



2013 Corporate Social Responsibility Report  
Executive Summary







# Welcome to Cisco's 2013 CSR Report

## Executive Summary

Cisco's CSR strategy is to use our expertise, technology, and partnerships for social, environmental, and business impact. We report using a framework of five core pillars: Governance and Ethics, Supply Chain, Our People, Society, and Environment. This summary covers our approach, our objectives, our progress, and our challenges around each of these pillars.



## Contents



- |   |   |    |   |
|---|---|----|---|
| 3 | Introduction  | 7  |  Governance and Ethics |
| 5 | Message from John Chambers<br>Chairman and Chief Executive Officer  | 10 |  Supply Chain          |
| 6 | Message from Tae Yoo<br>Senior Vice President, Corporate<br>Affairs | 14 |  Our People            |
|   |   | 18 |  Society               |
|   |   | 22 |  Environment           |

### How to Use This Report

For readers that are looking for detailed information, we recommend downloading our full CSR Report, which enables all search and interactive functions. The full report also includes the Executive Summary contents in an easy-to-use overview at the beginning of each section.

#### Interactive Elements

This document contains interactive elements on mouse over and click. Look for these icons throughout this document.

-  Mouse over or click for interactive content.\*
-  Click to play video.

#### Recommended Software

Adobe Acrobat\* Version 7.0 and above

\* Interactive content may not be available on some devices.

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

“It is up to all of us to get involved to ensure that the Internet, as the Internet of Everything unfolds, continues to be a powerful force for improving people’s lives.”

Dave Evans, Cisco’s Chief Futurist  
#IoE  
#CiscoCSR

# Introduction

Cisco is the worldwide leader in IT that helps companies seize the opportunities of tomorrow by proving that amazing things can happen when you connect the previously unconnected.

< Previous View

Contents

**Introduction**

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

Society

Environment

# Introduction Overview

Founded in 1984, Cisco pioneered the development of Internet Protocol (IP)-based networking technologies. This tradition continues with the development of routing, switching, and other networking-based technologies such as collaboration, data center, security, service provider video products, and wireless. All of these technologies are made possible by the evolution of the network.

As innovators in the information and communications technology industry, Cisco and our valued partners sell Cisco hardware, software, and services to businesses of all sizes, governments, and service providers.

## Cisco at a Glance

US\$48.6 billion net sales in FY13.

**\$48.6  
BILLION**



**165**

Operations in more than 165 countries.

More than 75,000 employees.

**75,000**



100 percent of our manufacturing is outsourced.

More than 600 suppliers support our supply chain.

**600  
SUPPLIERS**

### Our Vision

Our vision is to change the way the world works, lives, plays, and learns.

### Our Values

- Change the world
- Intensely focus on customers
- Make innovation happen
- Win together
- Respect and care for each other
- Always do the right thing

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

## Message from John T. Chambers, Chairman and CEO

In today's world, the only constant is change – and companies and countries that do not change are left behind. My perspective on change is to embrace it, lead it, and use it to shape desired outcomes.

We work closely with our customers and partners to anticipate change and transitions, to understand where the market is going, and to innovate to solve their toughest business challenges. This approach requires a vision, strategy, and solutions that address challenges while benefiting society and the environment. This is the course Cisco has followed since our formation, and it's all made possible through networks.

Networking technology connects people in meaningful ways and has the power to create new opportunities, deliver richer experiences, and boost economic growth

and wellbeing. At Cisco, one way we see that happening is through what we call the “Internet of Everything (IoE).” In simple terms, IoE is the intelligent connection of people, processes, data, and things on the network. IoE offers countries and governments around the world the opportunity to provide better, richer lives for their citizens and create new ways for companies to do business. Whether it's connected education and healthcare, smarter cities, more efficient government services, or increased job creation, we believe the societal benefits of IoE will impact our lives in ways never imagined. It's not the act of getting connected – or even the number of connections – that creates the value; rather, it's the outcomes the connections make possible. The speed of change today is unprecedented, and it is critical that companies and countries capitalize on the vast opportunities that the IoE offers.

With companies, individuals, and governments working together, we can help economies all over the world develop and grow equitably. Governments alone cannot solve the global challenges we face today; only through bringing together a diverse set of stakeholders can we tackle inequities in education and employment. Our role in the White House IT Training and Certification pilot, which helps transitioning U.S. military personnel with IT skills training, certification, and career placement, highlights the power of public-private partnerships in creating positive impact.

Our focus on creating value for society, the environment, and our business is reflected in the breadth of our commitments: from investing in our employees to improving labor standards in our supply chain, and from improving access to healthcare to reducing our environmental footprint. These are all

multiyear efforts that require a long-term view to achieve positive outcomes. In FY13, as an example, we introduced new five-year environmental goals designed to focus on the issues we believe are most critical to Cisco's environmental sustainability over the long-term – greenhouse gas emissions and energy consumption. CSR has always been one of the pillars of our culture, and I'm extremely proud of the global impact of our programs.

Given all that we have been able to achieve not only for our customers and partners, but for society and the environment, I am energized by the opportunity ahead as we work to become the number-one IT company. Ultimately, the success and impact of the Internet of Everything will be measured by the extent to which we're able to harness its benefits for humanity. With this in mind, we couldn't be more excited to see what the future holds. We are deeply committed to improving lives, communities, and the environment.

