	Primary brands, products, & services	Creative Cloud, Photoshop, Illustrator, InDesign, Adobe Premiere, After Effects, Dreamweaver, Flash Professional, Adobe Muse, Edge Tools & Services, Digital Publishing Suite, Typekit, Behance, Creative Talent Search, Acrobat & Document Services, Adobe Analytics, Adobe Target, Adobe Social, Adobe Media Optimizer, Adobe Experience Manager, Adobe Campaign, Adobe Primetime, Adobe Connect, LiveCycle.

Sustainability

GRI CONTENT INDEX

Climate		
	Total Space Worldwide [Sq. Ft.]	3,193,809
	% LEED Certified Owned and Leased	70%
	Owned and Managed	72%
	% Inside U.S.	58%
	% Rest of World	14%
	Leased	28%
	% Inside U.S.	11%
	% Rest of World	31%
	CDP Score	99 (2014)
G4-EN3	Total Energy Consumption [MWh]	65,685
G4-EN3	Global Grid Electricity purchased and consumed [MWh]	54,871
G4-EN3	Global fuel purchased and consumed (natural gas and diesel/gas oil) [MWh]	47,831
G4-EN3	Fuel cell electricity produced [MWh]	7,040
G4-EN3	% Fuel Cell Electricity Produced On-Site	11%

Sustainability (cont'd)

GRI CONTENT INDEX

G4-EN6	Renewable Energy produced onsite and purchased [MWh]	3,774
G4-EN3	% Renewable Electricity	6%
G4-EN3	% Grid renewable energy	30%
G4-EN15	Scope 1 GHG Emissions [tonnes CO2e]	12,943
G4-EN15	Scope 1 GHG Emissions from combustion of natural gas and diesel [tonnes CO2e]	8,784
G4-EN15	Scope 1 GHG Emissions from natural gas used in fuel cells [tonnes CO2e]	4,137
G4-EN15	Verification status of reported Scope 1 emissions	Third party verified
G4-EN16	Scope 2 GHG Emissions [tonnes CO2e]	29,199
G4-EN16	Verification status of reported Scope 2 emissions	Third party verified
G4-EN17	Scope 3 GHG Emissions [tonnes CO2e]	33,128
G4-EN30	Scope 3 GHG Emissions from employee travel [tonnes CO2e]	24,818
G4-EN30	Scope 3 GHG Emissions from employee commuting [tonnes CO2e]	8,310
G4-EN30	Verification status of reported Scope 3 emissions	Third party verified
G4-EN19	Emissions reductions from Energy Efficiency Projects [tonnes CO2e]	4,711
G4-EN20	Emissions of Ozone-Depleting Substances [tonnes]	59
G4-EN18	Normalized Carbon Intensity [tonnes CO2e (Scope 1+2) / FTE]	3.37
G4-EN8	Total Water Consumption - U.S. Owned and/or Managed Facilities [Cubic Meters]	112,832
Product Sustainability		
	Creative Cloud Digital Subscriptions (Carbon Reduction)	2M digital subscriptions added in 2014 reduced carbon by on average 70%
	Creative Cloud Digital Subscriptions (Water and Wood Savings)	Conversion from boxed software saved on average 57K gallons of water and 18K pounds of wood
	Adobe Document Cloud eSign Use (Carbon Reduction)	31.2M transactions completed in 2014 reduced carbon by on average more than 90%
	Adobe Document Cloud eSign Use (Water and Wood Savings)	Conversion from paper workflows saved at least 36M gallons of water & 12M pounds of wood
	Adobe Connect Use	5B meeting minutes conducted in 2014 avoided 5M tonnes of potential air travel emissions
Waste		
G4-EN23	Waste diverted from all U.S. owned and/or managed facilities [short tons]	1,583
G4-EN23	Waste Diversion Rate (% of total)	97%
G4-EN1	Total amount of paper used to produce Adobe software product packaging [short tons]	261
G4-EN1	% Source Certified (Chain of Custody)	100%
G4-EN23	Annual Material Paper Waste [tonnes]	66
G4-EN23	Annual Material Plastic Waste [tonnes]	14
G4-EN27	% Software Distributed Electronically	94%
	% Software Distributed as Hard Goods	6%
	Environmental reporting externally assured	Yes
G4-EN29	Environmental fines, penalties and settlements	\$0

