CISCO

Powering an Inclusive Future for All

2020 Corporate Social Responsibility Impact Report

Corporate profile

Cisco (NASDAQ: CSCO) is the worldwide leader in technology that powers the Internet. Cisco inspires new possibilities by reimagining your applications, securing your data, transforming your infrastructure, and empowering your teams for a global and Inclusive Future. Discover more on The Network and follow us on Twitter.

19 Million
sq ft real estate

77,000+
employees

95
countries

1984
founded

**US$49.3 billion**
fiscal 2020 revenue

Products and solutions

- Collaboration solutions
- Switches
- Routers
- Access points and wireless controllers
- Security solutions
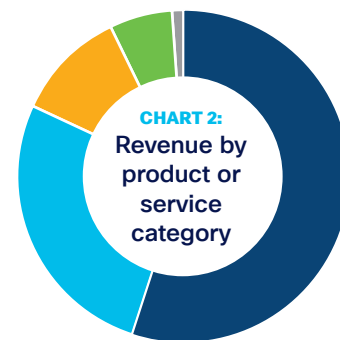- Optical networking
- Unified Computing System (UCS)

About this report

We use our Corporate Social Responsibility (CSR) Impact Report to share how we are managing and measuring progress against our CSR goals, as well as to respond to a broad set of stakeholder expectations and inquiries we receive throughout the year. This year, we are taking a new approach to reporting to better meet the needs of our various stakeholders. This fiscal 2020 CSR Impact Report details progress on our most pertinent issues over the year, as well as Cisco's responses to urgent challenges such as COVID-19. Supplementing this impact report is our Environmental, Social, and Governance (ESG) Reporting Hub, an expanded way to enhance our ESG reporting and transparency. Here you will find current information and data related to many aspects of our ESG focus areas, performance, policies, and initiatives. Finally, we are publishing a fiscal 2020 Environment Technical Review (ETR), which provides detailed environmental performance data.

Cisco's CSR reporting is in accordance with the standards of the Global Reporting Initiative (GRI): Core Application. We are a member of the GRI Community and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multistakeholder network, to take action towards a more sustainable economy and world.

CHART 1:
Revenue by geographical segment
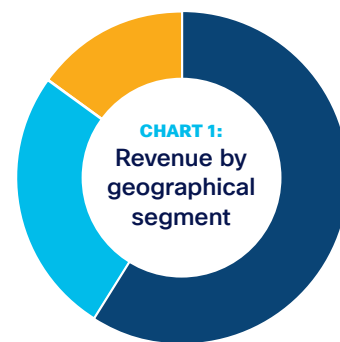
- Americas **59%**
- Europe, Middle East, and Africa (EMEA) **26%**
- Asia Pacific, Japan, and China (APJC) **15%**

CHART 2:
Revenue by product or service category

- Infrastructure platforms **55%**
- Services **27%**
- Applications **11%**
- Security **6%**
- Other **<1%**

GRI Community
Cisco Systems, Inc.
2020

Ours is a world shaped by the expanding capabilities of information technology, which have the potential to create opportunities—or deepen inequities.

Our vision is to help ensure that everyone has equitable access to opportunity. We believe we have a responsibility to help make that happen.

From increasing access to skills needed to thrive in a digital economy to supporting the most vulnerable in times of crisis, Cisco is committed to using our technology for social good. Our purpose goes beyond profits to benefit our employees, communities, and the planet.

We're proud to share our progress toward powering a more Inclusive Future for all.

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A message from Chuck Robbins

2020 has been a year unlike any we could have imagined. The successive battles of COVID-19, the resulting economic contraction and job losses, issues of systemic racism and inequities, natural disasters, and many more factors remind us of the challenges we face as a society. Businesses around the world realize we have a much larger role to play in helping to solve some of these challenges—now more than ever before. Running a great business and delivering for our customers, partners, employees, and shareholders is critical, but we have an opportunity—and a responsibility—to do more.

At Cisco, we believe in the power of technology and what it makes possible. During this pandemic, we've witnessed how technology has helped us reimagine our lives, become a critical lifeline for businesses, and connect our world—ensuring children continue to learn, providing people access to healthcare, allowing businesses to operate, and helping loved ones to stay close even if physically apart. Cisco sits at the heart of so many of these connections—helping keep our customers, partners, and employees safe, secure, and productive in this new world. Now more than ever, we believe that technology can be used for good to provide an opportunity for all, make a meaningful impact, and bring about a future that is better and brighter than the reality of today.

Years ago, we set out to change the way the world works, lives, plays, and learns. I believe we did just that by building networks that have shaped the Internet we know today. But our responsibilities don't end with technology. That's why in early 2020, Cisco announced a new purpose to power an Inclusive Future for all. Cisco will help bridge gaps of inequity and exclusion worldwide through the technology we build, our scale and extended ecosystem, our commitment to corporate social responsibility and social justice, our teams, and the support we bring to our communities.

Our purpose has guided our actions during this extraordinary year, compelling us not only to support healthcare workers and vulnerable communities with technology but also to address inequities inside and outside our company. It's our actions that will make the world we envision possible.

Throughout this report, you will have the opportunity to learn other ways in which Cisco is powering an Inclusive Future. Our actions align with the Ten Principles of the United Nations Global Compact, which Cisco signed in 2001 and continues to support. Our areas of focus include operating an ethical and trustworthy business, fostering a Conscious Culture, protecting the environment, sourcing responsibly, and more.

We are at a critical moment in the history of our nation and world. There is so much we can do to seize this moment and create a more inclusive and sustainable world together. I remain hopeful for the future and am optimistic that together we can continue to drive change and leave a lasting impact for generations to come.

Sincerely,

Chuck Robbins
Chairman and CEO

US$458 million in cash and in-kind contributions to community programs by Cisco and the Cisco Foundation[1]

US$53 million in cash and personal protective equipment to nonprofit organizations and first responders during COVID-19

527 million people positively impacted through our social impact grants and signature programs[2]

4th annual Cisco Global Problem Solver Challenge Grand Prize of US$100,000 awarded to Savanna Circuit Tech, which developed a solar-powered chilling system that helps small dairy farmers keep products fresh during transit

US$5 million pledged to organizations focused on social justice

#1 World's Best Work-place 2019 and 2020, according to Great Place to Work®

83% of Cisco's total global electricity was generated by wind, solar, and hydroelectric sources, including 100% in the U.S. and parts of Europe, and 60% in India

55% absolute reduction in total Scope 1 and 2 greenhouse gas emissions (FY07 baseline)

Ranked No.1 in The Gartner Supply Chain Top 25 for 2020 report

415W power requirements of the Cisco 8201 router, 26x less than a predecessor, the NCS 6008

81% employee participation in community impact achieved, allowing us to meet our FY20 goal

2.3 million students participated in Cisco Networking Academy in FY20, bringing the total since inception in 1997 to 12.6 million students

[1] This includes US$313 million of in-kind contributions for the Cisco Networking Academy.
[2] Some of our social impact grantees receive funding from other organizations.

From a Conscious Culture to *an Inclusive Future*

A message from Francine Katsoudas, *Executive Vice President and Chief People Officer*

We believe that, together, we can create a better future for all—one that is equitable and inclusive.

To achieve this, we must continuously look at ways to improve our environment, focus on the characteristics that demonstrate who we are, and create positive experiences for everyone at Cisco. We intentionally create an environment where all employees can innovate and thrive.

This is what we call a Conscious Culture.
It's this culture that empowers our people to tackle the biggest challenges and opportunities. It creates an environment where we can develop cutting-edge solutions for our customers, thereby helping them to overcome their toughest obstacles. It enables growth and profitability of our business while setting us apart from our competitors.

It means that every one of us is aware and focused on the impact that we have on others. It's about seeing, embracing, and valuing differences of all kinds by strengthening the connection with those who are different from us. This brings out the best in our people, and it empowers us to be creative and challenge norms that no longer serve us.

Our Conscious Culture is our way of being, and this is what drives our commitment to serving our communities.

Last year, we embarked on a journey to transform Human Resources from a traditional department focused on maximizing internal resources into an organization that thinks about the broad impact on internal and external communities alike, looking equally at people, business, and society.

We call our organization People & Communities.
This was a big change, and the timing couldn't have been more perfect as we navigated a global pandemic, addressed social injustices, and adapted quickly to so many unknowns.

We hold ourselves, as well as our customers, partners, and suppliers, accountable for serving global communities and creating a safe environment for all. We see now, more than ever, the role that technology can play in solving some of the world's biggest challenges.

We believe an Inclusive Future is not only possible, it is Cisco's purpose to do our part in bringing this to life with our technology, ecosystem, and commitment.

Sincerely,

Francine Katsoudas
Francine Katsoudas
Executive Vice President and Chief People Officer

A purpose that *includes everyone*

A conversation with Tae Yoo, Cisco's Senior Vice President, Corporate Affairs

Q: Cisco has introduced a new purpose to power an Inclusive Future for all. What role will Cisco's CSR programs play in bringing this purpose to life?

A: Powering an Inclusive Future for all is not a recent development. The power of our technology to create positive outcomes on a global scale was immediately apparent to Cisco's founders and has been core to our CSR programs ever since. We have always focused on providing individuals and communities with access to opportunities—helping people get their basic needs met, obtain relevant skills, and find or create meaningful employment in a digital economy. Together with our employees and partners in the public and nonprofit sectors, we are excited about the future and our potential to drive even greater outcomes as we work to create a more inclusive world.

Q: 2020 was an unusual year by any measure, with significantly increased needs as the world responded to COVID-19. How did Cisco help its nonprofit partners pivot to the new realities brought on by the pandemic?

A: We bring to bear all our available resources—the passion of our employees, our funding, our technology, and our expertise—to support our nonprofit community partners who are working tirelessly to improve lives around the globe. Through our CSR model of investing in early-stage tech solutions, our partners were already using technology to deliver their programs and services. This enabled them to quickly pivot, rapidly accelerate, and deliver different types of services to address the new and emerging needs resulting from COVID-19. It's also an indicator that they are well-positioned to evolve as new technology and circumstances (including crises) emerge. Looking ahead, we will continue to accelerate innovation with our existing partners, while seeding new opportunity with emerging partners.

Q: What did you learn through the initial phase of the pandemic? And what do you believe is next?

A: One of the greatest lessons we've learned from the pandemic is that we indeed can adapt, function, and innovate in this new normal. Although we were physically distanced in order to reduce the spread of COVID-19, we have found creative ways of getting together, getting engaged, and getting things done.

At the same time, we understand that the road forward, post-pandemic, is not an easy one. To avoid reinforcing prior inequities and vulnerabilities, it is critical that we apply significant effort on rebuilding. Of course, no single organization can tackle this alone. It's more important than ever that we work together (businesses, nonprofits, governments) to help rebuild in a way that ensures positive outcomes and opportunity for all. At Cisco, we have a history of engaging in long-term partnerships and focusing on long-term commitments in service of an Inclusive Future. Living our purpose means continuing to get everyone involved, and that's exactly what we intend to do.

Corporate social responsibility at Cisco

Cisco's purpose is clear: *To power an Inclusive Future for all.* Our business is about connecting and making connections, which are critical to inclusivity. From our earliest days, Cisco's founders understood the power of our technology to create positive outcomes on a global scale. Through the years, however, we've learned that even the most transformative technology has no value if it isn't available to people or they don't know how to use it.

This understanding of what our products make possible—especially when combined with education and skills building—formed the foundation for meaningful corporate social responsibility (CSR) at Cisco. Today, our commitment to CSR starts at the top with our Board and senior leadership and is embedded throughout the organization.

Cisco's actions are grounded in our Conscious Culture, where trustworthiness and ethical conduct are expected and supported among our employees, suppliers, and business partners.

Corporate Affairs, as part of Cisco's People and Communities organization, stewards Cisco's strategic approach to CSR, including social investment programs and environmental sustainability. The organization also oversees our commitments to CSR performance and transparency.

Learn more about Cisco's approach to:

CSR Management and Governance

UN Sustainable Development Goals

Materiality

Stakeholder Engagement

Public Policy

ESG Ratings and Rankings

Latest ESG Ratings and Rankings

MSCI ESG RATINGS — AA

CDP — A List

3BL MEDIA 100 BEST CORPORATE CITIZENS 2020 — #4

SAM Sustainability Award Gold Class 2020 — Gold Class

FORTUNE BEST WORKPLACES — #1

#2 in IT Industry IPE Supply Chain Climate Action Index (SCTI) and Green Supply Chain Corporate Information Transparency Index (CITI) — IPE

EPA GREEN POWER PARTNER — #9, #8, #13

MEMBER OF Dow Jones Sustainability Indices In collaboration with SAM — Leader in CMT Communications Equipment

Materiality

Gaining clear insights into what is most important to our stakeholders and our business is important at Cisco. We utilize these inputs in our CSR strategy, programs, and reporting through a materiality assessment process that is conducted in full every two years. Our latest assessment, completed by an independent consultant in fiscal 2019, evaluated 16 topics as illustrated in the table below. A comprehensive understanding of the internal and external landscape of material topics is crucial to Cisco's strategic planning, reporting, and ultimately our performance. Therefore, we continuously improve on our data collection and analysis processes. Our fiscal 2021 materiality assessment will utilize multiple methods, including big data and direct stakeholder input. A full description of the materiality assessment process can be found online.

TABLE 1:

CSR Focus Areas and Pillar Alignment

CSR Focus Area	Priority Tier	Fiscal 2020 Pillar
Ethics and integrity	1	Trust and Responsibility
Data security and privacy	1	Trust and Responsibility
Employee training and development	1	Conscious Culture
Inclusion and diversity	1	Conscious Culture
Energy and GHGs	1	Environmental Impact, Circular Economy and Supply Chain Excellence
Supply chain sustainability	1	Circular Economy and Supply Chain Excellence
Material use and waste	1	Circular Economy and Supply Chain Excellence
Digital rights and Inclusion	2	Trust and Responsibility
Employee community benefits	2	Conscious Culture
Local community impact	2	Conscious Culture
IT skills and digital readiness	2	Technology for Good
Critical human needs and disaster relief	2	Technology for Good
IT solutions for the environment	2	Technology for Good
Solid waste from operations (trash)	3	Environmental Impact
Water	3	Environmental Impact, Circular Economy and Supply Chain Excellence
Economic inequality	3	Technology for Good

Stakeholder engagement

The materiality process is also supported, in part, by regular dialogue that allows us to better align our business to social and environmental needs. We partner with a wide range of global and local organizations to shape and extend the reach of our CSR programs, including governments, nonprofits, multilateral organizations, and peers. A full list of identified stakeholders is available online.

UN Sustainable Development Goals

To help achieve the vision of powering an Inclusive Future, it takes a global effort. That's one of the reasons our targeted CSR efforts align with many of the UN Sustainable Development Goals (SDGs). The 17 SDGs set forth a framework to build a better world for people and our planet by 2030 and are designed to be applied by governments and organizations worldwide.

The SDGs' success requires global cooperation and ambitious commitments—ideas that square perfectly with our own about inclusivity and giving back. A detailed picture of how Cisco's material issues, strategies, programs, and goals support the specific SDGs and targets can be found on our ESG Reporting Hub.

Goals and progress

Each year we report on progress toward Cisco's enterprise goals in our annual CSR report. For example, in 2006, Cisco set its first GHG emissions reduction goal. Since then, we have set other goals to engage employees, reduce environmental impacts in our supply chain, and benefit communities. Learn more throughout this report about how we made progress toward each of our goals.

Conscious Culture

Goal: Achieve 80% community impact participation, as measured by employees' actions, including advocating for causes they care deeply about, volunteering, donating, and participating in programs that positively impact communities by 2020.

Achieved. A new inclusive approach combined with digitization and data analytics made it easier than ever for employees to make a positive impact, and we achieved 81% participation.

Read more about our Conscious Culture.

Environmental Impact

Goal: Reduce total Cisco Scope 1 and 2 GHG emissions worldwide by 60% absolute by FY22 (FY07 baseline).

On Track. Our renewable energy purchases, plus over 440 energy efficiency projects completed at our facilities over the last 5 years, putting us well on the path toward achieving this goal. We reached a 55% reduction in FY20.

Goal: Use electricity generated from renewable sources for at least 85% of our global electricity by FY22.

On Track. New long-term and short-term renewable energy contracts have allowed us to achieve 100% renewable electricity in the U.S. and parts of Europe, and 60% in India. Globally, we reached 83% renewable in FY20.

Goal: Improve large rack-mounted equipment system power efficiency—as measured from the input power from the facility to the board-mounted ASICs, memory, and other chip devices—from 77% to 87% by FY22 (FY16 baseline).

On Track. To reach our power efficiency goal, we are adding printed circuit board design features to improve the flow of electrons to board components.

Read more about our Environmental Impact and view comprehensive environmental data in our ETR.

Circular Economy and Supply Chain Excellence

Goal: 80% of Cisco component, manufacturing, and logistics suppliers by spend will have a public, absolute GHG emissions reduction target by FY25.

On Track. In FY20, Cisco collaborated with industry peers to set clear expectations with suppliers in the electronics industry. 33% of our suppliers reported a public, absolute GHG emissions reduction target, which is a 10-point increase compared to last year.

Goal: 70% of Cisco component and manufacturing suppliers by spend will achieve a zero-waste diversion rate at one or more sites by FY25[3].

On Track. Cisco and our suppliers have continued to make progress toward zero-waste certifications at sites in China and Thailand. Over the last two years, 23% of our suppliers have achieved a zero-waste diversion rate at at least one site.

Goal: Reduce Cisco supply chain-related Scope 3 GHG emissions by 30% absolute by FY30 (FY19 base year)[4].

On Track. There is a standard one-year lag between when emissions occur at our suppliers and when they are reported to Cisco through CDP. This year, we have reported our FY19 base year. Progress against this goal will be reported in our FY21 report.

Goal: Decrease use of virgin plastics by 20% by FY25 (FY18 base year)[5].

On Track. Accomplishments in FY20 include the launch of select models of the IP phone 8800 series and the Webex Room Kit Plus using 100% post-consumer recycled (PCR) plastic resin. The production of these products was delayed due to COVID-19, but will take full effect in FY21. COVID-19-related impacts largely drove our 26.1% reduction in FY20. Therefore, we do not consider the goal to be met and continue to drive progress.

Goal: Reduce foam used in Cisco product packaging by 75% as measured by weight by FY25 (FY19 base year).

On Track. In FY20, we reduced our use of foam in Cisco product packaging by 11.5% against a FY19 base year. However, COVID-19-related impacts largely drove our reduction.

Goal: Increase product packaging cube efficiency by 50% by FY25 (FY19 base year)[6].

On Track. In FY20, we refined our packaging efficiency goal to focus on package volume. We will begin reporting on this metric in our FY21 report.

Goal: 100% of new Cisco products and packaging to incorporate Circular Design Principles by FY25.

On Track. In FY21, we will institute a methodology to score products against the Circular Design Principles released in FY20. We will begin reporting on progress in our FY21 report.

Read more about Circular Economy and Supply Chain Excellence.

Technology for Good

Goal: Positively impact 1 billion people through our social impact grants and signature programs by 2025.

On Track. As of FY20, 527 million people have been positively impacted through our social impact grants and signature programs[7].

Goal: Reach 2 million Cisco Networking Academy students per year by 2020.

Achieved. We achieved this goal in FY19 and continue to reach over 2 million students yearly, with 2.3 million in FY20.

Read more about Technology for Good.

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[3] According to current standard definitions used in certification protocols, "zero waste" diversion is defined as a 90 percent or greater overall diversion of solid, nonhazardous wastes from landfill, incineration (waste-to-energy), and the environment. Diversion methods can include reduction, reuse, recycling, and/or compost.

[4] According to GRI, the term "base year" refers to the year against which the measurement is tracked over time. "Baseline" refers to the measurement itself.

[5] The plastics included in this goal make up the majority of Cisco's use. However, it excludes plastics contained in commodity components sourced from suppliers (such as printed circuit boards). Most of these electronic components require the electrical insulating property provided by plastics.

[6] This goal language has been slightly modified from that published in FY19, to better align with industry standard terminology. It does not reflect a change in the goal itself.

[7] Some of our social impact grantees receive funding from other organizations.

> "We are at a critical moment in history and so much is within our ability to shape it."
> – Chuck Robbins, CEO

Powering an *Inclusive Future* for all

Advanced technologies like artificial intelligence, machine learning, and big data have the potential to improve the quality of human life.

These technologies have helped fuel business opportunities in Silicon Valley and technology hubs in other parts of the world. But, the benefits and economic rewards of technology are not equally available to everyone.

Unequal opportunity plays out in many aspects of society, from disparities in education and healthcare, to systemic discrimination, to exposure to the worst impacts of climate change. If these conditions continue to go unaddressed, they will lead to even greater challenges and bigger divides for the many people left behind by the digital revolution.

Cisco believes in a world with equal access to opportunity. A world in which people and communities are inspired to work together to resolve collective challenges. A world in which businesses operate with all aspects of society in mind.

We believe that business leaders and policymakers must urgently step up to the challenges of inequity and create new pathways to economic prosperity, using our power to help dismantle barriers, spark new ideas, and ignite innovation.

Cisco is leading the way with a purpose to power an Inclusive Future for all.

We announced this new purpose in early 2020. And the ensuing year has given us ample opportunities to bring our purpose to life. On the pages that follow, you'll see how we are addressing injustice and inequality, COVID-19, and climate change—three major societal issues—through the lens of powering an Inclusive Future. You can read further examples of our purpose at work throughout this CSR Impact Report. By connecting people through technology, investing in underserved communities, taking action in support of social justice, and engaging our customers and peers, there's so much we can do to power an Inclusive Future for all.

Social Justice at Cisco

MORE than *words*

A Q&A with Shari Slate

Vice President,
Inclusive Future & Strategy and
Chief Inclusion & Collaboration Officer

Q What was the path Cisco took to this moment?

A Over the past five years, Cisco has taken courageous steps to fight injustice and inequality. We've taken a stand—and considerable actions—to help protect the equal rights, safety, and dignity of our people and communities around the world. Now, we are ready to reach higher. To rise up. To make seismic shifts in our company, our communities, and our society. As Dr. King put it, "the time is always right to do what is right."

Q What are Cisco's Social Justice Beliefs and Our Commitment to Action?

A We began by codifying a set of beliefs to further our purpose and demonstrate publicly who we are as an organization. Those beliefs influence how we act as a business, including our commitment to social justice.

We firmly believe in Technology for Good; Commitment to Justice; Addressing Insecurity of Being; Culture of Coalescence; and Curiosity, Proximity, and Empathy. These beliefs are constant, serving as an ever-present inspiration for our team and for Cisco globally.

One of the things that I am most proud of is how we didn't simply lay out a list of ideals that we would like to adhere to. We set out an action plan to make ideals reality and continue to take action. What we are doing isn't just for now—it is to build an Inclusive Future for all.

Q How has Cisco taken a stand for social justice over the past year?

A In September 2020, we publicly unveiled Cisco's Social Justice Beliefs and Our Commitment to Action. For all of us who poured our souls into creating this moment, it's a remarkable milestone. Because it's not just a platform for change. It's a bridge. Connecting longstanding challenges with new possibilities for overcoming them. Ushering in a future of fairness. Enabling bold, deliberate, intentional action whenever—and wherever—we see injustice and inequality.

Q How are you building support for this effort?

A We have learned a significant lesson on this journey, given the size and scope of the challenge we face—collaboration is essential. Nothing gets done if we don't collaborate.

We are leveraging the full Cisco ecosystem. Our new motion is to lock arms and invite others to join us in taking action. Part of that action is to work with our partners and support research to better understand opportunities that are ripe for investment—both financially and otherwise.

Q How will Cisco maintain the momentum into the future?

A We can't address every issue simultaneously—that's a formula for failure. The initial 12 actions we are taking as a company are designed to address issues that most specifically impact our African American/Black employees and communities. The impact we create and the lessons we learn from this critical effort will allow us to replicate and scale for everyone.

What affects any one of us affects all of us. Our Social Justice Beliefs and Our Commitment to Action are fundamental to driving change both within and beyond the walls of our company.

We will report our progress in future CSR Impact Reports. Today, we share our intent toward these 12 goals as an invitation to all who believe we can successfully fight injustice and inequality. An invitation to join us. Create a movement. Be the change. Will you join us in our mission to power for an Inclusive Future for all?

Connecting *in a time of crisis*

Cisco's response to COVID-19

COVID-19 has touched us all. And throughout this crisis, Cisco has responded as only we can—by enabling the world's networks to handle the sudden work-from-home surge, as well as providing collaboration tools that have brought people together virtually during this time.

From the pandemic's earliest days, Cisco was deemed an essential business offering critical infrastructure. We prioritized orders from first responders and essential services and supported the rapidly-changing needs of healthcare facilities. At the same time, we provided, and continue to provide, solutions to help communities, customers, suppliers, and partners to operate effectively in virtual environments across the globe.

Our response was rooted in a long history of responding to global challenges. In the context of this pandemic, here is how Cisco helped each of our stakeholders rebuild:

For our customers

For many of our customers, life changed almost overnight as they were forced to close or shift to remote work. To support this transition, Cisco introduced a variety of free offers and trials for our Webex and security technologies, as well as US$2.5 billion in financing to help keep businesses running. The Business Resiliency Program, offered by Cisco Capital, includes an up-front 90-day payment holiday and allows customers to defer 95 percent of the cost of a new product or solution until 2021.

In partnership with suppliers, we developed a new order prioritization process that enabled the fulfillment of over 2500 critical customer infrastructure requests related to first responders. For healthcare customers, we provided essential technology to support remote connectivity and telemedicine; customized solutions to support the rapid ramp-up of ICUs, temporary clinics, and COVID-19 test sites; and enabled medical device integration and remote access to medical data. For customers who manage factories, distribution warehouses, and other facilities that require personnel to be on site, we've provided solutions that will help to ensure employee safety and privacy, while allowing them to remain productive.

For our employees

While many Cisco employees were already equipped to work from home, we increased our capacity sevenfold to support 140,000 remote employees and contractors in just 10 days. This required expanding the capacity of our VPN, providing employees with needed equipment, and broadening our global IT support. While the majority of our workforce continues to work remotely, we are thinking ahead to necessary protocols as employees return to the office. For example, we are performing contact tracing where required, and we limit data collection in proximity reporting and health screening to protect employees' privacy.

We have also remained attuned to employee wellbeing. During regular virtual Check-Ins, our executive leadership team, along with medical and mental health experts and special guests, have offered business updates, medical guidance, perspective, and inspiration. We've also given employees several extra paid holidays to be with family or reset and recharge.

COVID-19 *cont.*

For our manufacturing suppliers

We engaged our manufacturing partners and components suppliers early in the pandemic, sharing guidelines on responsible business conduct and ensuring they had protections in place for safe onsite work. As the situation evolved, we reviewed response plans that our manufacturing partners developed. When temporary shutdowns or capacity reductions were needed, we leveraged our global network to continue to meet customer needs. Moving forward, we are continuing to honor our commitments to protect vulnerable workers and promote human rights in the supply chain. Learn more about our supply chain's response to COVID-19.

For our nonmanufacturing suppliers

Beyond suppliers who manufacture, transport, and repair Cisco products, we have a large network of indirect suppliers, including staffing companies who connect Cisco with our contract workforce. We supported these suppliers and our contingent workers by providing pay continuity to Cisco-placed workers who require access to Cisco locations to perform their services, temporarily extending tenure limits and providing designated days off to recharge. We maintained regular communication with these workers through a website, invitations to Cisco Check-Ins, and a hotline with our Chief Procurement Officer for situation updates and rapid actions. For diverse suppliers who have participated in our sponsorship programs, we provided curriculum training on Cisco's COVID-19 response, Webex solutions, and virtual meeting trends to help them work as effectively as possible in this new environment.

For our communities

We also remain aware that people who were vulnerable before the pandemic now face even more risks to their health, stability, housing, and wellbeing. The nonprofits that serve these populations have seen declines in volunteer capacity and financial support, on top of the challenges of complying with social distancing requirements. Cisco has stepped in to help organizations near and far, donating US$53 million in cash and personal protective equipment to organizations addressing these vulnerable citizens. This included US$10 million to Destination: Home to support a Financial Assistance Program for residents of Santa Clara County, California who lost income due to COVID-19. We also invited customers, partners, and suppliers to join us in uplifting vulnerable communities through our Next Horizon Impact initiative, and launched an employee matching gift campaign that raised over US$3 million for nonprofit partners.

For governments and front-line workers

Part of Cisco's contribution to COVID-19 relief was US$7 million that went to the United Nations Foundation's COVID-19 Solidarity Response Fund, supporting the World Health Organization's (WHO) worldwide efforts to prevent, detect, and manage the spread of the virus. Through our Country Digital Acceleration (CDA) program, we provided funding for heads of state, government agencies, and businesses to rapidly deploy COVID-19-related technology solutions. Webex collaboration technology also enabled institutions like the G20 and U.S. Congress to transition to secure virtual meetings.

We also helped essential medical professionals in multiple creative ways. Teleconferencing equipment in Cisco offices was donated to local hospitals to be used for telehealth visits. Stanford Children's Health, one of the hospitals that received a donated system, was able to increase virtual visits from 30 to 700 per day as a result. Cisco donated 5.3 million KN95 masks and more than 750,000 surgical masks and face shields, some of which were 3D-printed by Cisco volunteers worldwide.

Cisco's four pillars for an Inclusive Future

While COVID-19 has been a major focus of our efforts over the past year, the pandemic will not be the last major crisis that we confront. To enable Cisco to be a part of solutions for any crisis, injustice, or global challenge, we have developed a new framework, anchored by four primary pillars of response:

1
The Most Vulnerable
Focusing on the nonprofits and partners that support underserved communities, first responders, and those disproportionately impacted by systemic issues and crises

2
Families and Community
Expanding care and wellbeing services beyond our employees

3
Research and Resilience
Supporting technology solutions that can advance healthcare research and address social inequities

4
Strategic Recovery
Helping healthcare and education institutions provide care and pathways to job opportunities during times of uncertainty

Addressing climate change:

How we're *doing* our part

In a year of urgent global challenges, we haven't lost sight of one of the most critical and complex challenges that humanity faces: reversing the advance of climate change, which is already affecting people and ecosystems around the globe, especially vulnerable populations. We can't do it alone, but Cisco is doing our part by reducing the impacts of our operations and supply chain, contributing to a circular economy, and helping customers decrease GHG emissions. We're also supporting communities experiencing direct effects of a changing climate, like extreme weather, as well as indirect effects such as hunger, displacement, and conflict. Here are a few of the ways we're making a difference:

Renewable energy
We're continuing investments in solar and wind energy, including energy for onsite and offsite renewable opportunities across our owned operations.

Circular design and consumption
By designing our products and packaging for reuse, repair, recycling, and resource efficiency, and managing our equipment for multiple lifecycles, we decrease the emissions associated with extracting materials and manufacturing new products.

Remote collaboration tools
The same remote collaboration technologies that, for years, have allowed people to work and meet from anywhere and reduce physical travel were available to support 2020's massive transition to remote work.

Smart buildings and cities
Smart solutions enabled by Cisco networking technology not only help drive connectivity, productivity, and security for buildings, cities, and communities; they also help reduce energy consumption.
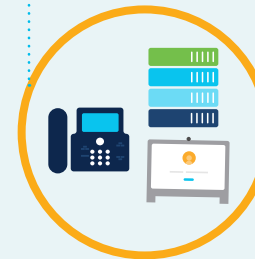
Efficient products
New products, such as the Cisco 8000 Series routers, use a variety of design features to reduce energy consumption and material use, both of which reduce GHG emissions.

Employee engagement
We engage our people with events and opportunities to raise awareness and create a sense of community around sustainability.

Energy efficiency in our operations
Cisco has invested in hundreds of projects to improve the efficiency of our offices, labs, and data centers worldwide.

Extreme weather and crisis response
Cisco's Tactical Operations (TacOps) team is often the first to respond in the aftermath of natural disasters and other crises, providing connectivity for local organizations so they can begin to rebuild.

Supply chain emissions
We work with our component suppliers, manufacturing partners, and logistics providers to reduce emissions and to set targets for absolute GHG emissions reductions.

Trust and Responsibility

Data breaches on the rise

Globally, distributed denial-of-service (DDoS) attacks are expected to double from 7.9 million in 2018 to 15.4 million by 2023—potentially creating significant disruption for businesses.

Why this matters to our business

Cisco's networking, security, collaboration, and cloud solutions help secure and protect the lifeblood of the global economy.

More than 80 percent of the world's web traffic travels securely across Cisco connections, and our software and solutions protect and keep private the data of over 500,000 organizations, from the public sector, to critical infrastructure, to the Fortune 500.

Given the critical nature of the solutions we provide, holding ourselves to the highest standards of a trustworthy, transparent, and accountable company is vital. This requires us to design solutions with security and privacy embedded

from the start, and to be constantly vigilant against intrusions and misuse. It also requires applying global principles of human rights to supplier selection; the design, manufacturing, and sale of our solutions; and working to integrate a human rights perspective across Cisco's global business.

