



# 2022

Annual Report

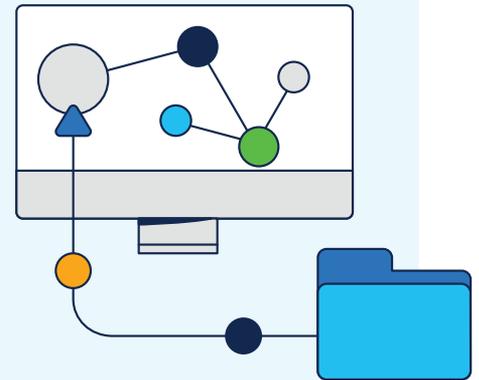
Reimagining the future of connectivity



# About Cisco

Cisco (Nasdaq: CSCO) is the worldwide leader in technology that powers the internet.

Discover more at [thenetwork.cisco.com](https://thenetwork.cisco.com) and follow us on Twitter at [@Cisco](https://twitter.com/Cisco).



## Our strategy

Help customers **connect, secure and automate** to accelerate their digital agility in a cloud-first world.

### Customer Priorities

- Reimagine Applications
- Power Hybrid Work
- Transform Infrastructure
- Secure the Enterprise

To execute on our strategy and address our customer priorities, we are focusing on six strategic pillars: Secure, Agile Networks; Hybrid Work; Optimized Application Experiences; End-to-End Security; Internet for the Future; and Capabilities at the Edge.

### Technology Megatrends

- Adoption of a Cloud Experience
- Applications are now the Lifeline of Every Business
- Shift to Hybrid Work
- Security is Moving to the Cloud
- Transition to 5G & Wi-Fi 6
- Apps & Workloads are Moving Closer to Users & Devices

### Our Innovation Promise

- Customer & User Experience
- Simplicity & Cloud-First
- Flexible Consumption
- Visibility & Automation
- Security Built-In
- Interoperability & Quality

## Our purpose

To Power an Inclusive Future for All

We are committed to leading the way, to inspiring change, to seeing the world through the eyes of others, and to stepping up to the challenges of inequity to create new possibilities for tomorrow.

## Our commitment

To drive the most trusted customer experience in the industry with our extraordinary people and great technologies

Our employees bring talent and ingenuity to everything we do, from designing products and solutions and helping to protect sensitive data to helping us Power an Inclusive Future for All.



## Introduction to summary report

This summary provides an overview of Cisco. It does not contain all of the information you should consider. Please review our latest Annual Report on Form 10-K on our website. Please also review our Proxy Statement for our 2022 Annual Meeting of Stockholders, and our reports related to corporate responsibility (our Purpose), which includes our ESG initiatives, also available on [www.cisco.com](http://www.cisco.com).



### FORWARD-LOOKING STATEMENTS

This Summary Report and our Annual Report on Form 10-K (“Annual Report”) contain projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections, goals, and statements are only predictions. Actual events or results may differ materially from those in the projections, goals, or other forward-looking statements. See Cisco’s filings with the Securities and Exchange Commission, including its most recent Annual Report for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections, goals, or other forward-looking statements.

## Table of contents

2	Letter to stockholders
4	Financial highlights for fiscal 2022
6	Cisco strategy
7	Leadership
8	Corporate governance
12	Our purpose

# Letter to stockholders



“Technology is an essential driver of productivity and economic growth. We have the opportunity—and the responsibility—to leverage the power of technology in this new reality, to continue to drive transformation and to solve some of the world’s biggest problems.”

## Chuck Robbins

Chair and Chief Executive Officer

## To our stockholders,

Fiscal 2022 was a complex year, and I am incredibly proud of how our teams navigated through the many challenges that we saw throughout the year. Thanks to their determination, perseverance, and unwavering commitment to our customers, partners, and to each other, we ended the year strong.

**We set several new records for the company including product orders, ending backlog, net income, EPS, Annualized Recurring Revenue (ARR), and Remaining Performance Obligations (RPO).** These were strong results, particularly considering the incredibly dynamic environment in which we continue to operate. This tells me that our investments in accelerated innovation, continued strong customer demand, and our ability to execute with excellence, put us in a position of strength for the year ahead, and beyond.

