



2016

SUSTAINABILITY & SOCIAL IMPACT REPORT

Letter from our CEO

Adobe's mission is to change the world through digital experiences. We enable individuals and organizations to create, connect, teach and advocate in ways that help them work better and drive deeper connections.

We're proud of the ways our products help our customers make an impact. But we believe that changing the world also extends to how we run our business, support the communities around us, and work to reduce our effect on the environment.

We start by ensuring our 16,000+ employees are treated fairly and with respect. We invest in programs that drive greater workforce diversity and inclusion worldwide, and believe that when people feel valued, they can be more creative, innovative and successful. We actively encourage our employees to be involved, leading lives that help support their communities and sustain the environment.

We operate our business responsibly and sustainably. We believe that sound sustainability strategies are good for our business and the environment. We support the transition to a low-carbon economy, and are committed to running our sites and delivering our products with 100 percent renewable energy by 2035. Our commitment to sustainability also extends to developing products that help customers operate more efficiently, whether through digital delivery of our software, paperless workflows driving their businesses, or virtual collaboration that helps reduce emissions from transportation and shipping.

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Our programs and philanthropic investments in education are supporting a more diverse workforce in computer science, as well as greater access to technology and inspiration for the next generation of artists. In 2016, we piloted two new programs: Project 1324, an initiative to support, connect and amplify the work of emerging creatives; and the Adobe Digital Academy, a training program that helps adult underrepresented minorities transition into the Tech industry from non-technology fields.

In 2016, we were honored to be named to the Dow Jones Sustainability Index World, the gold standard in the investor community for corporate responsibility reporting. In addition, we were named one of Fortune's Best Places to Work for the 17th year in the U.S, and ranked #27 on CR Magazine's 100 Best Corporate Citizens List. I couldn't be more pleased by these accomplishments, and how they demonstrate the commitment of our workforce to sustainability and social impact.

I invite you to learn more about our corporate responsibility initiatives in the attached report, and to join us in our commitment to a more sustainable future.

Sincerely,

A handwritten signature in black ink that reads "Shantanu Narayen". The signature is fluid and cursive, with the first name being more prominent.

Shantanu Narayen
President and Chief Executive Officer



GOVERNANCE



TOTAL REVENUE

\$5.854B

Up 22% from FY2015



PATENTS AWARDED

373

More than 1 patent per day



POLITICS

\$0

Contributions to political parties

EMPLOYEE



WORKFORCE GROWTH

14%

(15,706 up from 13,779)



SATISFACTION

87%

Employee satisfaction

COMMUNITY



INVESTMENT

\$37.9M

Invested in our communities



TALENT CONTRIBUTIONS

\$1.2M

Through Pro Bono projects

SUSTAINABILITY



GLOBAL WASTE DIVERSION

90%



LEED WORKSPACES

78%

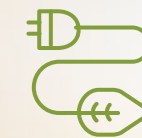
Employees in LEED workspaces



CO2E EMISSIONS REDUCTION

389 tonnes

From Energy Efficiency Projects



RENEWABLE ENERGY

100%

By year 2035

Governance

All Data is Fiscal Year (11/28/15 – 12/02/16)

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
G4-3	Name of organization	Adobe Systems Incorporated
G4-5	Location of organization's headquarters	San Jose, CA
G4-9	Total Revenue	\$5.854B
G4-9	% of Total Revenue	
	Americas	58%
	Europe, Middle East and Africa	28%
	Asia and Pacific	14%
	Net Income	\$1.169B
	% Effective Tax Rate	19%
	Total Final Shareholder Resolutions	0
G4-38	# of Executive and Non-Executive Members of Board of Directors	10
G4-38	% Independent Board Members	90%
	% Female Board Members	20%
G4-39	Separate CEO and Chair Roles	Yes
	# of patents held	373 in FY 2016
G4-4	Primary brands, products, & services	Adobe Creative Cloud, Photoshop, Illustrator, InDesign, Premiere Pro, After Effects, Dreamweaver, Animate, Muse, Typekit, Behance, Spark, Adobe Document Cloud, Acrobat, Adobe Experience Cloud, Analytics, Target, Social, Media Optimizer, Experience Manager, Campaign, Audience Manager, Primetime, TubeMogul.
Public Policy		
G4-S06	Total financial contributions to political parties, politicians, and PACs	\$0
G4-S06	Lobbying and Political Expenses	\$1.3M