Earning and upholding stakeholder trust goes beyond the integrity of solutions and networks. It also speaks to our financial transparency and high standards of ethical conduct. Cisco has forged trusted relationships among global stakeholders and has appeared on awards lists such as the World's Most Ethical Companies and the Just 100.

Our business—and our world—are undergoing rapid change. As we evolve in response to emerging customer needs, we'll continue to connect everything securely, privately, and responsibly, so that anything is possible.

Secure virtual classrooms

As workplaces and schools go online, so do online trolls intent on disruption and harassment. This is a nuisance for any organization, but presents a particular human rights risk for educators, who must keep children protected from these bad actors.

The importance of customer confidence

According to Cisco's 2019 Consumer Privacy Survey, roughly a third of consumers—whom we call Privacy Actives—care deeply about data privacy and have taken actions to protect it.
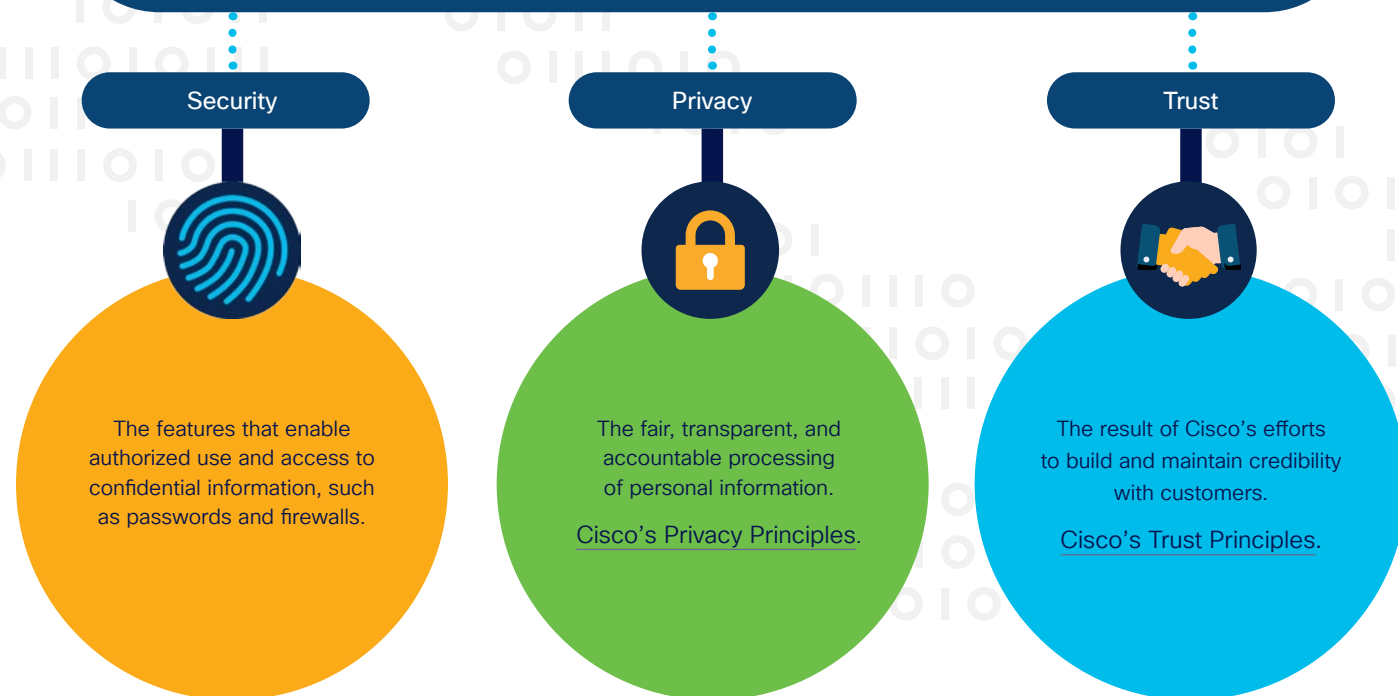
Security, privacy, and trust

How we engage

As organizations and individuals worldwide become more reliant on technology, there are more opportunities to connect and collaborate—but also more risks. Users are sharing increasing amounts of data, such as health records, banking information, and critical business files that are stored and transferred between a growing number of websites and applications. Data is a vital asset of business today. It must be managed with tools, processes, and policies that enable security and privacy across the entire business ecosystem.

Since our founding in 1984, security and privacy have been priorities for Cisco. As we have transitioned to provide more software-based solutions, having a strong security and privacy foundation has become more critical than ever. We've committed to invest across people, policies, processes, and technology to support the security, privacy, and resilience that leads to customer trust.

How we define security, privacy, and trust

When we use words like "privacy," "security," and "trust" at Cisco, what do we mean? Here's how we define these terms:

Security

The features that enable authorized use and access to confidential information, such as passwords and firewalls.

Privacy

The fair, transparent, and accountable processing of personal information.

Cisco's Privacy Principles.

Trust

The result of Cisco's efforts to build and maintain credibility with customers.

Cisco's Trust Principles.

Initiatives to enable progress

Employee engagement

Through awareness, workforce training, and education, we ensure that every Cisco employee understands their role in the security and privacy equation. By creating a collective sense of responsibility and ownership, we protect ourselves, our enterprise, and our customers; helping enhance security and privacy worldwide.

We educate employees through SecCon, our annual internal security conference, regularly held in multiple locations worldwide (with a virtual conference in 2020). We also keep risk mitigation top of mind with the Keeping Cisco Safe campaign. Beginning in 2017, this campaign introduced a group of animated monsters representing a range of cyberrisk, security, and privacy concepts. Using digital signage and interactive training modules, we engaged and broadened awareness among 97,000 employees and contingent workers. This led to a spike in reported incidents to the Data Protection and Privacy response team, indicating a better understanding and proper reporting of risks. The campaign was named a gold winner in *Info Security Product Guide's* 2020 Global Excellence Awards.

End-to-end security and privacy

Cisco embeds security and privacy by design and default with our Secure Development Lifecycle (SDL), a repeatable and measurable process that is now unified across all solutions and services we offer. This combination of tools, practices, and awareness increases the resiliency and trustworthiness of Cisco solutions throughout their lifecycles. New solutions are not released to customers until security and privacy requirements are embedded and confirmed.

Our tools, practices, and programs to raise awareness increase the resiliency and trustworthiness of Cisco solutions throughout their lifecycles.

We hold ourselves accountable for resolution of security and privacy incidents. When issues arise with Cisco's solutions, our global Product Security Incident Response Team (PSIRT) responds swiftly, using a playbook with documented resolution procedures. When security or privacy incidents occur, our Computer Security Incident Response Team (CSIRT) and/or our Data Incident Response Team (DIRT) kicks into gear. These 24/7 teams perform comprehensive incident investigation and prevention through threat assessment and detection, mitigation planning, incident trend analysis, and security architecture review.

We are committed to transparent disclosure and education of customers on security and privacy topics. Cisco releases a Transparency Report every six months to document the data requests we receive from law enforcement and national security agencies around the world. Additional documentation on the Trust Portal illustrates our thought leadership on security, privacy, and trust. Our Principled Approach to Government Requests for Data, outlines how we protect the privacy of our customers when responding to government demands for data.

Transparency extends to our solutions: our Transparency Service Center enables customers to inspect and test Cisco source code and other intellectual property—including hardware, software, and firmware—in dedicated, secure Cisco facilities. Customized engagements are tailored for customers to verify that Cisco provides trustworthy solutions. View our latest publications and policies on the ESG Reporting Hub.
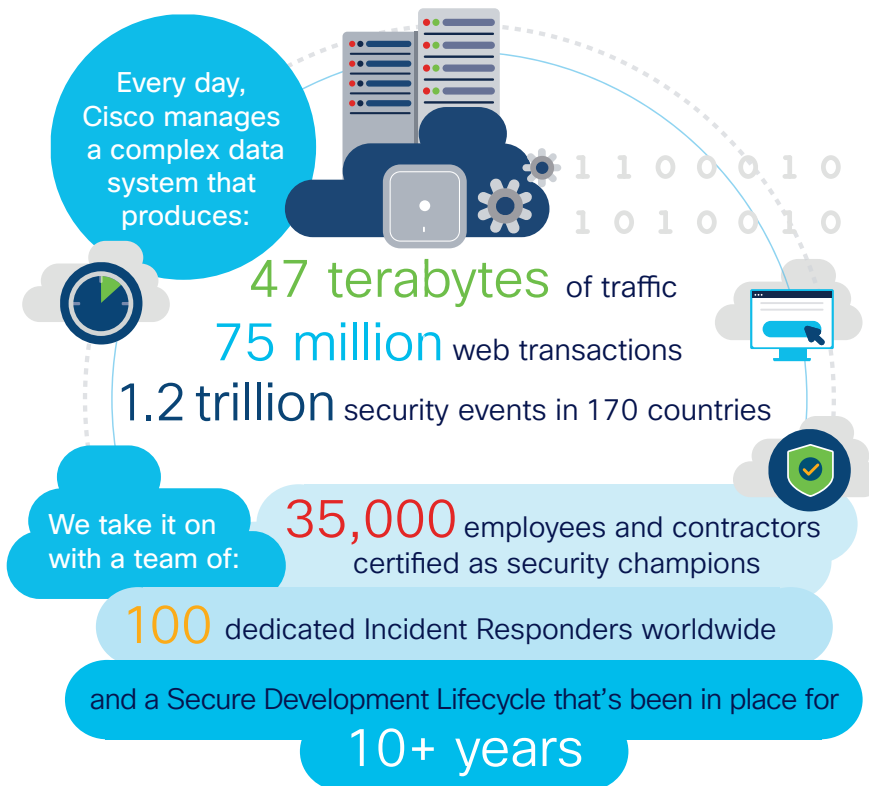
Investments in innovation

Today's cyber attacks are ever-evolving, so we must make investments to stay ahead. These investments include enhancements to the foundational security of our solutions, adding layers of security that help protect against counterfeit and unauthorized versions of hardware and software. We also manage a portfolio of 400 (and growing) products that are equipped with trustworthy capabilities to protect against cyber attacks, verify hardware and software integrity, and earn and maintain customer trust. These technologies, such as image signing, Secure Boot, Cisco Trust Anchor module, and runtime defenses, are integrated into many of our platforms to help ensure code is authentic, unmodified, and operating as intended.

We rigorously test and certify products—over 175 product lines in all—to meet global government security certifications and requirements. We also invest in advanced security research, conducted through 20 research partnerships in five countries.

The Scope and Scale of Cisco Security and Trust Organization

Securing a web ecosystem of this size is a big job. We invest across people, policies, processes, and technology to help us get it done.

Every day, Cisco manages a complex data system that produces:

47 terabytes of traffic
75 million web transactions
1.2 trillion security events in 170 countries

We take it on with a team of:

35,000 employees and contractors certified as security champions

100 dedicated Incident Responders worldwide

and a Secure Development Lifecycle that's been in place for

10+ years

Responding to global needs

At Cisco, we have always taken a global approach to privacy and security. Recognizing privacy as a fundamental human right, we work closely with regulators around the world to drive consistency in our approach to protecting and respecting privacy. We have a centralized Chief Privacy Office with regional officers leading each of the three major regions where we do business. Each regional officer chairs a Regional Privacy Council for their respective territory to ensure we are addressing local and country laws in our global approach.

To demonstrate our compliance capabilities and adherence to global privacy principles, we have certified our enterprisewide program to EU Binding Corporate Rules, APEC Cross-Border Privacy Rules system and Privacy Recognition for Processors, and the EU/UK/Swiss-U.S. Privacy Shield. In the U.S., we continue to call for federal privacy legislation that ensures a consistent baseline of protection for all users.

Beyond Cisco: Enhancing global awareness

By embedding security and privacy throughout our operations and solutions and sharing our cyberresilience strategies widely, we earn and maintain customer trust and help make the world more safe and secure. When we all have better security and privacy practices, we're all better off. A few ways we engage with the public and private sectors to improve our collective cyberdefenses include:

- Advising governments and academia and participating in industry working groups to help develop better collective cyberresilience strategies

- Encouraging standards organizations to accelerate the advancement of technology engineered with security, privacy, and trust by design and default

- Raising concerns when government legislation could potentially impact the security or privacy of technology

- Spearheading agreements to share threat intelligence with select organizations, such as NATO and Interpol, to jointly fight cybercrime

- Investing in our first Center of Excellence and Co-Innovation to focus on security and privacy

- Publishing new research and leading practices in Cisco's Trust Center to transparently share what we have learned publicly

- Participating in events such as National Cybersecurity Awareness Month, initially in the U.S. and now in multiple countries

- Leading efforts to build the next generation of security talent and improve inclusion and diversity across Cisco and the industry, including:
  – Working with global universities on research projects and programs dedicated to the enhancement of security and privacy
  – Teaching security courses to diverse students through the Cisco Networking Academy and working with higher educational institutions to develop security and privacy curricula

OF INTEREST

Collaboration without compromise: Keeping Webex secure during COVID-19

The need for secure collaboration technologies like Cisco Webex, our videoconferencing platform, has been especially critical during the COVID-19 pandemic. As the largest enterprise security company in the world, Cisco was uniquely positioned to provide unparalleled, secure collaboration services to our customers as workforces around the globe went remote.

Knowing that bad actors would exploit individuals whose work-from-home environment was not secure, we helped customers implement secure networked systems for remote workforces, ensuring their businesses stayed productive. We also published a white paper with tips and resources for keeping one's family cybersafe.

Videoconferencing became a staple of many people's personal and professional lives, and demand for Cisco's secure Webex capabilities skyrocketed. We hosted 14 billion meeting minutes in March alone, more than double the number in February. We sustained this level of use throughout the year, hosting 26 billion minutes in October 2020 compared to just 7 billion minutes in the same month in 2019. Users took note of Webex's distinctive features, including never compromising security for convenience or speed. Unlike other services, Cisco turns data sharing off by default, allowing users to choose exactly what they are willing to share. We also have maintained strong controls to keep meeting rooms secure and to encrypt all meeting recordings and transcriptions.

Because of Cisco's approach to security and privacy by design, we were ready to meet critical demand during these extraordinary times. As almost every business learned to navigate a new reality, the end-to-end security of solutions like Webex gave our customers one less thing to worry about—so they could focus on staying connected and productive.

In March 2020:

3300
new organizations signed up for Duo Security in one week

5.02 million meetings
in a single day (twice the prepandemic average)

240,000
Webex sign-ups in 24 hours

14 billion meeting minutes

Ethics and integrity

How we engage

The foundation of Cisco's Conscious Culture is a steadfast commitment to maintaining the highest standards of business and professional conduct and compliance. We consistently uphold strong values and strive to make the right choices in how we conduct business, which helps us earn the trust of our customers, governments, and stakeholders around the world.
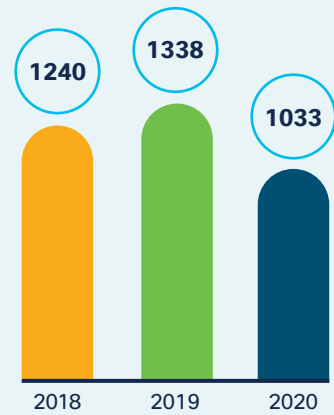
Our Code of Business Conduct (COBC) captures our values and expectations of employees and is a toolkit that they can reference to make business decisions and resolve potential ethical issues. We are continuously updating the COBC to keep it up to date, as well as to make it informative and engaging for readers.

If an employee identifies a concern or has a question that the COBC doesn't answer, we encourage them to reach out to the Ethics Office, their Human Resources representative, a member of the Legal team, or their manager. Contact information for the Ethics Office is available here. We foster a culture in which employees can speak up with any concerns, without fear of retaliation. We believe that employees understand our policies and feel comfortable speaking up when necessary.

Technology plays an increasingly important role in how we gather, act, and report on concerns shared. It also allows us to prevent potential violations from occurring. Over the past year, Cisco's Ethics Office made several technology-driven improvements to our approach.

We consistently uphold strong values and strive to make the right choices in how we conduct business.

CHART 3:
Inquiries made to the Ethics Office

- 1240 — 2018
- 1338 — 2019
- 1033 — 2020

CHART 4:
Inquiries by Type[8]

- 47%
- 33%
- 21%

- ● Allegations of misconduct
- ● Conflict of interest disclosure
- ● Questions

[8] *Percentages do not total 100% due to rounding.*

Initiatives to enable progress

A new communication strategy

It's up to the Ethics Office to continually keep ethics issues and expectations top of mind for employees. To make ethics-related messages more memorable, we launched a new communications strategy in fiscal 2020. This included using digital signage in Cisco's offices to share compliance and ethics messages in a positive, engaging way.

To reinforce understanding of our policies, we published quizzes and polls on Cisco's employee intranet. We also shared "scrubbed cases," or real-life examples of violations that have taken place within the company, with identifying details removed. This level of transparency gives employees a greater understanding of ethical conflicts and violations, as well as the consequences. Cisco is proud to be one of the few companies to share this type of information with our employees.

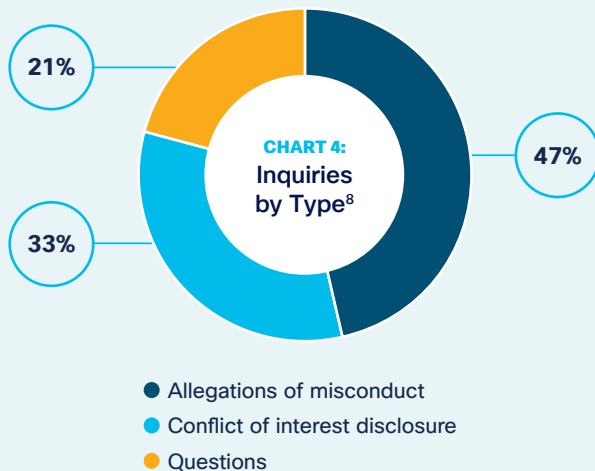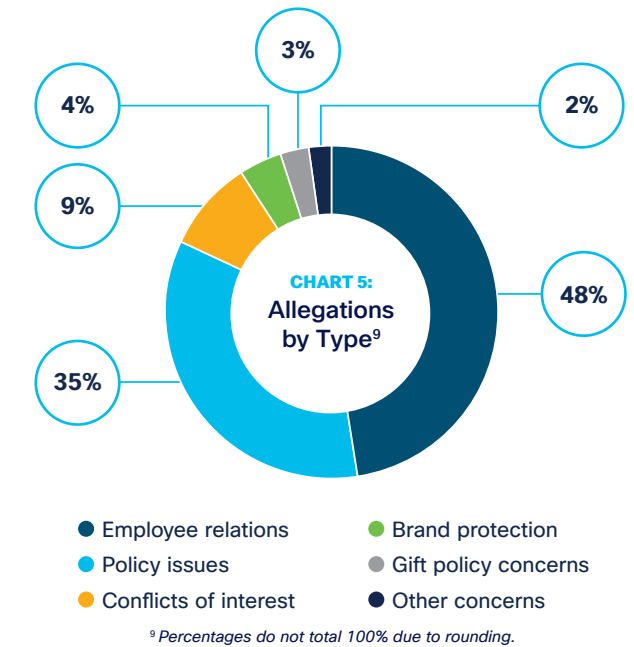### A new and improved code of business conduct

Our COBC is updated annually, and every employee must review and certify each year. In fiscal 2020, we made updates to explain how ethical and compliant behavior supports a Conscious Culture. The COBC published in fiscal 2020 took this a step further, using interactive e-learning to reinforce for readers that our policies do not exist in isolation—they must be put to practical use every day.

The e-learning module accompanying the COBC incorporates real-life examples and prompts throughout each section to check understanding. An improved compliance tool allows us to launch the COBC to a global audience of 75,000 employees with improved efficiency and increased agile reporting capabilities.

Reducing risk through proper categorization of gifts

One area in which we are working to improve employee understanding and compliance is regarding gifts, travel, and entertainment (GTE) expenses. In our latest COBC update, we created a simplified list of dos and don'ts for gift-giving.

Employees must keep special considerations in mind for public-sector officials, who may have stricter requirements than private-sector customers for acceptable gifts. However, it is not always apparent whether a customer belongs to a private- or public-sector organization, leading to frequent miscategorization of gifts and possible noncompliance with local regulations. A new GTE Disclosure Tool and the SAP Concur expense reimbursement tools allow employees to search and proactively determine a customer's organizational affiliation so that they can ensure any gift-giving complies with Cisco's regulations and those of any country. After the introduction of this new feature, third-party miscategorizations during the nominal gift-giving process have decreased from several thousand to almost zero.

CHART 5:
Allegations by Type[9]

- 3%
- 4%
- 9%
- 35%
- 2%
- 48%

- ● Employee relations
- ● Policy issues
- ● Conflicts of interest
- ● Brand protection
- ● Gift policy concerns
- ● Other concerns

[9] *Percentages do not total 100% due to rounding.*

OF INTEREST

Stopping high-risk deals in their tracks

While the vast majority of our sales are conducted fairly and ethically, rare instances of fraud, such as discount manipulation, do occur. Beyond hurting Cisco financially, this behavior violates our COBC and damages our reputation as an ethical company.

We strive to prevent fraudulent deals from happening, rather than addressing them after the fact. While we cannot always predict when and where fraud will occur, we can predict what variables put deals at a higher risk. Starting in fiscal 2020, a new engine built on a predictive algorithm helps us identify high-risk deals based on variables such as product type, market segment, partner history and audit findings, discount trend analysis from recent years, and more. The algorithm generates a risk score for each deal. This score is sent to Cisco's finance team for additional review, and Sales Account Managers for additional documentation to prove that it is legitimate. If Account Managers cannot produce sufficient proof, deals may be rejected or canceled. In certain situations, the flagged deals will have their discounts adjusted, which saves Cisco money.

Following a successful pilot of this high-risk deal engine, we're now rolling out the tool to all countries where Cisco operates. We're sharing our wisdom and learning with others. Knowing our industry peers face many of the same challenges that we do regarding high-risk deals, we have shared this risk-ranking system at multiple conferences and meetings of industry groups.

Business and human rights

How we engage

As technology continues to advance and open new opportunities for communication and innovation, there is also increased risk for it to be used in ways inconsistent with laws or international norms regarding human rights. Cisco has long recognized that we have a responsibility to respect human rights. We are meeting this responsibility in a way that reflects the global nature of our business, the complexity of our supply chain and selling programs, and the rapid nature of innovation throughout our business units. A centralized Business and Human Rights (BHR) team, formed in fiscal 2019, leads this work. BHR is led by our Vice President and Deputy General Counsel, who reports to our Executive Vice President, Chief Legal Officer, and Chief Compliance Officer. BHR's work builds upon Cisco's longstanding commitment to human rights, captured in our Global Human Rights Policy. This policy acknowledges our corporate responsibility to respect human rights as enshrined in the United Nations Guiding Principles on Business and Human Rights (UNGPs).

BHR identifies potential human rights risks and advises the business on strategies to prevent, mitigate, and account for them. It then works across functions to make these strategies standard practice. As an internal clearinghouse for human rights matters, the team answers questions, conducts due diligence to inform business decisions and product development, and trains employees who may face human rights challenges in the course of their daily work.

We continually revise our Global Human Rights Policy to strengthen our human rights commitment. In fiscal 2020, we reviewed and updated the list of treaties, covenants, and global norms that guide Cisco's approach to human rights, including the UN Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Read more about Cisco's approach to human rights in the supply chain.

Initiatives to enable progress

Assessing risk across our portfolio
Consistent with our commitment to the UNGPs, we're taking steps to identify, prevent, mitigate, and account for human rights risks throughout our product portfolio. During fiscal 2020, we assessed three Cisco business units—Security, Collaboration, and Internet of Things—for salient human rights issues. This exercise included reviews of product pipelines, interviews with Cisco leaders, and discussions with external experts in business and human rights. The saliency mapping resulted in new insights and led to recommendations including additional training, adherence to global products standards and prohibiting any customization designed to increase censorship and ensuring seamless compliance with all laws limiting product sales due to human rights implications. These findings and recommendations will be integrated into Cisco's human rights approach, and the work will continue as we apply this process to additional business units.

External engagement on human rights
Our thought leadership on technology and human rights is not limited to the walls of our company. Cisco subject matter experts and members of BHR continue to participate in grassroots organizations like RightsCon (held virtually in 2020) and share best practices through groups like the Article One Business Roundtable on Human Rights & AI, and the Business for Social Responsibility (BSR) Human Rights Working Group.

Artificial intelligence/machine learning (AI/ML)
Recognizing that AI/ML systems can result in legal or human rights implications for individuals, our BHR team led a cross-functional group as part of the overall AI/ML Trust Strategy (see next page) to develop offer requirements and controls so that our AI/ML solutions are designed with human rights principles in mind.

Supporting social justice

The Universal Declaration of Human Rights (UDHR) guarantees the right to equal protection against discrimination (UDHR Article 7). In fiscal 2020, the BHR team worked with teams across Cisco to articulate Social Justice Beliefs & Actions that represent a commitment to all groups, and specifically to the African American/Black community in the U.S. Read Cisco's Social Justice Beliefs and Actions here.
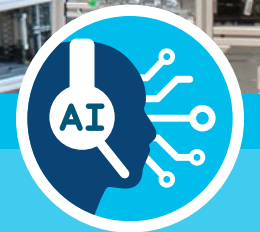
OF INTEREST
Responsible innovation in AI/ML

AI/ML is redefining our way of life, enabling machines to do what we once thought only humans could. As one of the leading providers of network, security, cloud, analytics, and collaboration solutions, AI/ML presents a powerful opportunity for Cisco. Rapid advancements in AI/ML technology require close attention to ethical and human rights issues, including security, privacy, fairness, explainability, transparency, and accountability. At the same time, both customers and governments are increasingly concerned about the human rights implications of AI/ML technology. Government regulations and standards are actively emerging that will require companies to innovate responsibly.

We are addressing these issues proactively through our AI/ML Trust Strategy, which leverages expertise across our engineering, security, privacy, human rights, and customer trust teams, among others. The Trust Strategy, which kicked off in 2019, includes a cross-functional effort to develop internal policies and standards that reflect a responsible approach to AI/ML development. The AI/ML Trust Strategy ties in with Cisco's Social Justice Beliefs and Actions. One of the critical components of the effort is designing relevant technologies to a set of "fairness" requirements in order to avoid unintended bias and purposeful violation of human rights, and to enable access for people with disabilities to the greatest extent possible.

We also named an executive sponsor to lead the AI/ML Trust Strategy, and will further strengthen the strategy during fiscal 2021 by reviewing our Cisco Secure Development Lifecycle (SDL) to adapt it to address unique scenarios that could arise in an AI/ML context. Next, we will conduct a series of pilots to test these requirements and continue to improve our approach.

Our AI/ML Trust Strategy will allow Cisco to continue to innovate, uphold our values, and meet the expectations of our customers, governments, and other stakeholders. In turn, we hope to shape industry best practice and the public discourse on responsible AI/ML.

Leading a Conscious Culture

Why this matters to our business

Cisco's relationship with our people is one of mutual benefit: our employees bring talent and ingenuity to everything we do, from designing products and solutions and protecting sensitive data to helping us power an Inclusive Future for all. In turn, we provide employees with meaningful careers and development opportunities, as well as resources to help them be healthy, empowered, and purposeful in all aspects of life.

Cisco has a responsibility to support our people through times of change and enable them to be their best. We do this by fostering a Conscious Culture. Living a Conscious Culture requires us to act with dignity, respect, fairness, and equity in each of our interactions with one another,

building a culture that allows us to become a catalyst for social change. By intentionally creating and cultivating an inclusive work environment where employees can thrive, Cisco is helping to bring about a better world.

Diversity drives results

Gender-diverse organizations are 45% more likely to improve market share and achieve 53% higher returns on equity than less diverse organizations.

The ongoing search for talent

Given high demand and competitive compensation for many roles, the technology sector sees some of the highest rates of turnover. Employers must set themselves apart with more than just a paycheck.

Setting employees up for success

People with sponsors, or people who advocate for their careers, are 23% more likely to advance their careers than those without. But the practice of sponsorship is unevenly distributed in the corporate world, with white men more likely to have sponsors than women and minorities.

What a Conscious Culture means to Cisco

To power an Inclusive Future for all, we must achieve a Conscious Culture within. At its core, a Conscious Culture means acting with dignity, respect, fairness, and equity in our interactions with one another. It's a culture in which we all model inclusion and speak up when we see behavior that's out of step with our beliefs.

We began to define Conscious Culture in fiscal 2019 as a set of expectations, principles, and measures that we believe best define Cisco's values, beliefs, and ethos. In a Conscious Culture, we give frequent attention to ourselves and to those around us. When we pay attention to ourselves and one another, we can see the strengths within all of us and harness them for the greater good. This allows us to design an ecosystem where we can collectively rally together to make an impact.

Conscious Culture has three components:

Environment
An inclusive, diverse environment that positively impacts people, society, and the planet is the foundation of a thriving culture.

Characteristics
Cultures are modeled by a company's beliefs, behaviors, rituals, and principles.

Experience
Culture is experienced through your work, your leader, and your teams.

The "characteristics" component of Conscious Culture includes our Principles, which articulate how employees can live our culture. These principles are:

Give your best.
Show a desire to be at your best and connect with others to share quickly with whomever needs it. Open your mind to ideas from everywhere and anywhere. And use those ideas to build on the possibilities to pour a little drop of love into our customers' worlds.

Take accountability.
Whatever comes your way, understand it and be personally accountable for its success. Assume the answer is "yes" and that you don't need to wait in line for permission. Check the data, but don't let that slow down taking responsibility. And deliver.

Give your ego the day off.
It's the best solution our customers need, not the best-protected Cisco turf, so support that solution, whatever the background of the person or team who came up with it. Have the debate and have a backbone. Make your point, then commit to what's been agreed and deliver it with agility and grace.

Take difference to heart.
We become bigger as individuals and more powerful as a collective when we respect and value what makes us so special: our unique, personal differences. Inclusion will always beat exclusion.

Give something of yourself.
A simple smile or "hi" every day is worth its weight in gold, so don't hide it away. Show care and consideration to your colleagues, our customers, our communities, our partners, and the world we all share. Be worthy of trust. Be an inspiration. Be delightful to everyone—even if you don't like them.

Take a bold step.
Whatever your position, show leadership and courage when it comes to innovating and disrupting. If it doesn't feel safe, be secure in the knowledge that shooting for the stars will always be a part of who we are. Together we can figure out how to get there, so let's dream big.

Conscious Culture informs all aspects of the Cisco employee experience—from how we support employees across the full spectrum of diversity to how we engage teams and give back to communities. On the following pages, you'll see the many ways that a Conscious Culture comes to life.

Inclusion and Collaboration

How we engage

Inclusion and Collaboration encompasses our one-of-a-kind approach to creating a welcoming work environment for all. Our technologies are central to our work, allowing everyone to have a seat at the table, even if they're not sitting in the same room. We are embedding our Inclusion and Collaboration strategy across the global enterprise. Cisco prioritizes full-spectrum diversity and inclusion across the company, recognizing that connecting people of all experiences and backgrounds allows us to innovate and collaborate at new heights.

Championing a Conscious Culture is one way Cisco can power an Inclusive Future from within. As this year has shown, we have a long way to go to achieve a society where all people have equal access to justice, as well as quality education, healthcare, job opportunities, and more. We've also been powerfully reminded that

racism in society can take many forms. It's demonstrated in the horrific murders of Black men, women, and nonbinary people—and it can also make its way into the workplace in the form of unequal representation and unconscious bias.

In fiscal 2021, Cisco announced our Social Justice Beliefs, which inspired a set of corresponding Actions. The first set of Actions are a response to systemic racism and a commitment to be antiracist in all forms. In line with this commitment, we've had honest, and at times, uncomfortable, conversations through regular virtual Check-Ins open to all 75,000+ Cisco employees. We continue to share transparent information about employee relations concerns—a critical indicator of how much more we still have to do.

We'll never stop pushing for justice, acceptance, and opportunity for all of our employees, suppliers, partners, and communities—because until we have a truly inclusive workplace, we can't create an Inclusive Future for all.

Initiatives to enable progress

Encouraging courageous conversations

Fostering a culture in which everyone feels welcome means learning new ways of thinking. In some cases, it can mean unlearning past attitudes and behaviors that may have caused harm or made others feel left out. While these conversations can be uncomfortable, they are a critical way for us to act according to our beliefs. In fiscal 2020, Cisco introduced a new Conscious Culture training program that addresses both workplace harassment and unconscious bias—two issues that greatly affect how we relate to each other at work. The training was required for all U.S. employees and will roll out globally in 2021.

Throughout the year, we supported teams in having courageous conversations about race relations through facilitated discussions, training, guides, and resources. We

also introduced new training on topics like inclusive behaviors and courageous conversations.