We were delighted to engage with our customers in person once again at Cisco Live and other events throughout the year, and we continue to hear that their technology priorities have become even more urgent. In this massively distributed world of hybrid work and hybrid cloud, the Internet of Things is exploding, more and more devices are being connected via the network, and the cyber threat landscape is shifting and expanding. Our customers need to reimagine their applications, power hybrid work, secure their enterprise, and transform their infrastructure.

We are committed to being a trusted partner on their digital transformation journeys and doing all we can to help them succeed.

## Navigating through turbulent times

Cisco has been in business for almost 40 years, so we are no stranger to challenging times. The extraordinary events of this past year—including the ongoing COVID-19 pandemic, significant supply constraints, Russia’s invasion of Ukraine, and rising inflation—have only reinforced our focus on what matters most: helping our customers and partners, our people, and the communities in which we operate.

It has become clear to me that dealing with increasing complexity is the new reality for all of us. What is also clear is that technology is an essential driver of productivity and economic growth. We have the opportunity—and the responsibility—to leverage the power of technology in this new reality, to continue to drive transformation and to solve some of the world’s biggest problems.

I am confident the decisions we made and the multiple actions we took over the past two years are helping to offset cost inflation and improve our resiliency. These include adding new and leveraging alternative suppliers, redesigning hundreds of products to use available components with similar capabilities, targeted price increases, and several other creative solutions, all of which position us well for the future. The combination of these actions with the tremendous efforts of our world-class supply chain and engineering teams, and the investments we have made in

building capacity to meet growth, has the potential to drive continued momentum into fiscal 2023.

## Investing in innovation

Enterprises everywhere need secure, agile networks that can accommodate distributed users, devices, data, and applications. Our latest cloud-delivered innovations across our networking, security, collaboration, and optimized applications portfolios are designed to help organizations drive productivity and resiliency. They include cloud management for the Catalyst switching portfolio from the Meraki dashboard; a Nexus Cloud SaaS (Software-as-a-Service) offer powered by Intersight to help our customers deploy and manage their Nexus data center networks from the cloud; and the Cisco Security Cloud, designed to be the most open security platform available, enabling customers to connect their end-to-end security architecture.

In fiscal 2022, we unveiled our vision for Cisco Predictive Networks, an industry first predictive analytics engine for network management which will gather and integrate data from many sources, learn patterns to predict user experience issues, and provide problem-solving options. In June, we introduced ThousandEyes WAN Insights, which we will make available to our SD-WAN customers as the first step towards delivering on this vision.

Customers are rearchitecting their applications and they need modern tools to help them do this. We launched Panoptica and Calisti, two new cloud-native, API-first tools for faster and better application development, as well as AppDynamics Cloud, a cloud-native observability

platform for modern applications which helps remediate application performance issues with business context and insights.

And, for customers operating mass-scale networks, we introduced an enhanced routed optical networking platform which can help drive savings of up to 45% in power and up to 70% in real estate required for equipment. Our Silicon One based Cisco 8000 routers, the fastest growing product family in Cisco's history, combined with optics from Acacia, create a durable foundation for the development of the Internet for the Future, 400G and beyond.

These innovations, together with many others across our portfolio, are intended to drive simplicity and provide the best unified experience for our customers. Offering our customers choice is an important factor in that experience, and we continue to find ways to do so through flexible consumption models, disaggregating and virtualizing certain technologies, and delivering as much as we can as-a-Service. Cisco+ Secure Connect, which allows customers to quickly deploy Secure Access Service Edge (SASE) and eases day-to-day operations through a cloud-managed platform, is a great example and the latest of several as-a-service offers, and we have more in the pipeline.

### Successfully transforming our business

We continue to make solid progress in our business transformation which we believe is strengthening our position in the market by helping us to deliver innovation and choice for our customers in new ways, all while giving us greater visibility, resiliency, and predictability.

