

2014 Corporate Social Responsibility Report Executive Summary


CISCO
*TOMORROW
starts here.*



Welcome to Cisco's 2014 CSR Report

Executive Summary

We are entering a new era where everyone and everything is connected. Our technology brings people together to tackle global challenges faster and more effectively. This summary covers our approach, our objectives, our progress, and our challenges.



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How to Use This Report

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

Interactive Elements

This document contains interactive elements, such as the Contents and navigation, on click.*

Recommended Software

Adobe Acrobat* Version 7.0 and above.

* Interactive content may not be available on some devices.

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Cisco has been a pioneer in networking technologies since our inception in 1984. We continue to evolve and innovate to solve our customers' most important business challenges and to catch market transitions. Our unrelenting focus on innovation has enabled us to maintain our position as a market leader for nearly 30 years.

From routing and switching hardware to collaboration, security, and video software, we build the solutions our customers need to succeed. We sell our products and services to businesses of all sizes, governments, and service providers.

Through the Internet of Everything, we are creating new capabilities, richer experiences, and unprecedented economic opportunities for individuals, organizations, and countries. We believe that amazing things happen when you connect the unconnected.



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The Internet of Everything

Networking technology connects people, processes, data, and things in meaningful ways. This is what we call the “Internet of Everything” (IoE). About 13 billion things and 40 percent of the world’s population are already connected. IoE is creating new ways to do business and improve people’s lives. The benefits are extensive, from connected education and healthcare to smarter cities, more efficient government services, and job creation.

2014 at a Glance

US\$47.1 billion net sales in FY14.

\$47.1 BILLION



165

Operations in more than 165 countries.

More than 74,000 employees.

74,000

More than 600 suppliers worldwide.



26,000 engineers focused on innovative research and development (R&D).



US\$6.3 billion (13.4% of our FY14 revenue) invested in R&D.



\$275 MILLION

US\$275 million in cash and in-kind donations contributed to community programs by Cisco and the Cisco Foundation.

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Message from John T. Chambers

Chairman and CEO

Our approach to Corporate Social Responsibility (CSR) is to use our expertise, technology, and partnerships to create positive impact around the world. CSR has always been one of the pillars of our culture, and I'm extremely proud of the global impact of our programs.

Our focus on creating value for society, the environment, and our business is reflected in the breadth of our commitments. From investing in our people to improving labor standards in our supply chain. From improving access to healthcare to reducing our environmental footprint. This is all made possible by the network.

Networking technology connects people in meaningful ways. It has the power to deliver new opportunities and rich experiences, which connect people around the world. Networking technology also grows global economies and increases well-being.

At Cisco, one way we see this happening is what we call the "Internet of Everything." In simple terms, the Internet of Everything is the intelligent connection of people, processes, data, and things. This will be the most exciting phase of the Internet yet, and I believe its impact on society will be five to ten times greater than the impact of the Internet to date.

The Internet of Everything offers countries around the world the opportunity to provide better, richer lives for their citizens and to create new ways for companies to do business. Whether it's connected education and healthcare, smarter cities, more efficient government services, or transforming job creation, we believe the societal benefits of the Internet of Everything will impact our lives in ways never imagined. It's not the act of getting connected—or even the number of connections—that creates the value. Rather, it's the outcomes those connections make possible.

With companies, individuals, and governments working together, we can help economies worldwide. Governments alone cannot solve the global challenges we face today. But by bringing together a diverse set of stakeholders, we can tackle many of the inequities in education and employment.

For example, our role in the White House Information Technology (IT) Training and Certification program highlights the power of public-private partnerships. The program provides IT skills training, certification, and career placement to help U.S. military personnel transition into the job market quickly.

In FY13, we introduced new 5-year environmental goals designed to focus on the two areas we believe are most critical to Cisco's environmental sustainability over the long term. These are greenhouse gas emissions and energy consumption. Our focus is not only on our customers and partners, but also on society and the environment.

Ultimately, the success and impact of the Internet of Everything will be measured by the extent to which we're able to harness its benefits for humanity. With this in mind, I couldn't be more excited to see what the future holds. We are deeply committed to improving lives, communities, and the environment.

John T. Chambers
Chairman and Chief Executive Officer

Our Vision

Changing the way we work, live, play, and learn.