All new training was based on the principles of dialogue—bringing lessons to life by encouraging participants to share their authentic personal experiences. We put the training into practice during a company Check-In as we talked about different perspectives on topics such as COVID-19, racism, and our business. We offered guidance for engaging with each other in a proactive and productive way to help create constructive conversations. Our goal is to orient more toward conversations that are invitational and allow participants to exchange and expand their understanding, rather than closed or restrictive conversations that do not allow for learning to happen. This guidance allows us to be our best selves when our differences and opinions are vastly different. Ultimately, all of us have ownership and a role in building a truly Conscious Culture together.

The power of proximity

Bryan Stevenson, founder and Executive Director of the Equal Justice Initiative, introduced us to the concept of proximity during a fireside chat with Chuck Robbins during a special company meeting in 2019. In that conversation, he defined the concept of proximity as getting close to the disfavored and those who sit on the margins of society. Inspired by his call to action, Cisco began to leverage proximity as a mechanism for engaging across differences. We see it as a way to be curious and increase our understanding of injustice and inequality while allowing us to also develop empathy. Only through curiosity, proximity, and empathy can true impact and change be realized.

The goal of the 100-Day Sprint was to create solutions and experiences to tangibly improve the lived experiences, career trajectories, and representation across all levels of African American/Black talent at Cisco.

Transforming the lived experiences of African American/Black employees

Cisco regularly looks to our workforce diversity statistics to understand where we can improve. In late 2019, we recognized that our representation of African American/Black employees was lower than the aspiration we'd set for ourselves. We wanted to close the gap—but more than that, we wanted to address the root causes that allowed the gaps to exist in the first place. To do this, members of our Executive Leadership Team (ELT) reflected on their own social identities, explored how racism manifests in society and organizations, and discussed the role that leaders must play to mitigate it. This Conscious Leadership Experience took place in early 2020. We then conducted a session during which a group of African American/Black employees from all functions and levels of the company sat down with the ELT to share candid stories and feedback about their time at Cisco.

These experiences were meaningful examples of engaging in proximity. As a result of what they'd learned, our leaders asked us to take action. This led to a 100-Day Sprint with

the goal of creating solutions and experiences to tangibly improve the lived experiences, career trajectories, and representation across all levels of African American/Black talent at Cisco. We took action to radically improve the workplace experience for African American/Black employees, with workstreams including university and professional recruitment, promotions, employee listening, leadership development, sponsorship, reverse mentoring, and inclusion coaching.

Within 100 days, we conducted interviews to capture the authentic voice of our employees. By focusing on expanding our talent pipeline, we achieved the highest percentage of African American/Black hires in the history of the company. And we set records for the number of African American/Black women promoted to Vice President.

During the 100-Day Sprint, we also held our first-ever community-focused Talent Expo which was an opportunity for executives to get to know our talent. More than 130 Cisco executives connected with 422 African American/Black employees in Leader Connect sessions. These sessions enabled participants to understand

their strengths and development opportunities, how to navigate a career at Cisco, and how to build meaningful connections with executives.

Our marquee Next Generation Leader (NGL) program focuses on strengthening the employee-manager relationship between senior African American/Black and Hispanic/Latino talent. In fiscal 2020, we expanded the program to include more levels. It is one of the key programs focused on strengthening the employee-manager relationship through interracial dialogue, courageous conversations, and leadership development.

Our work is not yet done. We have announced our intent to further increase the representation of African American/Black employees, and will use lessons learned as a blueprint to promote full-spectrum diversity at every level.

OF INTEREST
Multiplying the benefits of sponsorship

Sponsorship is a critical success factor in developing and advancing diverse talent. Our global sponsorship research, which included 900 participants, revealed that one in six professionals globally has a sponsor. Because sponsorship is an always-on behavior based on appreciating and calling out the strengths of others, nearly half of successful sponsorship relationships are spent building trust. Over time, this relationship delivers career benefits for both sponsors and sponsees. Diverse sponsorship is particularly beneficial: our findings show that the best sponsors—those with the highest rates of sponsee promotion—seek out sponsees who are different from themselves.

Understanding these benefits, Cisco has incorporated sponsorship of African American/Black talent into our Social Justice Beliefs and Actions. Especially in challenging times, as conscious leaders, we are all accountable to help create an inclusive environment where employees can thrive. That's why, in 2017, Cisco introduced The Multiplier Effect, a pledge that leaders can take to sponsor a person different from themselves and support their career advancement. Since that time, the pledge has caused Cisco leaders to take bold, decisive action to open doors and overcome obstacles to change the equation for diversity. In fiscal 2020, we recognized six Vice Presidents as Multipliers of the Year for their stand-out commitment to sponsorship and The Multiplier Effect:

- **Denny Trevett**, Vice President of Customer Experience, assesses sponsorship as a measure of leadership readiness and connects his team members with sponsors.

- **Devendra Malladi**, Vice President of Customer Experience, ensures women and minority employees are introduced to The Multiplier Effect.

- **Chantelle Breithaupt**, Vice President of Finance, considers sponsorship a priority, focusing on it not only within her own leadership team but also the teams of her business partners. She has more than 10 sponsees.

- **Mahesh Chellappa**, Vice President of Engineering, has grown diversity on his team by 25 percent, as well as the diversity of leadership across other organizations in the Service Provider and Enterprise businesses through his sponsorship and mentoring.

- **Mike Solomita**, Vice President of Customer Experience, encourages and challenges his peers to sponsor diverse talent. He has set an example by promoting diverse talent within his organization, where he was recently recognized for having the most diverse team.

- **Muninder Sambi**, Vice President of Product Management, ensures his organization considers diversity in hiring, team events, and travel opportunities. He takes pride in cultivating teams that are supported and encouraged to grow.

The benefits of sponsorship don't end with Cisco. We are upgrading our tech platform so that more people can learn about sponsorship. Our hope is that they sign the pledge and join a growing list of companies committed to taking action.

Cisco leaders at all levels are committed to building a culture of sponsorship:

100% of vice presidents pledged
Goal 100%

100% of executive leadership team (ELT) pledged
Goal 100%

26% of directors pledged
Goal 20%

10% of managers pledged
Goal 10%

Supporting diverse employees at every stage

Our efforts to transform the work experience for diverse employees build upon programs already in place to help us attract, retain, and develop extraordinary diverse talent. In fiscal 2020, Cisco continued to have Inclusion and Collaboration Action Plans for each ELT member. These plans helped drive accountability and ensured our continued focus on hiring, promotions, and retention. At the same time, we focused on our Conscious Culture initiatives to increase full-spectrum diversity and inclusion and strive for equity. We continued to address areas where we found gaps in the representation and lived experience of underrepresented communities.

We partner with more than 20 external diversity and inclusion-focused organizations to help us attract, develop, and retain talent, including Executive Leadership Council (ELC), IT Senior Management Forum (ITSMF), Hispanic IT Executive Council (HITEC), Simmons Leadership Conference, Conferences for Women, Grace Hopper, YWCA, Out & Equal, Lesbians Who Tech, Vets in Tech, and many others. The learning and development solutions offered at Cisco, and the conferences that we participate in, can increase an employee's odds of being promoted. For example, employees who attended HITEC were 2.6 times more likely to get promoted than nonparticipants. While in-person events were mostly canceled this year, engagement was not. From intimate in-person conferences to large-scale virtual events, over 3000 Cisco employees were able to participate and benefit from these impactful development programs. As conferences pivoted to virtual formats in 2020, Cisco provided technology for many events that allowed diverse individuals to network and learn.

We continued leadership development programs for diverse employees, including NGL and global programs like JUMP and DARE Women's Development Program. We now have 30 employee resource organizations (EROs), a full listing of which is available in our ESG Reporting Hub.

1.1x to 2.6x

increase in an employee's odds of being promoted

when they participate in Cisco's learning and development solutions such as:

- HITEC
- JUMP
- ELC
- Simmons
- NGL
- Conferences for Women
- DARE
- Diversity Woman
- ITSMF

Maximizing diverse suppliers' potential

Cisco has a global supply base made up of tens of thousands of suppliers. We aim to continually increase our supply base's diversity, which can be defined in a number of ways. The U.S. government encourages its vendors to source from domestic businesses owned by citizens from the following disadvantaged categories:

- Small business
- Women-owned business
- Minority-owned business
- Veteran-owned business
- Service-disabled veteran-owned business
- Disabled veteran-owned business
- Historically underutilized business (HUB)

While LGBT-owned businesses do not fall under the U.S. federal government guidelines as a disadvantaged group, we track inclusion of these businesses as well. In addition, we ask suppliers to report the diversity of the contingent workers that they provide to Cisco.

Cisco's supplier diversity program develops and provides opportunities to diverse-owned businesses.

When it comes to increasing our diverse supplier spend, our goal is not only to add more diversity to our roster where there are gaps, but also to develop existing suppliers so that they can be as successful as possible. For the past two years, our executive sponsorship program has been helping us do exactly that. The program pairs diverse suppliers with Cisco executives for regular meetings during which suppliers learn more about Cisco's priorities and receive coaching and feedback. In fiscal 2020, a cohort of 15 new suppliers participated, and we refined the program by adding a robust curriculum and increasing Check-Ins based on participant feedback. Since launching in the U.S., the program has expanded to the U.K. In fiscal 2021, we will launch a U.S.-based program for African American/Black-owned businesses, and a program focused on women-owned businesses in India. WEConnect International, an organization that builds capacity among women business owners, will continue to help us verify women-owned businesses worldwide. Through our Social Justice Beliefs and Actions, we announced additional efforts, including doubling our percentage spend with diverse suppliers by 2023 and requiring our preferred indirect suppliers to report on the full-spectrum diversity of their U.S. workforce provided to Cisco.

Cisco's extended workforce

Supplier employees make up an extended workforce that is more than 17,000 people strong in the U.S. and more than 54,000 globally. We track not only diversity in ownership, but also the diversity of these suppliers' employees. We request these metrics from our nonmanufacturing preferred suppliers who have more than 50 U.S. individuals at Cisco. This reporting is part of each supplier's scorecard. In fiscal 2020, 39 preferred suppliers shared diversity metrics. From this data, we learned that the number of minorities in our contingent workforce increased by 2 percent. The overall representation of women, minorities, and veterans remains flat from fiscal 2019 at 29 percent of contingent workers.

90%

of competitive procurement sourcing opportunities included at least one diverse supplier

27%

win rate for diverse suppliers participating in these sourcing opportunities in fiscal 2020

Making it easy to choose diverse suppliers

Before an internal buyer can choose a diverse supplier, they must first be aware that such a supplier exists. This choice isn't easy or obvious when someone is simply selecting a product from an online catalog. Cisco has procurement tools and processes that help us do this. In fiscal 2020, we partnered with our catalog supplier to add a feature that highlights products sold by small or diverse-owned businesses in search results, thereby increasing their visibility. The supplier has since introduced this feature to its other business customers. Efforts like these help us create a stronger pipeline for long-term diverse supplier spend.

Responsible Procurement Award

The Responsible Procurement Award recognizes a supplier that shares and reflects Cisco's commitment to diversity, inclusion, and overall corporate social responsibility. The supplier must deliver high value and customer satisfaction combined with strong capabilities, continuous innovation, high ethical standards, and low risk. The 2020 winner was iTalent Digital, a digital consulting and software engineering company. iTalent was recognized for having the highest overall ranking of U.S. contingent workforce diversity provided to Cisco. In addition, the company empowers girls to pursue technology. iTalent's founder, Renée La Londe, created a Girls Leadership Academy Meetup to equip girls across the globe with skills and confidence to seek leadership roles. They also partner with the Kodada Institute of Technology and Science, an all-women engineering school in India.

Workforce snapshot

Cisco has published workforce diversity statistics as part of our CSR reporting since 2005. The diversity summary data below is based on fiscal 2020 data, and a total of 77,000+ Cisco employees.
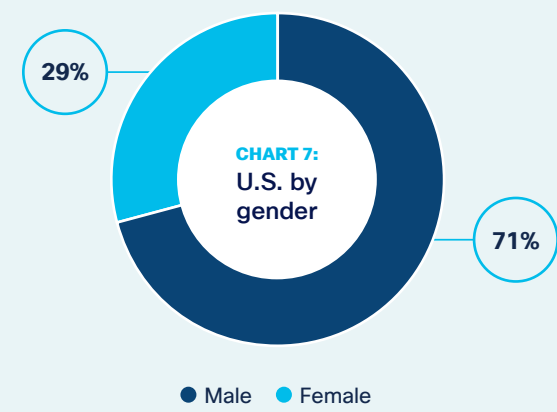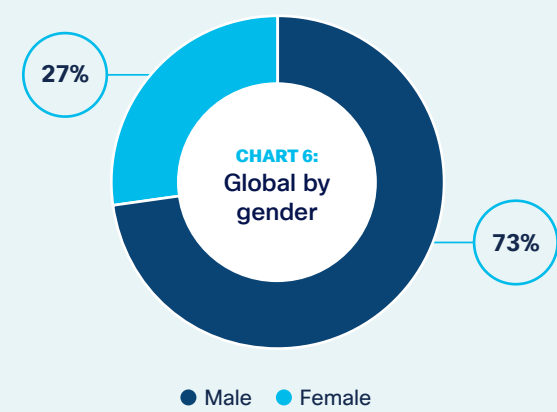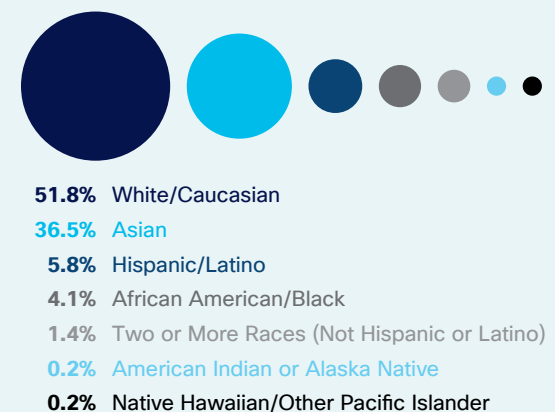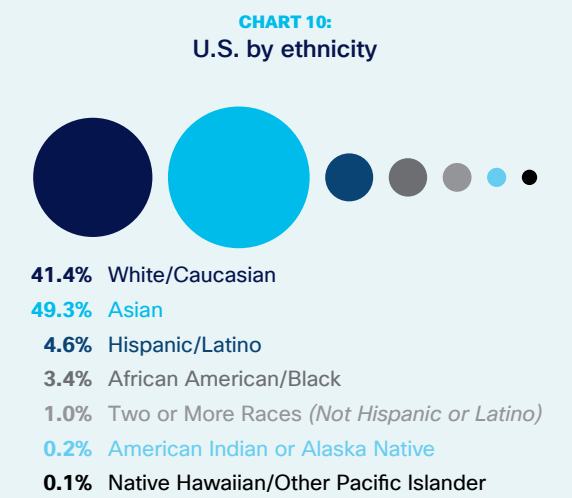
Overall workforce

CHART 6:
Global by gender

27%

73%

● Male ● Female

CHART 7:
U.S. by gender

29%

71%

● Male ● Female

CHART 8:
U.S. by ethnicity

- **51.8%** White/Caucasian
- **36.5%** Asian
- **5.8%** Hispanic/Latino
- **4.1%** African American/Black
- **1.4%** Two or More Races (Not Hispanic or Latino)
- **0.2%** American Indian or Alaska Native
- **0.2%** Native Hawaiian/Other Pacific Islander

Technical workforce

CHART 9:
Global by gender

17%

83%

● Male ● Female

CHART 10:
U.S. by ethnicity

- **41.4%** White/Caucasian
- **49.3%** Asian
- **4.6%** Hispanic/Latino
- **3.4%** African American/Black
- **1.0%** Two or More Races (Not Hispanic or Latino)
- **0.2%** American Indian or Alaska Native
- **0.1%** Native Hawaiian/Other Pacific Islander

Note: Values may not total 100% due to rounding.

Nontechnical workforce

CHART 11:
Global by gender

41%
59%

● Male ● Female

CHART 12:
U.S. by ethnicity

63.9% White/Caucasian
21.8% Asian
7.1% Hispanic/Latino
4.8% African American/Black
1.9% Two or More Races *(Not Hispanic or Latino)*
0.3% American Indian or Alaska Native
0.3% Native Hawaiian/Other Pacific Islander

New hires

CHART 13:
Global by gender

31%
69%

● Male ● Female

CHART 14:
U.S. by ethnicity

48.9% White/Caucasian
34.7% Asian
6.9% Hispanic/Latino
5.9% African American/Black
3.1% Two or More Races *(Not Hispanic or Latino)*
0.3% American Indian or Alaska Native
0.3% Native Hawaiian/Other Pacific Islander

Vice Presidents

CHART 15:
Global by gender

24%
76%

● Male ● Female

CHART 16:
U.S. by gender

25%
75%

● Male ● Female

CHART 17:
U.S. by ethnicity

66.4% White/Caucasian
26.9% Asian
3.9% Hispanic/Latino
1.8% African American/Black
0.7% Two or More Races *(Not Hispanic or Latino)*
0.4% American Indian or Alaska Native

People leaders

CHART 18:
Global by gender

24%
76%

● Male ● Female

CHART 19:
U.S. by gender

27%
73%

● Male ● Female

CHART 20:
U.S. managers by ethnicity

59.7% White/Caucasian
31.3% Asian
5.0% Hispanic/Latino
2.6% African American/Black
1.1% Two or More Races *(Not Hispanic or Latino)*
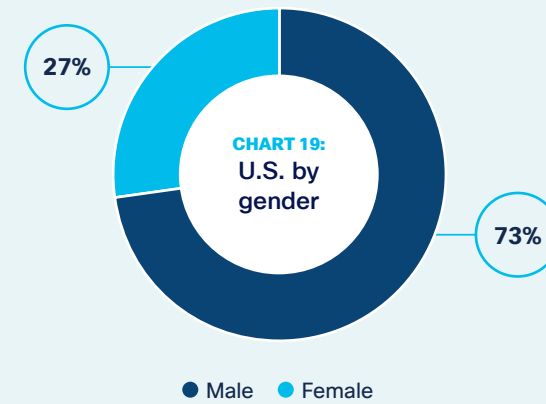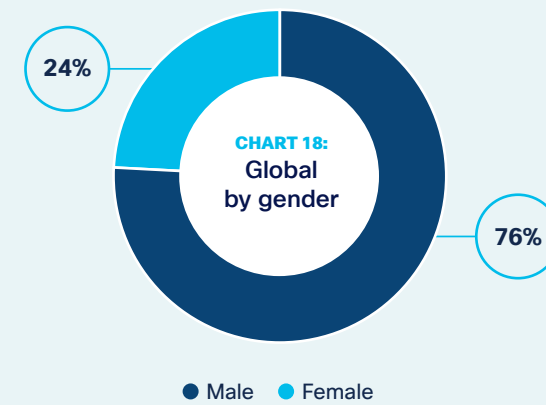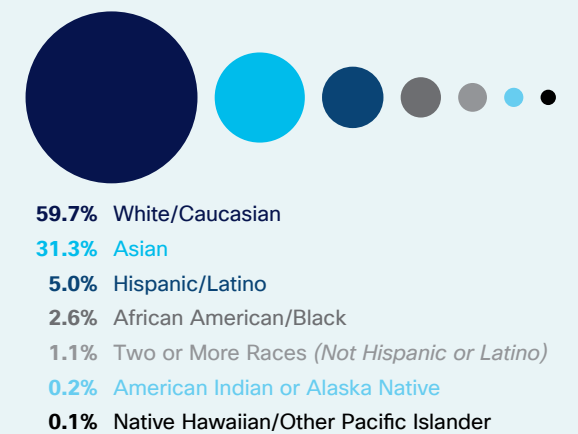**0.2%** American Indian or Alaska Native
0.1% Native Hawaiian/Other Pacific Islander

Note: Values may not total 100% due to rounding.

Note: Values may not total 100% due to rounding.

Executive Leadership Team

CHART 21:
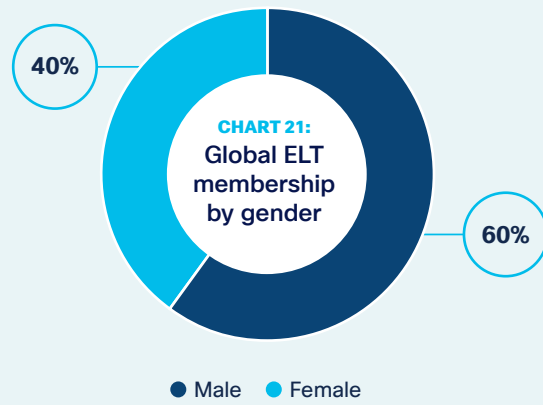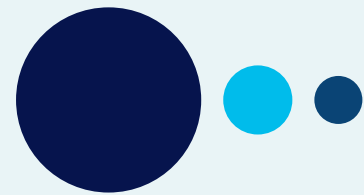**Global ELT membership by gender**

40%
60%

● Male ● Female

CHART 22:
ELT membership by ethnicity

64.3% White/Caucasian
21.4% Asian
14.3% Hispanic/Latino

Cisco Board

CHART 23:
Board membership by gender

30%
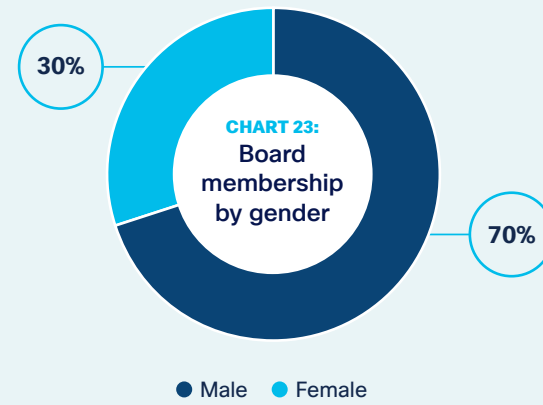70%

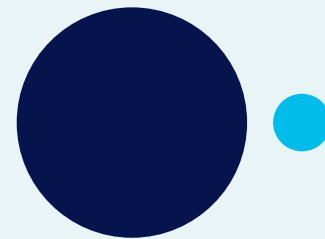● Male ● Female

CHART 24:
Board membership by ethnicity

80% White/Caucasian
20% Asian

Cisco Board members

M. Michele Burns

Wesley G. Bush

Michael D. Capellas

Mark Garrett

Dr. Kristina M. Johnson

Roderick C. McGeary

Chuck Robbins

Brenton L. Saunders

Dr. Lisa Su

Note: Values may not total 100% due to rounding.

Employee engagement

How we engage

We often think about the accountability we have to those who use our technology, but we must also consider the accountability we have to one another and to ourselves. Cisco and our employees have a mutual understanding of expectations. Each employee gives their best; in return, the company provides the support and resources people need to succeed.

We're cultivating a Conscious Culture in which we strive to be aware of ourselves and our work environment and courageously face areas for improvement. This allows us to get curious about the people around us and open our minds to different perspectives. In this way, we are building an environment where we all feel empowered to speak up when we witness something that hurts another person's work experience—an environment where we care for each other, express ourselves freely, and take the actions that make Cisco a better place. When we do, we're all better for it.

While many of our employee engagement programs changed greatly in fiscal 2020, they are built upon strong and well-established initiatives that have been in place for years. As evidence of the strength of our culture, Cisco was named the #1 World's Best Workplace by Great Place to Work® in 2019, and once again in 2020. It's an honor we're immensely proud to claim.
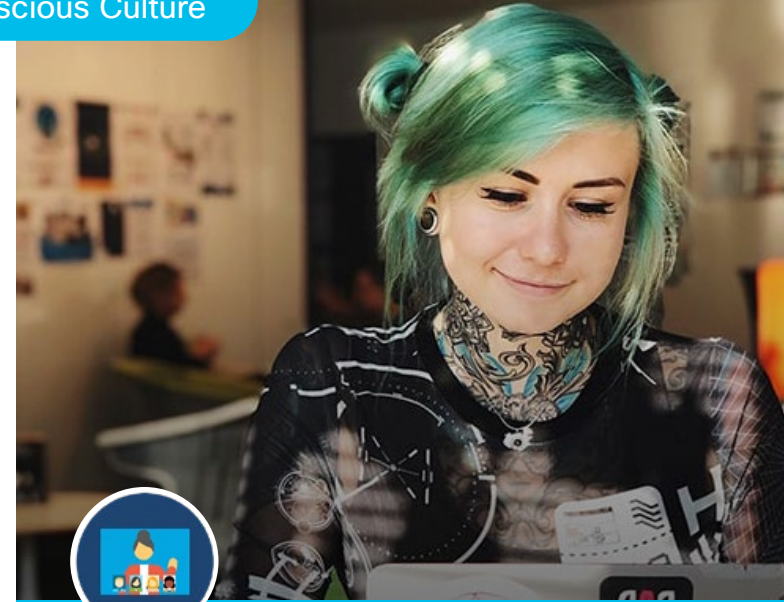
35

company Check-Ins hosted in fiscal 2020

Initiatives to enable progress

Checking in during challenging times

In fiscal 2020, when almost all employees transitioned to remote work, Cisco's regular company meetings took on a new purpose and tone. When ELT members called a company meeting with 30 minutes' notice to share information from medical experts on COVID-19 safety, 15,000 employees attended—and Cisco Check-Ins were born. These meetings started as a way to focus on employees' wellbeing, bringing in medical and mental health experts to join our ELT. They evolved into a forum where we could talk about anything and everything, from business updates to social justice to physical and mental health. Conversations became more informal and more intense as our entire community became more connected.

Feedback, through live chats and polling, is an important part of the Cisco Check-In tradition. Events have been made accessible to our deaf and hard-of-hearing employees through a separate broadcast stream that includes a live ASL interpreter. We're proud of how this evolution has helped us become more connected, giving opportunity for more voices to be heard.

> " I'm proud to be part of this amazing company that allows for us to change and adapt to what is going on in the world, without losing a beat in support of our partners, customers, distributors."
>
> —Cisco employee

OF INTEREST
Reimagining life at home

As a company, together we adapted to the highs and lows of full-time remote work in fiscal 2020. But for many employees, working from home was the least of the adjustments they had to make. Parents are dealing with school closures—doing their best to keep kids engaged in virtual learning. Some employees are caring for aging or ill family members, and others are facing isolation from the ones they love. We are also universally coping with the loss of time with friends and the disruption of holidays and other traditions.

Cisco released a number of resources early in the COVID-19 crisis to help employees confront these new challenges. The Students@Home and Seniors@Home sites on Cisco's intranet feature resources and activities for employees caring for school-age children or older family members, respectively. Because access to education is one of Cisco's social investment focus areas, we also provided links to innovative, technology-driven resources from our community partners.

We found other ways to come together virtually, such as through #LiveFromHome, a weekly concert series that collected donations for arts organizations. Each week had a theme, such as jazz or classical, and featured performances by artists affected by venue closures and gig cancellations. We collected over US$27,000 in donations during eight events.

#WeAreCisco

#WeAreCisco is more than a hashtag. It represents our community through the words and stories of our employees. Engagement across our We Are Cisco channels, blog, and podcast brings our employees closer together, and helps would-be employees imagine themselves at Cisco. Another way we bring current and future employees together is through the #WeAreCisco #LoveWhereYouWork photography contest, during which employees invite others to see their Cisco world. In fiscal 2020, we hosted our fifth annual #WeAreCisco #LoveWhereYouWork contest, during which employees invite the rest of the company into their homes and lives through photographs that showcase why they love working at Cisco. This year, for each photo submitted, Cisco donated US$2 to our partner Global Citizen. A panel of judges selected winners from 4000 submissions across 10 categories, plus a Grand Prize winner.

Grand Prize

The 2020 #WeAreCisco #LoveWhereYouWork Contest Grand Prize went to Eric Garcia Guzman, a Technical Consulting Engineer in Mexico City, Mexico.
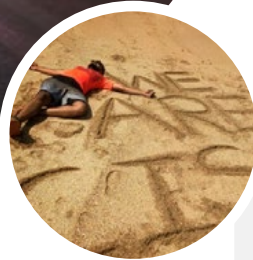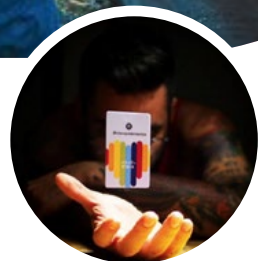
Encouraging recognition

In a Conscious Culture, we are aware of one another's actions. This includes paying attention to work well done. During fiscal 2020, we continued to offer our Connected Recognition program through which employees can say "thank you" to an individual or team with a monetary award. Employees gave 236,300 Connected Recognition awards throughout the year. In addition, employees gave 155,764 "bravos," or nonmonetary congratulations.

We also encourage employees to appreciate each other for living our principles. Through the Living Cisco program, people pass virtual tokens of appreciation, and with each token passed, money is raised for charity. In fiscal 2020, we raised US$125,000 for community partners. Each quarter, we focused on a different theme, including Poverty, Hunger, and Homelessness; Health and Disability; Diversity and Inclusion; and Education and STEM.

Team development

How we engage

We believe in open-ended, self-directed learning, understanding that each individual knows best what skills and resources they need to succeed. We also encourage people to explore job roles and functions outside of their daily work, creating limitless opportunities for employees to align skills with strengths and reinvent their careers within Cisco. And we know that it's never too soon—or too late—to learn something new, as we engage with everyone from interns to our ELT on emerging ways to work and lead.

We empower not only individuals, but also teams, to harness their strengths and improve the way we work. Through virtual and in-person tools for strengthening manager-employee and interpersonal relationships, we help teams work in harmony and increase their impact. A two-way exchange—sharing resources with their employees, and listening closely to their feedback—gives everyone a voice and a stake in our success.

Initiatives to enable progress

Encouraging lifelong learning

Rather than telling employees what skills they must develop, we encourage them to be curious and choose their own paths. Degreed is Cisco's continual learning platform and unites internal resources with external materials like TED Talks and LinkedIn Learning courses. The program uses machine learning to provide personalized content recommendations, allowing users to select from Cisco-endorsed curricula or create their own development plans. Leaders can view their team members' activity, giving them insight into employees' evolving skills and interests.

Since 2018, more than half of Cisco's employees have become active Degreed users. We're constantly adding new content, and the most popular course pathways from fiscal 2020 reflect our changing times:

43,040
active Degreed users

3,713,651
learning resources completed in fiscal 2020, a 331% increase over fiscal 2019

- Diversity, Equity, Inclusion, and Belonging 101
- Building Inclusive Behaviors
- Allyship 101
- Racial Equality and Justice as Workplace Issues
- The Multiplier Effect and Sponsorship
- Courageous Conversations: Equality and Justice
- Aspiring Leaders@Cisco
- Interrupting Unconscious Bias to Build Inclusion
- AI and ML: Awareness

Creating mobility within career paths

People's career interests and goals change over time—and that's a good thing. Instead of expecting employees to follow specific paths, we encourage them to explore and learn about new areas of interest. We help make this easier by offering career shadowing, stretch assignments, and dynamic team assignments, which allow employees to see what it's like to work in other departments or work with different teams on an interesting or innovative project. These experiences can last anywhere from a few weeks to a few months and allow people to have fresh experiences and develop knowledge of new areas without having to completely change jobs.

In fiscal 2020, we began organizing Talent Expos, a time for employees to network, engage with senior leaders, and learn more about opportunities inside and outside of their functions. We held five expos during the fiscal year, including in-person events at Cisco Impact virtual events for our People and Communities organization and one for members of our Connected Black Professionals Employee Resource Organization (ERO).

> This was the best thing I've done for my career, and my coach was absolutely amazing! I am far more skilled at seeing various perspectives, considering different ideas from others, and showing empathy, even when needing to have tough conversations."
>
> —Executive coaching participant

604

leaders participated in

3624

coaching sessions

Developing skilled leaders

All of us—including leaders at the highest levels—have room for improvement. We offer executive coaching to help leaders be their best. This high-touch, personalized program starts with an assessment of a leader's career goals and personality traits. Leaders are then matched with a coach, with whom they meet virtually or in person to go over new methods of working to make the most of their own and their team's strengths.

Other programs designed for Cisco leaders at all levels include:
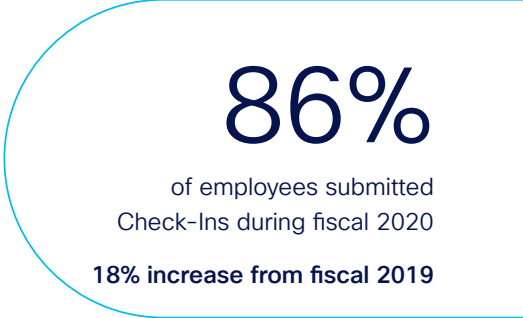
TABLE 2:
Leadership training experiences

What is it?	What are its goals?
New Leader Journey	Creating a successful transition into people leadership at Cisco through facilitated sessions, learning pathways, and an experiential learning environment
Leader Journey	Increasing business impact, enabling a Conscious Culture, and fostering innovative and high-performing teams through long-term personal growth and development
Leader Day	Providing a forum for leaders to discuss priorities, leadership expectations, and strategies for the year ahead
Leader Learning Labs	Interactive, immersive, and practical sessions on targeted topics such as hiring, giving effective feedback, and inclusion

Helping teams connect, together or apart

Beyond helping individual contributors and leaders grow and develop as individuals, Cisco is acutely focused on helping cultivate positive and productive team dynamics. Strong teams yield business results: Cisco's highest-performing teams are now retaining employees at almost three times the rate compared with other teams, have six times higher engagement, and are 20 percent more productive and creative.