Sustainability (cont'd)

GRI CONTENT INDEX

Suppliers & Human Rights		
	% Suppliers Required to Comply with EICC	100%
	EICC Validation Audits of Turn-Key Suppliers	None required
G4-HR1	% significant suppliers that have undergone human rights screenings	100%
G4-HR4	# incidents related to Freedom of Association	0
G4-HR5	# Incidents related to child labor	0
G4-HR6	# Incidents related to forced labor	0

Society

GRI CONTENT INDEX

Employees		
G4-10	Global Employees	12,499
	% Employees in U.S.	48%
	% Employees outside U.S.	52%
G4-LA12	% Female Employees	28%
G4-LA12	% Male Employees	72%
G4-LA12	% Female People Managers	25%
G4-LA12	% Male People Managers	75%
G4-LA12	% Female Leaders (Director +)	25%
G4-LA12	% Male Leaders (Director +)	75%
G4-LA12	% Females in Tech Roles	19%
G4-LA12	% Males in Tech Roles	81%
Ethnicity – U.S. Only		
G4-LA12	% White	70%
G4-LA12	% Asian or Pacific Islander	24%
G4-LA12	% Hispanic	4%
G4-LA12	% Black	2%
G4-LA12	% Other/ Not Disclosed	0%
Talent Development		
	Net Employment Creation as a % of Total Employees	16%
	Satisfaction level of employees	86%
	% Open positions filled by internal candidates	19%
G4-LA6	# of Employee fatalities resulting from operational accidents per 100,000	0
	# of incidents of non-compliance (health & safety of products & incidents resulting in a fine or penalty)	0
Public Policy		
G4-S06	Total financial contributions to political parties, politicians, and PACs	\$0
G4-S06	Lobbying and Political Expenses	\$1.2M

Community

GRI CONTENT INDEX

G4-EC1	Total community investment (Cash & In-Kind)	\$37,009,490
G4-EC1	Type of Philanthropic Activities Community Investments: 89%, Charitable Donations: 11%	
G4-EC1	Value of Talent Contributions through Pro Bono projects (US\$)	\$ 74,213
	Employee benefits for Pro Bono Volunteering 75% reported new management responsibility, customer or stakeholder interaction, subject matter knowledge, or job-applicable skills	
G4-EC8	Professional development outcomes of Pro Bono volunteering for employees 100% listed Pro Bono as a positive component of job satisfaction	
	Nonprofit benefits of Adobe Pro Bono projects 100% of NPOs strongly agree that final deliverable has/will strengthen organizational infrastructure/ resources and lead to positive changes within the organization	
	Employee giving (US\$)	\$3,632,389
	Company match of employee financial contributions & volunteer hours (US\$)	\$4,030,370
G4-EC8	Adobe Youth Voices program investment (US\$)	\$8,041,592
G4-EC8	Adobe Youth Voices reach 44,911 young people completed AYV; 1,427 educators completed training; Resources and training were delivered to 847 sites; and the program was delivered in 60 countries	
G4-EC8	Youth Outcomes 97% of youth are confident in their ability to self express, ideate, collaborate, be flexible and persist through challenges.	
G4-EC8	Educator Outcomes 92% of educators agree that AYV increased their ability to engage and inspire youth.	