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
	Climate	
	Total Space Worldwide (Sq. Ft.)	3,617,690
	% LEED/Green-Certified Buildings [owned and leased]	77%
	% Employees in LEED/Green-Certified Workspaces	78%
	% of Total Owned and Managed	67%
	% of Total Leased	33%
	% of Total in U.S.	58%
	% of Total in India	24%
	% of Total in Rest of World	18%
	CDP Score	A-
G4-EN3	Total Energy Consumption [MWh]	212,931
G4-EN3	Global grid electricity purchased and consumed [MWh]	150,380
	% electricity purchased and consumed from collocated data centers	33.14%
G4-EN3	Global fuel purchased and consumed (natural gas and diesel/gas oil) [MWh]	62,551
G4-EN3	Fuel cell electricity produced [MWh]	10,678
G4-EN3	% Fuel cell electricity produced on-site	7.10%
G4-EN6	Renewable energy goal established	100% renewable energy by 2035
G4-EN15	Scope 1 GHG Emissions [tonnes CO2e]	11,082
G4-EN15	Scope 1 GHG Emissions from combustion of natural gas and diesel [tonnes CO2e]	10,921.20
G4-EN15	Scope 1 GHG Emissions from Natural gas used in fuel cells [tonnes CO2e]	4,542
G4-EN16	Scope 2 GHG Emissions [tonnes CO2e]	61,875
	Scope 2 GHG Emissions from collocated data centers [tonnes CO2e]	20,966

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
G4-EN17	Scope 3 GHG Emissions [tonnes CO2e]	36,769.50
G4-EN17	Scope 3 GHG Emissions from employee travel [tonnes CO2e]	27,762.50
G4-EN17	Scope 3 GHG Emissions from employee commuting [tonnes CO2e]	9,007
G4-EN19	Emissions reductions from Energy Efficiency Projects [tonnes CO2e]	389
G4-EN20	Emissions of Ozone-Depleting Substances [tonnes]	151
G4-EN18	Normalized Carbon Intensity [tonnes CO2e (Scope 1+2)/ FTE]	4.699
G4-EN8	Total Water Consumption - U.S. & India Owned and/or Managed Facilities [Cubic Meters]	132,879
Waste		
G4-EN23	Waste diverted from Global owned and/or managed facilities [short tons]	1,111
G4-EN23	Waste Diversion Rate (% of total)	90%
G4-EN27	% Software Distributed Electronically	98%
	% Software Distributed as Hard Goods	2%
G4-EN29	Environmental fines, penalties and settlements	\$0
Data Centers		
	Scope 2 GHG emissions from Adobe owned data center in Hillsboro, OR [metric tonnes CO2e]	9,090
	Electricity purchased and consumed from Adobe owned data center in Hillsboro, OR [MWh]	21,937
	Scope 2 emissions from onsite server rooms in Adobe owned and leased facilities, exclusive of Adobe owned data center [metric tonnes CO2e]	4,132
	Electricity used in onsite server rooms in Adobe owned and leased facilities, exclusive of Adobe owned data center [MWh]	10,668
	Scope 2 GHG emissions from collocated data centers [metric tonnes CO2e]	20,966
	Electricity purchased and consumed from collocated data centers [MWh]	49,833

GRI CONTENT INDEX

KEY PERFORMANCE INDICATOR

2016 DATA

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

Employees

All Data is Fiscal Year (11/28/15 – 12/02/16)

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
Employees		
G4-10	Global Employees	15,706
	% Employees in U.S.	47%
	% Employees outside U.S.	53%
G4-LA12	% Female Employees	29%
G4-LA12	% Male Employees	71%
G4-LA12	% Female People Managers	25%
G4-LA12	% Male People Managers	75%
G4-LA12	% Female Leaders (Director +)	24%
G4-LA12	% Male Leaders (Director +)	76%
G4-LA12	% Females in Tech Roles	20%
G4-LA12	% Males in Tech Roles	80%
Ethnicity – U.S. Only		
G4-LA12	% White	66%
G4-LA12	% Asian or Pacific Islander	26%
G4-LA12	% Hispanic	5%
G4-LA12	% Black	2%
G4-LA12	% Two or More Races	1%

For more information, please see our [EEO-1 report](#), which reflects the U.S. government reporting requirements.