**John T. Chambers**  
Chairman and Chief Executive Officer

[Join the discussion: #TomorrowStartsHere](#)



[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

## Message from Tae Yoo, Senior Vice President, Corporate Affairs

In the age of the Internet of Everything, networked connections are more valuable and relevant than ever before. This applies to networked technology, but also to the people who collaborate to develop innovative solutions to the world's most pressing problems. Our CSR approach is to help create positive impact around the world by using our expertise, technology, and partnerships. Being socially and environmentally responsible is not only good for people and the planet, but essential to the long-term sustainability of our business.

In FY13, we continued to embed CSR objectives into our business functions, processes, and performance goals. We used benchmarking, analysis, and stakeholder dialogue to identify the issues most material to our business, which helps us focus efforts for the greatest impact. This year we gained valuable insights from CSR experts that we used to prioritize, set goals, and implement programs. We focus our CSR strategy on five areas where we can make the biggest difference. The first is governance and ethics, which underlies the other four: supply chain, our people, society, and the environment.

To promote governance and ethics companywide, we launched a new interactive learning platform for our Code of Business Conduct that helped our employees increase their understanding of and commitment to ethical

behavior. And we developed a new human rights policy and employee training to be rolled out in FY14.

As a global company with an extensive supply chain, we expect our suppliers to meet the same standards on ethics, labor, and environmental sustainability that we set for ourselves. In FY13, we promoted our Supplier Code of Conduct through our supplier business scorecard and audits, which have helped us identify areas for further capacity building and improvements. We are pleased to see a growing number of suppliers publishing CSR reports, setting goals, and reporting their greenhouse gas (GHG) emissions to the Carbon Disclosure Project, just as we do.

Our business and social impact depends on the diverse talents and expertise of our employees. In FY13, we launched efforts to connect employees with three values we want to exemplify: make innovation happen, always do the right thing, and make a positive impact on the world. We aligned our employee value proposition with these values to create a framework for our corporate culture and employee experience.

Because technology can play an important role in addressing some of society's biggest challenges, we devote resources to that end. I've seen firsthand in many countries how broadband connectivity advanced healthcare delivery, access to education, and economic empowerment. For example, our Jordan Healthcare Initiative connects medical specialists to patients at rural hospitals, saving patients the time and expense of travel, and enabling doctors and specialists to collaborate on patient care.

And because less than 10 percent of the population in developing countries has affordable, reliable broadband Internet service, we consider it crucial to help extend high-speed broadband to more communities and provide ICT training. Our Cisco Networking Academy program teaches these skills to one million students each year, of whom 20 percent are female, but in certain regions, like



Dr. Steven Knapp, President of George Washington University, presents the World Affairs Council Global Education Award to Cisco Senior Vice President Tae Yoo on behalf of Cisco Chairman and CEO John Chambers.

the Middle East, girls and women make up more than 35 percent. Public-private partnerships are critical to advancing broadband connectivity and building thriving communities.

Our efforts on behalf of the environment address the full range of stakeholder issues from water to biodiversity to land use. Our greatest focus, however, is on climate change, energy and GHG emissions, and product end of life. Our global efforts to reduce GHG emissions extend from our own operations in more than 90 countries to those of our supply base. The energy efficiency of our products allows our customers to reduce their own GHG emissions. We offer product takeback and recycling worldwide at no cost to customers. We are adopting circular economy principles to maximize the life of our products, offering trade-in credit to our customers, and refurbishing and remarketing gear to new customers. Our remarketing business grew by approximately 25 percent over last year.

In this report, we highlight our successes, discuss some of the challenges we face, and share what we have learned. As expectations continue to rise, we will continue to do the important work of listening to our stakeholders, aligning CSR to business strategy, setting goals, and measuring impacts, with the hope that we can all create a tomorrow full of opportunity and prosperity.

**Tae Yoo**  
Senior Vice President, Corporate Affairs

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[🏛️ Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)**CISCO'S CULTURE FOSTERS ETHICAL BEHAVIOR**

Cisco is committed to honesty, integrity, and transparency. The company's ethics team encourages employees worldwide to uphold these principles, while making it easy for them to report ethical concerns if they arise. This is just one of the reasons Cisco is consistently ranked on Ethisphere's list of World's Most Ethical Companies.

[WATCH VIDEO](#)

# Governance and Ethics



We believe that ethical conduct and good governance are critical to business success. Our approach to corporate and CSR governance reflects this belief and allows us to build a stronger, more resilient company. Our governance systems are designed to help us manage risks, plan for long-term continuity, and foster sustainable growth.

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

 Governance & Ethics

Supply Chain

Our People

Society

Environment

# Governance and Ethics Overview

Maintaining good governance practices involves everyone at Cisco. Cross-functional teams are responsible for overseeing corporate social responsibility (CSR) management, ethical conduct among employees and suppliers, privacy and data protection, and for respecting human rights.