Our Values

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

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Message from Tae Yoo

Senior Vice President, Corporate Affairs

Each day, people around the world face many challenges: access to quality education, unemployment, poverty, and climate change, to name a few. At Cisco, we've learned that when we bring people together, they find innovative solutions to address these problems. And when you add technology to the mix, we can multiply our impact and uncover even greater opportunities.

There has never been a better time to combine human and technology innovation to help people and the planet. Everything is coming online, and we're connecting more of our world every day. At this very moment, 7 billion devices are connected to the Internet, and that number is expected to increase to 50 billion by 2020. These connections are creating massive amounts of data, disrupting the way businesses and nonprofits operate, and giving people greater intelligence for decision making. This is the Internet of Everything, and it's making networked connections more valuable and relevant than ever before.

With these connections comes opportunity: for education, for jobs, for environmental sustainability, and for economic growth. We need millions of people to fill information and communications technology (ICT) jobs in every country,

in almost every field, and to harness the potential of the Internet of Everything. Our Cisco® Networking Academy® program teaches these skills to 1 million students each year in 170 countries, providing greater economic opportunities for individuals and building a pipeline of innovators for the future workforce.

Building tomorrow's workforce is a major focus of our CSR initiatives going forward. Unemployment is high in many countries, especially among young people. Yet, companies are desperate to find people with the technical know-how, the creativity, and the problem-solving skills they need to fuel innovation and grow. You'll see in this report how we are working to prepare people to fill these jobs and bridge the gap for employers.

Beyond workforce development, we are committed to being a good corporate citizen, particularly in the communities where we operate. We are working to cut our energy use, and with it our greenhouse gas emissions; to strengthen our CSR governance and metrics; and to extend our high standards for sustainability into our global supply chain. We foster diversity in our company and help our employees thrive in their careers while balancing their personal lives. Our pride in community inspired us to support nearly 2300 nonprofit organizations in FY14 through employee volunteerism, donations, and expertise, as well as through product and cash grants, to create positive impact in the world.

Being socially and environmentally responsible is not only good for people and the planet; it is essential to the long-term sustainability of our business. We are enormously proud of the work our employees and partners are doing around the world. This report tells some of their stories and shows how technology has the amazing ability to benefit humanity.

Tae Yoo
Senior Vice President, Corporate Affairs

Our CSR Strategy

We focus on the areas where Cisco's expertise, technology, and partnerships can have the greatest impact.

Governance and Ethics

Our commitment to ethical conduct and good governance makes us a stronger, more resilient company.

Supply Chain

We work closely with the suppliers who make our products to maintain high standards for ethics, labor rights, health, safety, and the environment.

Our People

We offer engaging development opportunities, recognize achievements, and foster an inclusive and healthy workplace to help employees achieve their full potential.

Society

Using our expertise and technology, we work with partners to extend access to education and healthcare, create economic development opportunities, respond to disasters and critical human needs, and help communities thrive.

Environment

We improve our own environmental performance, as well as our customers', by developing products that improve living standards, reduce resource waste, and save energy.

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Governance and Ethics

Good governance and ethical conduct provide the foundation for everything we do at Cisco. They help us earn trust, manage risks, foster sustainable growth, and build a resilient business. Collaboration is at the heart of our approach. We aim to tackle challenging issues head on, make our

communications and processes simple, hold everyone accountable, and empower all our employees to do what's right.

Our Code of Business Conduct (COBC), as well as our internal ethics resource center and tailored training, helps employees make ethical decisions. Cisco has been named one of the World's Most Ethical

Companies for seven years running by the Ethisphere Institute.

The success of our business depends on earning the trust of our customers, our partners, and our stakeholders. That's why we place such importance on strong governance practices and ethical conduct.



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Governance and Ethics Overview

We rely on our employees to uphold our values and follow the expectations we put in our COBC. In addition, we consult with stakeholders and experts to keep focused on the most important areas from business and social perspectives. Some of these include providing expertise to public policy debates for our industry, raising awareness about the importance of privacy and data protection, and respecting human rights around the world. Cisco strives to contribute to a better society.

2014 at a Glance



24 internal and external stakeholders provided input to our updated materiality assessment, identifying priority CSR issues for Cisco.