We strengthen teams through tools like Team Space, a platform for both individual and team collaboration. Users can complete the Standout Assessment, conduct virtual Check-Ins, ask questions of leadership, and track weekly progress on projects. We are currently working to develop Team Space Extended, an addition to the platform that will allow us to quickly prototype and experiment with new data interfaces, visualizations, and features.

For teams looking to connect on an even deeper level, we offer Team Health Checks, which have gone virtual during the COVID-19 pandemic. Team Health Checks are two, three-hour facilitator-led workshops designed to help our teams adapt to new ways of working together and prioritize actions and rituals to grow stronger. Facilitators discuss topics related to group dynamics, including trust, communication, and decision-making. In fiscal 2020, we conducted 554 Team Health Checks.

2.1m

Team Space Check-Ins submitted

27% increase from fiscal 2019

86%

of employees submitted Check-Ins during fiscal 2020

18% increase from fiscal 2019

50%
of leaders launched an Engagement Pulse in Q4 fiscal 2020
28% more than Q4 fiscal 2019

Remaining open to feedback
We have two companywide forums for collecting feedback. At the team level, we use the Engagement Pulse survey. Cisco uses the results to help improve the employee experience and increase engagement. In fiscal 2021, Team Space Extended upgrades will deliver additional intelligence on the link between Team Space Check-Ins and Engagement Pulse responses, helping team and organization leaders to understand how engaged their employees are, and to identify the processes that support increased engagement.

While Engagement Pulse surveys provide insight about specific teams, the Real Deal Survey is designed to elicit the top themes emerging across the company. Through these surveys, we learned that employee confidence in, satisfaction with, and trust in their direct leaders increased when leaders connected with them in the prior week. We also learned that 80 percent of employees who completed the Real Deal Survey were satisfied with Cisco's response to the COVID-19 pandemic.

OF INTEREST
Developing Cisco interns—even without an office

For many college students, a summer internship is an exciting professional debut. It's a time to learn new skills, but also to get a sense of office culture and begin to develop a network. But what if your office is your bedroom, and networking amounts to exchanging messages with colleagues thousands of miles away?

During the summer of 2020, hosting an internship program was complicated—among U.S. companies, nearly 40 percent of summer internships were canceled. But it wasn't impossible. "The entire company looks forward to our interns' arrival, and when the pandemic hit we had to decide whether we'd do things differently or throw in the towel as well," says Macy Andrews, Cisco Senior Director of Global University Recruiting and Employer Branding. "And since we never do anything like anyone else, creating the ideal virtual internship experience became our mission."

In developing a strategy for our virtual internship program, we focused on recreating the experiences that make Cisco internships special. While interns wouldn't have desk space on Cisco campuses, we helped them create an office at home, providing stipends for resources like desks, chairs, and high-speed Internet. To replace some of the hands-on experience that interns might have gotten on the job, we created an e-learning module that explained all the tools, systems, and processes they'd need to be productive.

Most importantly, we wanted to create a sense of connection. We wouldn't be able to have team outings to dinners, bowling, or sporting events, so we focused on building community online. Using Webex Teams, we created chat rooms that students could use to connect before their internships started. Once the program began, we hosted regular happy hours, an executive speaker series, and even a virtual dance party— fondly referred to as the Cisco Disco.

It may not have been what they expected—but interns still created connections and found the experience worthwhile. "I feared I would miss an important meeting or get left behind due to the virtual setting," says Carl Hubbard, an HR intern. "I couldn't have been more wrong. During my internship I felt supported in more ways than I could've imagined."

Says Hubbard, "I think the most challenging times reveal a company's true values. Cisco has continued to impress me in these trying times as their culture thrives and I can see the support system in action."

> Creating the ideal virtual internship experience became our mission."
>
> —Macy Andrews, Cisco Senior Director of Global University Recruiting and Employer Branding

Health and wellbeing

How we engage

In a Conscious Culture, we recognize that we all come from different backgrounds and perspectives. At Cisco, we find power in those differences. Our unique stories make us better together. We welcome and honor every employee's journey— whether it includes caring for a loved one or plans to start a family. Whether they're saving for that dream house or ideal retirement. Whether they're managing depression or struggling with stress or anxiety. At Cisco, we offer solutions to help with whatever our people are facing.

When we look for solutions that can best support our employees, we focus on the whole person. We realize that employees are balancing careers and personal lives, all while managing their own physical, emotional, and financial health. With the emergence of the COVID-19 pandemic, they've had to do this while learning to stay healthy, parent, and connect in new ways. We're in awe of their resilience—and are committed to being here to support them with personal and comprehensive benefits and solutions.

One way we're doing this is by changing the story around mental health. We seek to create an environment where we can all speak openly about mental health, listen with compassion, and ask for help without fear of judgment. In fiscal 2020, we made changes to further support employees' mental health, and we continue to expand our offerings and their accessibility through technology.

These investments in our employees and their wellbeing enabled Cisco to move quickly and nimbly to offer support as they transitioned to full-time remote work.

Cisco is proud to offer a comprehensive suite of benefits that support every life stage, champion every family, help employees make a meaningful impact, and make wellness a priority. Discover more about the benefits available to all our employees around the world, as well as unique regional offerings, on the ESG Reporting Hub.

Initiatives to enable progress

Compassionate care during COVID-19

Cisco developed a COVID-19 response and recovery strategy with a special focus on families and communities. Our People and Communities organization quickly launched a global pandemic website as a single source of information to help employees stay informed and navigate the many resources available to support them, which included:

Physical health

- On our global pandemic website, employees who believe they have been exposed to COVID-19 can reach out for information on symptoms and steps to take.

- Our onsite LifeConnections Health Centers in San Jose, California; Research Triangle Park, North Carolina; and Bangalore, India remain open, giving employees access to medical care if they need it. Additionally, the health center doctors provide COVID-19 consultations, tests, and care management for all employees and contractors.

- LifeConnections Fitness centers leveraged Webex technology to quickly move to a virtual model, allowing all employees and their families to participate in online fitness classes from anywhere.

- Cisco has invited medical doctors and mental health experts from around the world to appear during multiple Cisco Check-Ins to answer employee questions and to help them process the latest information about COVID-19.

- Our wellbeing partner, Pavelka, hosts frequent webinars on hot topics like dealing with uncertainty, courage, and active listening. They also created a library of fitness and mindfulness videos to help address the challenges of working remotely.

Mental health

- Globally, the Employee Assistance Program (EAP) offers up to 10 free in-person or virtual counseling sessions. Employees can even search for providers based on preferred gender, ethnicity, and experience.

- Taking time to recharge is important for one's mental health. That's why Cisco closed our offices around the world and offered all employees "A Day for Me"— unexpected paid days off in May, July, and August. With everyone taking the day off, employees and contractors could truly step away from work without fear of missing out.

- Cisco Canada and the Centre for Addiction and Mental Health (CAMH), Canada's largest mental health teaching hospital, successfully expanded their partnership to meet demand for virtual mental health services.

- In the U.S., Cisco added two new solutions available through our personal health coaching partner, Vida Health. Employees can now partner with a licensed Vida therapist to address the symptoms of anxiety and depression, and any underlying issues when— and where—they need it. They can also enroll in the Vida Resilience program to increase adaptability and self-compassion and experience the many benefits of resilience.

Family care

- Employees have the peace of mind to step away from work to deal with a critical, unforeseen event with our paid Emergency Time Off (ETO). Whether dealing with a personal crisis, a sudden illness of a family member, or the death of a loved one, employees can take time off without having to dip into their regular vacation or Paid Time Off (PTO).

- With regular care unavailable for most, Cisco enhanced our in-home care offering for both children and adults in the U.S., U.K., and Ireland. We have temporarily increased the maximum days from 20 to 30 (through the end of 2020).

- In late spring and early summer, we were proud to offer free childcare for first responders across the U.S. and in our very own LifeConnections Child Learning Centers in San Jose. We'll be expanding our services to the children of our employees and contract workforce, offering supervised learning outside the home.

- U.S.-based parents whose children have started the school year virtually have the option of enrolling their children in a day camp at our San Jose office or KinderCare facilities nationwide, where trained educators supervise students' virtual learning, provide homework help, and organize daily schedules.

- Anticipating that many of us will be caregivers at some point, we have introduced a Caregiving Concierge service for U.S. employees. A dedicated Care Coordinator gets to know a family's story and can help manage financial, legal, in-home, housing, and emotional support needs.

Financial health

- We continued to provide resources and education to meet the needs of our diverse global workforce, including helping with issues like saving for emergencies, managing debt, and preserving financial wellbeing.

- Our new partner, MetLife Pre-Paid Legal Plans, offered free services to all U.S. employees to help with legal issues related to COVID-19.

Ensuring that no one goes it alone

Our CEO, Chuck Robbins, isn't afraid to talk about mental health. Both his words and the open dialogue fostered at each of our all-company meetings move us closer to removing the stigma surrounding mental health. But this tone from the top is just the start. In the U.S., where access to in-network providers can be difficult, we enhanced our out-of-network benefit for substance abuse and mental health treatment. We increased the free EAP counseling visits from 8 to 10. Our Cisco Mind Set program has helped employees develop mindfulness and resilience in the workplace through simple cognitive strategies. Previously available only in the U.S., this program is now available to employees worldwide.

Sharing stories and talking with others who understand mental health issues can be an important way to develop coping strategies and reduce the stigma. Through our online Safe to Talk community, employees can connect with each other, share stories, and access resources. Currently, more than 300 people actively participate.

Expansion of the Cisco Pavelka wellbeing initiative

Cisco Pavelka started as a grassroots movement in the EMEAR region to help promote a culture of health and wellbeing. Cisco recently expanded this initiative to employees across APJC, Latin America, and Canada. Cisco Pavelka empowers employees to make healthy choices and create communities that inspire and motivate each other to make small and sustainable changes. The initiative is driven by employees who are passionate about sharing and showing wellbeing and Cisco leaders who encourage participation. Over 15,000 employees have participated in the various activities across the globe.

> Through Cisco Mind Set, I have learned to limit multitasking, giving more focus to the tasks at hand. Practicing kindness during meetings has also helped me focus on each person and really listening to their input. Mindfulness exercises have reduced my stress levels at work."
>
> —Cisco employee

OF INTEREST
Creating healthy habits anywhere

Across the U.S., four in 10 adults have two or more chronic diseases. Making healthy choices, like exercising regularly or eating nutritious foods, can reduce the risk and severity of these conditions, which can impact quality of life. For many of us, making the best choices for our health is easier said than done. Vida Health, our health coaching partner in the U.S., helps make it simpler with their innovative app and expertise.

Vida combines technology and human-centered design, empathy, and compassion to help employees and their families reach and maintain their wellness goals through one-on-one support and a customized plan. With a proven research-based approach, Vida Health coaches are available to support individuals with eating better, improving fitness, getting restful sleep, creating an exercise routine, preventing diabetes, getting support for anxiety or depression, and building resilience. Users meet regularly with their coach or therapist through video or phone consults and in-app messages. They can also use tools within the app to log meals, exercise, and sleep, and track their progress over time.

"Vida Health's holistic approach to wellbeing, and the integrated partnership of my health coach and therapist, has helped me address the emotional barriers to finding my healthy. I've learned self-compassion when I fall off track and have discovered the value of self-care. I'm inspired and grateful for all the support in making my health a priority."

—Cisco employee

Employee community impact

Inclusion

+

Digitization

+

Data Analytics

=

Impact

How we engage
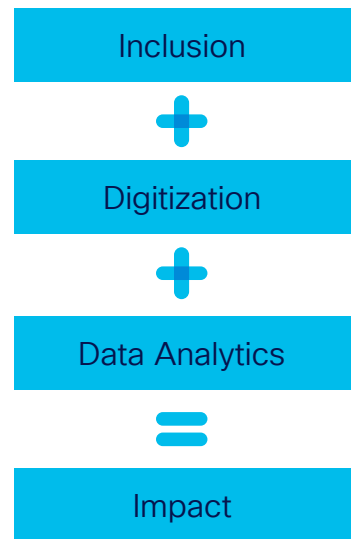
In fiscal 2020, Cisco brought to life a transformational new approach to engaging employees in community impact. Cisco takes a point of view that goes beyond traditional donations and volunteer events. We include a broad spectrum of actions employees can take to make a positive impact on people, society, and the planet. Our inclusive approach combined with digitization and data analytics is the catalyst for explosive growth in employee participation and impact in our communities.

Through an integrated digital platform called the Community Impact Portal, employees are invited to participate in a suite of opportunities with a definable, positive value for communities. Employees' actions include advocating for causes they care deeply about, taking action to help the environment, volunteering, donating, and participating in integrated programs. All actions are evaluated to ensure they drive positive impact external to Cisco.

In fiscal 2020, digitization came together with data analytics and the principles of behavioral science to encourage participation. For example, Cisco's intranet displayed a feature personalized to each employee indicating whether they had taken a community impact action and providing participation percentages for their team and Cisco as a whole. The feature also nudged employees with a link to the portal and opportunities to make an impact. Toward the end of the fiscal year, a Community Impact chat bot in Webex Teams personally reminded employees to take action if they had not already done so.

Goal:
Achieve 80% community impact participation, as measured by employees' actions, including advocating for causes they care deeply about, volunteering, donating, and participating in programs that positively impact communities by 2020.

Our progress: *Achieved.*
Thanks to an inclusive approach, combined with digitization and data analytics, more than 63,000 employees took action, contributing US$33 million and 491,000 volunteer hours, as well as taking actions across a suite of global programs. We're proud of our success, but the real accomplishment is the difference we've made in communities around the world.

CHART 25:
Community impact participation

FY17	FY18	FY19	FY20	Goal
44%	47%	51%	81%	80%
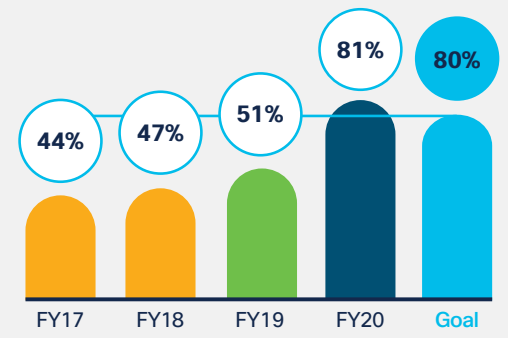
101% of goal achieved in FY20

We also used a digital dashboard to provide leaders with a near real-time view of team participation and actions. On the Community Impact Leadership Insights view, leaders can compare their team's participation with that of their business group, their geographic region, and Cisco overall.

With this new approach, we exceeded our goal of 80 percent employee participation in community impact in fiscal 2020, growing year-over-year by 59 percent. Employee actions included generating more than US$33 million and matching contributions globally through giving and volunteering, a 31 percent increase over the previous year.

As we look to the year ahead, we continue to evolve community impact by expanding to engage Cisco customers, partners and suppliers through our Next Horizon Impact initiative. We are also laying the groundwork for an innovative new way to measure employee actions to further drive community impact as a regular, ongoing part of what it means to work at Cisco. The new approach, called Employee Community Impact (ECI), is designed to help teams understand how many, how much, and how often they are taking actions to benefit people, planet, and society. We will begin using ECI as a primary measure for community impact to ensure our focus on making a positive impact is "always on" at Cisco.

Employees made a positive impact across a diverse suite of programs

Volunteering
Volunteer Time Off, matched volunteer hours, team events virtually and in person

Donating
Contributions reported for matching gifts

Digital advocacy
Signing petitions, pledges to act at GlobalCitizen.org

Environmental sustainability
Environmental actions on Cisco GreenHouse

Integrated action programs
Employee action to initiate a corporate charitable donation

Survey sharing
Self-reported employee impact stories

Initiatives to enable progress

Taking action during a global pandemic

Cisco employees continue to seek ways to make an impact, especially during this difficult time. We made this easier by doubling the number of paid days off available for employees to volunteer from five to 10 in 2020. In addition, we increased the annual match for employee giving and volunteering from US$10,000 to US$25,000. Disaster response campaigns launched to address specific crises are matched at US$10,000 per employee per campaign and do not count against the annual match limit.

In addition, Chairman and CEO Chuck Robbins challenged Cisco's 77,000+ employees to make donations to global nonprofits supporting those most vulnerable to COVID-19, which were matched by the Cisco Foundation. Employees quickly achieved the initial goal of US$750,000 in giving and matching over a 72-hour period, raising US$3.2 million for more than 50 organizations by the end of the fiscal year.

In response to employee demand, Cisco also helped facilitate a menu of virtual volunteering options. Opportunities included translating texts for humanitarian organizations, volunteering for crisis help lines, providing résumé and job interview assistance, donating food and school supplies for children, and more.

Standing up for social justice

In fiscal 2020, Cisco pledged US$5 million in grants to social justice organizations, including nonprofits in our internal Fighting Racism and Discrimination Fund, which continues to provide employee donations and matching contributions to 16 nonprofits focused on social justice. A dynamic team, including ERO members, is partnering with Cisco's Community Impact team to determine how best to build long-term relationships with the nonprofits in the Fund.

Preventing homelessness and serving youth

Long-time Cisco nonprofit partner Destination: Home, a public-private partnership working to end and prevent homelessness year-round in Santa Clara County, California, proactively set up a relief fund designed to help families bridge the gap created by lost jobs during the pandemic. They received thousands of applications that all needed rapid review. Cisco volunteers helped accelerate the application review process and payment by receiving training and then reviewing the applications for funding.

Cisco also has a strong partnership with Covenant House International, an organization providing housing and supportive services to youth facing homelessness. In November 2019, hundreds of Cisco employees slept outside during the Covenant House "sleep out" in cities across the U.S. Sleep outs raise awareness about youth homelessness and funding to support Covenant House programs. During the event, Cisco employees generated over US$1.8 million in support for Covenant House through their donations and Cisco Foundation matching gifts.

In March 2020, Cisco employees helped the Young Professionals Sleep Out event go virtual, allowing communities across the U.S. to connect through a live-streamed Webex event. During the broadcast, participants learned just how difficult the COVID-19 outbreak has been for homeless youth already facing extraordinary challenges.

Through Cisco's Next Horizon Impact initiative, Cisco Chairman and CEO Chuck Robbins brought together customers, partners, and suppliers to raise tens of thousands of dollars for people in the Bay Area experiencing homelessness as the COVID-19 crisis began. Robbins led a discussion featuring Jen Loving, CEO of Destination: Home, who shared the crisis facing the region's most vulnerable.

Chief People and Communities Officer Francine Katsoudas led a second wave of outreach and discussion with partners and suppliers, along with CEO of Great Place to Work Michael Bush, Loving, and Covenant House California CEO Bill Bedrossian. Bush shared how companies who treat

communities well differentiate themselves in the market and will lead as we build a path out of the crisis and back to a thriving economy. These conversations led to an increase in awareness and key relationships as a result of Next Horizon Impact, which will lead to more resources for the homeless community.

Global Citizen impact
Global Citizen is focused on ending extreme poverty by 2030. As Global Citizen's technology partner, Cisco is foundational to the organization's ability to engage millions of citizens around the world—our employees among them. In fiscal 2020, over 1200 employees took action on GlobalCitizen.org to advocate for changes in policy, legislation, and leadership behavior to address the root causes of poverty. Actions included signing a petition, sending an email, or participating in social media campaigns.

OF INTEREST
Security and Trust gets proximate to their community through BridgeToComputing

The Research Triangle Park region of North Carolina is named for the many top universities, research institutes, and innovative companies, including Cisco, that call it home. The area's population, on average, is among the most highly educated in the country, leading to higher salaries and greater financial security. But these educational and economic advantages are not evenly distributed, with African American/Black residents—who make up a quarter of the Research Triangle population—facing high levels of poverty and unemployment.

Historical and pervasive racial and economic inequalities in Black communities have increased the risk of gang activity in cities like Raleigh, where North Carolina State University is located. That's why the university, along with Cisco, the Raleigh Police Department, and the city of Raleigh, is offering kids a different path. BridgeToComputing is a summer STEM education program for middle schoolers thought to be at risk. Over a three-week period, kids learn the basics of networking and computer science and participate in panel talks and job shadows to explore educational and career possibilities. Thanks to funding from Cisco, campers in summer 2019 were provided transportation to and from campus, along with laptops that they could use to continue learning after camp ended.

Members of the Cisco Security and Trust Organization volunteered as counselors and mentors for BridgeToComputing. The impact of their presence on the students was clear. "I think this means a lot, especially when you're growing up in a neighborhood where you don't see this all the time," says Letita Martin, a Cisco analyst and BridgeToComputing volunteer. "Just spending some time to sit down and talk and really get to know these students can take them places that they've never been before."

Watch video

Showing kids a different path

Staying Earth Aware, virtually

Cisco has observed Earth Day for many years—but we also do much more, organizing a two-month employee volunteerism and awareness campaign that we call Earth Aware. During a typical year, we invite employees to practice sustainable behaviors, like biking to work and properly sorting waste in cafeterias, and host events like on-campus farmers markets. In fiscal 2020, Earth Aware went fully online, featuring virtual presentations on living a zero-waste lifestyle, environmental justice, and cleaning local watersheds, as well as a sustainability trivia event. We even gave employees a virtual tour of the new beehives at our Research Triangle Park campus.

Earth Aware 2020 also included a virtual SustainX, our thought leadership forum on sustainability. During this annual event, we invite internal executives to share what their teams are doing to reduce their environmental impact and external speakers to discuss the innovative ways they are working to improve the environment. In fiscal 2020, leading environmentalist and author Paul Hawken shared existing strategies for drawing down carbon from the atmosphere in order to reduce global warming, and a Cisco Fellow explained how our new 8000 Series routers save significant amounts of power and materials.

> Cisco has ongoing opportunities for employees to connect with peers who share a passion for sustainability—and make changes in their lives and in the workplace.

Living sustainably year-round

Beyond Earth Aware, Cisco has ongoing opportunities for employees to connect with peers who share a passion for sustainability—and make changes in their lives and in the workplace. Cisco Green is a hub on our internal social media site that enables employees to learn about Cisco's environmental sustainability activities. It provides links to programs, information, and other tools. For those looking to connect with others, Cisco GreenHouse is an interactive sustainability web platform that helps Cisco employees find likeminded peers worldwide who want to lead more sustainable lives. As a core program featured in Community Impact, Cisco GreenHouse was promoted on the companywide digital portal and more than doubled its active users.

CISCO RESPONSIBLE SOURCING

> It's really important to me to do good deeds, not just for Cisco, but for all of society. I work with major suppliers to make sure that they are meeting our standards for labor practices and environmental risks. If we think a supplier isn't following our standards, I make sure to explain to them how serious this is, not only for Cisco, but also for them. But we also don't just prevent risks, we promote positive practices, like our zero waste initiative in the supply chain."
>
> —Tommy Hwa / ODM Partner Manager (Taipei, Taiwan)

Promoting circular business models

Another way Cisco contributes to sustainability is by helping advance the circular economy. To grow awareness and inspire employees to contribute to Cisco's circular economy transformation, we publish a quarterly circular economy newsletter, manage a circular economy Webex Teams space, and provide other opportunities to engage throughout the year. In fiscal 2020, we hosted two employee webinars on topics related to circular operations and circular design and launched an internal website with case studies on the Cisco Circular Design Principles. We also regularly convene extended team members and other internal stakeholders through a variety of workgroups, including the Circular Design Working Group, the Circular Economy Regional Leader Network, and the Circular Economy Sales Champion Network.

Connecting employees to how products are made

Launched in fiscal 2020, the Cisco Responsible Sourcing campaign is raising internal awareness of our commitment to source products ethically and sustainably. One element of the campaign is our Champions of Sustainability, a recognition program that highlights the people behind responsible sourcing at Cisco across our Supply Chain Operations and Global Procurement Services. The champions demonstrate a shared commitment to sustainability and drive social and environmental responsibility in how we source goods and services.

We also developed a supply chain human rights training to raise awareness and educate employees on how they can help follow through on our human rights commitments. More than 2400 employees have taken the training, including employees in supply chain operations, customer experience, enterprise networking, and cloud.

Environmental Impact

Powering the Internet of the future

Between 2010 and 2018, traffic through data centers increased up to sixfold. Improvements in data center energy efficiency have allowed for the increases in traffic with relatively modest increases in electricity consumption—but further progress is needed.

Why this matters to our business

There are many ways in which the IT industry can help lower carbon emissions.

High-definition video collaboration tools can replace face-to-face meetings, reducing the need for travel. Energy monitoring and control of IP-enabled devices can reduce buildings' energy consumption. AI-driven data processing can help businesses make informed decisions to operate more efficiently.

At the same time, all of that data—its transmission, storage, encryption, and retrieval—requires significant amounts of power. While advanced collaboration and cloud technologies have unlocked innovations that would have been unthinkable just a few years ago, they also require increasing amounts of bandwidth, and therefore, more energy.

An Inclusive Future is one that takes everyone—even future generations—into account. It's one where our planet's limited resources are used sustainably so that both people and ecosystems can thrive for years to come. Cisco wants to make the benefits of digitization available to all,

but this work cannot come at the expense of a livable planet. That's why we're reducing our own emissions and driving product innovation that will help us lessen the IT industry's impact.

A sustainable future requires more than emissions reduction. We are also working across our value chain to create a circular economy and reduce our water use and waste generation. Learn more about Cisco's Circular Economy and Supply Chain Sustainability efforts and view comprehensive data and information on Cisco's environmental approach in our Environment Technical Review (ETR).

The dynamics of remote work

2020 has provided a test case in remote work on a massive scale. While working from home can save energy and reduce greenhouse gas (GHG) emissions by eliminating commutes and the need for office space, the potential savings vary, based on a number of factors.

Investing in green energy

The technology sector is also helping lead the renewable energy transition by procuring nearly 30 billion kilowatt-hours of green power per year, combined. These investments include onsite solar and procurement of green power through local utilities.

Sustainability in operations

How we engage

Reducing our energy use and GHG emissions is an issue of high importance to our customers, employees, and company leadership, and is therefore one of our top material issues. As a large, global company and a significant energy user, we have a responsibility to decrease our emissions. Since 2007, we have been setting and achieving goals to reduce our Scope 1 and 2 emissions according to international guidelines.

Within Cisco's direct operations, our main source of emissions is the energy required to operate labs and data centers. We are working toward goals to reduce these Scope 1 and 2 emissions by 60 percent by fiscal 2022 compared to a fiscal 2007 baseline, and to use electricity generated from renewable sources for at least 85 percent of our global electricity by fiscal 2022. As of the end of fiscal 2020, we have reduced emissions by 55 percent, and used electricity generated from renewable sources for 83 percent of our global electricity demand (read more in the ETR).

The unique approach of our Global Energy Management and Sustainability (GEMS) team has driven progress toward achieving our Scope 1 and 2 GHG reduction goals. The GEMS team is responsible for all energy and sustainability initiatives across our 19 million square feet of global real estate. The team operates a holistic program for utilities, energy efficiency, and renewable energy, ensuring that they complement, rather than compete with, one another. The team approaches energy and emissions reductions from both ends, reducing energy demand through efficiency projects while increasing our supply of renewable energy.

Goal:
Reduce total Cisco Scope 1 and 2 GHG emissions worldwide by 60% absolute by FY22 (FY07 baseline).

Our progress: *On Track.*
Our renewable energy purchases, plus over 440 energy efficiency projects completed at our facilities, over the last 5 years, are putting us well on the path toward achieving this goal. We reached a 55% reduction in FY20.

CHART 26:
Percentage reduction in Scope 1 and 2 emissions

2018	2019	2020	Goal
-45%	-49%	-55%	-60%

18 LEED-certified buildings comprising 2.5 million square feet of real estate

In fiscal 2020, the GEMS team completed 44 projects that avoid approximately 19.3 GWh of energy consumption and 8600 metric tonnes CO2e. Over the last five years, we've implemented over 440 projects through our EnergyOps program that avoided 140 GWh of energy and 62,000 metric tonnes of CO2e. To meet our fiscal 2022 sustainability goals, the team is investing US$45 million between fiscal 2018 and fiscal 2022 to implement hundreds more efficiency and renewable energy projects.

The GEMS team is also focused on reducing water use and waste generation in our facilities. While we have yet to set public waste and water goals, we have implemented a number of water efficiency and waste reduction efforts around the globe that are conserving our resources and reducing waste. We've also piloted a number of sustainability measures at our Research Triangle Park campus in North Carolina, one of our largest campus locations.

Cisco solutions for environmental impact
The technology that Cisco sells can also help our customers reduce their emissions, save on energy costs, and more.

Learn more in IT Solutions.

Initiatives to enable progress

Progress on renewable power

We're taking a thoughtful approach to procurement of renewable energy, applying a hierarchy that favors purchases that have the greatest positive impact. Our first priority is to invest in onsite power projects at our facilities, keeping power generation as local as possible. Our second priority is procuring renewable energy from offsite power projects through power purchase agreements (PPAs) or green power utility programs. Among offsite opportunities, we prefer those that are local and add new renewable power to the grid. If onsite and offsite power options are not feasible, we purchase renewable energy credits, sourced from the nation where the energy will be used.

In fiscal 2020, Cisco signed our first long-term wind energy PPA, which is our third overall long-term renewable PPA contract. We are sourcing 10 MW of electricity from the Mesquite Star wind farm in Texas, which is helping power our data centers in Richardson and Allen, Texas, supplying approximately 40 percent of Cisco's electricity consumption in the state.

In addition, we increased our use of renewable energy in India, signing eight short-term (two- to three-year) renewable deals in fiscal 2020. Coupled with two long-term solar deals signed in fiscal 2018, these recent deals will bring our total electricity usage sourced from renewables in all of India to 60 percent. These purchases are particularly significant given that much of India's power grid still relies on coal and diesel. We're proud to help contribute to a cleaner national grid while making progress toward our energy and emissions goals.

Goal:

Use electricity generated from renewable sources for at least 85% of our global electricity by FY22.

Our progress: *On track.*

New long-term and short-term renewable energy contracts have allowed us to achieve 100% renewable electricity in the U.S. and parts of Europe, and 60% in India. Globally, we reached 83% renewable in FY20.

CHART 27:
Percentage of electricity from renewable sources

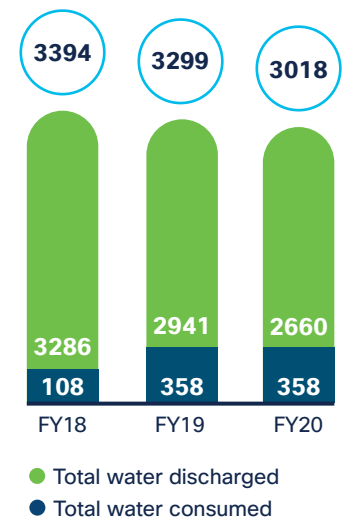| 2018	2019	2020	Goal
82%	83%	83%	85%
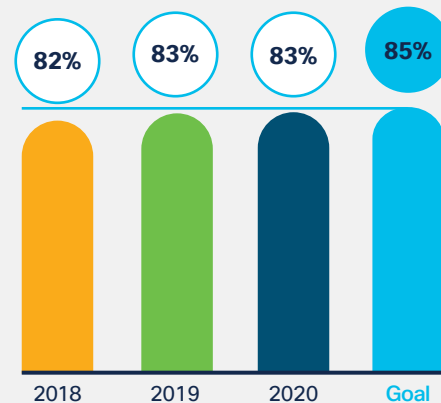
Managing our water use

Even though Cisco does not use significant amounts of water in our direct operations, we understand the importance of reducing water consumption as much as we can in our operations and supply chain. It's essential to protect this limited resource, not only for our business needs, but also for the sake of the communities in which we operate, because access to clean, fresh water is a critical human need. Cisco's water strategy is to:

- **Benchmark and report water use and risks.** We use industry best practices and the World Resource Institute's Aqueduct tool to understand how much water we use and where it comes from. Our primary uses of water in our direct operations are in cooling towers, for irrigating landscapes, and providing drinking water, sanitation, and hygiene services for our employees. While our manufacturing partners' primary use of water is similar to Cisco's, some of our components suppliers rely on water for production. This has prompted Cisco to address water risks within the supply chain. Read more on our ESG Resource Hub.