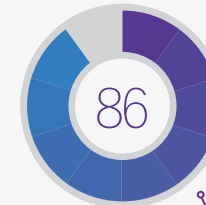
Our Code of Business Conduct sets out our expectation for everyone at Cisco to behave ethically in everything they do. Through regular training and a new interactive eBook version of the Code, we equip employees with the knowledge and skills to make the right decisions if they are ever confronted with an ethical dilemma.

## 2013 at a Glance

100%

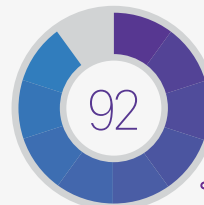
100 percent of eligible employees completed certification to the Cisco Code of Business Conduct.

We conducted five sessions with stakeholders around the world to gain feedback on our approach to environmental, social, and supply chain issues that inform our CSR strategy.



86 percent of employees agreed or strongly agreed that Cisco's CSR program has a positive impact on the way that Cisco is perceived around the world.

We engaged with organizations that are setting best practices in CSR reporting and disclosure, such as the Global Reporting Initiative and the Sustainability Accounting Standards Board.



92 percent of employees feel that Cisco takes ethical business concerns seriously.

We formalized our human rights policy in alignment with the UN Guiding Principles on Business and Human Rights.





< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

 Governance & Ethics

Supply Chain

Our People

Society

Environment

# Governance and Ethics Overview

## 2013 Progress toward Objectives

Objectives	Status
100 percent of eligible <sup>1</sup> employees to complete annual certification to the Cisco Code of Business Conduct	●
Collaborate with peer companies in the ICT sector to develop human rights training for employees	●
Continue with formal and informal stakeholder engagements throughout FY13, including additional regional sessions, with the goal of yearly improvement of our CSR implementation	●
Augment and deepen engagement with key socially responsible investors as we continue a meaningful dialogue on issues of importance to our investors	●
83 percent of employees to respond positively to the CSR statement in our annual employee Pulse Survey <sup>2</sup>	●
Develop, implement, and communicate a formal human rights policy and governance model, aligning with the UN Guiding Principles on Business and Human Rights and best practices	●

● Achieved ○ Ongoing

1. Excluding employees in France (who have a separate system), those recently joining Cisco through acquisitions, those on a leave of absence, interns, and contractors who must abide by our Supplier Code of Conduct.
2. Pulse statement is: "Cisco's Corporate Social Responsibility activities, which focus on environmental, social, and governance issues, positively impact the way Cisco is perceived around the world." Positive result means employees agree or strongly agree.

## 2014 Objectives and Beyond

Objectives	Target Date
100 percent of eligible <sup>1</sup> employees to complete annual certification to the Cisco Code of Business Conduct	End of FY14
Make human rights training available to all employees and mandatory for targeted groups	End of FY14
Continue formal and informal stakeholder engagements throughout FY14 to help us continue to improve our CSR programs	End of FY14
Augment and deepen engagement with key socially responsible investors for more meaningful dialogue on issues of importance to our investors	End of FY14
Maintain positive responses from at least 83 percent of employees to the CSR statement in our annual employee Pulse Survey <sup>2</sup>	End of FY14
Complete a robust materiality assessment of the CSR issues that are important to our stakeholders	End of FY14
Expand the "Privacy by Design" concept that privacy is not an add-on, but rather a core component of the development of our products, services, and systems	End of FY14

## Awards and Recognition

Carbon Disclosure Leadership Index	Dow Jones Sustainability Index	FTSE4Good Index <sup>1</sup>	Global 100 Most Sustainable Corporations in the World	Greenpeace Cool IT Leaderboard 6th Edition	oekom research Corporate Responsibility Rating
Ranked number one in the IT sector	Member of World and North American Indexes	Member of Global, Global 100, U.S., and U.S. 100 Indexes	Ranked number 20	Tied for number one	"Prime" status

1. FTSE Group confirms that Cisco has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

A full list of CSR awards is available on our [website](#)

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

 Supply Chain

Our People

Society

Environment



**SCORING SUPPLIERS ON SUSTAINABILITY**

Sustainability criteria in Cisco's supplier scorecards help us to better monitor supplier performance and to collaborate with our supply chain partners to optimize environmental and labor improvements.

**WATCH VIDEO** 

# Supply Chain



The manufacturing of our products is entirely outsourced. More than 600 suppliers provide components for, manufacture and test, deliver, take back, recycle, or enable reuse of Cisco products. Cisco works closely with suppliers to manage sustainability issues and improve their performance throughout the supply chain and at every stage of the product lifecycle.

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

## Supply Chain Overview

We expect our suppliers to meet the same high standards for ethics, labor rights, health and safety, and the environment that we apply to our own people and operations. All suppliers are expected to follow our [Supplier Code of Conduct](#). We focus our engagement on a group of approximately 130 suppliers that together represent more than 80 percent of our supply chain expenditure.

We work to improve sustainability standards and performance throughout our supply chain by:

- Embedding sustainability into core business practices by integrating the Code of Conduct into supplier contracts and assessing suppliers' sustainability performance through our business scorecard
- Engaging with suppliers to improve performance through audits, corrective actions, and follow-up engagement
- Partnering to build capability through training, tools, and regular dialogue

We also play a leadership role in raising standards throughout the ICT supply chain by participating in industry initiatives such as the Electronic Industry Citizenship Coalition (EICC).