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

Our Human Rights Roadmap was updated to align with the United Nations (UN) Guiding Principles on Business and Human Rights.



“Ethical companies provide strong returns to shareholders. It is not just the financial reports that matter. Shareholders want to invest in ethical companies. Companies want to do business with ethical companies. Talented people want to work for ethical companies.”

Prat Bhatt, Senior Vice President, Corporate Controller

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2014 Progress Toward Objectives

Objectives	Status
100 percent of eligible ¹ employees to complete annual certification to the Cisco COBC.	●
Make human rights training available to all employees and mandatory for targeted groups.	●
Continue formal and informal stakeholder engagements throughout FY14 to help us continue to improve our CSR programs.	●
Augment and deepen engagement with key socially responsible investors for more meaningful dialogue on issues of importance to our investors.	●
Maintain positive responses from at least 83 percent of employees to the CSR statement in our annual employee Pulse Survey? ²	●
Complete a robust materiality assessment of the CSR issues that are important to our stakeholders.	●

● Achieved

1. Excluding employees in France (which has a separate system), those recently joining Cisco through acquisitions, those on a leave of absence, interns, and contractors who must abide by our Supplier Code of Conduct.
2. Two additional CSR statements were included in this year's Pulse Survey (see page [D4](#)).

2015 Objectives and Beyond

Objectives	Target Date
100 percent of eligible ¹ employees to complete annual certification to the Cisco Code of Business Conduct.	End of FY15
Maintain a quarterly review and update of our Human Rights Roadmap, which aligns to the UN Guiding Principles on Business and Human Rights.	End of FY15
Engage with diverse stakeholder groups to inform our CSR strategy, performance, and reporting.	End of FY15
Augment and deepen engagement with key socially responsible investors for more meaningful dialogue on issues of importance to our investors.	End of FY15
Maintain an average positive response from at least 83 percent of employees to the CSR statements in our annual employee Pulse Survey.	End of FY15
Continue evaluating and refining our CSR materiality assessment.	End of FY15

Awards and Recognitions¹

CDP Global 500 Climate Change Leaders	Dow Jones Sustainability Index	Ethisphere Institute's World's Most Ethical Companies	FTSE4Good Index²	The 2014 Global 100 Most Sustainable Corporations in the World	oekom Research Corporate Responsibility Rating
Tied for first place. Scored 100 for disclosure and "A" rating for performance	Member of World and North American Indices	Included for seventh consecutive year	Member of Global, Global 100, U.S., and U.S. 100 Indexes	Ranked number 11	"Prime" status

1. A full list of CSR rankings and awards is available on our [website](#).
2. FTSE Group confirms that Cisco has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

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Supply Chain

A highly dynamic and complex supply chain builds the Cisco products that empower businesses and enable collaboration around the world. We work closely with suppliers to manage sustainability issues and improve performance throughout the supply chain and at every stage of the product life cycle.

More than 600 suppliers make components, manufacture, test, deliver,

take back, recycle, or enable reuse of Cisco products. We expect all our suppliers to meet the same high standards for ethics, labor rights, health and safety, and the environment that we set for ourselves. These standards are outlined in our Supplier Code of Conduct.

We are exploring ways to apply the Internet of Everything (see page [A2](#)) in our supply chain. We see opportunities

for technology to improve compliance, save energy, cut climate impacts and material use, and get direct feedback from factory workers.

A highly connected supply chain will help us detect and respond to emerging issues faster and will enhance collaboration.



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Our goal is to increase transparency in the supply chain and help suppliers improve their sustainability performance. To do this, we:

- Embed sustainability into core business practices for selecting and assessing suppliers
- Engage with key suppliers to understand the challenges they face, improve performance, and build capability
- Work with others to tackle industrywide challenges, through initiatives such as the Electronic Industry Citizenship Coalition (EICC)

By doing so, we seek to build customer trust, reduce costs, secure continuity of supply, respond to stakeholder needs, and protect the Cisco brand.

Managing environmental impacts in our supply chain is an important part of our engagement with suppliers. We highlight this at relevant points throughout this section of the report. Information on environmental performance related to our supply chain can also be found in the Environment section (see page [F11](#)).