**In fiscal 2022, we generated over \$15 billion of software revenue, 81% of which was subscription-based.**

Total subscription revenue, including services sold as subscriptions, was over \$22 billion, and represented 43% of Cisco's total revenue.

Our subscription revenue drives ARR and RPO which are the best indicators of our progress in our business transformation. The combination of our ARR, RPO and our record backlog gives us excellent visibility and a high degree of confidence in our future revenues.

### Living our purpose

Since the beginning, Cisco has focused on innovation, integrity and doing what's right. By operating a successful business, we are empowered to step up to the many societal and environmental challenges we see around the world. We redefined our purpose—to power an inclusive future for all—in 2020, and we couldn't have imagined how relevant it would be in today's world. To help fulfill our purpose, we leverage our technology and catalyze our networks, partners, and people to make a positive impact in communities worldwide and on the planet. Our purpose guides us to focus our efforts where we know we can make most impact.

**This past year, we committed to reaching net-zero greenhouse gas emissions across our value chain by 2040.**

We recently refined our goals and near-term targets and were one of the first technology and hardware equipment companies to have its net-zero goals validated under the Science Based Targets initiative (SBTi) Net-Zero Standard, the world's first framework for corporate net-zero target setting in line with climate science. The use of our sold products is the greatest contributor to our overall carbon footprint, so improving the energy efficiency of our hardware and solutions—by integrating Silicon One across our portfolio, for example—is a high priority, as it also helps our customers meet their own emissions reduction goals.

We also remain committed to doing all we can to provide inclusive access to training and education in the key digital skills that are in such high demand across all industries. In the 25 years since we launched the Cisco Networking Academy in 1997, we have reached more than 17 million students, 95% of whom say the program helped them obtain a job or educational opportunity. This past year, to accommodate even more students, we created SkillsForAll.com, providing free online technology courses backed by Cisco's expertise and connected to real career paths in the digital economy.

I'm incredibly proud of how our teams around the world have rallied around our purpose. **During this past year, more than 80% of employees have given back to their communities.** I have no doubt that our purpose-driven culture is a primary

reason why Cisco has been named the number one Great Place to Work in 14 countries around the world.

While we continue to make good progress on our priorities and work in service of our purpose, we recognize there is always much more to be done to ensure that people and ecosystems can thrive together on a liveable planet.

### Confidence in the future

As we enter fiscal 2023, we see tremendous opportunity ahead. While we expect supply chain challenges to persist, we are encouraged by the early signs of supply easing that we saw at the end of fiscal 2022, and we expect to see gradual improvements throughout the year that will enable us to get our products into our customers' hands faster.

We will continue to focus on simplification as we develop our platform strategy and offerings, while helping to drive sustainability in our products. There is a greater sense of urgency from our customers and partners to leverage leading-edge technologies to deliver on their strategic objectives and our innovation is helping them navigate an increasing amount of complexity.

While no company is immune to macro trends, **we are fortunate that there are currently more technology transitions occurring concurrently than I've seen in 20 years.** Given the strength of our portfolio, our continued investment in accelerated innovation, and the commitment of our teams, we believe the multi-year megatrends of hybrid cloud, hybrid work, security, IoT, 400G and beyond, 5G and Wi-Fi 6, as well as the move towards application observability, will provide tailwinds to our long-term growth. We also believe that the focus on sustainability and the climate crisis will continue to be positive for our business. We feel that Cisco is well positioned for whatever the future may hold.

Thank you for your continued support.