- **Conserve water in our direct operations, focusing on water-scarce and water-stressed locations.** We've implemented a number of water efficiency projects over the last few years, such as upgrading our irrigation controllers and installing high-efficiency water fixtures that reduce water usage in our bathrooms and kitchens. We also implemented a comprehensive water management system at our campus in Bangalore, India, that includes a rainwater harvesting system, an evaporative cooling system, and two sewer treatment plants.

- **Work toward setting long-term water goals at our major campuses.** In fiscal 2020, we met our first water neutrality target for our campus in Research Triangle Park (RTP). The next phase of our water stewardship journey is to develop water goals for our other major campuses and partner with organizations to develop more innovative water restoration projects around the world as we look to expand our water neutrality ambitions beyond RTP. We are preparing for this initiative by performing water audits and upgrading key water infrastructure in these locations.

CHART 28:
Total water withdrawn
(m3, thousands)

	FY18	FY19	FY20
Total (circle)	3394	3299	3018
Total water discharged	3286	2941	2660
Total water consumed	108	358	358

● Total water discharged
● Total water consumed

Other ways we support water conservation

Cisco makes grants to nonprofits addressing critical human needs such as availability of clean drinking water. See how our partner Akvo uses mobile apps to monitor water services in Africa.

Diverting waste from landfill in our operations

Cisco is committed to responsibly managing our waste throughout our direct operations and our supply chain. We take steps to reduce the amount of waste we produce and divert the waste we do generate through recycling, composting, and donations.

In fiscal 2020, we avoided sending approximately 80 percent of the waste generated at our facilities to landfill globally. COVID-19 had a significant impact on the total waste generated at our facilities. The majority of our sites were closed, with employees under mandatory work from home, for almost half the year. As a result, we produced about half of the waste compared to the previous year. Our headquarters in San Jose diverted 89 percent of waste generated through an integrated waste management system that sorts out recyclable materials and organic waste from trash. Some of the ways we reduce and divert waste include donating surplus office supplies and furniture to local schools and nonprofits, providing reusable and/or compostable cutlery and dishware in our cafeterias, and offering composting for organic waste. Cisco also has programs to reuse and recycle e-scrap within our direct operations. See the End of Use section in Supply Chain for more information.

Our next area of focus for our direct operations is to develop waste goals for our major campuses. We already set internal waste targets for ISO 14000-certified sites and a goal to achieve zero waste to landfill at our Research Triangle Park campus. We hope to eventually pursue zero-waste certifications at our campuses in San Jose, California, and Bangalore, India.

CHART 29:
Percentage of waste diverted from landfill
(metric tonnes)

FY18	FY19	FY20
73%	81%	80%
7717	8480	4714
2842	2018	1149

● Waste diverted from landfill
● Waste sent to landfill
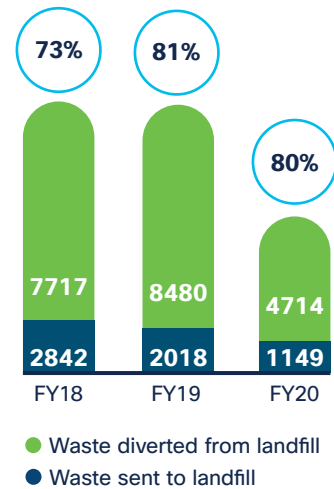
OF INTEREST
Stepping up sustainability efforts at RTP

For the past two years, we've been working toward targets to achieve 100 percent renewable energy, water neutrality, and zero waste at our Research Triangle Park (RTP) campus. With the year behind us, we're proud of our progress even in light of disruptions related to COVID-19.

We've met our 100 percent renewable energy goal and continue to look for ways to further improve our energy footprint. Energy efficiency projects completed over the past few years, such as LED lighting and water economizers, have reduced energy consumption. In fiscal 2020, we increased our North Carolina-based supply of renewable energy to 35 percent. We plan to further expand this local supply by adding more onsite solar photovoltaic systems across the campus, sourcing more local renewable energy credits, and working with Duke Energy to expand their current green power offerings.

RTP achieved water neutrality in fiscal 2020. To meet this target, we conducted a water audit of the campus to identify opportunities to reduce water usage. While the campus is already quite water-efficient, we are implementing further improvements during fiscal 2020 and fiscal 2021. To reach water neutrality, we are supporting local water restoration projects that collectively restore a volume of water equal to the campus's annual consumption. One of these restoration projects, for example, removed a decommissioned dam in Western North Carolina to reconnect 140 miles of streams and create free-flowing aquatic habitat for several species.

We have made significant progress on our zero-waste target, setting records in 2020 for the highest diversion rate and lowest total waste volumes to date. In January 2020, we produced more compost than landfill waste, thanks to an aggressive communications campaign, more compost bins, and a shift from single-use café and break room items to reusable ones across campus. The COVID-19 pandemic, however, has required us to reevaluate our approach. While fewer employees on campus means less waste generated, we've put our reusable program on hold and have instead provided compostable single-use items for cafés and break rooms.

While Cisco employees remain mostly off campus, a new colony of residents now call RTP home. In fiscal 2020, we welcomed three honeybee hives to land adjacent to the RTP campus that will support pollinator populations across the state. Native landscaping that has been planted on campus to reduce water use will also provide habitat for bees—a sweet example of how operating sustainably can yield benefits across the ecosystem.

Product energy efficiency

How we engage

The Internet might seem like a busy place today. But the next few years will bring massive traffic growth in the form of more users; faster speeds, given 5G adoption; and greater bandwidth needs due to complex applications like augmented and virtual reality. This increased bandwidth will mean increased energy consumption, both by networking devices themselves and for the cooling systems required to manage the heat they generate.

To meet consumer demands for greater technological capabilities, as well as to comply with regulations and meet their own sustainability goals, Cisco's customers are asking for more energy-efficient products. We're responding by keeping efficiency considerations in mind as we develop products through a variety of models, with the majority of our products developed internally by our engineering teams. The remaining products are developed in a partnership with our vendors, using either original design manufacturing, where we submit product specifications for vendors to execute; joint development manufacturing, in which we collaborate on product design; or original equipment manufacturing,

in which vendors provide us with off-the-shelf products or components development models.

We use lifecycle assessments (LCAs) to estimate the GHG emissions and environmental impacts of our products through their entire lifecycles. Through LCAs, we know that the use phase of our products consumes the largest proportion of energy—and is responsible for the most GHG emissions. In fact, product use is not only the most emissions-intensive lifecycle phase, but also the greatest contributor to Cisco's overall GHG emissions footprint. Learn more in the ETR. In addition to the emissions associated with our products, we consider the environmental and social impacts associated with their materials and packaging. Read more about these topics in Circular Economy and Supply Chain Excellence.

Cisco has a broad portfolio of products and solutions . Because our products remain in use for a relatively long time—sometimes a decade or more—moving the needle on this issue will take time. We continue to research and invest in engineering innovations to improve product efficiency.
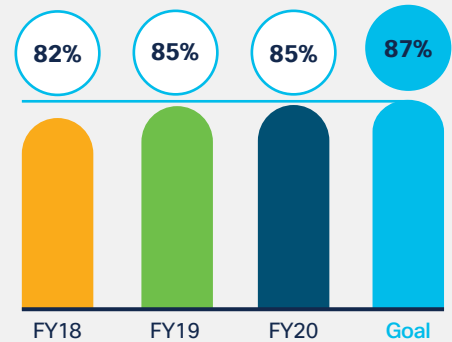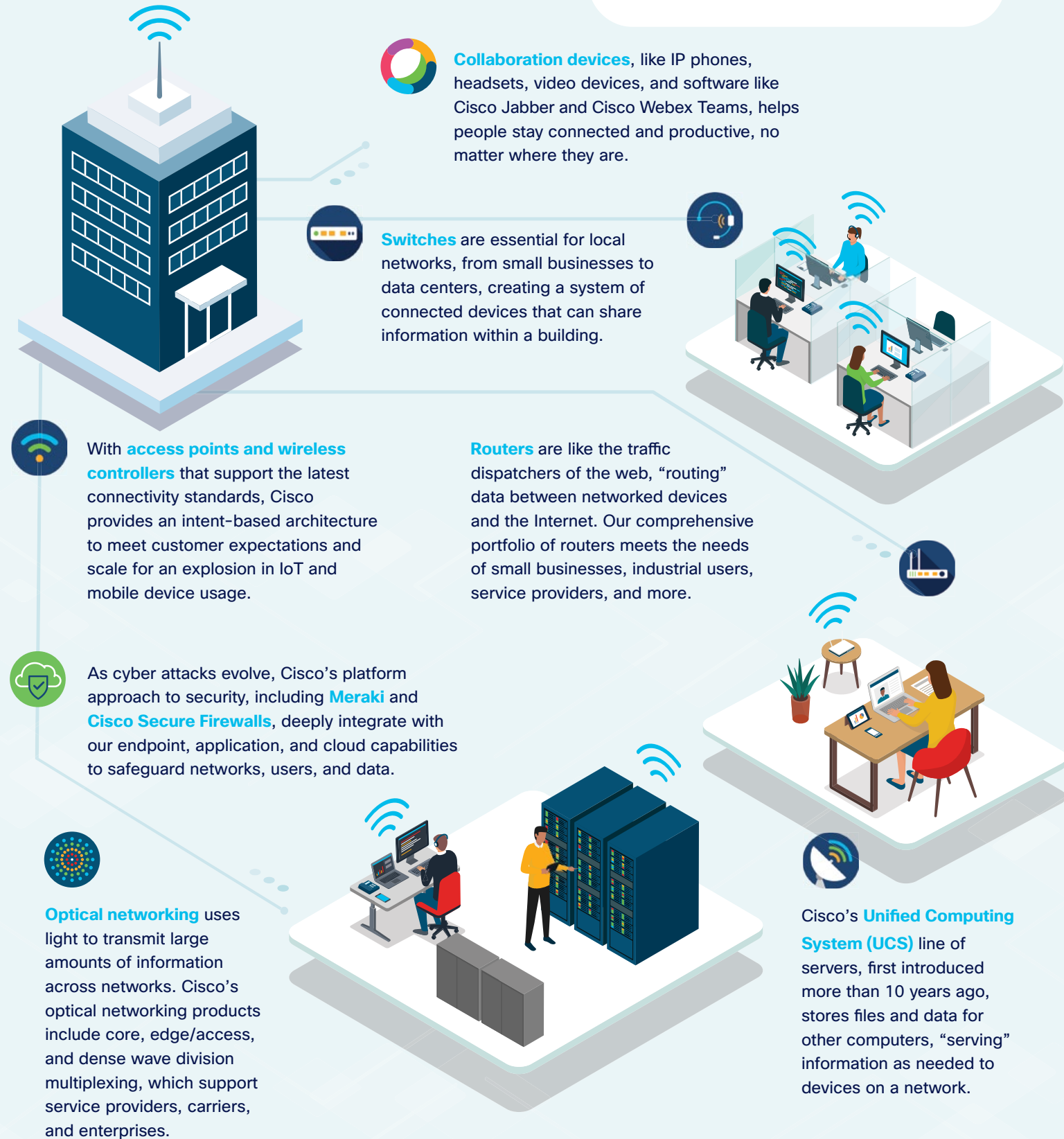
Goal:
Improve large rack-mounted equipment system power efficiency—as measured from the input power from the facility to the board-mounted ASICs, memory, and other chip devices—from 77% to 87% by FY22 (using FY16 baseline).

Our progress: To reach our power efficiency goal, we are adding printed circuit board design features to improve the flow of electrons to board components.

CHART 30:
Large rack-mounted equipment system power efficiency

FY18	FY19	FY20	Goal
82%	85%	85%	87%

Cisco product portfolio

Collaboration devices, like IP phones, headsets, video devices, and software like Cisco Jabber and Cisco Webex Teams, helps people stay connected and productive, no matter where they are.

Switches are essential for local networks, from small businesses to data centers, creating a system of connected devices that can share information within a building.

With **access points and wireless controllers** that support the latest connectivity standards, Cisco provides an intent-based architecture to meet customer expectations and scale for an explosion in IoT and mobile device usage.

Routers are like the traffic dispatchers of the web, "routing" data between networked devices and the Internet. Our comprehensive portfolio of routers meets the needs of small businesses, industrial users, service providers, and more.

As cyber attacks evolve, Cisco's platform approach to security, including **Meraki** and **Cisco Secure Firewalls**, deeply integrate with our endpoint, application, and cloud capabilities to safeguard networks, users, and data.

Optical networking uses light to transmit large amounts of information across networks. Cisco's optical networking products include core, edge/access, and dense wave division multiplexing, which support service providers, carriers, and enterprises.

Cisco's **Unified Computing System (UCS)** line of servers, first introduced more than 10 years ago, stores files and data for other computers, "serving" information as needed to devices on a network.

Initiatives to further progress
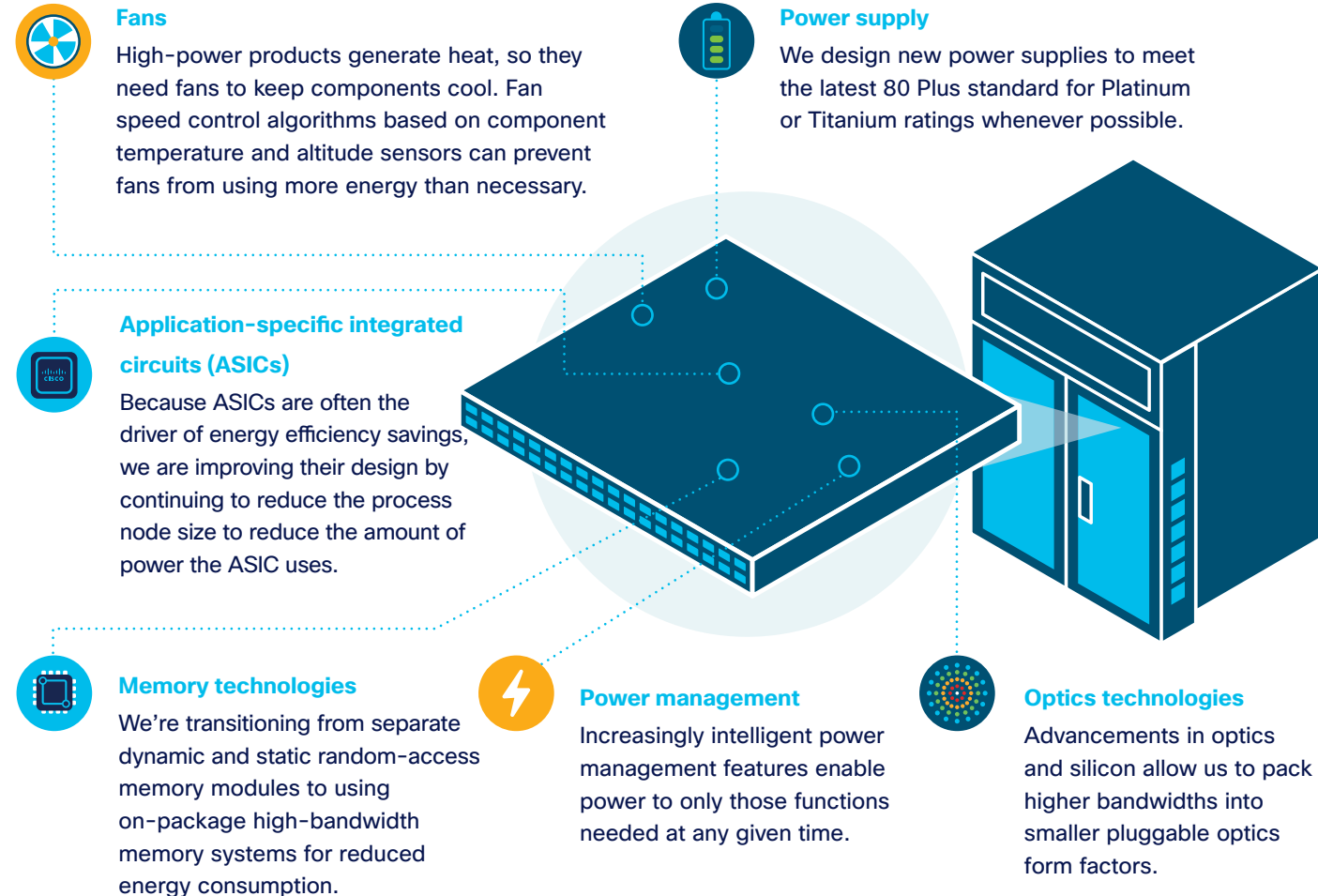
Addressing product energy consumption

To improve the energy efficiency of our products, Cisco is investing in areas where we can have the greatest impact. These investments consider the entire system in which a product operates, from the design of individual components to the power distribution and cooling systems of the facility in which a product is located. To improve the efficiency of individual products, we are working to develop more efficient thermal systems, reduce power loss in our high-speed interconnect designs and offer higher-efficiency

power supplies. These energy efficiency improvements are part of Cisco's Circular Design Principles, in which we work to incorporate environmental design principles into each of our products.

The environment a product operates in can also have an impact on how much energy is consumed. That's why we are working with customers to design their facilities to optimize product energy consumption and improve their power usage effectiveness (PUE). This includes developing power supplies with wide-ranging AC and DC inputs and developing integrated methods of cooling to reduce operating temperatures at the facility.

Inside a Cisco router

Cisco products contain many components that contribute to increased power efficiency. While not every product contains all of these components, here are some parts that you can expect to find inside our routing equipment.

Fans
High-power products generate heat, so they need fans to keep components cool. Fan speed control algorithms based on component temperature and altitude sensors can prevent fans from using more energy than necessary.

Power supply
We design new power supplies to meet the latest 80 Plus standard for Platinum or Titanium ratings whenever possible.

Application-specific integrated circuits (ASICs)
Because ASICs are often the driver of energy efficiency savings, we are improving their design by continuing to reduce the process node size to reduce the amount of power the ASIC uses.

Memory technologies
We're transitioning from separate dynamic and static random-access memory modules to using on-package high-bandwidth memory systems for reduced energy consumption.

Power management
Increasingly intelligent power management features enable power to only those functions needed at any given time.

Optics technologies
Advancements in optics and silicon allow us to pack higher bandwidths into smaller pluggable optics form factors.

OF INTEREST
Silicon One: Rebuilding the Internet for the future

Think of all of the data we generate and access every day. Every uploaded file. Every streamed video. Every Webex meeting. Each of these actions is processed by routers and switches in data centers. Increases in Internet traffic have been managed fairly efficiently over the past decade, but data centers still consume a significant amount of energy.

This energy use is not only an obstacle to meeting global climate commitments—it also hinders innovation. That's because although we've made significant technology advances in optics, silicon, and other aspects of data center design over the years, the limiting factor in building new, higher-capacity systems is efficiently managing the power required to cool down active components. To deploy higher bandwidth, providers need better power efficiency.

Five years ago, Cisco engineers began to work on a solution, one that would require us to rethink everything we

know about network design and lay the groundwork for systems of the future. The result is Cisco Silicon One, a programmable ASIC for high-performance networking, which can be found in our new Cisco 8201 router.

The Cisco 8201's predecessor, the NCS 6008, required over 2300 distinct chips assembled into a chassis reaching more than seven feet tall. In terms of power, the system would consume nearly 11 MWh—roughly the same amount needed to heat and cool a 1500-square-foot home for an entire year.

Silicon One simplifies this complexity, condensing those 2300-plus elements into just one chip. Compared to the NCS 6008, the Cisco 8201 router's size has been reduced from a 48-rack-unit chassis to a single rack unit the size of a pizza box. And it uses a mere 415W—about what it takes to brew two cups of coffee—all while supplying 35 percent more bandwidth than the NCS 6008.

The Cisco 8201's environmental benefits come not only from its far lower power and manufacturing demands, but also from a reduced transport footprint. Previous systems required the shipping of 10 pallets of equipment that weighed 2000 pounds, including packaging to keep each component secure. Now, all we need to ship is a single 32-pound box—a 62x reduction in shipping weight and a 202x reduction in shipping volume.

Innovation is all about solving problems. With Silicon One, we're proud to solve multiple problems at once. Having cracked the code on programmable silicon architecture, we're unlocking capacity for more powerful, higher-bandwidth networks—while helping address the challenge of our industry's environmental footprint. It's exactly the kind of breakthrough we need to support the Internet of the future.

Circular Economy and Supply Chain Excellence

Addressing climate change

GHG emissions from our supply chain are 5x greater than the footprint of our own operations, close to the average among global corporations. Engaging with suppliers is therefore a critical way for businesses to reduce their overall carbon footprint and address the increasing impacts of climate change.

Why this matters to our business

Making the world a better place with technology begins with how we design, make, use, and reuse that technology. This commitment is core to our desire to power an Inclusive Future.

We address environmental and social impacts along the entire product lifecycle to ensure we uphold human rights, promote worker health and wellbeing, and minimize negative environmental impacts. A responsible, resilient supply chain is critical to our business success and supports our ability to transition from a linear economy to a circular economy. The COVID-19 pandemic impacted many of our suppliers, further highlighting the importance of supply chain resiliency and risk management to protect our extended workforce at all times.

As we source raw materials for products, we consider how we can reduce demand on finite resources and protect human rights during the mining process. By designing products and packaging grounded in Circular Design Principles, we can eliminate waste and facilitate repair, disassembly, and

reuse at end of life. During product assembly, we expect our manufacturing partners and their suppliers to uphold Cisco's standards and to play a critical role in identifying and addressing risks to workers' human rights and health. We also partner with suppliers to reduce their own GHG emissions, build products at zero-waste factories, and facilitate our closed-loop material sourcing. Our commitment to a circular economy includes keeping equipment in use longer and building a world-class returns program that maximizes the value of assets while reducing the environmental impact of manufacturing and waste on communities.

This work aligns with Cisco's core values and directly benefits our business outcomes, including business continuity, worker retention, productivity, and customer satisfaction. And we collaborate widely to drive these outcomes, with our suppliers, industry groups, customers, partners, and civil society. Making an Inclusive Future possible requires us to take care of communities and the planet we all share.

Advancing a circular transformation

In 2019, over 92 billion tonnes of materials were extracted and processed, contributing to about half of global CO_2 emissions. Companies have an opportunity to shift away from the "take-make-dispose" approach and extend the product lifecycle, conserve natural resources, and address material waste.

Safeguarding human rights

Protecting the rights and wellbeing of workers in our supply chain has never been more important. Across the stages of the supply chain, from mineral extraction to components suppliers to manufacturing partners, promoting human rights is an opportunity, a responsibility, and a critical enabler of resilience.
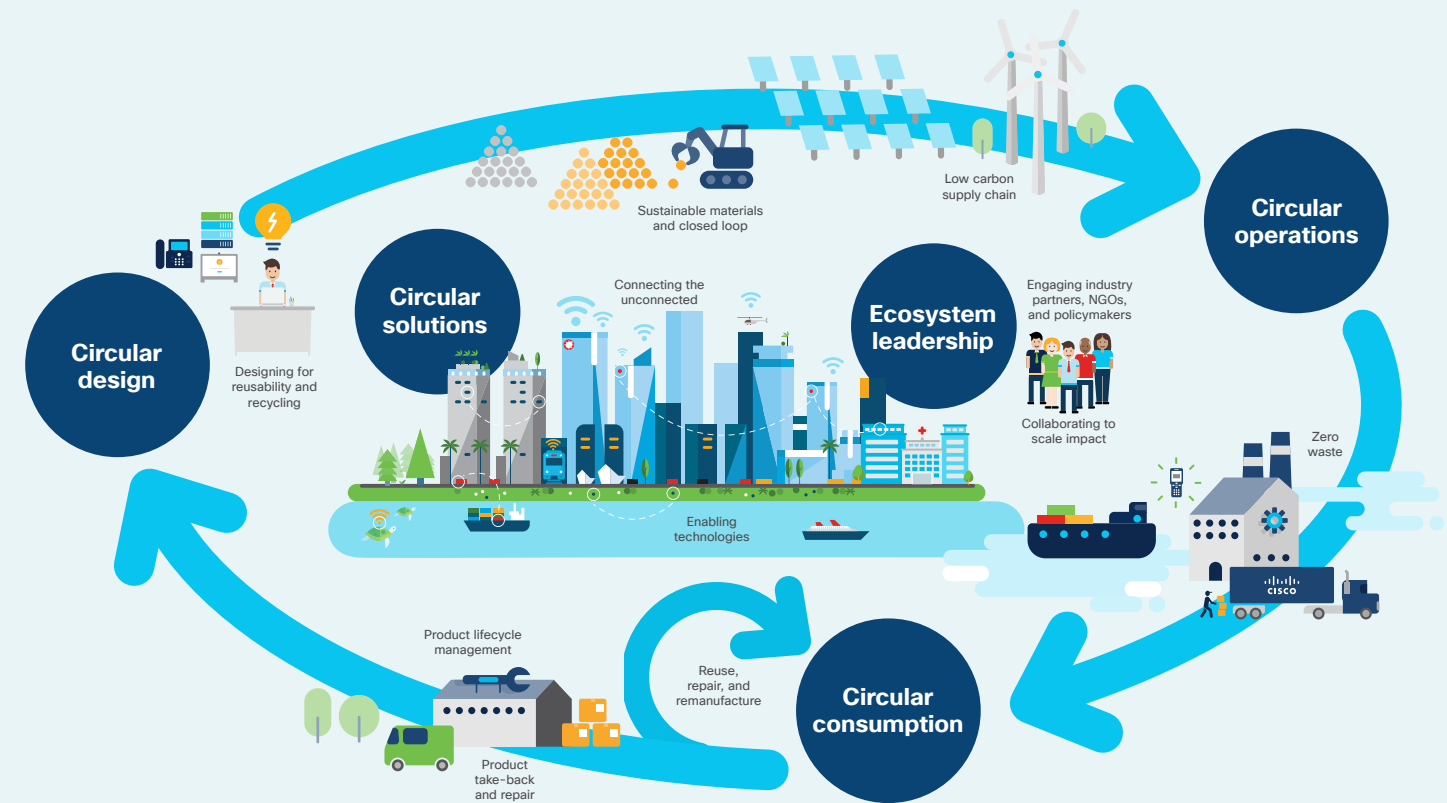
Circular economy strategy

Cisco has changed the world many times over with our products. Now we're changing it again by transforming the way we do business—the way we design and build products and solutions, the way we think about the lifetime of an asset, and the way we use our technology to support customers in their own business transformations. This approach is driven by the concept of circular economy, which is based on a few simple principles:

1 Design out waste and pollution from the beginning

2 Use the products and materials we already have longer

3 Regenerate natural systems

The Cisco Circular Economy

A sustainable future is ours to create

We see significant value in the circular model and are in the process of driving circular advantage throughout our business. Our strategy leverages an enterprisewide program to support a circular economy transformation inside our business and beyond. Further details on our circular economy engagement model can be found in the ESG Reporting Hub.

Our circular economy initiatives are focused in five major areas:

- **Circular Design:** Design products and packaging with circularity in mind (i.e., design for reuse, repair, recycling, and resource efficiency)

- **Circular Operations:** Reduce consumption and use renewable sources across our value chain

- **Circular Consumption:** Manage our equipment for multiple lifecycles and deploy new business models to facilitate this approach

- **Circular Solutions:** Shape and pioneer technology solutions and services to enable circular economy value creation for customers

- **Ecosystem Leadership:** Advance a circular economy through industry innovation, collaboration, and public policy

Collaboration is critical to our ability to achieve our circular economy vision. Cisco was a founding partner of the Ellen MacArthur Foundation (EMF) and we continue to leverage member connections, trainings, and shared learnings as a Member of EMF. We also actively engage with other groups, including the Platform for Accelerating the Circular Economy (PACE) Capital Equipment Coalition, the Circular Electronics Partnership, the Reverse Logistics Association (RLA), and the Partnership to Reuse, Refill, Replace Single-Use Plastics (PR3). More details on these partnerships can be found in the ESG Reporting Hub.

Product and packaging design

How we engage

Circular design is fundamental to our ability to implement a circular economy, both now and into the future. Our circular design strategy spans five focus areas, which address our most material impacts. In fiscal 2020, guided by this framework, we developed Circular Design Principles, allowing us to make progress toward several of our product and packaging goals.

Material use: Incorporate recycled content into our products, reduce the use of nonrenewable materials, and consider resource scarcity risks as part of material selection.

Standardization and modularization: Standardize and modularize components and enclosures to simplify our supply chain and enable reuse, repair, remanufacturing, and recycling.

Sustainable packaging: Use recycled and renewable packaging materials, reduce foam and plastic use, move toward fiber-based designs, and increase packaging efficiency.

Smart energy consumption: Improve product energy efficiency through activity-based power and power management features (see page 80 for more details on product energy use).

Disassembly, repair, and reuse: Design products with easily separable components that use similar materials to facilitate reuse, repair, remanufacturing, and recycling.

Initiatives to enable progress

Growing our circular design community

In fiscal 2020, we held eight workshops globally with stakeholders from across our design community, including Cisco employees from supply chain, engineering, and product management. These workshops increased awareness of our circular design strategy, sparked innovative new design ideas, and grew the community of advocates advancing circular design in their business units. We also established a Circular Design Steering Committee and launched a Circular Design Working Group, which meets regularly to share case studies, discuss best practices, and stay updated on key initiatives.

Goal: Design 100% of new Cisco products and packaging to incorporate Circular Design Principles by FY25.

Our progress: *On track.*
We developed our Circular Design Principles in FY20, which include specific guidelines meant to address our most material impacts. We are now in the process of embedding these Circular Design Principles into standard design tools and processes and developing a product scoring methodology to measure progress toward the goal.

Circular Design Principles training

To increase internal awareness and understanding of our circular design strategy, we developed an interactive, gamified training course targeted at our design community. In this course, launching fiscal 2021, learners will make a series of design decisions to "build" Cisco products, learning about the Circular Design Principles as they go.

Designing products for circularity

Our Circular Design Principles are increasingly incorporated into the design of new products, making those products more durable, environmentally friendly, and easier to reuse through multiple lifecycles. In fiscal 2020, we launched our first products with closed-loop plastic (see next page). Another example is our IR1101 router, which employs a highly modular and expandable hardware design to extend product lifetime. Customers have the flexibility to add or upgrade components as their needs and technologies evolve, as they have with the rollout of 5G. The updated design also reduced the idle power by 45 percent from the previous generation.

Watch video

Cisco Circular Design Principles

OF INTEREST
Closing the loop from old to new

Like many other companies, Cisco uses plastic in both our products and packaging. Plastic has many advantages, from its technical properties to its low cost and light weight, which helps to reduce emissions from transport. However, plastic also comes with many well-documented challenges, such as being derived from fossil fuels and being difficult to recycle. Increasing the use of recycled plastics sourced from our own recycling stream is one example of how we can put products to new use at end-of-life.

In an important step toward our circular economy goals in fiscal 2020, Cisco launched select models of the IP phone 8800 series and the Webex Room Kit Plus using 100 percent post-consumer recycled (PCR) plastic resin. These products are the first to carry a new closed-loop plastic label Cisco has created to differentiate products made with recycled plastic sourced from industrial recyclers, including our own.

The PCR plastic used in these products will avoid millions of pounds of virgin plastic usage annually. And by using PCR resin, we will reduce the carbon footprint of these plastic components by as much as 95 percent. Since the plastic components in these products account for more than 15 percent of Cisco's total direct plastic procurement, these changes will have a significant impact toward achieving our goal to reduce virgin plastic use by 20 percent by fiscal 2025.

Learn more about the
Cisco Closed-Loop Plastic Label.

CISCO
100%

CLOSED-LOOP PLASTIC
100% Post-Consumer
Recycled Resin
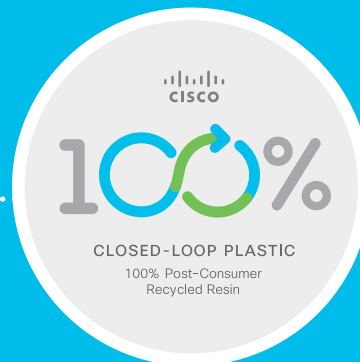
Goal:
Decrease use of virgin plastics by 20% by FY25 (FY18 base year)[10].

Our progress: *On track.*
Accomplishments in FY20 include the launch of select models of the IP phone 8800 series and the Webex Room Kit Plus using 100% post-consumer recycled (PCR) plastic resin. The production of these products was delayed due to COVID-19, but will take full effect in FY21. COVID-19-related impacts largely drove our 26.1% virgin plastic reduction in FY20. Given this, we do not consider the goal to be met and continue to drive progress.

[10] *The plastics included in this goal make up the majority of Cisco's use. However, it excludes plastics contained in commodity components sourced from suppliers (such as printed circuit boards). Most of these electronic components require the electrical insulating property provided by plastics.*

Goal:
Reduce foam used in Cisco product packaging by 75% measured by weight by FY25 (FY19 base year).

Our Progress: *On track.*
We continue to explore several alternatives to foam for sustainable packaging solutions, keeping in mind that product protection is our first priority. In FY20, we reduced our use of foam in Cisco product packaging by 11.5%. However, COVID-19-related impacts largely drove our reduction. We also implemented foam reduction projects that will take effect in FY21.