2014 at a Glance



Enhanced monitoring of working hours for high-risk suppliers.



100 percent of Cisco supplier managers completed sustainability training.

Conducted due diligence on mineral sourcing and published our first Conflict Minerals Report.



Increased focus on capability building through collaboration and corrective actions.

58 percent of key suppliers have goals to cut greenhouse gas (GHG) emissions, up from 45 percent in 2013.



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2014 Progress Toward Objectives

Objectives	Status
100 percent of key suppliers ¹ have goals in place to reduce GHG emissions and report progress toward their goals by end of FY15 (objective changed).	
100 percent of key suppliers report Cisco's share of their GHG emissions by end of FY15 (objective changed).	
Establish a due diligence process to assess whether tantalum, tin, tungsten, and gold in our products are being sourced from conflict-free minerals and publish a Conflict Minerals Report by May 31, 2014, as required by the U.S. Dodd-Frank Act.	
Partner with suppliers to identify and realize sustainability improvements in FY14.	
100 percent of Cisco supplier managers complete web-based training on sustainability in FY14.	
Develop and deploy a new training module on human rights in the supply chain as a supplement to Cisco's corporate human rights training in FY14.	
86 percent of key component suppliers report GHG emissions via CDP in FY14.	
Develop standards of measurement for allocating supplier-level emissions down to the component level in FY14.	

 Achieved  Partially Achieved²

1. Key suppliers are defined as those that receive a business scorecard (see page C4 for definition).
2. Partially achieved objectives are those that have (1) been almost fully achieved and are therefore not included in 2015 Objectives and Beyond, or (2) been reevaluated and replaced by a similar objective for FY15 and Beyond. See the text for details and future plans.

2015 Objectives and Beyond

Objectives	Target Date
100 percent of key suppliers report their GHG emissions to CDP.	End of FY16
Increase percentage of key suppliers that set GHG emissions-reduction goals in their CDP reports to 75 percent.	End of FY16
Establish a GHG emissions reduction goal for our supply chain operations.	End of FY15
Enhance our supplier engagement by further integrating the Supplier Code of Conduct into day-to-day business operations.	End of FY15
Require all supply chain employees to complete Cisco's corporate human rights training.	End of FY15
Work with university partners to incorporate sustainability into business education for supply chain professionals.	End of FY15
Gather real-time feedback from supplier workers and management to enhance transparency on labor conditions in the supply chain.	End of FY15

“We view sustainability as an integral part of operating a world-class supply chain. We are collaborating with academic and other organizations to promote this thinking among the next generation of supply chain professionals.”

John L. Kern, SVP, Supply Chain Operations

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Our People

Our employees contribute significantly to our shared vision to create a more connected world. Cisco's success depends on our ability to attract, retain, and develop talented people. We offer attractive benefits and career opportunities, and foster an inclusive work culture that promotes innovation and inspires our employees to perform at their best.

We respect and care for each other through an open environment that offers our employees opportunities to learn and grow. We encourage employees to gain new skills and experience, and to develop their careers at Cisco. Open communication, within offices and across cities, helps us work well together and always strive to do the right thing.

Collaboration is at the heart of our culture. Cisco technologies enable people to collaborate with colleagues around the world. Employees share ideas, brainstorm solutions, and recognize achievements to help us succeed together. Our technologies also promote flexible working that can enhance health and well-being by enabling people to better balance work and personal commitments.



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Our People Overview

We want our people to feel they are helping to change the world. Our values underpin the company culture and support a great employee experience.

The five key pillars of our People strategy are:

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

2014 at a Glance

Launched Connected Recognition, a fast, easy, and fun way for employees to recognize their colleagues for exhibiting Cisco values.



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Ranked number 10 on the World's Best Multinational Workplaces list by Great Place to Work institute.

87 percent of employees are proud to work at Cisco.



Introduced an enhanced Occupational Health and Safety management system.

Launched more ways to support career development, including a Career Development website, Career Days, and Career Advisory program.



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Ranked number 55 on the Fortune "100 Best Companies to Work For" list.