### Chuck Robbins

Chair and Chief Executive Officer  
October 13, 2022

# Financial highlights for fiscal 2022

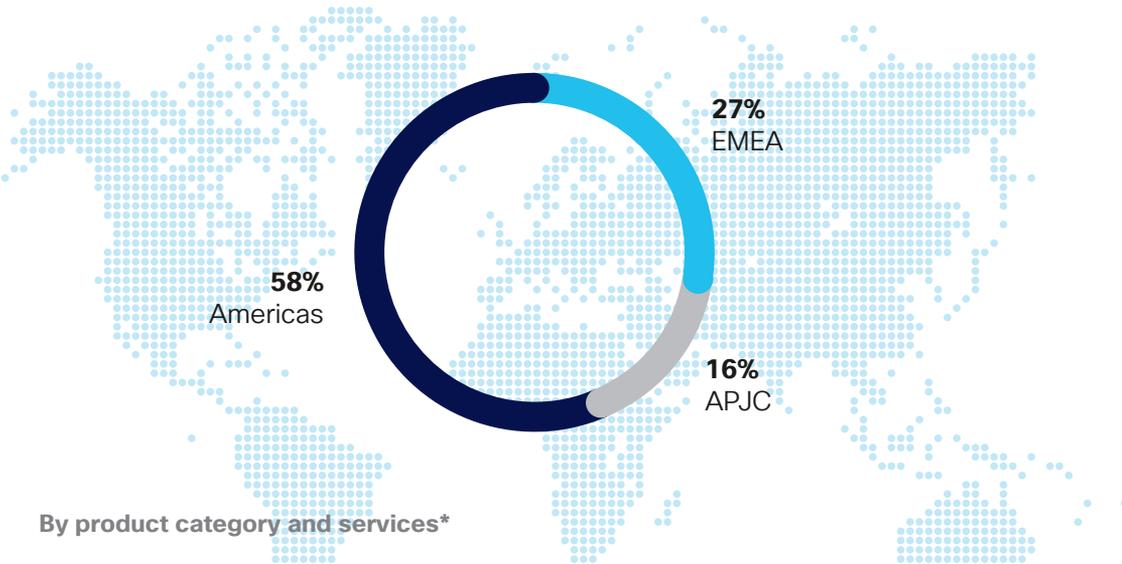
All amounts on an annual basis.

## Revenue trend\* (\$B)

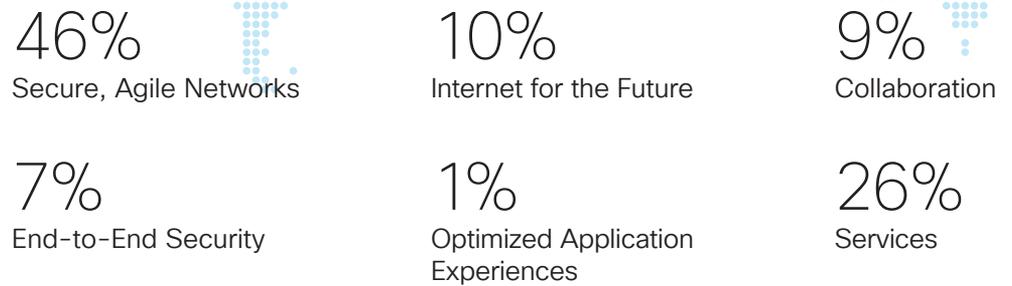


- Product revenue
- Services revenue

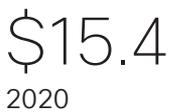
## FY22 Revenue By geographical segment\*



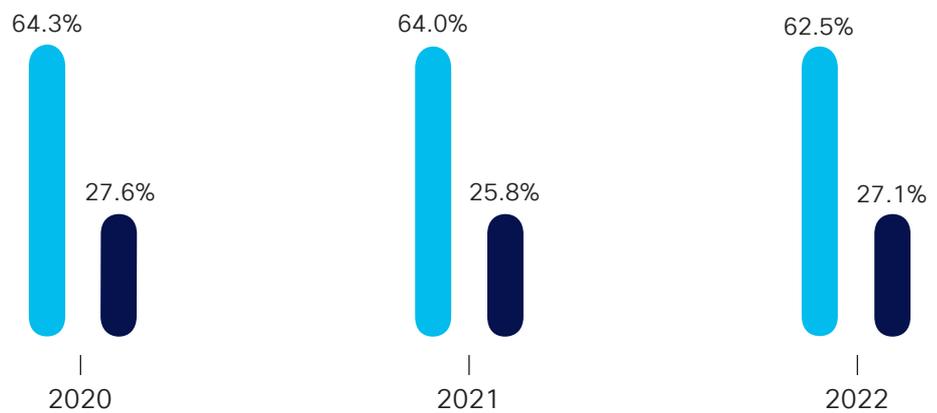
## By product category and services\*



## Operating cash flow (\$B)



## Margins (%)



- Gross margin
- Operating margin

\*Amounts may not sum and percentages may not recalculate due to rounding



“We had a solid fiscal year in a highly complex environment. The demand for our products and services is strong as we drive innovation through continued investment and the shift to more recurring revenue, delivering growth and driving shareholder value.”