Encouraging suppliers to improve disclosures about their performance helps us understand the challenges that suppliers face. This in turn helps us support them in building their capability and improving their performance.

Increasing transparency and addressing sustainability in the supply chain allows us to build customer trust, reduce costs, secure continuity of supply, respond to stakeholder needs, and protect our brand. Collaboration with suppliers also encourages innovation to develop more sustainable products for our customers.

“Cisco’s supply chain work appears to focus on monitoring and supplier reporting. It would be great to see more engagement on the issues and their root causes. A lot of companies have focused on collecting data, but don’t use it effectively. Really analyze that data and how you can have an impact.”

**Pam Muckosy, Impactt**

Cisco's 2013 Global Stakeholder Engagement Sessions



< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

 Supply Chain

Our People

Society

Environment

# Supply Chain Overview

## 2013 at a Glance



100 percent of key manufacturing partners and logistics providers and 97 percent of key component suppliers responded to the sustainability survey related to our business scorecard.



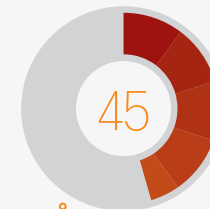
Cisco joined the CDP Supply Chain Program and 77 percent of key suppliers reported their greenhouse gas (GHG) emissions to CDP, up from 50 percent in FY12.



86 percent of key manufacturing partners published a CSR report; 100 percent of logistics providers and 52 percent of key component suppliers now publish a CSR report (up from 57 percent and 38 percent respectively in FY12).



A new industry standard reporting tool developed by Cisco and other EICC members is enabling suppliers, particularly component suppliers, to measure and share data on environmental impacts.



45 percent of key suppliers have set a GHG emissions reduction target.



100 percent of Cisco's manufacturing partner and logistics supplier managers completed web-based training on sustainability, which will be extended to component supplier managers in FY14.

“What is missing for me is an overall picture of Cisco’s supply chain. The [FY12] report covers manufacturing partners, component suppliers, and logistics partners, but it’s missing the overall picture of the supply chain. Some kind of supply chain mapping would help you show where risk is.”

Hidemi Tomita, Institute for CSR Innovation

Cisco’s 2013 Global Stakeholder Engagement Sessions

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

 Supply Chain

Our People

Society

Environment

# Supply Chain Overview

## 2013 Progress toward Objectives

Objectives	Status
Audit half of our high-risk manufacturing facilities and one-third of our high-risk component suppliers in FY13	●
100 percent of key <sup>1</sup> suppliers to complete Cisco's supplier sustainability survey, enabling assessment of their sustainability performance in our business scorecards in FY13	◐
100 percent of key suppliers to report their GHG emissions through the CDP questionnaire in FY13	◐
100 percent of key suppliers to have goals in place to reduce GHG emissions and report progress toward their goals by end of FY15	○
100 percent of key suppliers to report Cisco's share of their GHG emissions by end of FY15	◐
100 percent of manufacturing partners to publish a CSR report in FY13	◐
75 percent of logistics providers to publish a CSR report in FY13	●
100 percent of Cisco's supplier managers to complete web-based sustainability training in FY13	◐
Establish a due diligence process to assess whether tantalum, tin, tungsten, and gold in our products are being sourced from conflict-free minerals and publish a conflict minerals report by May 31, 2014, as required by the U.S. Dodd-Frank Act	○
Partner with suppliers to identify and realize sustainability improvements in FY13	●

● Achieved   ◐ Partially Achieved<sup>2</sup>   ○ Ongoing

## 2014 Objectives and Beyond

Objectives	Target Date
Establish a due diligence process to assess whether tantalum, tin, tungsten, and gold in our products are being sourced from conflict-free minerals and publish a conflict minerals report by May 31, 2014, as required by the U.S. Dodd-Frank Act	May 31, 2014
Increase percentage of key suppliers that set GHG emissions reduction goals in their CDP reports to: • 85 percent of key manufacturing partners • 75 percent of key logistics partners	End of FY15
85 percent of key component suppliers to report GHG emissions via CDP	End of FY14
Develop standards of measurement for allocating supplier level emissions down to the component level	End of FY14
100 percent of Cisco supplier managers to complete web-based training on sustainability	End of FY14
Develop and deploy a new training module on human rights in the supply chain as a supplement to Cisco's corporate human rights training	End of FY14

1. We have changed the terminology throughout this document to refer to "key" suppliers rather than "preferred" suppliers. Key suppliers are defined as those that receive a business scorecard. This is a slightly different group from those we refer to internally as "preferred" (see the full report for complete definition).  
 2. Partially achieved objectives are those that have either (1) almost been fully achieved and are therefore not being included in 2014 Objectives and Beyond, or (2) been reevaluated and replaced by a similar objective for FY14 and Beyond. Please see the text for full details and future plans.