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2014 Progress Toward Objectives

Objectives	Status
Launch a new People strategy by end of FY15 focused on: <ul style="list-style-type: none"> • Talent: Deliver innovative and consistent career development and employee experience. • Leadership: Build diverse and global leadership capabilities and pipeline. • Culture: Inspire employees to embrace culture, values, and integrity. • Organizational effectiveness: Deliver organizational transformation through Work Force Planning and Organizational Health Analytics. 	○
Improve our employee survey scores in the areas of development, organizational alignment, and recognition ¹ .	●
Launch a new performance management program by end of FY15.	○
Increase diversity awareness with an emphasis on gender awareness.	○
Launch new rewards and recognition program that highlights employee contributions.	●

Achieved
 Partially Achieved¹
 Ongoing

¹. Our employee survey was amended this year, so trending data at the category level is not possible. Trends for individual questions within categories were mixed, with some showing improvements and others remaining stable or declining.

2015 Objectives and Beyond

Objectives	Target Date
Launch a new People strategy focused on: <ul style="list-style-type: none"> • Talent: Deliver innovative and consistent career development and employee experience. • Leadership: Build diverse and global leadership capabilities and pipeline. • Culture: Inspire employees to embrace culture, values, and integrity. • Organizational effectiveness: Deliver organizational transformation through Work Force Planning and Organizational Health Analytics. 	End of FY15
Launch a new performance management program.	End of FY15
Introduce a capability-assessment model and leadership accountability to provide managers with the capabilities they need to develop their teams.	End of FY15
Establish a differentiated compensation model that rewards behaviors and outcomes that support business success.	End of FY15
Strengthen recruitment by building a clear picture of what Cisco offers prospective employees.	End of FY15
Develop a talent plan for key strategic roles, with a priority on internal talent progression.	End of FY15
Transition to an enterprisewide approach to drive awareness, increase our workforce diversity, and integrate inclusion into key business and talent systems, policies, and practices.	End of FY15

Flexible Work Environments

In annual surveys, employees repeatedly say workplace flexibility is one of the best things about working at Cisco. Thousands of workers in Connected Workplace environments all over the world report significantly higher levels of satisfaction, teamwork, and productivity. These benefits help us attract and retain top talent. Our flexible work practices also help us meet our environmental goals by reducing the need for air and car travel. Ninety-one percent of employees say their managers support their efforts to balance work and personal life. See more on the [Cisco website](#).

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Diversity Data

We have published workforce diversity statistics in our Corporate Social Responsibility Report since 2005. This year we have expanded the data to include additional gender, race, and ethnicity information from Cisco's 2014 EEO-1 report. Our 2014 EEO-1 submission can be found [online](#).

Table 3. Gender Diversity			
	FY12	FY13	FY14
Female employees globally	22%	23%	23%
Female new hires globally	23%	23%	23%
Female managers globally (including directors)	20%	20%	19%
Female vice presidents globally	16%	16%	17%
Female employees in the United States	25%	26%	26%
Female managers in the United States (including directors)	22%	23%	22%
Female vice presidents in the United States	18%	19%	18%

Table 4. Ethnic Diversity			
	FY12	FY13	FY14
Percent of non-Caucasian employees in U.S. operations	46%	46%	46%
Percent of non-Caucasian new hires in U.S. operations	52%	48%	44%
Percent of non-Caucasian vice presidents in U.S. operations	26%	24%	28%