Progress on packaging
We are reducing the environmental footprint of our packaging and making progress toward our goals by optimizing packaging efficiency, minimizing single-use plastics and foam, reducing unwanted or redundant items in shipments, and using readily recyclable materials. In fiscal 2020, we redesigned the packaging for our Carrier Routing System Performance Route Processor and Fan Controller spares by redesigning the foam cushions and carton. This reduced the dimensional weight of the spare pack while also reducing nearly two pounds of foam overall for each product shipped. Through additional packaging design changes, we also eliminated more than 80,000 pounds of corrugate from our total packaging shipped in fiscal 2020. With a number of additional projects underway, we expect to see increased impact in fiscal 2021.

Supply chain sustainability

How we engage

Through the Supplier Code of Conduct we hold our suppliers—and their suppliers—to the same high standards we practice, consistent with the Responsible Business Alliance (RBA) Code of Conduct and other responsible sourcing policies. To follow through on our commitments, we conduct due diligence with suppliers and strive to protect workers, communities, and the environment from harm. Through supplier engagement, we believe in building foundations that can drive positive outcomes for people and ecosystems in our supply chain. We also collaborate extensively with industry groups, peers, suppliers, and other stakeholders to advance responsible, sustainable supply chains across our industry.

Eliminating paper from product shipments

In July 2020, we announced that we will eliminate all paper documentation that is included in new product shipments by the end of 2021. Today, for many of Cisco's hardware products and software solutions, millions of sheets of paper are shipped in the form of licenses, manuals, and compliance documentation. Eliminating these paper shipments and moving to electronic delivery represents an opportunity to reduce waste, cost, and GHG emissions while streamlining the supply chain and enhancing the customer experience. Exceptions to this policy will be allowed where it is business critical or legally required for the product to include paper documents in the shipment.
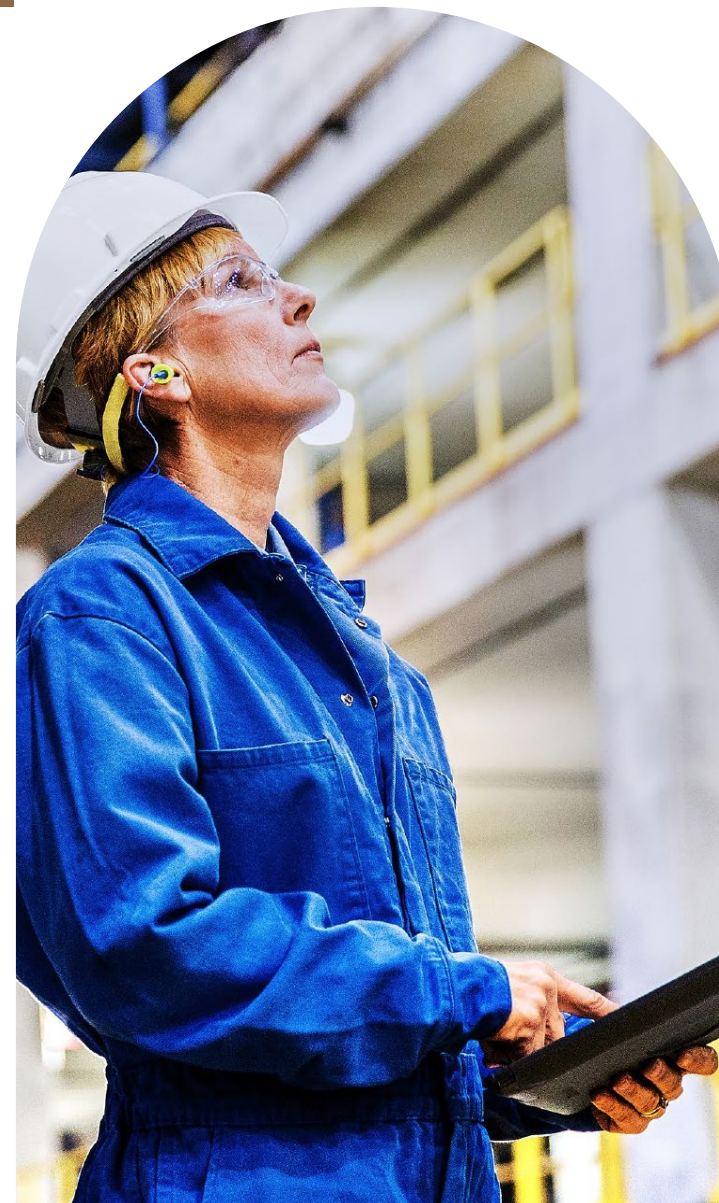
Goal:
Increase product packaging cube efficiency by 50% by FY25 (FY19 base year).[11]
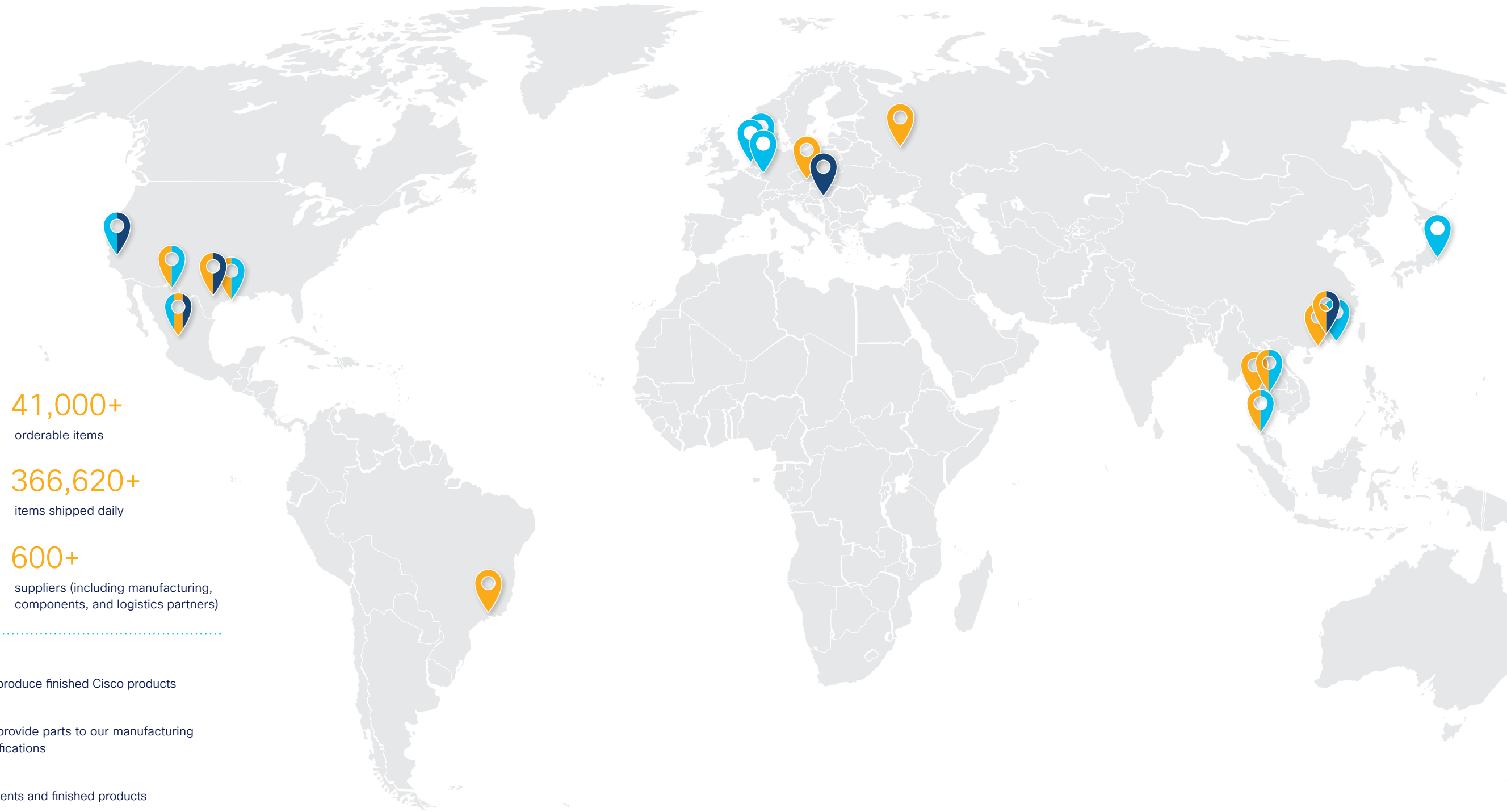
Our progress:
In FY20, we refined our packaging efficiency efforts to focus on packaging volume rather than volume per weight of product. In doing so, we continue to both reduce the total amount of packaging used and realize logistics savings. We will begin reporting on this metric in our FY21 report.

[11] This goal language has been slightly modified from that published in FY19, to better align with industry standard terminology. It does not reflect a change in the goal itself.

Supply Chain Awards & Recognition

Ranked **No. 1** in The Gartner Supply Chain Top 25 for 2020 report

#2 in IT Industry IPE Supply Chain Climate Action Index (SCTI)

#2 in IT Industry IPE Green Supply Chain Corporate Information Transparency Index (CITI)

Cisco supply chain and reverse logistics locations

See our fiscal 2020 Cisco Supplier List

143,000+
components

41,000+
orderable items

1900+
orders daily

366,620+
items shipped daily

525,000+
units repaired

600+
suppliers (including manufacturing, components, and logistics partners)

Manufacturing partners
A select group of suppliers that produce finished Cisco products

Component suppliers
A large group of suppliers that provide parts to our manufacturing partners according to our specifications

Logistics service providers
Suppliers who transport components and finished products

Repair partners
Suppliers who operate repair sites and complete service repairs

logistics hubs

manufacturing sites

global repair sites

Risk assessment process

Geographic risk factors
- Human development and governance indicators
- Forced labor and human trafficking indicators
- Environmental performance indicators

Supply chain risk
- Past social and environmental performance
- Presence of vulnerable workers
- Unresolved issues and repeat findings

Exposure risk
- Cisco's strategic relationship with supplier

Initiatives to enable progress

Supplier engagement for Code of Conduct assurance
The supplier engagement process is essential to drive improvement within our supply chain and across our industry. It includes four main phases described below:

- **Risk assessment.** We evaluate our supply base annually for social and environmental risk factors, inherent risks from operations and production, and exposure to those risks. The results of this assessment feed into our due diligence, audits and assessments, and supplier engagement plans.

In fiscal 2020, we updated the supplier onboarding process to more deeply assess suppliers for social and environmental risks, such as pollution violations or the employment of foreign migrant workers or workers under the age of 18. All new direct material suppliers have been screened since the process was updated. If risks are identified, we follow up to determine if impacts need to be addressed prior to scaling business with the supplier. When supplier entities are integrated through mergers and acquisitions, they become a part of Cisco's standard programs and due diligence processes. Our Supplier Code of Conduct was also extended to our indirect service suppliers for acknowledgement during fiscal 2020.

Supplier engagement process for a more resilient, responsible supply chain
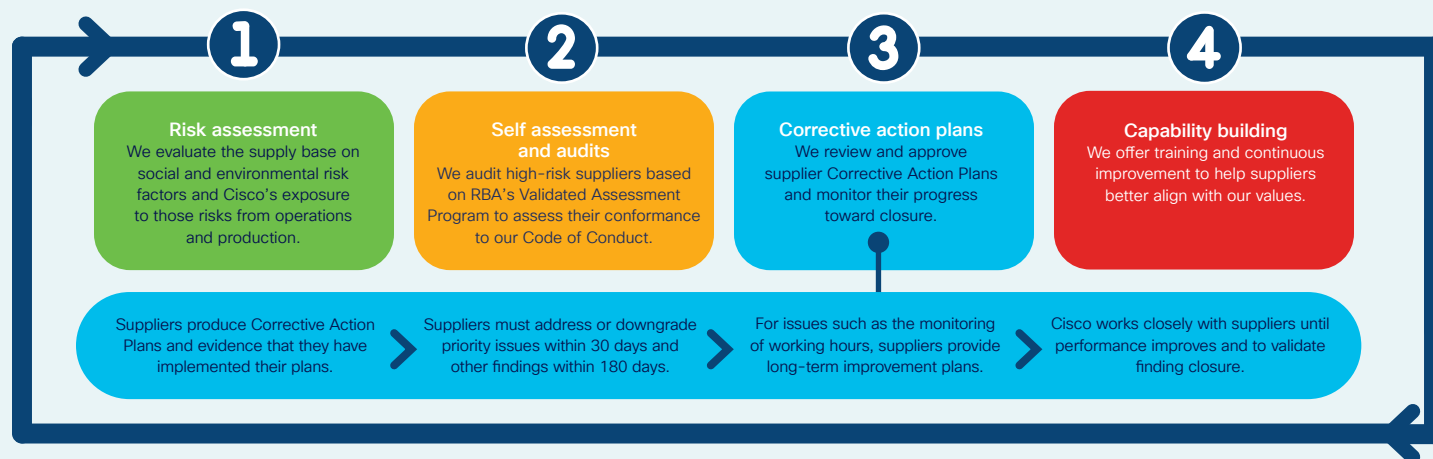
1 Risk assessment
We evaluate the supply base on social and environmental risk factors and Cisco's exposure to those risks from operations and production.

2 Self assessment and audits
We audit high-risk suppliers based on RBA's Validated Assessment Program to assess their conformance to our Code of Conduct.

3 Corrective action plans
We review and approve supplier Corrective Action Plans and monitor their progress toward closure.

4 Capability building
We offer training and continuous improvement to help suppliers better align with our values.

Suppliers produce Corrective Action Plans and evidence that they have implemented their plans.

Suppliers must address or downgrade priority issues within 30 days and other findings within 180 days.

For issues such as the monitoring of working hours, suppliers provide long-term improvement plans.

Cisco works closely with suppliers until performance improves and to validate finding closure.

TABLE 3:
Self-assessment questionnaire coverage by supplier type

	Fiscal 2019	Fiscal 2020
Manufacturing partners	100%	100%
Components suppliers (by spend)	80%	80%
Logistics suppliers	100%	100%

- **Self-assessment and audits.** We have adopted the RBA's industry standard accountability and assessment tools. These include Self-Assessment Questionnaires (SAQs) and the Validated Assessment Program (VAP). SAQs give suppliers insight into their own performance. And they help Cisco develop leading indicators for risks that can be addressed during an audit or another due diligence initiative.

Our comprehensive supplier auditing program helps suppliers build capability and improve their performance. In fiscal 2020, 66 Cisco supplier facilities conducted RBA initial audits. We estimate these audits covered more than 235,000 workers[12] in our supply chain. Working hours, emergency preparedness, and occupational safety remained the largest portion of our audit nonconformances. There were no priority environment findings in fiscal 2020. Review our audit results in the ESG Reporting Hub.

- **Corrective Action Plans.** Suppliers must develop Corrective Action Plans (CAPs) for individual nonconformances. Supplier CAPs must adhere to Cisco deadlines informed by the RBA VAP Protocol. We consider nonconformances closed after we review evidence confirming that workers have been remediated, communicated to, and/or trained on revised policies and procedures. As needed, we use third-party auditors to conduct closure audits onsite, as informed by the RBA VAP protocol.

CHART 31:
RBA initial audits conducted by supplier type[13]

	FY18	FY19	FY20
Manufacturing partner facilities	13	8	6
Components supplier facilities	47	67	60
Total	60	75	66

- ● Manufacturing partner facilities
- ● Components supplier facilities

[13] RBA audits are valid for two years.

In fiscal 2020, our closure rate of priority and major nonconformances was 93 percent[14]. Many of the nonconformances that were not closed involved specific permits awaiting government approval, and the related activities did not pose particular risk.

- **Capability building.** Training and building the capabilities of suppliers is necessary to make lasting improvement to working conditions. This includes individual supplier coaching and referral to RBA training resources. Last year, we developed a capability-building seminar series to address some of the chronic health and safety nonconformances we saw in audits. Topics included emergency response management, fire safety, occupational safety controls, and chemical safety controls.

In fiscal 2020, we provided a virtual training to more than 100 learners from 45 supplier sites. The training highlighted best practices in emergency response management, including a Cisco manufacturing partner's emergency response to COVID-19. We'll be continuing the health and safety capability building series virtually into fiscal 2021.

[12] Includes our manufacturing and components suppliers only.
[14] Excluding working hours and social insurance.

Our progress on Human Rights Impact Assessment (HRIA) commitments

Expand our scope

- Grew responsible minerals program to include cobalt and other conflict-affected and high-risk areas (CAHRAs)
- Incorporated logistics suppliers into Supplier Code of Conduct assurance program
- Extended Supplier Code of Conduct to global services suppliers

Improve our effectiveness

- Developed Supply Chain Human Rights Governance Committee
- Delivered Supply Chain Human Rights Training to Cisco employees
- Leveraged data to improve risk assessments for forced labor and child labor risks
- Expanded due diligence beyond audits with targeted assessments and spot checks

Engage to learn and influence

- Developed external stakeholder engagement strategy
- Partnered within industry at the RBA, RMI, RLI, and CEPN
- Partnered with one manufacturing site to engage workers in reskilling, including surveying workers on job satisfaction, Future of Work, and providing skills training

We use supplier scorecards to help us measure and manage conformance to Cisco's requirements for suppliers on environmental stewardship and human rights. Sustainability performance is incorporated into our supply chain business processes for sourcing and procurement decisions. If a supplier fails to meet Cisco's policies or specifications, we escalate the issue through management, including to the senior executive of supply chain when necessary. If a supplier fails to make efforts to improve, we stop awarding new business, and when warranted, will discontinue the relationship.

COVID-19 interrupted our normal processes for auditing suppliers. From February through July 2020, the second half of our fiscal year, third-party audits were limited until protocols could be set up to protect the health and safety of auditors and the factory workers they visited. Auditor capacity in some regions was also affected due to travel restrictions. As a result, several suppliers with audits scheduled during fiscal 2020 postponed audits to the first half of fiscal 2021. These include logistics suppliers whom we planned to audit as part of our human rights commitments. Despite these challenges, we were able to complete 66 of our planned audits—90 percent of our fiscal 2020 goal of 73. Though onsite audits did not occur for several months, we continued supplier engagement in a remote capacity to ensure our standards were upheld.

Achieving our human rights commitments

We have made progress toward the commitments outlined by the Human Rights Impact Assessment (HRIA) performed in fiscal 2017. We have improved how we conduct due diligence toward our priorities and how we sense and respond to human rights risks as they evolve over time.

In fiscal 2020, we launched a human rights training in Supply Chain Operations to raise awareness and educate employees on how they can play a role in helping Cisco to follow through on our human rights commitments. Supply chain employees learned how to detect warning signs of serious risks such as forced labor and child labor, report if they suspect violations to Cisco's standards, and support work to hold suppliers accountable. We reached a 98 percent completion rate among Supply Chain Operations employees.

Cisco supply chain's response to COVID-19
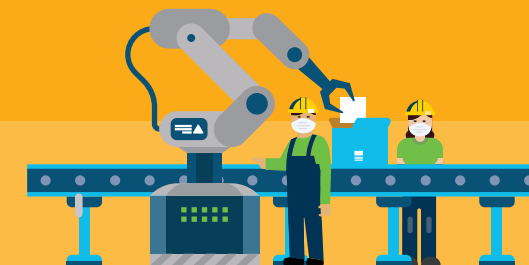
The COVID-19 pandemic presented extraordinary challenges in fiscal 2020 and caused unprecedented disruption for many. As Cisco powers the world's networks, we played a role as an essential business supporting the global response to the pandemic. Our priorities were to provide critical infrastructure for humanitarian response and essential services and to protect the health, safety, and human rights of workers who build our products in the supply chain.

At the beginning of the pandemic, we developed a new order prioritization process. This enabled the fulfillment of over 2500 critical customer infrastructure orders related to first responders, such as healthcare providers, telemedicine, and mobile COVID-19 testing, in addition to public services, schools, and other businesses deemed essential services during the COVID-19 pandemic. Our repair centers also collected, refurbished, and distributed hundreds of Cisco Collaboration devices for use in telemedicine. And we leveraged our existing remanufactured inventory in Cisco Refresh to help meet urgent demand as businesses transitioned to work-from-home, demonstrating the resiliency benefits of a circular economy model.

Our partnership with our suppliers was critical to support delivery of products and protection of workers. We acted quickly to engage our supply base and provided them guidelines on responsible business conduct while operating during the pandemic. With our manufacturing partners around the globe who build our final products, we monitored the development and execution of detailed pandemic response plans to minimize workers' exposure to the virus. We also provided supplemental funds for workers' personal protective equipment (PPE) and COVID-19 testing to select manufacturing partner sites.

We worked with supply chain partners to determine when it was in the best interest of workers to reduce capacity or perform brief shutdowns of specific sites to reduce the risk of transmission of COVID-19. We also leveraged our global network and worked aggressively to re-route orders, expedite alternative component supply, and bring up additional manufacturing capability. This enabled us to meet customer needs and ensure workers were protected.

Despite our best efforts, it was reported to us that three extended team members within our manufacturing and logistics network passed away from COVID-19-related complications early in the pandemic. We take this loss to heart and took steps to assist the affected families by offering financial and emotional support. We take the protection of the workers in our supply chain very seriously and are committed to continuously improve how we operate to protect and respect the rights of all people.

Cisco also assessed component suppliers' protection of workers' health and human rights during the pandemic. We surveyed more than 150 components supplier sites to ensure:

- Plans were implemented to protect workers from COVID-19, including providing basic emergency medical care and PPE
- Labor shortages were addressed without violations of our Supplier Code of Conduct
- Wages and social insurance were paid to workers on extended leave, quarantine, or seeking medical attention

To help support suppliers through the lasting effects of the pandemic, we worked with fellow RBA members to develop and provide further recommendations for Suppliers' Protection of Workers during COVID-19. Our intent is to strengthen supplier resiliency by helping them build a strong response program that supports workers. These recommendations were also provided to the RBA to share amongst the wider membership.

Moving forward into fiscal 2021, we've adjusted our supply chain sustainability activities and business operations to adapt to COVID-19, and our plans are under continual improvement. We continue to honor our commitments to ensure protection of vulnerable workers in our supply chain who are impacted by the pandemic. We are adjusting our due diligence processes, using remote engagements in lieu of onsite audits where appropriate, in order to protect worker health. We will also continue to work with our supply chain partners to ensure human rights are protected and build supply chain resilience to meet the needs of our customers.

Ensuring freely chosen employment

Cisco requires suppliers to mitigate risks that could potentially lead to forced labor conditions and remediate impacts to affected workers. You can read an overview of Cisco's process for addressing forced labor risks in our Statement on the Prevention of Slavery and Human Trafficking.

During fiscal 2020, supplier audits uncovered nonconformities to our Code of Conduct for Freely Chosen Employment. These indicated risks for forced labor or bonded labor. In a few cases, workers had paid one-time health examination fees of less than 5 percent of their monthly salary. Cisco's audits also uncovered cases of excessive recruitment fees charged to foreign migrant workers. As part of our remediation work, Cisco oversaw suppliers' reimbursement of more than US$500,000 in health check and recruitment fees to more than 6000 workers during fiscal 2020. Four workers were ensured access to their passports after the audit revealed they did not have access to them.

In addition to audits, we conducted a targeted risk assessment of manufacturing and components suppliers who employ vulnerable populations such as migrant workers, young workers, and student workers. Most of the suppliers we assessed had policies and procedures to prevent risks of forced labor and bonded labor. However, this targeted effort effectively identified four suppliers that required further onsite assessment. One assessment found that workers paid application and service processing fees of less than 50 percent of their monthly salary. These practices were addressed, and workers were repaid during fiscal 2020. Assessments of two of the identified suppliers had to be postponed due to the pandemic; these are planned for fiscal 2021. Learn more about Cisco's work to stop forced labor and other assessments conducted in fiscal 2020 in our ESG Reporting Hub.

Cisco oversaw suppliers' reimbursement of more than US$500,000 in health check and recruitment fees to more than 6000 workers during fiscal 2020.

Cisco Supplier Guide

Read more about areas of importance for our suppliers, specific reporting and compliance requirements, and areas where we collaborate for mutual benefit in our Cisco Supplier Guide.

Learn More

Cisco Supplier Guide: Sustainability, Risk, and Security

2020

OF INTEREST

Remediating workers facing forced labor conditions

Of all risks related to modern slavery, the risk of debt bondage is among the more common within the electronics industry. It can occur when a worker takes on debt for expenses related to their employment, such as for travel or shelter. Indebtedness makes workers vulnerable to exploitation and forced labor conditions that can be difficult to escape.

Cisco has long committed to eradicating forced labor, including the risks of debt bondage within our supply chain. Audits are one method of due diligence that we use to identify and address forced labor risks. During fiscal 2020, a comprehensive onsite audit at a components supplier identified a small number of foreign migrant workers facing risks of debt bondage. These workers had paid recruitment fees to a labor agent in their home country at a rate equivalent to more than 1.5 times their monthly salary. The supplier had existing "no fee" policies and procedures in place for detecting and reimbursing fees like these. But they hadn't yet uncovered that these workers had paid fees before starting employment.

Once discovered, the supplier worked diligently to address the issue. Through thorough investigations, the supplier traced more than 400 workers who had been subject to these fees. They had been threatened by the home country labor agent and feared that they would lose their jobs if they spoke up about the fees. The supplier worked to identify how much each worker had paid. As part of remediation steps taken in fiscal 2020, the supplier reimbursed more than US$140,000 total in fees to workers. Beyond monetary reimbursement, the supplier is working to encourage two-way dialogue with workers to enable and motivate them to disclose fees paid, among other feedback about the working environment. By setting up worker voice mechanisms, the supplier will be able to more closely monitor the conditions foreign migrant workers experience during the recruitment process.

This case illuminated the challenges that suppliers can encounter to conduct due diligence with labor agents in recruitment channels. Cisco intends to leverage this lesson to improve and deepen our due diligence approach with suppliers and drive the importance of vetting upstream recruitment channels.

Protecting young workers

Our standards for protecting workers under the age of 18, including the types of work they cannot perform, are outlined in the Juvenile Labor Policy and Expectations. In fiscal 2020, Cisco did not observe any cases of underage child labor. However, audits identified suppliers who did not have sufficiently comprehensive identity document verification processes in place to prevent underage child labor directly or indirectly through contractors. In these cases, Cisco worked with suppliers to close gaps in their management systems to prevent risks of child labor.

One supplier was prioritized for onsite assessment outside of our normal audit processes. The assessment uncovered five young workers who had been working overtime and had not received risk evaluations or health exams as part of their employment. Cisco engaged with the supplier to immediately stop the practices that posed health risks to workers and is actively working to ensure young worker treatment is aligned to our expectations.

CHART 32:
Total smelters and refiners in our supply chain, by mineral (CY2019)

70%

154
108

100%

38 38

84%

56 47

96%

47 45

75%

16 12

Gold Tantalum Tin Tungsten Cobalt

- Total smelters and refiners, by mineral
- Number conformant or active in RMAP as of April 1, 2020
- Percentage conformant or active in RMAP as of April 1, 2020

Sourcing minerals ethically

Our goal is to work collaboratively with suppliers to source minerals consistent with our values around human rights, business ethics, labor, health and safety practices, and environmental responsibility. This approach includes sourcing responsibly from conflict-affected and high-risk areas (CAHRAs). Our full commitment, informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), is captured in our Responsible Minerals Policy. Our Conflict Minerals Disclosure and Report, published in 2020, describes in detail how our due diligence activities align to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Industry collaboration

In fiscal 2020, Cisco continued collaborating with peer companies and other stakeholders through active participation in the Responsible Minerals Initiative (RMI). We were involved in the RMI Smelter Engagement Team, which works to increase participation in the Responsible Minerals Assurance Process (RMAP); the RMI Mining Engagement Team, which works with upstream stakeholders to increase the quantity and quality of data that enables downstream companies to identify and mitigate risks; and the RMI Artisanal and Small-scale Mining (ASM) Team, which is focused on addressing the unique risks and opportunities in the ASM sector. We anticipate deepening our involvement in these groups and engaging on other issues relevant to our minerals sourcing strategy. In addition, Cisco continued its financial support of the RMI's Upstream Due Diligence Smelter Fund.

In March 2020, Cisco became a member of the European Partnership for Responsible Minerals (EPRM), a multistakeholder partnership designed to increase the number of mines that adopt responsible mining practices in CAHRAs. We look forward to participating in this community and working to advance its in-region projects.

Beyond "conflict minerals"

Demand is increasing for accountability and transparency regarding human rights in global mineral supply chains. In fiscal 2020, Cisco initiated our first Cobalt Supplier Survey, using the RMI's Cobalt Reporting Template (CRT) to survey lithium-ion battery suppliers. 100 percent of suppliers responded to the survey, and the results are detailed on page 100. Like the identified 3TG smelters and refiners, Cisco uses these results to conduct due diligence throughout the year to monitor risks and increase the overall conformance rate. In addition, Cisco conducted its first analysis of CAHRAs to understand the social and environmental impacts of mineral sourcing outside of the Great Lakes Region in central Africa.

Protecting workers' health and safety

We continue to see suppliers struggle with maintaining effective health and safety management systems, as we've seen in audit results. Cisco continued our membership in the Clean Electronics Production Network (CEPN), which works toward zero exposure of workers to toxic chemicals in electronics manufacturing. We conducted surveys with suppliers to better understand chemicals they may be using in production. With the information we received, we prioritized suppliers for deeper engagement and capability building efforts. COVID-19 affected when we were able to start this work, so we are continuing to engage suppliers through fiscal 2021.

Cisco is also working to enable employees who regularly visit supplier factories to identify health and safety risks to workers. As part of the Supply Chain Human Rights training, employees learned to identify and report key health and safety risks such as the lack of PPE and locked or blocked emergency exit pathways. We also worked to pilot an onsite spot check initiative with a select number of Cisco employees. Ten engineers were trained to check for protocols onsite regarding fire safety and egress, chemical management, and reasonable accommodations for pregnant and nursing mothers. Plans to expand this work further were put on hold due to the pandemic. We seek to resume when feasible.

Promoting reskilling for the future of work

Reflecting our purpose to power an Inclusive Future, we created new educational and professional development opportunities for workers. In fiscal 2020, we conducted a pilot leveraging Cisco Networking Academy to train production workers with new IT skills. Overall, the training was well received by workers. They learned more about the technology industry and expressed interest in taking additional courses. We are continuing this collaboration in fiscal 2021 with a larger group of workers and course materials.
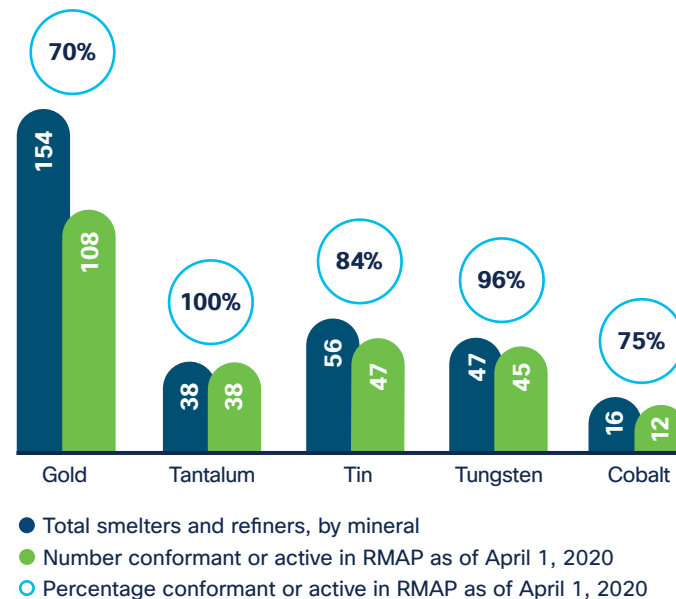
Tackling supplier GHG emissions

Measuring and managing environmental performance extends to Cisco's global supply chain operations. We have been working with suppliers to improve and report GHG emissions data through the CDP Supply Chain Program for over 10 years. We use this information to directly measure our supply chain carbon footprint and evaluate individual supplier performance.

Reducing GHG emissions has clear business benefits to our suppliers and contributes to Cisco's long-term operational success. To drive progress, we have committed to a goal for suppliers to set public, absolute GHG emissions reduction targets, and a longer-term goal to reduce Cisco's absolute supply chain-related Scope 3 GHG emissions. Close engagement with suppliers will help us achieve both of these goals. Learn more about our supplier GHG emissions reporting in the ESG Reporting Hub.
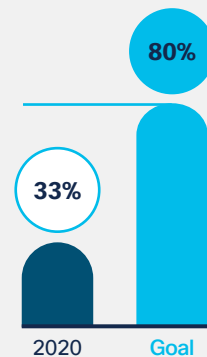
Goal:
80% of Cisco component, manufacturing, and logistics suppliers by spend will have a public, absolute GHG emissions reduction target by FY25.[15]

Our progress: *On track.*
We are working with suppliers to set and work toward enterprisewide emissions reductions, with the hope that results scale across the IT industry. We are using a combination of targeted supplier engagement and collaboration with industry peers to advance emissions modeling and to gain more real-time insight and influence into suppliers' targets, capabilities, and performance.