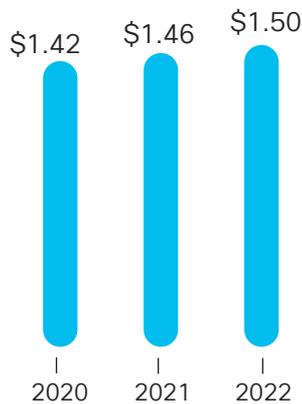
**R. Scott Herren**

EVP and Chief Financial Officer

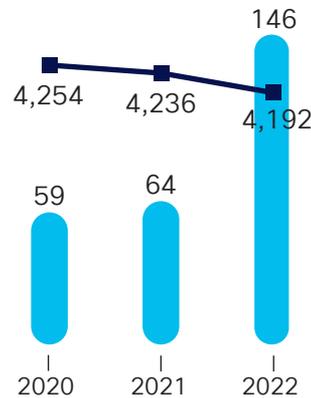


## Capital allocation

Dividends paid per share (\$)

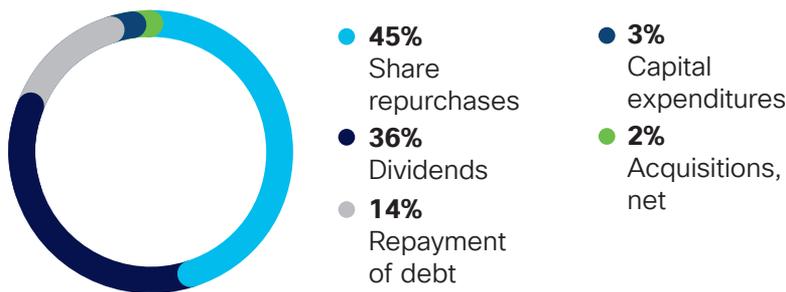


Share repurchases and diluted share count (Millions)



- Absolute number of shares repurchased
- Diluted share count

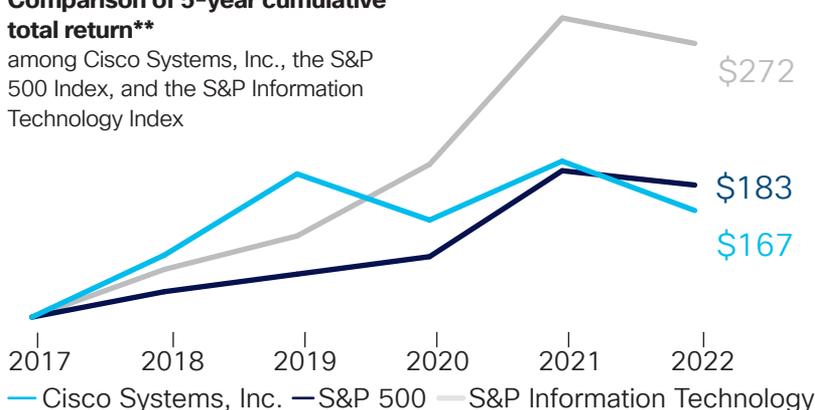
Primary uses of cash in FY22



## Total stockholder return

### Comparison of 5-year cumulative total return\*\*

among Cisco Systems, Inc., the S&P 500 Index, and the S&P Information Technology Index



This graph shows a 5-year comparison of the cumulative total stockholder return on Cisco common stock with the cumulative total returns of the S&P 500 Index and the S&P Information Technology Index. The graph tracks the performance of a \$100 investment in Cisco’s common stock and in each of the indexes (with the reinvestment of all dividends). Stockholder returns over the indicated period are based on historical data and should not be considered indicative of future stockholder returns.