Figure 1. FY14 Workforce Diversity Snapshot

Workforce Diversity – Overall



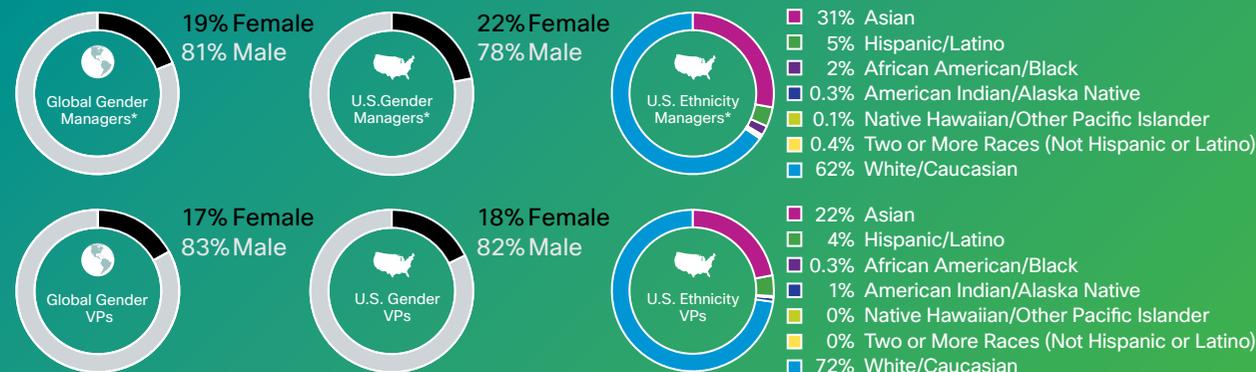
Workforce Diversity – Technical*



Workforce Diversity – Non-Technical*



Workforce Diversity – Leadership Managers* and VPs



*People managers, directors, and senior directors

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We use our expertise, technology, and resources to make a positive contribution to society. Connecting the unconnected is what we do. We work with others to build thriving communities, improve people's lives, and support the long-term success of our business.

To make a significant and lasting impact, we invest in scalable, self-sustaining programs in the areas where Cisco can add the most

value. We focus on improving access to healthcare; promoting skills development and entrepreneurship; supporting programs that use technology to improve education outcomes; and helping nonprofits deliver food, clean water, shelter, and disaster relief.

The Cisco Networking Academy is our flagship CSR program, and it helped 1.2 million students obtain new jobs between 2005 and 2013. The program prepares

students for jobs and aims to support their long-term employability.

We also encourage employees to share their expertise and support their communities through volunteering and donations. In FY14, Cisco employees volunteered more than 136,000 hours; their donations and matched funds contributed over US\$11.4 million to nonprofit organizations.



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Society Overview

We work with nonprofits, governments, and educational and healthcare institutions to meet some of society's biggest challenges.

We seek to:

- Improve access to education and healthcare
- Equip people with the knowledge and skills to become economically self-sufficient
- Enhance society's ability to meet critical human needs and respond to disasters

Cisco contributes technology, funding, and expertise to support these programs and help our long-standing partners build capacity to extend their impact. Our core business activities also make a difference to society. We support diverse

suppliers and promote economic empowerment in underserved communities. We also integrate accessibility into the design of our products to enable people with disabilities to enjoy the benefits of our technologies.

Building strong communities supports the growth of our business by creating economic stability; by giving us access to new markets, customers, and sources of innovation; and by building a healthy pipeline of well-educated talent.

Our Society Strategy



Cisco's CSR vision is to combine technology and human creativity to solve social issues and help communities thrive.

Education

We train people in ICT and support programs that use technology to improve education outcomes. See page [E6](#).

Economic Empowerment

We promote skills development, job creation, entrepreneurship, and financial inclusion in underserved communities. See page [E9](#).

Healthcare

We use networking technology to improve access to healthcare in remote regions and enable health professionals to share expertise. See page [E12](#).

Critical Human Needs and Disaster Response

We help partners improve access to food, clean water, and shelter, and support communities affected by natural disasters. See page [E13](#).

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\$275 MILLION

US\$275 million in cash and in-kind donations contributed to community programs by Cisco and the Cisco Foundation.

US\$674,400 in direct aid for disaster relief worldwide through employee donations and matching gifts.

1 million students participated in the Cisco Networking Academy program; 88 percent say the training helped them find a new or better job or an educational opportunity!



\$674,400



More than 6900 children have received medical consultations using Cisco video technologies across all of our healthcare programs since inception.

Employees volunteered 136,000 hours to support their communities, up more than 5 percent from 2013.



1. Based on exit surveys from 10,565 students completing courses through Cisco CCNA® 4 or higher from FY12 to FY14.

“Each day, people around the world face many challenges. We’ve learned that when we bring people together, they find innovative solutions to address these problems. And when you add technology to the mix, we can multiply our impact and uncover even greater opportunities.”