Policies

GRI CONTENT INDEX

Governance		
	Evaluation of risks of taxation on future company value creation	Adobe Form 10-K
G4-56	Statement on company's main challenges	Adobe Form 10-K
	Tax Policy	Adobe Form 10-K
G4-26	Shareholder Engagement Procedures	Adobe 2015 Proxy Statement
	Restate Certificate of Incorporation	Certificate of Incorporation
	Independent Audit Committee	Adobe 2015 Proxy Statement
	Independent Compensation Committee	Adobe 2015 Proxy Statement
G4-40	Independent Nomination Committee	Adobe 2015 Proxy Statement
G4-40	Independent Corporate Governance Committee	Adobe 2015 Proxy Statement
G4-51	Board Remuneration Disclosure	Adobe 2015 Proxy Statement
G4-51	External reporting of compensation of board of directors & senior executives	Adobe 2015 Proxy Statement
G4-52	CEO compensation linked to total shareholder return	Adobe 2015 Proxy Statement
G4-53	Shareholders have right to vote on the compensation of executives	Adobe 2015 Proxy Statement
	% Average overall attendance of board meetings All directors attended at least 75% of board and committee meetings	
	Audit, audit related and non-audited related fees paid	\$5.04 Million USD
G4-52	Executive stock ownership guidelines promotes long-term performance perspective	Adobe Corporate Governance Guidelines
G4-51	Clawback Policy	Adobe 2015 Proxy Statement
	Law Enforcement Requests	Law Enforcement Requests
Employees		
	Top Employer Recognition Lists	Adobe Awards
G4-LA2	Benefits Programs Health & Wellness, Life Insurance, Vacation & Sick, Sabbatical, Family-Friendly Benefits	
G4-LA2	Education Reimbursement Program	Adobe Benefits
G4-56	Anti-Discrimination Policy	Adobe Code of Business Conduct
	Employee Engagement activities	Adobe Benefits
G4-57	Adobe Help Line (confidential means of reporting internal & external concerns) Adobe Help Line — Employees can call 6-HELP and all can email ERC@adobe.com	
G4-58	Adobe Help Line (confidential means of escalation, whistleblowing mechanisms & hotline) Compliance Office — email integrity@adobe.com or 1-800-300-1026	
Public Policy		
G4-S06	Total financial contributions to political parties, politicians and political action committees	Adobe Integrity
G4-56	Political Involvement Policy	Public Policy & Government Relations Policy
G4-56	Privacy Policy	Adobe Privacy Policy
G4-S04	Antitrust Policy	Adobe Code of Business Conduct

Policies (cont'd)

GRI CONTENT INDEX

G4-S04	Measures taken to ensure antitrust compliance	Adobe Integrity
G4-S04	Whistleblower Programs	Adobe Code of Business Conduct
G4-S04	3rd Party Anti-Corruption risk assessment procedures Adobe Global Anti-Corruption Policy & Procedures	
G4-S03	Policy to address corruption in high risk areas Adobe Global Anti-Corruption Policy & Procedures	
Community		
	Access for disabled persons	Adobe Accessibility
G4-56	Company philanthropic guidelines	CR Home Page
Education		
G4-EC8	Digital inclusion initiatives	Adobe Youth Voices
Sustainability		
Climate		
	CDP Report	CDP
G4-51	Incentives for the management of climate change issues	CDP
G4-EC2	Climate change risks & opportunities	CDP
G4-EN7	Company products that support climate change mitigation	CDP
Waste		
G4-56	Adopted 3rd Party Supply Chain-Related codes	EICC Code of Conduct
G4-56	Enterprise-Wide Environmental Policy	Adobe Sustainability Policy
Suppliers & Human Rights		
G4-16	EICC Signatory	Adobe Supply Chain
G4-56	Supply chain implementation standards	Adobe Supply Chain
G4-56	Scope of social supplier Standards	Adobe Supply Chain
G4-56	Supply chain monitoring practices	Adobe Supply Chain
G4-HR12	Tool to report human rights violations	Adobe Integrity
G4-HR1	Human rights criteria in selection of suppliers	Adobe Supply Chain



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