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain



**Our People**

Society

Environment



**CISCO CONNECTED WOMEN INSPIRE AND MOTIVATE**  
 In honor of International Women's Day 2013, Cisco Asia Pacific employees chimed in with some inspiring words about what it means to them to be women in the technology workforce and how they manage their success.  
[WATCH VIDEO](#)

# Our People



At Cisco, we all contribute to a shared vision of creating a more connected world through what we call “The Internet of Everything.” Our collective technical, creative, and professional skills create innovative solutions to respond to our customers’ needs. Our continued success depends on our ability to attract and retain talented and highly skilled people who have the desire to perform at their absolute best.



[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#) [Our People](#)[Society](#)[Environment](#)

## Our People Overview

Our Employee Value Proposition focuses on making Cisco a great place to work for our more than 75,000 employees. We emphasize an inclusive, collaborative culture and flexible work environment that values innovation. We provide numerous development opportunities, as well as a comprehensive portfolio of employee offerings and differentiated benefits.

The five key pillars of our people strategy are:

- **Working Together:** We promote a culture of honest, transparent communication, seek ongoing input from our employees, and provide extensive opportunities to collaborate and innovate.
- **A Safe and Healthy Work Environment:** We invest in our employees' health and wellbeing, offer flexible work practices, and provide a safe workplace.
- **An Inclusive and Diverse Culture:** We recruit a diverse workforce and foster an inclusive culture where everyone feels welcomed, valued, respected, and heard.
- **Providing Training and Development Opportunities:** We offer wide-ranging training, mentoring, and development programs and encourage our employees to build a career with Cisco.
- **Rewarding Our People:** We provide a competitive rewards package, including wide-ranging benefits, and we recognize our employees' achievements and contributions.

External rankings and awards received in FY13 continue to endorse Cisco as a great company for individuals from all backgrounds to work for, and more importantly, surveys show that our employees agree. We also know there are always areas where we can improve, and we continue to act upon employees' feedback to improve their experiences at Cisco. Our most recent employee survey highlights recognition and development opportunities as key challenges, which we will continue to address in FY14.

“Our values represent how our employees work together. When we all focus on our values, we're able to make them come to life for Cisco. That influences our ability to provide great customer service, deliver on our brand promise, and make Cisco a great place to work.”

Kathleen Weslock, Senior Vice President and Chief Human Resources Officer

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

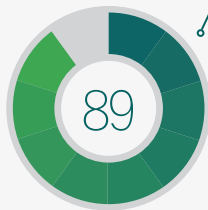
 Our People

Society

Environment

# Our People Overview

## 2013 at a Glance



89 percent of employees are proud to work at Cisco.

Spent US\$153 million on more than 3.1 million hours of learning and development activities for our employees.

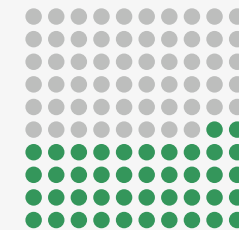
# 3.1 MILLION HOURS

Opened a new LifeConnections Health Center on our Bangalore Campus.



23,500 employees participated in our biannual company meeting through our Jabber and other collaborative communication technologies.

Launched a Diverse Interviewer Panel initiative to increase the likelihood of recruiting diverse candidates.



Ranked number 42 on the Fortune "100 Best Companies To Work For" list.

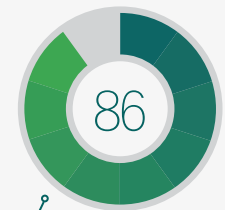
Emergency Response Teams responded to 224 medical incidents and 123 building drills and evacuations globally.



Cisco employees and dependents earned more than \$13.4 million in health incentives for participating in wellness programs.

# \$13.4 MILLION

86 percent of employees feel that their teams value diversity.



< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

 Our People

Society

Environment

# Our People Overview

## 2013 Progress toward Objectives

Objectives	Status
Maintain employee engagement level at 82 percent or higher in FY13	●
Introduce twice-yearly compensation reviews in FY13	●
Provide capability training for 90 percent of directors and people managers by FY14	○

● Achieved ○ Ongoing

## 2014 Objectives and Beyond

Objectives	Target Date
Launch a new People strategy focused on: <ul style="list-style-type: none"> <li>• <b>Talent:</b> Deliver innovative and consistent career development and employee experience</li> <li>• <b>Leadership:</b> Build diverse and global leadership capabilities and pipeline</li> <li>• <b>Culture:</b> Inspire employees to embrace culture, values, and integrity</li> <li>• <b>Organizational Effectiveness:</b> Deliver organizational transformation through Work Force Planning and Organizational Health Analytics</li> </ul>	FY14 – FY16
Improve our employee survey scores in the areas of Development, Organizational Alignment, and Recognition	End of Q3 FY14
Launch a new performance management program	End of FY15
Increase diversity awareness with an emphasis on gender awareness	Ongoing
Launch new rewards and recognition program that highlights employee contributions	End of Q2 FY14

### CASE STUDIES FROM THE UNITED STATES



#### Recruiting U.S. Veterans

Many veterans find it hard to gain employment when they leave the military. The unemployment rate among young veterans is 18 percent, and we are looking at how we can help decrease that number.

“We have our own language and acronyms [in the military], and civilian companies have their own language as well,” said Courtney Beard, a combat-tested Air Force veteran who now works for Cisco as a network consulting engineer. A veterans program helped Beard revise her résumé so her military intelligence job made sense to a civilian.