Tae Yoo, Senior Vice President, Corporate Affairs

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2014 Progress Toward Objectives

Objectives	Status
Increase access to specialized pediatric care in the state of Sergipe, Brazil, by supporting remote consultations between rural family health clinics and university hospitals.	○
Use our technology to support a digital picture archiving and communications system (PACS) and collaboration among healthcare clinicians in Jordan.	●
Expand the number of physician specialties using the pediatric telehealth network at Lucile Packard Children's Hospital and increase the number of patients seen.	●
Encourage women and girls to pursue education and careers in technology fields through the Networking Academy™ program and participation in events like Girls in ICT Day.	●
Expand the use of Cisco NetSpace™ online learning environment by establishing new partnerships that enable us to deliver content via the platform.	●
Reach 150,000 employee volunteer hours ¹	◐
Connect U.S. military veterans to jobs by providing Cisco WebEx technology to facilitate virtual interviews at military bases and by supporting further development and adoption of the Pipeline job skills matching platform, h2h.jobs .	●

● Achieved ◐ Partially Achieved ○ Ongoing

1. Partially achieved objectives are those that have (1) been almost fully achieved and are therefore not included in 2015 Objectives and Beyond, or (2) been reevaluated and replaced by a similar objective for FY15 and Beyond. See the text for details and future plans.

2015 Objectives and Beyond

Objectives	Target Date
Provide at least 7 million meals for people in need through employee donations to our annual Global Hunger Relief Campaign.	End of FY15
Reach 145,000 employee volunteer hours.	End of FY15
Engage 500 employees in 10,000 STEM volunteer hours as part of our 7-year commitment to the US2020 initiative.	End of FY15
Support 5500 remote patient visits worldwide through Cisco collaboration technologies.	End of FY15
Connect 7000 US military veterans to ICT training, credentials, and job opportunities through Phase 2 of the IT Training and Certification Program and similar state initiatives.	End of FY15
Reach 250,000 factory and farm workers through the Labor Link mobile platform developed by Good World Solutions and supported by Cisco.	End of 2015
Reach 70 social enterprise customers supporting 80,000 farmers and microentrepreneurs and 3 million poor beneficiaries through our support for Grameen Foundation's TaroWorks initiative.	End of 2015
Integrate diverse suppliers/partners and business solutions into the sales department to meet customer requirements.	Ongoing

Performance Summary

Performance Summary	FY12	FY13	FY14
Total corporate and Cisco Foundation cash and in-kind contributions (USD)	\$294 million	\$297 million	\$275 million ¹
Number of hours volunteered by employees	107,150	129,000	136,000
Number of active students in Cisco Networking Academy courses	1 million	1 million	1 million

1. Total giving decreased in FY14 because Cisco made several large one-off contributions for specific, time-bound initiatives in prior years and because the value of in-kind contributions through the Cisco Networking Academy program was slightly lower this year.



MEET THE FUTURE ARCHITECTS OF THE INTERNET OF EVERYTHING
 More than 5 million students around the world have expanded their horizons and launched careers in ICT through the Cisco Networking Academy program. International Networking Academy NetRiders competitions allow them to test their skills and help them stand out in the job market.
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We believe our information and communications technology (ICT) can improve the world's standard of living, improve the use of resources, and improve energy efficiency, delivering new value to our customers and society.

Innovation is at the core of Cisco's environmental sustainability initiatives. For our customers, this means changing the way people work, live, play, and learn through networking technologies that create new business and social value.

Within Cisco, we're building environmental sustainability into each business function and process. We believe that improved sustainability creates net benefits to our business, our customers, and the planet.



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Environment Overview

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

Improving the energy efficiency of our products is a priority because the energy consumed during their use accounts for up to 90 percent of our products' life cycle carbon footprint. This means that innovation in our products and services that promote energy efficiency and waste reduction can reduce GHG emissions by users of our products. In developing innovative products and solutions, we are using the power of the Internet to create sustainable business models for our customers.

2014 at a Glance



Cisco launched a 4-year, more than US\$50 million¹ EnergyOps Program (operational energy) to meet Cisco's new Scope 1, 2, and Scope 3 business air-travel GHG emission reduction goals to be achieved by FY17.

#1

Cisco tied for #1 across all sectors on CDP's 2014 climate survey; and we celebrated our seventh year on CDP's Disclosure Leadership Index and fourth year on the Performance Leadership Index.

Cisco achieved a 30 percent absolute reduction in Scope 1 and 2 GHG emissions worldwide, from a FY07 baseline.