[15] *Preferably in line with an approved science-based methodology (applying either a 1.5 or well below 2°C reduction scenario). Includes suppliers that set intensity targets that produce an absolute emissions reduction during the target period.*

CHART 33:
Suppliers publicly reporting absolute GHG target (%)

33% 2020
80% Goal

Goal:
Reduce Cisco supply chain-related Scope 3 GHG emissions by **30%** absolute by FY30 (FY19 base year).[16]

Our progress: *On track.*
There is a standard one-year lag between when emissions occur at our suppliers and when they are reported to Cisco through CDP. This year, we have reported our FY19 base year. Progress against this goal will be reported in our FY21 report.[17]

[16] *Includes allocated emissions from Cisco's Tier 1 and Tier 2 manufacturing, component, and warehouse suppliers, and calculated emissions associated with transportation emissions managed and paid for by Cisco. Emissions are allocated based on Cisco's financial share of the supplier's reported global Scope 1 and Scope 2 GHG emissions. Transportation emissions will be reported as Upstream Transportation and Distribution according to GHG Protocol methodology because they are paid directly by Cisco.*

[17] *Due to the nature of Scope 3 targets and how emissions are calculated, we have established a standard operating process to adjust previously reported emissions totals, including the base year figure, if required. This allows us to expand the boundary of GHG emissions included in the target as we strive to improve visibility and methodology over time.*

Goal:
70% of Cisco component and manufacturing suppliers by spend will achieve a zero-waste diversion rate at one or more sites by FY25.[18]
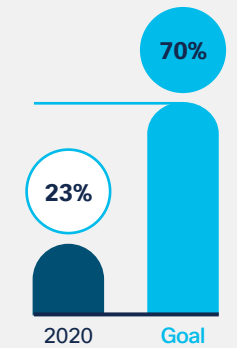
Our progress: *On track.*
In FY20, Cisco continued our partnership with TRUE Zero Waste[19] to support and verify completion of our manufacturing partners' efforts to achieve a zero-waste diversion rate at specific sites and to maximize their efficiency in the use of resources. We are in the final stages of the TRUE certification process for Cisco operations at partner manufacturing sites in China and Thailand, and plan to kick off similar initiatives at manufacturing partner sites in Mexico and Malaysia in the first half of FY21.

CHART 34:
Suppliers with verified zero-waste diversion rate at one or more sites

23% 2020
70% Goal

[18] *According to current standard definitions used in certification protocols, "zero waste" diversion is defined as a 90 percent or greater overall diversion of solid, nonhazardous wastes from landfill, incineration (waste-to-energy), and the environment. Diversion methods can include reduction, reuse, recycling, and/or compost.*

[19] *TRUE Zero Waste is a site-level certification program provided by Green Business Certification Inc.*

Reducing material waste

Our focus on developing and promoting a circular economy has driven efforts to better understand how materials are consumed upstream in our supply chain. We are engaging our manufacturing partners on waste diversion reporting. This will build visibility into supplier waste sources and disposal methods, and identify opportunities to reduce waste.

Improving water security

During fiscal 2020, we dug further into how we could help to improve environmental vitality of water systems in the areas where our supply chain operates. We conducted a survey to identify the water consumption levels of different commodity types within our supply chain. Leveraging World Resources Institute's Aqueduct tools and the data we collected from suppliers, we were able to identify high water consumption supplier sites operating in water-stressed areas. As a result, we have prioritized suppliers to engage in capability-building in partnership with the Alliance for Water Stewardship in fiscal 2021. Our goal is to reduce water-related risks to business and improve the health of water ecosystems long-term.

We also broadened the scope of environmental reporting and transparency to help us better understand the water footprint in our global supply chain. In addition to reporting GHG emissions, we asked suppliers to complete the CDP water survey during fiscal 2020.
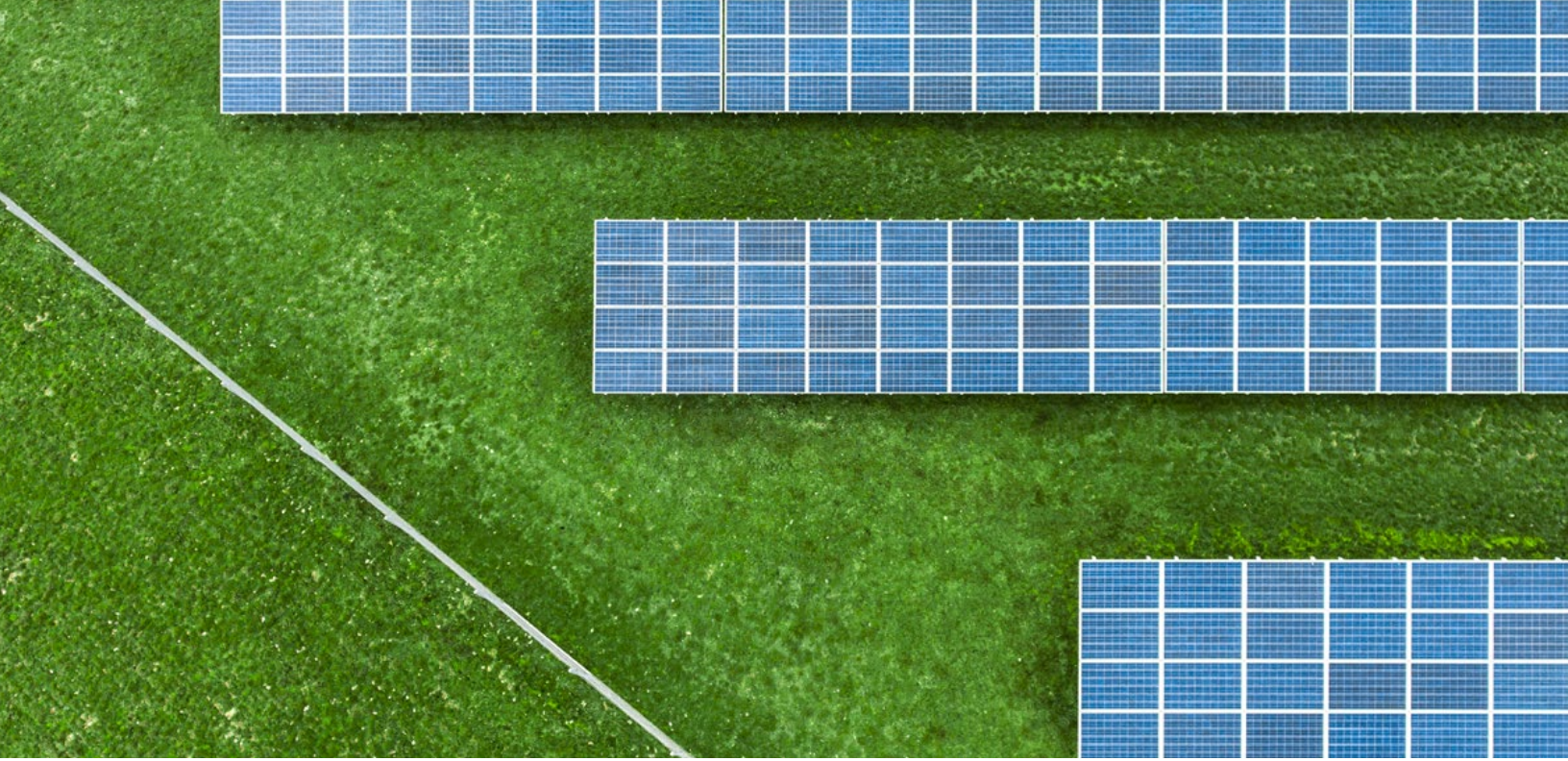
Managing environmental risk in China

We have an ongoing partnership with the Institute of Public and Environmental Affairs (IPE) and conduct a series of activities to prevent and mitigate the environmental risk from our supplier sites in mainland China. We are recognized for our work on Green Supply Chain by IPE and were ranked #2 in the IT industry for the Corporate Information Transparency Index (CITI) at the end of fiscal 2020.

Some of the work we conduct leverages IPE's Blue Map database, which identifies existing and historical environmental violations. In fiscal 2020, 50 supplier sites in mainland China remediated environmental violations and were delisted from the IPE Blue Map.

#2

IPE Green Supply Chain Corporate Information Transparency Index (CITI)

We also work with our manufacturing partners to cascade these expectations to their next-tier suppliers in a program called the Green Supply Chain initiative. By building the capability of suppliers, we can influence better environmental performance and transparency further down in the supply chain. In fiscal 2020, 100 percent of our manufacturing partners in mainland China set up programs to manage their suppliers' environmental performance using IPE Blue Map. With direct one-on-one coaching from Cisco, partners developed the capacity to identify their suppliers' environmental pollution violations and work with suppliers on remediation. IPE recognized one of our partners for their focused efforts to launch and scale the program without prior experience. They shared their positive experience of working with Cisco at the IPE Annual Forum so peers, NGOs, government, and other stakeholders could learn from it.

Environmental reporting and transparency are critical to understanding the environmental impact of our supply chain in China. To drive this work, we encourage high-environmental-impact suppliers to disclose energy conservation, water, air, and waste information through the Pollution Release and Transfer Report (PRTR) reporting system on the IPE website. In fiscal 2020, 102 supplier sites completed PRTR reporting, compared to 60 in fiscal 2019. We saw large increases in part by motivating our manufacturing partners to ask their high-environmental-impact suppliers to complete this reporting.

We are also taking steps to help suppliers address current environmental compliance challenges. In fiscal 2020, we organized virtual environmental training seminars with more than 219 attendees from 173 suppliers. The seminars included presentations on how to protect the environment in their daily operations. For manufacturing partners who have struggled with addressing their pollution violations, we hired third-party consultants to identify gaps and coach partners to implement corrective actions onsite for more than four months. After coaching, the facilities were able to successfully remediate their environmental issues.

Product lifecycle management

How we engage

Central to the concept of a circular economy is maintaining assets at their highest and best use for as long as possible. As Cisco transforms to a software- and features-driven business, we must not lose sight of the importance of our hardware in enabling those solutions. At the World Economic Forum in 2018, our CEO joined forces with the Platform for Accelerating the Circular Economy (PACE) in signing the Capital Equipment Pledge, committing to 100 percent product return upon request, at no cost to our customers.

We continue to make progress toward that commitment, as well as our broader circular economy vision. This progress builds on close to two decades of programs to facilitate product returns for reuse and recycling, offer comprehensive service and repair, and remanufacture used equipment for sale through Cisco Refresh. Our strategy focuses on improving the customer experience to drive increased product returns at end-of-use, expanding business and as-a-service models to facilitate return and reuse, and improving product design to facilitate reuse and recycling. The programs covered in this section aim to extend the useful life of our hardware and are organized by product lifecycle stage—from use, to return, to reuse and end of life.

We are constantly optimizing our network and inventory levels as parts are used, customers deploy new products, and old hardware becomes obsolete.

Initiatives to enable progress

Use

After design, the use phase of our products is the first key step as we incorporate our circular economy approach into the lifecycle management of our equipment. Cisco's Global Service Supply Chain organization delivers and supports customer and partner hardware Return Material Authorizations (RMAs). We are constantly optimizing our network and inventory levels as parts are used, customers deploy new products, and old hardware becomes obsolete. To maximize products' useful life, we replace, recover, and refurbish equipment and components as necessary through an extensive logistics, warehouse, planning, and repair operations network. Each device is repaired and repeatedly tested to ensure compliance with the latest manufacturing specifications. Product energy consumption is also a key customer metric in the use phase of Cisco products. Read more about product energy efficiency in the Environmental Impact section.

Watch video

Circular Economy 101: Circular Consumption

End of use

Returns

End-of-use is not end-of-life. Enabling multiple lifecycles for our products and the components inside them has long been a Cisco priority. We operate multiple programs to take back, refurbish, and reuse products at end-of-use, including 10 different programs to support our product trade-in and recycling efforts. These are designed to support the needs of our customers, suppliers, partners, and internal users. Read more about these programs in the ESG Reporting Hub. Information on our compliance with product recycling regulations, such as the Waste Electrical and Electronic Equipment (WEEE) can be found here.

Reuse

Reuse is always our first priority. Returned devices that can be reused are remanufactured, refurbished, or repaired, and resold by Cisco Refresh or used by Cisco CX Service Operations or our internal labs. Any products that are not reusable are harvested for components and recycled by one of our authorized recyclers.

Cisco Refresh, our certified remanufactured equipment program, plays an important role in our circular economy initiatives, creating a second life for equipment and thereby not only saving the resources required for new manufacturing, but also reducing waste. Cisco Refresh products are backed by the same Cisco warranty and service options as new products. Equipment is sold only through Cisco authorized resellers and is available in more than 80 countries. Inventory includes products from all technology areas, including switching, routing, wireless, IP telephony, security, and other advanced technologies.

We also reuse product in our Return to A-Stock program, where unused products from our distribution centers are sent to be reused by our contracted manufacturing sites. In fiscal 2020, Cisco expanded this program from nine sites to 10. Returned products that are considered "new-in-box" are sent back to be tested and, if necessary, reconfigured. This allows us to better reuse these products while also improving our ability to satisfy demand for new equipment without new manufacturing.

Alongside our efforts to increase the reuse of used equipment, we must also address external barriers in order to scale these opportunities. We collaborate with peer companies, NGOs, and policymakers to address challenges and unintended consequences, such as the many global classifications of waste for transboundary movement which can impact our ability to repair equipment.

Pledge:

In 2018, Cisco joined the Platform for Accelerating the Circular Economy (PACE) Capital Equipment Coalition, pledging 100% product return.

Affiliated project of:

PACE Platform for Accelerating the Circular Economy

CIRCLE ECONOMY

Our progress: *On track.*

In 2020, we implemented multiple ongoing projects to improve our tools and systems and evaluated the results of pilots to identify opportunities to further accelerate returns and reuse. Cisco is one of nine companies that have committed to applying circular economy principles to recover value along the product lifecycle. We participate in monthly calls and quarterly workshops to share key learnings and identify collective actions for accelerating the circular economy.

Cisco trade-in and recycling programs

Customer programs
- Cisco Takeback & Reuse Program
- Exceptional Pick-Up Program
- Customer Recycling Solutions
- Cisco Migration Incentive Program

Programs for companies producing or repairing Cisco products
- Manufacturing Scrap/Reuse Program
- Global Scrap Program

Internal programs for Cisco
- eBin/Lab Scrap Program
- Cisco Data Center Server Recycling Program
- Non-Genuine Brand Program
- Recycle IT Day Events

The Cisco Returns Portal helps customers and partners find the right return path to meet their needs.

End of life

When products can no longer be used, they are sent to recyclers to be responsibly harvested and recycled. We currently have two contracted recyclers. Each recycler uses both company-owned facilities and subcontracted recyclers to provide global recycling coverage. Cisco's contracted recyclers are required to be certified to one or more e-scrap-specific recycling standards, such as R2, R2 Rios, eStewards, and WEEELABEX. Our contracts also require recyclers to enforce our strict recycling processes with any of their subcontractors recycling Cisco materials. For more information, please visit our ESG Reporting Hub.

Harvesting

To redeploy as much material as possible, Cisco allows our recycling partners to harvest commodity components from the equipment they receive. Recyclers may harvest processors, memory, and other nonproprietary hardware with sufficient market value to offset the cost of their harvesting, cleaning, packaging, and resale. In fiscal 2020, our component harvesting program allowed more than 120 million components to be reintroduced into the market, thus extending their useful lives and reducing the need to manufacture new parts.

TABLE 4:
Product trade-in and returns

| KPI	FY20	YoY Change	Comments
Product returns, metric tonnes	8914	-9.60 percentage points	All materials sent for harvesting, recycling, and reuse, including materials received via a Product Return Materials Authorization (RMA)
Refurbish, resell, and reuse rate, percent	15.29%	+2.15 percentage points	Material returned from customers, stock rotations, or internal sources that is redeployed by Value Recovery and Repo Depot groups to Cisco Service Supply, Cisco Refresh, or internal users to avoid new purchases
Recycle rate, percent	84.55%	-1.93 percentage points	All remaining electronic waste materials, including plastics, and precious and nonprecious metals, that are shredded and recycled by our contracted e-scrap recyclers
Returned material sent to landfill, percent	0.16%	-0.22 percentage points	Landfill material consists only of nonelectronic waste materials, such as broken pallets, wet cardboard, and shrink wrap accompanying Cisco products returned by customers for recycling

Green = Progress
Black = Neutral

Recycling

Recyclers are the last resort after we have exhausted all options for reuse. They are the common destination of all end-of-life materials, including customer returns, employee office equipment, and lab equipment, as well as excess, obsolete, and damaged materials from our contract manufacturers, manufacturing partners, original equipment manufacturers (OEMs), original design manufacturers (ODMs), contracted repair partners, and distribution depots. A map of our recycler locations can be found on our ESG Reporting Hub.

Of products sent to our e-scrap recyclers, in fiscal 2020, over 99.8 percent were broken down into commodity fractions and sent to downstream vendors to create new products. Since fiscal 2019, our target has been to keep the percentage of material sent to landfill after initial processing under 0.38 percent. While we continue to aim for decreased material sent to landfill, we also recognize that Cisco has limited control over the material received at the recycler (for example, a customer's choices in packaging). Therefore, we expect our landfill percentage to remain consistent annually.

In fiscal 2020, we saw an overall decrease in return volume coupled with an increase in our reuse, resale, and refurbishment rate. Some of the decline is due to site access limitations due to COVID-19 restrictions, as well as a decline in returns of unused products. However, returns at end-of-use have held steady, and this is the area we are focused on for growth. Increases in reuse can be attributed to incremental improvements in the channels for reused or refurbished equipment, an area where we made progress in fiscal 2020, despite challenges related to COVID-19. We continue to explore opportunities to use recycled content in our new products. The summary table above highlights recent changes across our key KPIs; multiyear progress on these metrics can be found on our ESG Reporting Hub.
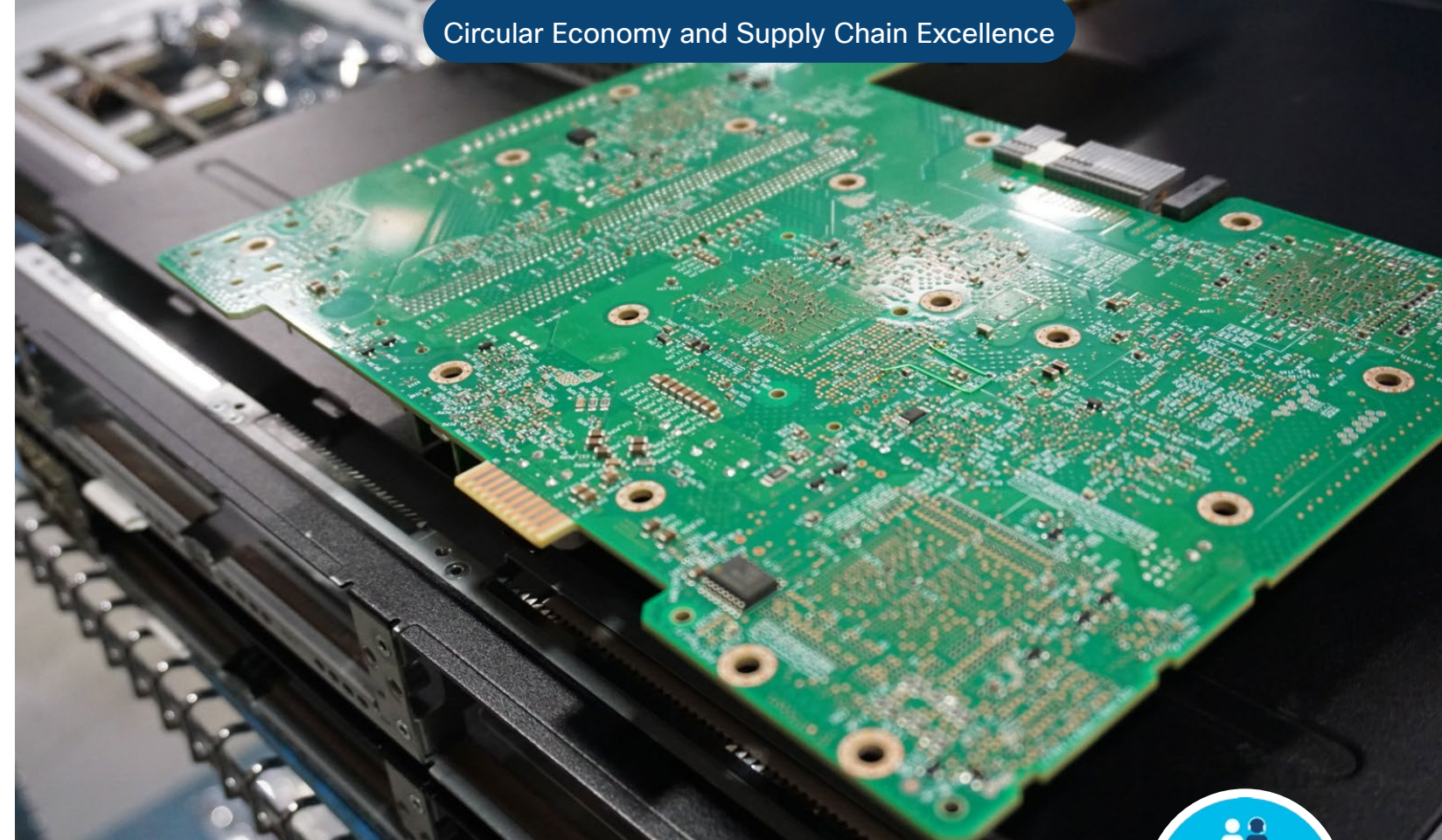
OF INTEREST
Improving the customer returns experience

Watch video
The next impossibility: achieving 100 percent product takeback

Knowing that the user experience is key to driving product returns and the circular model we envision, we simplified the product return process for customers and partners in fiscal 2020. We analyzed over two dozen processes across Cisco and found two areas where we could make an immediate change, with meaningful impact for our customers.

First, we consolidated all the information on Cisco returns procedures into one Cisco Returns Portal. This new portal walks the user through the process step by step, making it easier for customers and partners to complete returns at any stage and providing a direct line to answer their questions.

Second, we re-launched our product takeback program in the U.S.—Takeback and Recycle is now Takeback and Reuse. Customers can follow simple instructions using a web form, a new call center, or our Send IT Back mobile app to conveniently request a free pickup of any used Cisco equipment. This program can also be applied to competitors' equipment, with approval. In the coming months, we plan to expand this program in compliance with all global trade regulations.

Technology for Good

Why this matters to our business

The world depends on Cisco technologies for networking, collaboration, and security. Our customers are using our solutions in countless ways that benefit people and the environment, from providing remote medical checkups and diagnoses with videoconferencing tools to improving their digital infrastructures. In 2020, as a global pandemic spread, thousands of businesses demonstrated the power of Cisco collaboration tools when they transitioned to remote operations, enabling vital business to continue.

The same technology that generates sales for our business can also be used by nonprofits working to solve the world's greatest challenges, such as hunger, economic inequality, and lack of access to education, including training in digital skills. We're helping them address these challenges by investing in technology-enabled, early-phase solutions and forming long-term partnerships that allow organizations to use technology to increase their impact. We're also teaching digital skills to millions of students every year through Cisco Networking Academy and investing in entrepreneurs who harness technology for social impact through our annual Cisco Global Problem Solver Challenge. Cisco set a goal in 2016 to positively impact 1 billion people through these social impact grants and signature programs by 2025. We're proud that, to date, we're already more than halfway to our goal. We are continuing the process of reviewing the social impact grants and signature programs, including how we recognize those who are positively impacted. We plan to provide an update in spring 2021 on the cumulative number of people positively impacted together with our methodology.

Goal:
Positively impact **1 billion** people through our social impact grants and signature programs by 2025[20]

Our progress: *On track*
As of FY20, we have positively impacted **527 million** people through our social impact grants and signature programs

[20] *Some of our social impact grantees receive funding from other organizations.*

Expanding Internet access

About half of the world's population uses the Internet. Extending access to the other half would add an estimated US$6.7 trillion to the global economy and lift 500 million people out of poverty.

The value of an education

Human capital for tomorrow starts with education today. Economies that invest the least in quality education will have workforces that are only 33 percent to 50 percent as productive as economies where workers receive better education.

Real-time crisis response

When a sudden disaster occurs, communication challenges often arise between first responders, relief agencies, local governments, and other organizations. In the absence of rapidly deployed connectivity, recovery efforts are slower and less effective.

Critical human needs

How we engage

As long as humanitarian crises disproportionately affect the most vulnerable members of society, there cannot be an Inclusive Future for all. Similarly, the promise of a digital economy—where connectivity unleashes new possibilities for creativity and innovation—cannot be realized until people's basic needs for food, clean water, and adequate shelter are met.

That's why Cisco supports organizations that help the most vulnerable among us. We are proud to partner with nonprofits and social change agents worldwide who are taking on the biggest challenges we face as a global society. Knowing that technology can help these organizations increase their impact, our support takes the form of both grants and donations of Cisco technology.

Our technology is particularly essential when used to restore connectivity in crisis zones. Cisco's Tactical Operations (TacOps) team deploys trained team members to restore mission-critical communications—for free—in the wake of disasters and other events where first responders and affected populations need support. TacOps is a full-time team supported by employee volunteers who have been providing crisis relief and logistics support worldwide since Hurricane Katrina in 2005. The team continues to evolve to meet changing global needs.

The organizations we support face an uphill climb due to increasing demand for their services. The UN has reported that as of 2020, nearly 80 million people have been forcibly displaced as a result of persecution, conflict, violence, and human rights violations more than any other time in history. Natural disasters related to climate change are also increasing in frequency and intensity, which will lead to further displacement. Cisco's long-term focus on helping vulnerable groups, like people facing displacement or homelessness, has enabled us to respond quickly to help where needed throughout the COVID-19 crisis. Whatever challenges lie ahead of us, Cisco will be ready to support those who need it the most.

95%
of families supported by Destination: Home's homelessness prevention program remain stably housed

Initiatives to enable progress

Social investments in critical human needs

Despite rapid economic development in many parts of the world, millions of people still lack access to basic human needs: food, clean water, and adequate shelter. We empower nonprofits and social change agents worldwide to address these problems. Through scalable technology solutions, we help organizations improve the speed and efficiency of the services they provide.

On the following pages, we describe a few of the nonprofits we partner with that are meeting critical needs near our headquarters and around the world. Learn more about our strategic social investments in the ESG Reporting Hub.

7 million people

have benefited from Mercy Corps' Technology for Impact program, supported by Cisco since 2017

Destination: Home, a Cisco nonprofit partner since 2018, works closely with public sector and direct service organizations to develop and fund innovative strategies to reduce and prevent homelessness in Santa Clara County, California. In the last five years, Destination: Home and its partners have helped 14,000 people find permanent housing and provided homelessness prevention services to nearly 6000 individuals. Cisco committed to helping them continue and scale their work with a five-year, US$50 million commitment in March 2018.

During 2020, COVID-19 intensified many of the factors that make people vulnerable, such as unstable employment, lack of access to healthcare or childcare, chronic disease risk, and an inability to safely shelter in place. Pandemic-related assistance, therefore, became the main focus of Destination: Home's work. The organization supported its partners in expanding temporary shelter capacity and provided hygiene kits, handwashing stations, and clean water to people experiencing homelessness. The organization also launched the Santa Clara County COVID-19 Financial Assistance Program, administered in collaboration with a group of direct service organizations. Over four months, Cisco contributed US$10 million to this fund, which has helped provide emergency financial assistance to 11,000 vulnerable, low-income households with a documented loss of income to help them meet their basic needs. Cisco employees are important contributors to our work to end homelessness—read more in Employee Community Impact.

As organizations work to meet individuals' basic needs, technology can play an important role. For example, as Cisco's long-term partnership with Mercy Corps shows, technology can be used to help refugees find services, distribute emergency supplies, provide financial assistance to vulnerable communities, and support small businesses faster and more effectively.

We are currently in the third year of Technology for Impact, a five-year, US$10 million initiative to help Mercy Corps test and invest in advanced technologies to make an even bigger difference. Many of the technologies being tested are new to humanitarian settings, such as virtual reality therapies for posttraumatic stress disorder and a digital platform to help refugees access information and support services. Our support also includes donations of Cisco products for Mercy Corps' 114 offices in 29 countries and 67 community WiFi hubs in six countries, with over 670,000 users since 2017. During fiscal 2020, Cisco supported the COVID-19 Resilience Fund with an additional donation of US$3 million, which helped Mercy Corps connect communities with reliable health information and provide digital cash services that give people the dignity of choice to meet their urgent needs.
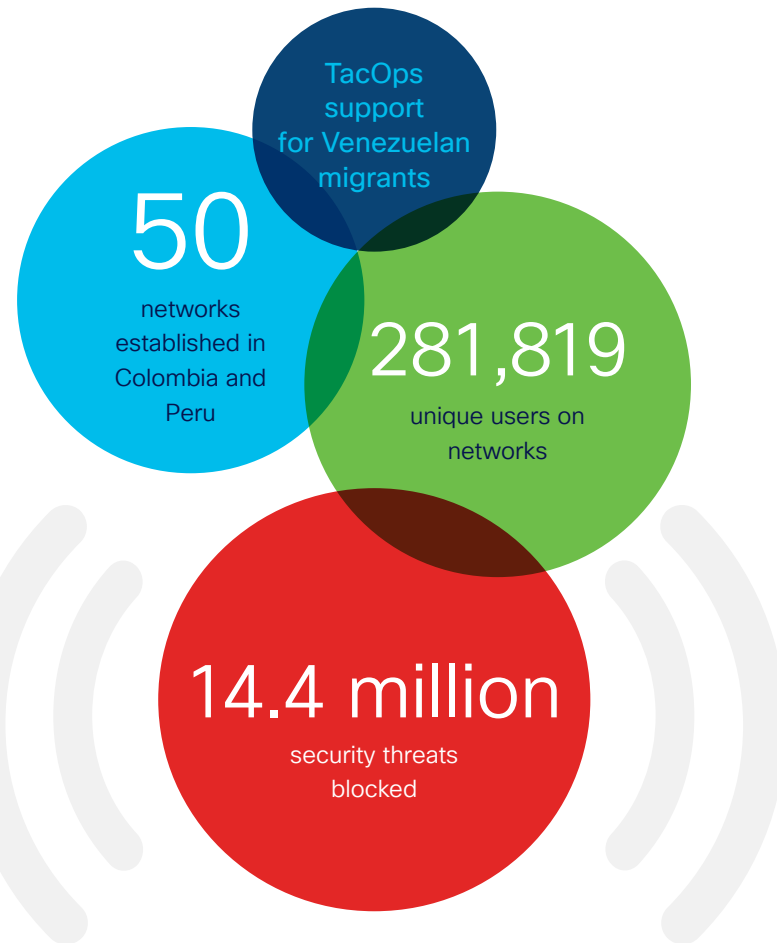
TacOps responds to fast-moving natural disasters, as well as sustained crises like mass migrations and disease outbreaks.

Expanding TacOps' reach

Cisco's Tactical Operations (TacOps) team got its start helping communities recover from natural disasters, following Hurricane Katrina in 2005. In recent years, its work has expanded to include not only fast-moving events like these but also sustained crises like forced mass migrations and disease outbreaks. With the increasing number, scope, and complexity of many types of crises, TacOps is growing its roster of trained volunteers to scale and sustain its work. During COVID-19, TacOps has provided remote support to testing centers, food bank warehouses, call centers, pop-up hospitals, and other facilities responding to the pandemic.

TacOps support for Venezuelan migrants

50

networks established in Colombia and Peru

281,819

unique users on networks

14.4 million

security threats blocked

Now, we're training not only our 300 Disaster Incident Response Team (DIRT) volunteers to deploy and maintain crisis communication networks, but also NGO IT staff and other corporate volunteer partners. A larger pool of skilled volunteers allows TacOps to focus resources on the most difficult challenges in the acute phase of a crisis, then hand over long-term operational and sustaining work to our partners. We are also leveraging Cisco's expertise in cybersecurity and deploying our secure networks amid advancing security threats.

One prolonged crisis to which TacOps has been responding is the migration of Venezuelans from their home country in response to dire economic conditions and government instability. More than 5 million people have left the country since 2014, fleeing to Peru, Colombia, Brazil, and other countries. Migrants need Internet connectivity in order to take steps to restart their lives, such as applying for asylum, finding work, or accessing support services. In partnership with NetHope, TacOps has provided this essential access by setting up equipment at dozens of shelters and community centers along the migration route.