Jonathan Nichols, a program manager in the Cisco Global Services Practice, has been so impressed with veterans like Beard that he has hired 11 more. “They are disciplined, motivated, and have practical experience,” he said.

Read about Courtney’s stories on our blog:

- [From the Battlefield to the IT Field: My Story of Transition](#)
- [Cisco Employee Honored as Military Veteran at the White House](#)





< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

 Society

Environment



**TEACH FOR AMERICA: ROBUST NETWORKS HELP TEACHERS TRANSFORM EDUCATION**

Cisco has contributed millions of dollars in networking products and collaboration technologies to Teach For America, helping the organization grow to serve more than 650,000 students in 36 states.

**WATCH VIDEO** 

# Society



Cisco has a long-standing commitment to making a positive contribution to society. We use our expertise, technology, partnerships, and financial resources to help build thriving, prosperous communities that improve people's lives and support our business over the long term.

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#) [Society](#)[Environment](#)

## Society Overview

We invest in scalable and self-sustaining programs that use technology to meet some of society's biggest challenges. Our programs are focused on four issue areas where we believe Cisco can add the most value and make a significant and lasting impact:

- **Education:** using Cisco networking and cloud-computing technologies to improve education outcomes, increase student engagement and performance, and provide information and communications technology (ICT) training to people, including those in underserved communities, around the globe
- **Healthcare:** improving access to care for children and families in remote regions through the use of networking technology
- **Economic empowerment:** promoting financial inclusion, workforce development, and entrepreneurship in disadvantaged populations globally, while supporting diverse businesses and efforts to build strong ICT sectors in developing economies
- **Critical human needs and disaster response:** supporting efforts to improve access to food, clean water, and shelter, and to help communities recover following natural disasters

Cisco supports and partners with nonprofits, nongovernmental organizations (NGOs), and governments around the world whose missions align with these four areas. We invest through corporate giving and bolster our contribution by

applying our technology and encouraging employees to share their expertise through volunteering. Our goal is to help nonprofits and NGOs build capacity and improve efficiency so that more of their resources go directly to the people they support.

We also look for ways to increase our contribution to society through the way we do business. By supporting diverse suppliers as part of our procurement strategy, we promote economic empowerment in underserved communities. And building accessibility into the design of our products helps to provide people with disabilities the opportunity to enjoy the benefits our networking technologies offer.

In all these ways, we aim to create resilient communities that will not only benefit people but also help our business to thrive by creating economic stability; giving us access to new markets, customers, and sources of innovation; and building a healthy pipeline of well-educated talent for our global operations, as well as those of our customers and partners.

“Cisco’s philosophy for social investments matches our approach to development, to create long-term solutions that are embedded in local communities and there to stay for the long run. It was great to see that Cisco is investing talent, products, and financial resources into these kinds of programs.”

Simona Haiduc, Opportunity International

[Cisco's 2013 Global Stakeholder Engagement Sessions](#)

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

 Society

Environment

# Society Overview

## 2013 at a Glance

\$297 MILLION

Cisco and the Cisco Foundation provided a total of US\$297 million to community programs in cash and in-kind contributions.

1300

Cisco HealthPresence<sup>1</sup> has connected, virtually, more than 1300 patients in rural areas of Jordan to specialists in the capital of Amman since FY11.



One million students participated in the Cisco Networking Academy program. Ninety percent of students responding to exit surveys said the training helped them find a new or better job or an educational opportunity.

12345678910

Cisco ranked sixth among U.S. companies for our commitment to supplier diversity by [DiversityBusiness.com](http://DiversityBusiness.com).

Employees volunteered 129,000 hours to support their communities, up 20 percent from FY12.



Cisco and our employees responded to emergencies and natural disasters across the globe with over \$2.49 million in direct aid and communications support from our Tactical Operations team.

\$2.49 MILLION

1. Cisco networking and collaboration products are not intended for use in emergency situations or for real-time patient monitoring. Cisco technology enables enhanced communications to occur across geographies; availability varies based upon regulatory status country by country.

“The Networking Academy is a fascinating model with major implications for the education sector. I would love to know what this means for the future of higher education.”

Ann Florini, Singapore Management University and Brookings Institute

Cisco’s 2013 Global Stakeholder Engagement Sessions



< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People



Environment

# Society Overview

## 2013 Progress toward Objectives

Objectives	Status
Collaborate more closely with the Cisco Networking Academy program to encourage military personnel interested in an ICT career to obtain their basic CCNA certificate <sup>1</sup>	<input type="radio"/>
Engage our more than 80 partners in the 100,000 Jobs Mission, a coalition of companies committed to collectively hiring 200,000 veterans by 2020	<input checked="" type="radio"/>
Continue to strengthen the new business model for supporting local Networking Academy programs that was introduced in FY12	<input checked="" type="radio"/>
Transition all Networking Academy instructors to the new learning platform, Cisco NetSpace, to increase collaboration and opportunities for students globally	<input checked="" type="radio"/>
Introduce new learning material to the Networking Academy community via Cisco NetSpace	<input type="radio"/>
Continue to support and engage in programs that increase the number of students studying STEM subjects at primary and secondary school levels through partnerships with nonprofit organizations and NGOs	<input type="radio"/>
Create Cisco Accessibility Executive Sponsors to champion accessibility among Cisco Technology Groups, continue to work with the National Technical Institute for the Deaf and other partners to incorporate accessibility features into Cisco products, and roll out training for educators and employers in California to support the DeafTEC initiative	<input checked="" type="radio"/>
Strengthen the self-sufficiency of our Community Knowledge Center model and complete the transition of ownership to government and local NGO partners	<input checked="" type="radio"/>