\$360 MILLION



Customers returned 12,180 metric tonne of Cisco products for reuse and recycling, and we reused over \$360 million of Cisco equipment.



In FY14, Cisco spent \$9.6 million on energy efficiency and renewable energy initiatives as part of the global EnergyOps Program.

\$9.6 MILLION

1. Currency amounts reported in the Environment section are U.S. dollars unless otherwise noted.

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2014 Progress Toward Objectives

Objectives	Status
<p>Complete the development of the ICT Sector Supplement to the Greenhouse Gas Protocol (GHGP) standards.</p> <p>Cisco is a founding member of the GHGP ICT Sector Supplement effort. A member of the Steering Group, Cisco is also co-editor of the chapter on transport substitution. The ICT Sector Supplement is expected to be published in early 2015 following final review by stakeholders.</p>	●
<p>Continue customer and stakeholder engagement on environment sustainability issues.</p> <p>We completed a customer listening survey, inviting 5,000 customers to provide their views on environmental sustainability issues and priorities.</p>	●
<p>Scale reporting of GHG emissions to CDP by our supply chain.</p> <p>We continue to make significant advancements in our supply chain engagement and reporting. 100 percent of our contract manufacturers, 87 percent of our component suppliers, and 95 percent of global transport providers responded to CDP 2014 survey.</p>	○

● Achieved ○ Ongoing

2015 Objectives and Beyond

Objectives	Target Date
Reduce total Cisco Scope 1 and 2 GHG emissions worldwide by 40 percent absolute by FY17 (FY07 baseline).	FY17
Reduce total Cisco business-air-travel Scope 3 emissions worldwide by 40 percent absolute by FY17 (FY07 baseline).	FY17
Reduce Cisco's FY17 net, consumption-weighted electricity emission factor to half of the latest International Energy Agency world average emission factor publicly available before the end of FY17.	FY17
Reduce total Cisco operational energy use per unit of revenue worldwide by 15 percent by FY17 (FY07 baseline).	FY17
Use electricity generated from renewable sources for at least 25 percent of our electricity every year through FY17.	FY17

“We believe that technology has a tremendous role to play in minimizing our carbon footprint, but we need to deal with physical footprint of this technology in a different way. Cisco’s focus on the circular economy helps us to work together with our clients, and look at new ways to help clients manage the life cycle of their technology more effectively.”

Colin Curtis, Director of Sustainability, Dimension Data

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Key Performance Indicators (KPIs; Base Year, If Applicable, and Last 5 Years Reported)

Performance Summary	FY07 Baseline Year ¹	FY10	FY11	FY12	FY13	FY14	Comments
Total contractual GHG emissions: Scope 1 and 2, metric tonne CO ₂ e.	436,489	376,141	416,927	251,672	312,525	305,656	Values from 2012 CSR Report have been updated.
Percent progress against reduction goal. Goal: Reduce total, Cisco, Scope 1 and 2, GHG emissions worldwide by 40% absolute by FY17 (FY07 baseline).	base year	-14%	-4%	-42%	-28%	-30%	Cisco's new corporate GHG reduction goal was announced in February 2013.
Total Scope 3 air-travel GHG emissions, metric tonne CO ₂ e.	199,104	96,442	114,707	125,605	139,530	157,868	All emissions recalculated using the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) 2014 emissions factors (Ricardo-AEA/Carbon Smart); radiative forcing not included.
Percent progress against reduction goal. Goal: Reduce total, Cisco, business-air-travel, Scope 3 emissions worldwide by 40% absolute by FY17 (FY07 baseline).	base year	-51%	-42%	-37%	-30%	-21% ²	FY12 was goal year for first, 5-year goal of -25%.
Product return, metric tonne	n/a	8,580	11,595	13,324	12,539	12,180	
Returned material sent to landfill	n/a	0.33%	0.89%	0.43%	0.33%	0.30%	Landfilled material consists only of nonelectronic waste materials, such as broken pallets, wet cardboard, and shrink wrap, accompanying Cisco products returned by customers for recycling.

1. Our annual CSR reports include data for the past five fiscal years and, for GHG/energy, our goal base year.
 2. If air travel from the approximately 5,000-employee NDS acquisition is excluded, FY14 value is -25%.



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

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