\*\* \$100 invested on 7/29/17 in stock or index, including reinvestment of dividends. Fiscal year ending July 30, 2022.

# Cisco strategy



As our customers add billions of new connections to their enterprises, and as more applications move to a multicloud environment, the network becomes even more critical. Our customers are navigating change at an unprecedented pace. In this dynamic environment, we believe their priorities are to **reimagine applications, power hybrid work, transform infrastructure, and secure the enterprise.**

**Our strategy is to help our customers connect, secure, and automate to accelerate their digital agility in a cloud-first world.**

We are committed to driving a trusted customer experience, through our innovation, choice, and people.

We are also accelerating our efforts to enable the delivery of network functionality as a service as our customers increasingly want to consume our technologies in flexible ways. We made the initial step with our as-a-service portfolio, Cisco Plus, and our first offer, Cisco Plus hybrid cloud, which combines our data center compute, networking, and storage portfolio. Cisco Plus includes our plans to deliver networking-as-a-service, which is designed to unify networking, security and observability across access, wide area network (WAN), and cloud domains.

As part of the transformation of our business, we continue to make strides to develop and sell more software and subscription-based offerings. We are also focused on the entire customer lifecycle to drive expansion and renewals. We will continue to invest in network-as-a-service offerings to provide our customers with flexibility in how they want to consume our technologies.

To execute on our strategy and address our customer priorities, we are focusing on the following six strategic pillars: Secure, Agile Networks; Optimized Application Experiences; Hybrid Work; Internet for the Future; End-to-End Security; and Capabilities at the Edge.

## Secure, Agile Networks

Build networking solutions with built-in simplicity, security, agility and automation that can be consumed as-a-service

## Optimized Application Experiences

Enable greater speed, agility and scale of cloud-native applications

## Hybrid Work

Deliver highly secure access, a safer workplace and collaboration experiences for the hybrid workforce

## Internet for the Future

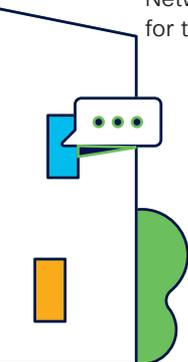
Transform connectivity by efficiently meeting the ever-growing demand for low-latency and higher speeds

## End-to-End Security

Build simple, integrated, and high efficacy end-to-end security solutions, delivered on-premise or in the cloud

## Capabilities at the Edge

Develop new capabilities for a distributed world while enhancing the developer experience and extending enterprise and carrier networks

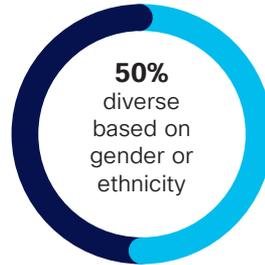


# Leadership

## Cisco's executive leadership team



**Chuck Robbins**  
Chair and Chief  
Executive Officer



**Liz Centoni**  
EVP, Chief Strategy  
Officer and  
General Manager,  
Applications



**Eyal Dagan**  
EVP, Common  
Hardware Group



**Jonathan  
Davidson**  
EVP and General  
Manager, Enterprise  
Networking & Cloud  
and Mass-Scale  
Infrastructure Group



**R. Scott Herren**  
EVP and Chief  
Financial Officer



**Francine  
Katsoudas**  
EVP and Chief  
People, Policy &  
Purpose Officer



**Maria Martinez**  
EVP and Chief  
Operating Officer



**Jeetu Patel**  
EVP and General  
Manager, Security  
& Collaboration



**Mark Patterson**  
SVP, Chief of Staff  
to the Chair  
and CEO



**Maria Poveromo**  
SVP and Chief  
Communications  
Officer



**Jeff Sharritts**  
EVP and Chief  
Customer and  
Partner Officer



**Dev Stahlkopf**  
EVP, Chief Legal  
Officer and Chief  
Compliance Officer

## Diverse leadership

At Cisco, diversity, inclusion, and collaboration are fundamental to who we are, how we create the best teams, and how we drive success. A diverse workplace creates a vibrant culture where everyone is welcomed, respected, valued, and heard.