GRI CONTENT INDEX

KEY PERFORMANCE INDICATOR

2016 DATA

Talent Development

	Net Employment Creation as a % of Total Employees	13%
	Satisfaction level of employees	87%
	% Open positions filled by internal candidates	21%
G4-LA6	# of Employee fatalities resulting from operational accidents per 100,000	0
G4-LA6	# Contractor fatalities resulting from operational accidents per 100,000	0
G4-LA6	# Injuries and illnesses per 200,000 hours worked	0
	# of incidents of non-compliance (health & safety of products & incidents resulting in a fine or penalty)	0

Community

All Data is Fiscal Year (11/28/15 – 12/02/16)

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
G4-EC1	Total community investment (Cash & In-Kind)	\$37,867,480
G4-EC1	Type of Philanthropic Activities	Community Investments: 84%, Charitable Donations: 16%
G4-EC1	Value of Talent Contributions through Pro Bono projects (US\$)	\$1,220,138
	Employee benefits for Pro Bono volunteering	Employees receive a \$250 charitable grant for every 10 hours they volunteer for the project up to \$10,000. They also receive recognition from their manager once the project is complete.
G4-EC8	Professional development outcomes of Pro Bono for employees	100% of volunteers reported that they would recommend the program to colleagues. Volunteers reported improving an average of 5 professional skills through their experience volunteering on a Pro Bono project.
	Nonprofit benefits of Adobe Pro Bono projects	100% of nonprofit clients agree that the Pro Bono project and deliverables will have a significantly positive impact on their organization's ability to manage its operations and programs more effectively. 100% of clients reported increasing service effectiveness, efficiency or reach.
	Employee giving (US\$)	\$5,481,558
	Company match of employee financial contributions & volunteer hours (US\$)	\$6,234,883

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
Governance		
G4-2	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 Tax Policy
G4-26	Shareholder Engagement Procedures	Adobe 2017 Proxy Statement
G4-EN2	Restate Certificate of Incorporation	Certificate of Incorporation
	Independent Audit Committee	Adobe 2017 Proxy Statement
	Independent Compensation Committee	Adobe 2017 Proxy Statement
G4-40	Independent Nomination Committee	Adobe 2017 Proxy Statement
G4-40	Independent Corporate Governance Committee	Adobe 2017 Proxy Statement
G4-51	Board Remuneration Disclosure	Adobe 2017 Proxy Statement
G4-51	External reporting of compensation of board of directors & senior executives	Adobe 2017 Proxy Statement
G4-52	CEO compensation linked to total shareholder return (TSR) or similar	Adobe 2017 Proxy Statement
G4-53	Shareholders have right to vote on the remuneration of executives	Adobe 2017 Proxy Statement
	% Average overall attendance of board meetings	Adobe 2017 Proxy Statement
	Audit, audit related and non-audited related fees paid	\$5.89 Million USD
G4-52	Executive stock ownership guidelines promotes long-term performance perspective	Adobe Corporate Governance Guidelines
	Clawback Policy	Adobe 2017 Proxy Statement
	Law Enforcement Requests	Law Enforcement Requests

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
	Employees	
	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 call 1-800-300-1026
	Public Policy	
	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-SO4	Antitrust Policy	Adobe Code of Business Conduct
G4-SO4	Measures taken to ensure antitrust compliance	Adobe Integrity
G4-SO4	Whistleblower Programs	Adobe Code of Business Conduct
G4-SO4	3rd Party Anti-Corruption risk assessment procedures	Adobe Global Anti-Corruption Policy & Procedures
G4-SO3	Policy to address corruption in high risk areas	Adobe Global Anti-Corruption Policy & Procedures

GRI CONTENT INDEX	KEY PERFORMANCE INDICATOR	2016 DATA
	Community	
	Access for persons with disabilities	Adobe Accessibility
G4-56	Company philanthropic guidelines	CR Home Page
	Education	
G4-EC8	Digital inclusion initiatives	Project 1324
	Sustainability	
	Climate	
	CDP Report	CDP
G4-51	Incentives for the management of climate change issues	CDP
G4-EC2	Climate change risks & opportunities	CDP & Adobe 10-K
G4-EN7	Company products that support climate change mitigation	CDP
	Waste	
	Adopted 3rd Party Supply Chain-Related codes	EICC Code of Conduct
G4-56	Enterprise-Wide Environmental Policy	Adobe Sustainability Policy
	Suppliers	
G4-16	Green Grid Member	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
G4-56	Global Human Rights Policy	Global Human Rights Policy
G4-HR12	Tool to report human rights violations	Adobe Integrity
G4-HR1	Human rights criteria in selection of suppliers	Adobe Supply Chain

Adobe's holistic approach to conserving resources involves our employees and operations, customers and products, and the communities where we work and live. We're proud to feature one of our Remix artists, Christopher Bettig, on our cover. This sculpture lives in our corporate headquarters in San Jose and uses recycled, locally sourced materials as another example of our commitment to surrounding our employees with an inspiring workplace. [Learn more about Christopher and his process on Behance.](#)



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