OF INTEREST

Connecting families in need to surplus food

When he was a child in Syria, Maen Mahfoud's mother would cook food for him and his brother to deliver to neighbors in need. They traveled the neighborhood on bikes, passing out meals before returning home to eat their own lunches. The idea of sharing with his community came back to him years later, when he was a student at the University of California, Berkeley.

"I began to see people digging into trash cans looking for a meal," Mahfoud says. "I was frustrated. The U.S. is such a wealthy country, and you have people who are going hungry and sleeping in the streets. I just couldn't understand how this could even be possible with all the technology available to solve the world's biggest problems."

This feeling—combined with the memory of his mother's generosity—inspired Mahfoud to create Replate, a digital platform for food recovery. Businesses with surplus food can schedule on-demand pickups of their food, which is then delivered to local nonprofits that serve people experiencing food insecurity. Nonprofits receive meals for free, while food donors pay a small fee that covers Replate's operations. "It makes sense for companies to pay for our service because giving back is part of their corporate social responsibility," Mahfoud says. "We also charge because we believe it's important to place an economic cost on this food surplus to send a message about the cost of food waste," Mahfoud says.

COVID-19 shifted the landscape for Replate. Donors, who often have food left over from catering or events, canceled those events. At the same time, demand for food surged as unemployment rose. Cisco and the Cisco Foundation provided US$1.2 million to Replate to help them rapidly adapt their business model, collecting food from restaurants and farmers' markets and delivering it directly to individuals at home, with a focus on at-risk populations.

In a way, this home delivery model brings Mahfoud closer to the approach to giving that he learned from his mother. With the infrastructure to support deliveries to both businesses and individuals now in place, Replate will be ready to respond to community needs as they evolve.

"We don't have food insecurity because there is a lack of food," Mahfound explains. "We have enough food for everyone, even with the current situation with COVID-19." Rather, food insecurity exists because access is unevenly distributed. What we consider 'waste' can be used to provide wholesome meals to those experiencing food insecurity.

Learning and digital skills development

How we engage

In our digital world, education and technology go hand-in-hand. Digital media, hands-on labs, and virtual tools can help enliven curricula and keep students connected. And education in digital skills can open the door to careers in technology and other fields.

As a leading technology company, Cisco is committed to offering inclusive access to digital skills training and supporting those who use technology to educate. After all, even the most transformative innovations have no value if people don't know how to use them, or don't have access to them.

This insight helped inspire Cisco Networking Academy, the world's largest and longest-running corporate social responsibility education program, through which we've trained over 12.6 million people in digital skills over the past 23 years across 180 countries. The program covers introductory to advanced networking, network automation and programmability, cybersecurity, IoT, digital literacy, and

entrepreneurship. It is a skills-to-jobs program that offers, not only courses, but also connections to top-quality employment opportunities through the Talent Bridge program. Courses are designed so that any teenager or adult with an Internet connection can participate, regardless of technical skill level or background. In this way, Cisco is helping address the global skills shortage, as well as creating opportunity for millions in today's and tomorrow's workforce. Globally, Networking Academy reaches a geographically diverse population of students, including 34 percent from the Americas, 29 percent from APJC, and 37 percent from EMEAR, 44 percent of which are from Africa and the Middle East.

Additional programs, grants, and donations are helping bridge the technology skills gap within the U.S. military community and develop 21st-century talent. One program helps veterans and their spouses gain tech skills and careers after their military service. We also created an animated video series for students in grades 4-8 to help them develop problem-solving skills, and make grants and donations of our technology that help improve access to quality education worldwide.

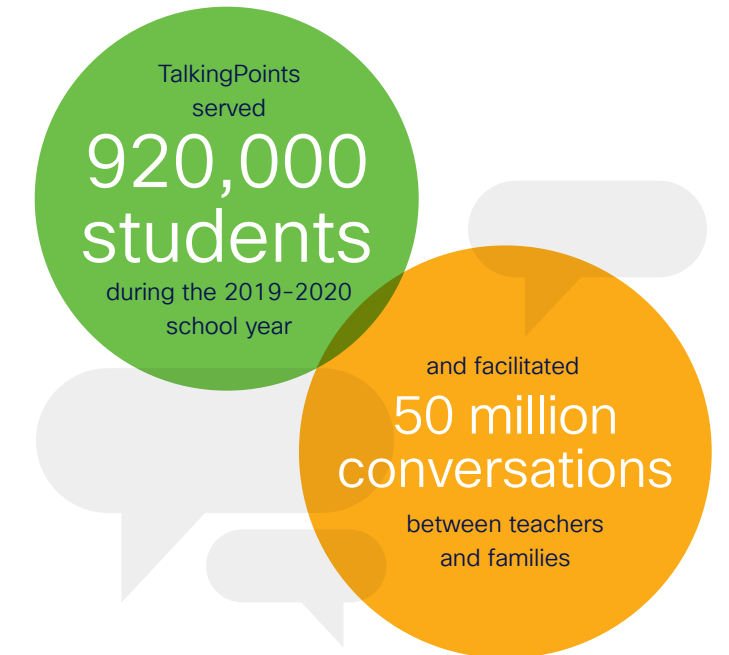## Initiatives to enable progress

Social investments in education

Educational opportunity is a strategic social investment focus for Cisco and the Cisco Foundation. Through grants to nonprofits, we fund programs that use technology to:

- Expand inclusive access to primary and secondary STEM education
- Improve student attendance, behavior, and overall course outcomes
- Increase student STEM engagement and career exploration
- Build teacher capacity and nurture quality proven practices
- Leverage STEM partner networks

We follow a proven strategy focused on early-phase solutions, where funding is most needed and where we can make the biggest difference. Learn more about this strategy and the many organizations that Cisco supports in the ESG Reporting Hub. Below are a few U.S.-based partners who have received our support and are now making a meaningful impact.

New Teacher Center (NTC) provides leadership development and coaching for new teachers and school leaders serving students with the highest needs, in order to combat education inequities and empower communities. Cisco supported development of NTC's technology-driven solutions, including Classroom Connection Program, which protects teacher-student relationships from the harmful effects of stigma and bias.

TalkingPoints served 920,000 students during the 2019-2020 school year

and facilitated **50 million conversations** between teachers and families

With more students learning from home, it's more crucial than ever for teachers and parents to stay connected—but this can be difficult for households that speak a language different than the one spoken at school. TalkingPoints bridges the communication gap between parents and teachers by automatically translating messages between them, allowing teachers to interact with parents and other guardians in over 100 languages. The result: improved learning outcomes for students and better teacher-parent relationships. Cisco provided cash grant support to help TalkingPoints develop its mobile platform.

CommonLit creates free curated, culturally relevant digital education resources in English and Spanish for students in grades 3-12, and has seen a massive increase in demand for its programming during the COVID-19-related school closures. In the first few weeks of the pandemic, CommonLit saw a sevenfold increase in traffic and a tenfold increase in parent sign-ups compared to prior weeks. Thanks to a grant from Cisco, students can now use CommonLit's Annotation Tool to take notes directly on their digital reading assignments and receive feedback from teachers.

NTC served 25,000 teachers in 400 districts across 22 states in 2019-2020
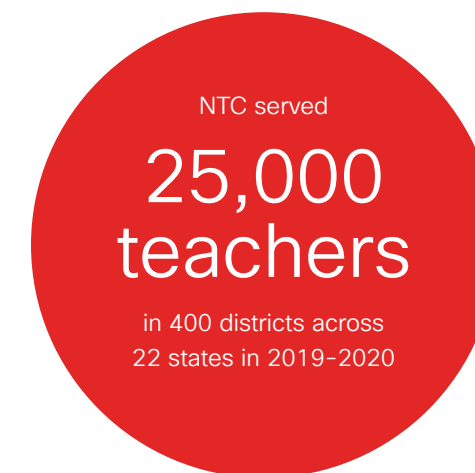
1.2 million students created new CommonLit accounts in March 2020

Strengthening our impact

The Cisco Networking Academy course portfolio—and associated resources for students and instructors—is always growing. In fiscal 2020, we evolved our highly regarded CCNA courses to address the growth and automation of networks. We also created a new Programmable Infrastructure pathway based on the increased importance of programming skills. In addition, we added two new training courses, CyberOps Associate and DevNet Associate, that align with certifications. To increase interest in the new cybersecurity certification and support students in their career aspirations, we engaged prospective students with events, quizzes, and a virtual career fair to showcase the field's potential. We also introduced digital badges for students who complete courses and have passed an assessment, verifying their skills for employers. Students can now easily display these badges on social media profiles and résumés as an official indicator of their credentials.

One of Networking Academy's priorities is to make technology a more inclusive space all around the world by empowering students from diverse backgrounds, education levels, and experiences. In the United States, diverse populations participated in the program, with 14 percent of students identifying as Black or African American, 14 percent as Hispanic or Latino, 10 percent as Asian, and 2 percent as American Indian or Alaska Native, or Native Hawaiian or Pacific Islander.

In terms of gender diversity, 26 percent of student participants in fiscal 2020 were female, with some regions reporting even higher representation. For example, the Middle East had 29 percent female representation, Latin America had 30 percent, and India and South Asia had 31 percent. Greater China was highest at 34 percent female participation. The Women Rock-IT program continues to motivate young people to consider STEM subjects, through inspiring broadcasts from female IT professionals and entrepreneurs. It also offers

participants free course enrollment into Networking Academy. As a direct result of this program, these young people took more than 550,000 courses such as Introduction to Cybersecurity, Introduction to IoT, Programming Essentials in Python, Entrepreneurship, and Linux Essentials.

In addition, we have diverse representation of learners with disabilities and reached more than 56,000 students with disabilities globally in fiscal 2020. To achieve this, academies have adapted their educational approaches in unique ways depending on the populations they serve. For example, the Royal National College for the Blind in the U.K. created a tactile network topology kit to allow students to design and "feel" network maps. AbillTy Academy, made possible through a partnership with the Institute for Career Development in New York City, helps students with disabilities develop teamwork and presentation skills, allowing them to benefit from peer-to-peer instruction. The Employers' Federation of Ceylon Training for Persons with Disabilities, in Sri Lanka, serves students with vision, hearing, mobility, and cognitive disabilities, and makes appropriate adjustments to meet all students' needs.
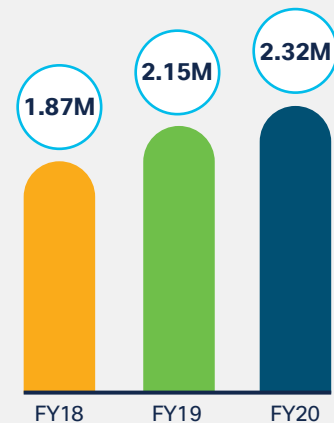
Goal:
Reach 2 million Cisco Networking Academy students per year by 2020.

Our progress: *Achieved.*
We achieved this goal in FY19 and continue to reach over 2 million students yearly, with 2.3 million in FY20.

CHART 35:
Student participants

FY18	FY19	FY20
1.87M	2.15M	2.32M

Cisco Networking Academy

Since inception, Networking Academy reached:

12.6 million
total students

In fiscal 2020, we reached:

11,800
Academy partners

28,400
instructors

2.3 million
students
26% of whom were female

56,000+
students with disabilities

95% of students completing CCNA curriculum or higher say Networking Academy helped them obtain a job or educational opportunity[21]

91% of instructors say that Networking Academy helped them become a better educator[22]

2.7 million students who participated in Cisco career certification or IT Essentials courses report that Networking Academy helped them obtain a new job[23]

[21] Based on student outcome survey participants for fiscal 2020.
[22] Includes Instructor Survey participants in fiscal 2020 who were actively teaching.
[23] Based on student outcome survey participant results between fiscal 2005 and fiscal 2020.

Countries with highest Cisco Networking Academy participation in fiscal 2020

Americas

Bolivia	Costa Rica
Brazil	Ecuador
Canada	Mexico
Chile	Peru
Colombia	United States

Europe, Middle East, Africa, and Russia (EMEAR)

Germany	Russia
Italy	Saudi Arabia
Nigeria	Spain
Pakistan	Ukraine
Poland	United Kingdom

Asia-Pacific, Japan, and China (APJC)

Australia	Philippines
Bangladesh	Malaysia
China	Sri Lanka
India	Taiwan
Indonesia	Vietnam

OF INTEREST
Sharing skills with the next generation

Networking Academy instructor Olivia Braga came from very humble beginnings. As one of six children whose parents earned income cleaning streets, money for transportation—let alone quality education—was hard to come by. But Braga discovered her passion for technology at an early age, and walked three hours each way to attend a school that had higher education standards.

As a teenager, she discovered Cisco Networking Academy at Fundação Bradesco in Osasco, Brazil. She completed the coursework, and today, Braga is a Cisco Networking Academy instructor at Polytechnic School at the University of São Paulo, as well as a doctoral student in electrical engineering. A talented and passionate educator, Braga is committed to helping students from all backgrounds succeed. Her favorite part of the job? "When a student introduces me to their family and says, 'I got a job because of what you taught me,'" Braga says.

> When I learn that a student got a job or has a new skill, I feel a great sense of accomplishment. One of the great pleasures of this profession is when a student tells me that they are happy and fulfilled in their career.
>
> —Olivia Braga, Cisco Networking Academy instructor

Ensuring learning never stops

As the COVID-19 crisis unfolded in 2020, we saw the shift toward digital education accelerate in real time. We saw trends we'd previously expected to take root over many years instead become reality almost overnight. With years of experience delivering online curriculum and leading-edge learning tools at global scale and meeting the diverse needs of learners worldwide, the Cisco Networking Academy team was well-positioned to respond quickly with resources for both instructors and students as they navigated their new virtual learning environments.

Cisco offered free Webex access to allow educators to go virtual quickly. We also organized webinars on best practices for remote teaching in multiple languages and time zones and provided Cisco Packet Tracer, a simulation and virtualization tool that mimics the experience of working with real equipment. In addition, we launched a campaign to attract new students to participate in our free self-enrolled courses, encouraging them to explore a new skill from home.

Supporting servicemembers and their spouses

Cisco recognizes the value that veterans bring to the workplace. For nearly 10 years, our Veterans Program has helped U.S. servicemembers and their spouses find jobs in the IT industry, and continues to help thousands of people gain skills and find jobs every year.

Our signature programs include the Veterans Talent Incubation Program (VTIP), a 20-week program through which veterans can access free Cisco Certified Network Associate training and get hired into network engineering roles at Cisco. Through CyberVetsUSA, a tech industry consortium, we help connect veterans and spouses with training, certification, and employment at a range of leading technology companies. And in fiscal 2020, Networking Academy reached an important milestone: training over 100,000 servicemembers across more than 70 military installations since inception in 1997.

Watch video

Bringing lessons to life

In fiscal 2020, we helped increase the real-world relevance of Global Problem Solvers: The Series by adding video interviews with winners of Cisco's Global Problem Solver Challenge, helping students imagine the many ways they can use the skills taught in the series to make a difference.

Most of our veterans' programs are available to spouses of current and former servicemembers. We have deepened our focus on military spouses in recent years, recognizing the unique barriers that they often face to finding employment, given frequent moves and often living outside an urban center. The Cisco Talent Incubation Program provides the same training as VTIP, adapted to meet the needs of military spouses and other individuals looking to reenter the workforce after an extended absence. In fiscal 2020, Cisco signed on to American Corporate Partners' (ACP) Active Duty Spouse Mentoring Program, connecting military spouses with Cisco employees who provide career development advice, résumé and interviewing tips, and networking assistance.

Teaching kids about social entrepreneurship

With Global Problem Solvers: The Series, an animated video series, Cisco is helping students in grades 4-8 learn that being a social entrepreneur is as simple as working with others, being creative, and using technology to solve problems. Each episode tackles a different stage of social entrepreneurship, from defining a problem to marketing a product. The series, along with lesson plans for teachers, is available in English, French, Hindi, and Spanish.

Economic empowerment

How we engage

An Inclusive Future is one in which everyone has a pathway to economic opportunity. To create this future, we must provide people with equitable access to the knowledge, skills, and resources needed to support themselves and their families. Empowered people and families can then fully participate in and contribute to local community growth and economic development. Digital connectivity can play a role in achieving economic self-sufficiency: countries with high levels of digital readiness also tend to have stronger economies.

Image (right) courtesy of Laboratoria

Cisco seed funding, technology donations, and expertise help organizations provide equitable access to the knowledge, skills, and resources needed to build strong economies.

One of Cisco's social investment focus areas is economic empowerment for underserved and underrepresented populations. For more than a decade, we have been providing cash grants, donating Cisco technology, and contributing staff time and expertise to nonprofits that design and deliver technology-based solutions in three areas for thriving in a digital economy.

First, we connect people with technical and professional skills training, mentoring and coaching, and employment opportunities to help them find jobs that provide stable and sufficient income and long-term career progression. These investments help to address the uneven distribution of technology skills and employment opportunities that persists across the world.

Second, to facilitate widespread and equitable access to banking for the unbanked, we support nonprofit organizations that design and deliver digital financial products and services. These products and services facilitate economic independence and self-sufficiency, and support community-level economic growth and development.

Finally, with a belief that innovation can come from anywhere, we support entrepreneurs with access to capital, networks, and resources to launch and expand businesses that support job creation. We support small business entrepreneurs who create local jobs and drive community-level economic development, as well as high-growth-potential entrepreneurs who create jobs and economic growth on a national and/or global scale. We aim to support entrepreneurs who create jobs and contribute to economic growth, with a focus on women- and minority-led businesses, as well as businesses that have social impact.

Beyond grants to nonprofits, Cisco has launched several entrepreneurship awards programs over the past few years that have become an important part of our strategy. Through friendly competition and lucrative prizes, we enable social entrepreneurs and changemakers of all ages and backgrounds to share their ideas on a global stage and, through our funding, advance their ideas to deliver results and impact.

[Entrepreneurship for All](#) (EforAll) is a small business/nonprofit accelerator whose aim is to accelerate economic and social impact in communities across the United States through inclusive entrepreneurship. They work with aspiring, underrepresented entrepreneurs who are in the idea stage or looking to pivot and grow an existing business. EforAll offers two primary programs at no cost to aspiring entrepreneurs: pitch contests and the one-year Accelerator Program, which includes intensive business training, dedicated mentors, and access to an extended professional network.

In-person interactions have been an essential part of EforAll's program work to help people make connections and gain confidence. During COVID-19, EforAll pivoted to deliver the program entirely online. Cisco's previous support helped EforAll digitize its internal operations, entrepreneur outreach and support, and impact evaluation, which enabled them to quickly pivot to a fully remote environment. EforAll-supported businesses generated over US$25 million in revenue in 2019 and created 720 local jobs. Nearly 75 percent of the entrepreneurs they support are women, and 58 percent are people of color.

500+
businesses started by EforAll alumni

70%
of businesses started by EforAll alumni are still active after three years, 8 percentage points higher than the U.S. national average

89%
of AnnieCannons graduates are employed, earning stable and dignified income

2.7X
increase in total year-over-year income for AnnieCannons graduates

Initiatives to enable progress

Social investments in economic empowerment
Cisco supports technology-based programs that connect underserved people to relevant skills, meaningful employment, entrepreneurial opportunities, financial products and services, and other resources they need to thrive in the digital economy. During fiscal 2020, many of our grantee partners had to pivot to address new and emerging needs arising from COVID-19, as well as scaling up to reach additional people in need of support.

Here are a few partners that are making a difference with Cisco's help. Learn more about our strategic social investments in the [ESG Reporting Hub](#).

Victims of human trafficking often come to believe that they cannot survive without their traffickers—part of a dangerous cycle of exploitation that can be difficult to escape. Beginning with the premise that economic opportunity is the key to breaking this cycle, U.S.-based [AnnieCannons](#) trains human trafficking survivors in in-demand technology skills. Training starts in a coding boot camp, and students quickly transition to earning income by providing software services to real-world clients. AnnieCannons offers all equipment and training to students free of charge, and the leadership team handles all business development so that survivors can focus on project-based learning. They also provide a supportive and safe atmosphere where clients can recover from trauma. Cisco has donated our technology and is providing funding that directly supports development of AnnieCannons' training program and instructional staff. With the revenue that students earn from paid client contracts, they are on track to become financially stable, providing a source of independence that helps them break the cycle of exploitation.

4 million jobs
created and retained via Opportunity International's financial products and services over the past three years

[Opportunity International](#) designs and delivers banking products, services, and capacity-building training to low-income people globally who lack access to financial products and services. The organization's work helps people not only support themselves and their families, but also empowers them to contribute to their local economy and create new jobs for their neighbors. Their work enables families to send their children to school, helps entrepreneurs start and expand businesses, assists farmers in improving their crop yields and income, helps women to become financially independent, and provides a secure and accessible way for individuals and families to save money. Over the past three years Cisco and Opportunity International have worked together to create a suite of digital financial products and services, primarily for women, that have reached more than 20 million people and created 4 million jobs—exceeding our initial goal of creating 3 million jobs by 30 percent.

Cisco Global Problem Solver Challenge

Now in its fifth year, the Cisco Global Problem Solver Challenge is an online competition that awards cash prizes to early-stage startups with technology-based solutions for social and environmental problems. Since launching the program in 2016, we've awarded US$1.25 million to 43 technology startups from 15 different countries. In our 2020 competition, we narrowed the field from over 500 submissions to 13 winning teams, awarding a total of US$350,000 to young social entrepreneurs from around the world.

Our 2020 Grand Prize winner is Savanna Circuit Tech, founded by Kenyans Emmastella Gakuo and Percy Lemtukei. The team developed a solar chilling in-transit system to help dairy businesses in Africa reduce post-harvest losses. In Kenya, where Savanna Circuit Tech is based, 70 percent of dairy producers are smallholder dairy farmers, and 1 million people work on family-run farms. These smallholder farmers produce 5.3 billion liters of milk each year, but because transporting it from farm to market can take up to five hours, 30 percent of this milk goes to waste.

Savannah Circuit Tech, Cisco Global Problem Solver Challenge 2020 Grand Prize winner

Since the dairy market has generally been overlooked in terms of technology access, Savanna Circuit Tech designed a solution that solves farmers' problems with a combination of software and hardware. Savanna Circuit Tech's mobile solar-powered milk chillers can be mounted on any means of transportation, like a motorcycle or a truck. The units come in various sizes, are portable, and are 100 percent solar powered. The solution includes sensors that monitor the volume, temperature, pH, and location of the milk in real time during transportation. This AI-enabled solution helps prevent milk spoilage while maximizing profits for dairy producers. Gakuo and Lemtukei will use the US$100,000 prize money to expand their manufacturing process, offer their solution in more countries, and get closer to their goal of increasing revenues and providing employment opportunities for 50 million smallholder dairy farmers worldwide.

Awards for entrepreneurs to recognize the work of individuals using technology for positive social impact.

Global Citizen Prize: Cisco Youth Leadership Award

Cisco and Global Citizen have formed a strong partnership based on our shared vision of creating an Inclusive Future by ending global poverty. One element of our partnership is the Global Citizen Prize: Cisco Youth Leadership Award, which was given for the second time in 2019. The award celebrates an individual between the ages of 18 and 30 who has contributed meaningfully toward the goal of ending poverty in their community.

Cisco Executive Vice President and Chief People Officer Fran Katsoudas presented the 2019 award to Priya Prakash, a healthcare entrepreneur and the founder and CEO of HealthSetGo. HealthSetGo helps provide access to healthcare at school for families across India to help children grow up healthy. Children receive annual health checks at school by qualified doctors, as well as access to insurance and health education. HealthSetGo uses technology to give a digital health card to children so that parents and the school are empowered to track children's health and make data-based decisions about care.

More than 180,000 children in 77 cities across India have gone through the school health program, and HealthSetGo has provided health education sessions to 20,000 parents. Prakash will use the US$250,000 prize money to continue providing access to healthcare services and create a sustainable business model for HealthSetGo, with a vision of impacting 1 million children by 2023.

Priya Prakash, Global Citizen Prize: Cisco Youth Leadership Award 2019 winner

OF INTEREST

Saving lives and creating jobs

Living Goods provides health workers with technology to help them be more effective.

Watch video

27%

reduction in mortality of children under age 5 through Living Goods' programs

When children get sick in the middle of the night in the Kibuli neighborhood in Kampala, Uganda, their parents don't typically call a hospital. Instead, they call someone like Annet Kirabo, a community health worker (CHW). CHWs deliver quality, on-call healthcare advice and treatments to their neighbors' doorsteps. Kirabo can test for diseases, offer vaccine counseling and referral advice, deliver medication, and more, a critical service in Uganda where health workers are in short supply.

Living Goods, a Cisco community partner, equips CHWs with technology to help them be more effective. Cisco funded the development of Living Goods' Smart Health app and underlying technology platform that CHWs use to track patients' immunization records, monitor the health of pregnant women and newborns, and better detect and diagnose health conditions. Living Goods also provides CHWs with ongoing training and earning opportunities. At the organization level, Living Goods uses the technology platform to track inventory, sales, performance of CHWs, and overall patient health.

"Living Goods has eased my work," Kirabo says. With all of the information she needs at her fingertips on her mobile device, she no longer has to carry heavy books with information on possible diagnoses and treatments. With Cisco's support, Living Goods' more than 10,000 CHWs are providing access to lifesaving care for more than 8 million people.

During the COVID-19 crisis, CHWs' work became that much more essential. The world's most vulnerable communities face high risk for COVID-19 infection but also continue to be impacted by preexisting critical health threats. Cisco supported Living Goods' immediate and longer-term response to the pandemic. Our support enabled them to ensure continuity of care for vulnerable and hard-to-reach populations in Kenya and Uganda; trained CHWs in COVID-19 prevention, early detection, and reporting; and integrated a new COVID-19 workflow into the Smart Health app. We also supported Living Goods staff who advised ministries of health in multiple countries on COVID-19 data collection, prevention, preparedness, and response. Now, more parts of the world can apply Living Goods' proven approach, combining technology and community connections to fight infectious disease.

IT solutions

How we engage

Cisco's impact goes beyond our grants and partnerships with nonprofit organizations. The actions of our customers also make an indirect impact. When we speak about those who are making the most of digitization, we are thinking of innovators who use Cisco's data analytics and collaboration tools to improve quality of life and reduce harm to the environment. Networking and security products that keep organizations safe. Quality healthcare anywhere. Solutions that allow work and education to continue without disruption.

Because we want everyone to reap the benefits of these breakthroughs, Cisco works with our customers in a variety of arrangements to help them achieve their goals. Through the Country Digital Acceleration (CDA) program, we partner with national leadership to help them progress on their digitization journeys, from installing public Wi-Fi to educating citizens in technology skills through Cisco Networking Academy. And with thought leadership on topics such as remote collaboration and the evolution of the workplace, we help businesses understand how to transform their businesses for an inclusive digital future where no one is left behind.

900+

active or completed CDA projects in 37 countries, encompassing 60 percent of the world's population and 75 percent of global GDP

Initiatives to enable progress

Country digital acceleration

Higher levels of digital readiness are associated with increased economic benefit. Given this well-established connection, countries around the world are looking for ways to deliver what's possible with technology. But where is the best place to begin? And how can countries ensure that all citizens are included in the digital revolution?

Cisco launched CDA in 2015 to answer these questions. CDA programs are long-term partnerships with government leaders, industry, and academia designed to unlock the value of digitization. By modernizing infrastructure, creating new jobs, and fostering innovation and education across public and private sectors, we can create new value for countries, businesses, and citizens. Cisco is one of few organizations tackling digitization on the national level at this scale.

A CDA program begins with a review of a country's national digital agenda and meetings with heads of state. If a program appears viable, Cisco develops a multiyear execution plan and budget. Country programs are tailored to local needs, ranging from cybersecurity and smart and connected cities to healthcare, education, utilities, and transportation. Cisco is one of few organizations tackling digitization on the national level at this scale.

See how Country Digital Acceleration projects are positively impacting communities around the world:

United Kingdom
Supplying video monitors, machine learning, routers, switches, and other infrastructure to enable safe operation of autonomous vehicles

San Francisco, USA
Using IoT technologies to create an intelligent traffic signal system that will reduce pedestrian road deaths

Rotterdam, the Netherlands
Creating a port that is cleaner, more efficient, and ready for electrified, autonomous ships

New Taipei City, Taiwan
Leveraging AI in Chang Gung Hospital to more accurately detect and diagnose cancer cases

Arizona, USA
Deploying free public Wi-Fi to libraries during the COVID-19 pandemic, enabling students to learn remotely

Maharashtra, India
Deploying Internet connectivity so that a local girls' school can access online educational resources

Brazil
Providing a highly secure and flexible collaboration platform for the National Council of Justice to conduct virtual witness interviews, hearings, and judgment sessions during COVID-19

Turin, Italy
Expanding Cisco Networking Academy to homeless shelters and prisons across the city, allowing marginalized members of society to develop new skill sets

Bringing a college education closer to home

Roger Lupe is a high school student at Dishchii'bikoh Community School, a K-12 school district on the White Mountain Apache Reservation in Cibecue, Arizona. He lives in one of the poorest counties in the United States, where modern services are scarce. For many students, attending college is a far-off possibility, given the hours of travel required to get to a campus.

With Cisco technology, Northland Pioneer College (NPC) is helping to change that. The college installed Cisco Webex Room Kit Pros on its campus and in the classrooms of 16 high schools spanning over 21,000 square miles, including Dishchii'bikoh. Room Kits allow remote students to virtually experience a classroom, with cameras that follow an instructor as they move. Now, students can begin to earn college credit while still in high school, jumpstarting their college educations without the need to travel. To date, more than 6000 students have taken part in NPC's distance learning program.

"Cisco technology allows NPC to open the doors to college education for students who would probably never have considered attending college," says Dr. Jessica Clark, Vice President Learning and Student Services at NPC. "We're helping these students transform their lives, which also allows communities to change their economic sustainability."

As for Lupe, "He's more confident now," says Phil Endfield, Dishchii'bikoh's Principal. "He is ready to move on to the next level of his education."

> It's always been my goal to experience the world outside my reservation and come back with that experience to make my reservation a better and safer place."
>
> —Roger Lupe

The future of work

The nature of work is changing. A multigenerational workforce has new expectations for flexible work. COVID-19 may have permanently upended norms about remote work, particularly in sectors that may not have seriously considered it before. Against this backdrop, businesses must adapt to keep workers safe and productive while meeting the needs of their customers.

Cisco has been developing secure remote collaboration solutions since 2006 and can help ensure that the future of work is productive and efficient. To meet the unprecedented demand for collaboration tools that emerged during the pandemic, for example, Cisco expanded its software capabilities so that businesses could stay connected, without compromising quality or security. Used inside Cisco offices, in remote settings, and by our customers, Cisco's collaboration solutions provide the following personalized, secure, and reliable experiences for the modern workforce and educational institutions.

- Seamless collaboration with anyone, from anywhere, working in-sync with the Webex calling, messaging, meetings, and integration functionality they love
- Smart, hybrid work experiences with integrated collaboration devices
- Intelligent customer experiences with digital-first engagement
- Security, privacy, management, and insights that are built-in, not bolted-on

Remote collaboration tools can also reduce emissions related to business travel, whether by reducing flights taken or limiting daily commutes to work. For example, National Trust, a historical preservation nonprofit in the United Kingdom, spent £2 million a year on fuel for car travel before it started using Webex for meetings. After adopting Webex, an executive estimated that a single virtual meeting attended by participants across the country saved 1000 miles, or a total of 34 hours of car travel. Similarly, a recent Cisco report on the benefits of virtual meetings estimates that by holding 30 percent of in-person meetings virtually, the country of Sweden could reduce CO_2 emissions by 550,000 tonnes.

Connectivity in critical settings

Hospitals and other healthcare facilities are some of the highest-stakes environments in which Cisco solutions operate. Digitization is becoming an increasingly important part of quality care, and Cisco supports over 17,000 healthcare organizations in 118 countries as a trusted partner. When lives are at stake, care providers can't risk downtime or missing data. This has been especially true during the COVID-19 pandemic. As hospitals around the world responded to surges in capacity and new safety protocols, Cisco helped them scale with simple, packaged solutions and support to unlock

government funding for new technology. Here are a few ways that our customers and partners are using Cisco solutions to deliver the very best care:

- Integrating Cisco DNA Spaces with STANLEY Healthcare to track the location of medical devices and other critical equipment, monitor the temperature of medications and vaccines, and monitor the safety of patients and staff
- Enabling a custom version of Webex on Samsung tablets to allow clinical staff to conduct virtual consultations and daily virtual rounds with the patients at their facilities in support of physical distancing
- Helping parents of newborns with congenital heart defects to safely monitor their babies' health at home, while communicating with healthcare providers at University Hospitals via Cisco Jabber
- Using Webex to speak with patients awaiting diagnoses, using screen-sharing to display medical scans and video to create a deeper emotional connection
- Running Webex on Ava Robotics' mobile robot, which family members and healthcare providers can use to "visit" family members in assisted living facilities while in quarantine

Read more about how Cisco has helped customers, including healthcare customers, during the COVID-19 crisis.

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