Achieved  Ongoing

1. Cisco CCNA certification

## 2014 Objectives and Beyond

Objectives	Target Date
Increase access to specialized pediatric care in the state of Sergipe, Brazil, by supporting remote consultations between rural family health clinics and university hospitals	End of FY14
Use our technology to support a digital picture archiving and communications system (PACS) and collaboration among healthcare clinicians in Jordan	End of FY14
Expand the number of physician specialties utilizing the pediatric telehealth network at Lucile Packard Children's Hospital and increase the number of patients seen	End of FY14
Encourage women and girls to pursue education and careers in technology fields through the Networking Academy program and participation in events like Girls in ICT Day	End of FY14
Expand the use of Cisco NetSpace by establishing new partnerships that enable us to deliver content via the platform	End of FY14
Reach 150,000 employee volunteer hours	End of FY14
Connect U.S. military veterans to jobs by providing Cisco WebEx technology to facilitate virtual interviews at military bases and by supporting further development and adoption of the Pipeline job skills matching platform, <a href="#">h2h.jobs</a>	End of FY14

Performance Summary	FY09	FY10	FY11	FY12	FY13
Total corporate and Cisco Foundation cash and in-kind contributions	\$128 million	\$139 million	\$295 million <sup>1</sup>	\$294 million <sup>1</sup>	\$297 million <sup>1</sup>
Number of hours volunteered by employees	78,000	148,355	166,445	107,150	129,000
Number of active students in Cisco Networking Academy courses	800,000	900,000	1,000,000	1,000,000	1,000,000

1. Includes Cisco Networking Academy in-kind contributions, which we included in our corporate giving data for the first time in FY11.

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

Creating new value for our customers using sustainable Cisco technologies, products and solutions.

# Environment



We believe Cisco technologies can improve living standards, reduce resource waste, and save energy. We call this creating new value for our customers through sustainable technologies, products, and solutions. Through our continued efforts to understand impacts on the environment from our products, our operations, and our supply chain we work to not only reduce negative externalities but create new opportunities for greater efficiencies.

[< Previous View](#)[Contents](#)[Introduction](#)[Message from  
Chairman and Chief  
Executive Officer](#)[Message from  
Senior Vice President,  
Corporate Affairs](#)[Governance & Ethics](#)[Supply Chain](#)[Our People](#)[Society](#)[Environment](#)

## Environment Overview

Through sustainable technologies we are creating value for our customers, society, and the planet.

Energy consumption and greenhouse gas (GHG) emissions are the most important and complex environmental issues for Cisco. Energy consumption includes our own operations, the extended operations of our supply chain partners, and the energy used by the products we market. In February 2013, we announced five new GHG reduction goals, which we aim to achieve by 2017. These goals are focused on improving the energy efficiency of our operations.

Improving the energy efficiency of our products is also a priority because energy consumed during their use accounts for up to approximately 90 percent of their life cycle carbon footprint. This means that innovation in our products and services that promote energy efficiency and waste reduction can reduce GHG emissions by users of our products. Innovation is at the core of Cisco's environmental sustainability initiatives. In developing advanced products, solutions, and updated business processes, we are multiplying the impact of the network to create sustainable business models and increased economic opportunity.

Cisco is changing the way we work, live, play, and learn through network technologies that create new business and social value. For example, our remote collaboration solutions enable "Dematerialization," or replacing the physical with the virtual, reducing business travel and employee commuting, which decreases costs for our customers and our employees. Remote collaboration also increases productivity, improves employee work-life balance and job satisfaction, and reduces GHG emissions.

Our aim is to build environmental sustainability into each business function and process and, ultimately, into every business decision our employees make around the world. We believe that improved sustainability creates net benefits to our business, our customers, and the planet. Our relationship with our customers is now based on cost, quality, delivery, service, and sustainability.

"We now use Cisco WebEx and Cisco TelePresence for many of our meetings and they run more smoothly and are more effective than before, and our global organization functions better as a result. That's how Cisco products are helping CDP better accomplish our mission."

Marcus Norton, Carbon Disclosure Project

Cisco's 2013 Global Stakeholder Engagement Sessions



< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

Society

 Environment

# Environment Overview

## 2013 at a Glance

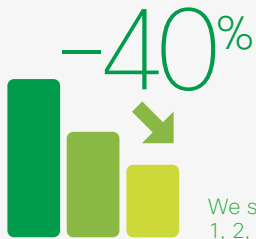
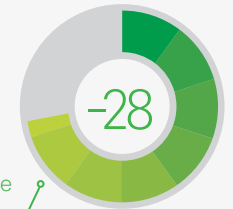
We achieved our FY12 Scope 1, 2, and business-air-travel Scope 3 GHG emissions reduction goal of 25 percent absolute.



Cisco purchased 425 million kWh of energy through Renewable Energy Certificates in FY13.

# 425 MILLION kWh

We achieved a 28 percent absolute reduction in Scope 1 and 2 GHG emissions worldwide from a FY07 baseline.



We set new and aggressive Scope 1, 2, and business-air-travel Scope 3 GHG emissions reduction goals for FY17.

In FY13, Cisco spent \$13.7 million on energy efficiency initiatives, including our global Lab Energy Management Program.

# \$13.7 MILLION

# \$7.7 MILLION

We cut 634 metric tonne of packaging and saved \$7.7 million in material and freight costs by improving packaging efficiency.



Customers returned 12,539 metric tonne of Cisco products for reuse and recycling, and we reused over \$360 million of Cisco equipment.

# \$360 MILLION

# #1

Cisco was tied for #1 across all sectors on CDP's 2013 climate survey and tied for #1 on Greenpeace's Cool IT Challenge (v6).

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

Society

 Environment

# Environment Overview

## 2013 Progress toward Objectives

Objectives	Progress	Status
2008: EPA Climate Leaders commitment to reduce all Scope 1, 2, and business-air-travel Scope 3 GHG emissions worldwide by 25 percent absolute by end of CY12	This goal was met in 2012, and the commitment has been closed.	●
Continue investment in the development of the Scope 3/Product ICT Sector Supplement to the Greenhouse Gas Protocol (GHGP) standards	As a founding member of the GHGP ICT Sector Supplement, Cisco has contributed significantly to its development during FY13. Additionally, as a member of the Steering Group, Cisco is co-editor of the section on transport substitution. The Sector Supplement is expected to be published in late 2013 following final review by the Steering Committee and World Resources Institute.	○
Scale environmental sustainability reporting by our business partners (supply chain)	We continue to make significant advancements in our supply chain engagement and reporting (see the Supply Chain section). 100 percent of our contract manufacturers, 93 percent of global transport providers, and 80 percent of our component suppliers responded to the Carbon Disclosure Project 2012 survey.	○

● Achieved    ○ Ongoing

## 2014 Objectives and Beyond

Objectives	Target Date
Reduce total Cisco Scope 1 and 2 GHG emissions worldwide by 40 percent absolute by FY17 (FY07 baseline)	FY17
Reduce total Cisco business-air-travel Scope 3 emissions worldwide by 40 percent absolute by FY17 (FY07 baseline)	FY17
Reduce Cisco's FY17 net, consumption-weighted electricity emission factor to half of the latest International Energy Agency world average emission factor publicly available before the end of FY17	FY17
Reduce total Cisco operational energy use per unit of revenue worldwide by 15 percent by FY17 (FY07 baseline)	FY17
Use electricity generated from renewable sources for at least 25 percent of our electricity every year through FY17	FY17
To address Supply Chain GHG emissions Cisco has an ongoing initiative, with accompanying goals, to encourage our suppliers to report their Scope 1 and 2 emissions to the Carbon Disclosure Project. The status of existing, supplier reporting goals is provided in Table 14. We will continue to report these existing supply chain goals and add new categories of suppliers – and accompanying CDP-reporting goals – to our performance reporting. For more information see the Supply Chain section.	Ongoing

you + networks = impact<sup>x</sup>

< Previous View

Contents

Introduction

Message from Chairman and Chief Executive Officer

Message from Senior Vice President, Corporate Affairs

Governance & Ethics

Supply Chain

Our People

Society

 Environment

# Environment Overview

## Key Performance Indicators (Base Year, if applicable, and last 5 years reported)

Performance Summary	FY07 Baseline Year <sup>1</sup>	FY09	FY10	FY11	FY12	FY13	Comments
Total contractual GHG emissions: Scope 1 and 2, metric tonne CO <sub>2</sub> e	436,489	272,880	376,141	416,927	251,672	312,525	Values from 2012 CSR Report have been updated.
Percent progress against reduction goal. Goal: Reduce total, Cisco, Scope 1 and 2, GHG emissions worldwide by 40% absolute by FY17 (FY07 baseline)	base year	-37%	-14%	-4%	-42%	-28%	Cisco's new corporate GHG reduction goal was announced in February 2013.
Total Scope 3 air-travel GHG emissions, metric tonne CO <sub>2</sub> e	205,796	118,602	106,783	127,293	139,431	*	Primary air-travel data adjusted to represent 100 percent of Cisco business air travel.
Percent progress against reduction goal. Goal: Reduce total, Cisco, business-air-travel, Scope 3 emissions worldwide by 40% absolute by FY17 (FY07 baseline)	base year	-42%	-48%	-38%	-32%	*	
Product return, metric tonne	n/a	10,730	8,580	11,595	13,324	12,539	
Returned material sent to landfill	n/a	0.44%	0.33%	0.89%	0.43%	0.33%	Landfilled material consists only of non-electronic waste materials, such as broken pallets, wet cardboard, and shrink wrap, accompanying Cisco product returned by customers for recycling.

1. Our annual CSR reports include data for the last five fiscal years and, for GHG/energy, our goal base year.

\* To be updated later.





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