Cisco has signed the CEO Action for Diversity and Inclusion™ Pledge. We are delivering on this pledge by accelerating full-spectrum diversity—including gender identity, age, race, ethnicity, sexual orientation, disability status, nationality, religion, military status, background, culture, experience, strengths and perspectives. It starts at the top in that 42% of our executive leadership team (ELT) are women and 50% are diverse in terms of gender or ethnicity, making Cisco an industry leader in ELT diversity.

## Leadership@Cisco

Learn more about Cisco's executive leadership team at <https://newsroom.cisco.com/exec-bios>.

# Corporate governance

Cisco is committed to stockholder-friendly corporate governance, and the Board of Directors has adopted clear corporate policies that promote excellence in corporate governance.

## Stockholder engagement

At Cisco, we recognize the importance of regular and transparent communication with our stockholders. Each year, we continually engage with a significant portion of stockholders that include our top institutional investors.

In fiscal 2022, our Chair of the Board and Chief Executive Officer, and Investor Relations team held meetings, conference calls and/or corresponded with investors representing approximately 36% of our outstanding shares, including 78% of our 30 largest stockholders.

We engaged with these stockholders on a variety of topics, including our business and long-term strategy, corporate governance and risk management practices, board leadership and refreshment, diversity, corporate responsibility initiatives (including environmental, social, and governance topics), executive compensation program, and other matters of stockholder interest.

## Risk management approach

We believe that risk is inherent in innovation and the pursuit of long-term growth opportunities. Cisco's management is responsible for day-to-day risk management activities. The Board of Directors, acting directly and through its committees, is responsible for the oversight of Cisco's risk management. With the oversight of the Board of Directors, Cisco has implemented practices, processes, and programs designed to help manage the risks to which we are exposed in our business and to align risk-taking with our efforts to increase stockholder value.

## Policies and practices

We have adopted these corporate governance policies and practices consistent with our commitment to transparency and best-in-class practices, as well as to ensure compliance with the rules and regulations of the SEC, the listing requirements of Nasdaq, and applicable corporate governance requirements.

- Stockholder proxy access
- Annual election of all directors (since IPO)
- Majority voting (since 2007)
- Robust Lead Independent Director role
- Stockholder right to call a special meeting (since IPO)
- No poison pill
- Recoupment/clawback policy
- Stock ownership guidelines for directors and executive officers
- Stockholder recommendations for director candidate to the Board
- Stockholder right to act by written consent (since IPO)

## Board of Directors

The Board of Directors regularly discusses many core subjects with executive management, including strategy, operations, information systems, finance, and legal and public policy matters, in which risk oversight is an inherent element.



## Audit Committee

The Audit Committee, which oversees financial and risk management policies, including data protection (comprising both privacy and security), receives regular reports on enterprise risk management (ERM) from the chair of the ERM operating committee and receives regular reports on cybersecurity from senior management on a quarterly basis and a detailed presentation from our Chief Security and Trust Officer two or more times per year.

## Other committees

Other board committees oversee certain categories of risk associated with their respective areas of responsibility.



## Management

Cisco's management has implemented an ERM program, managed by Cisco's internal audit function, that is designed to work across the business to identify, evaluate, govern, and manage risks and Cisco's response to those risks.

Cisco's internal audit function manages the enterprise ERM program and performs an annual risk assessment that is used by the ERM program. The structure of the ERM program includes both an ERM operating committee that focuses on risk management-related topics and an ERM executive committee consisting of members of management.

The ERM operating committee conducts global risk reviews and provides regular updates to the ERM executive committee.



## Executive compensation

Our pay practices align with our pay-for-performance philosophy and underscore our commitment to sound compensation and governance practices.

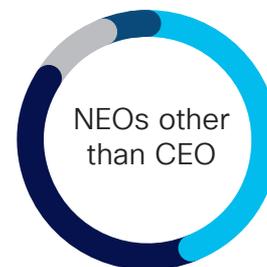
Given the importance of ESG matters to Cisco's strategy, for fiscal 2022, we incorporated an ESG factor into our variable cash incentive program, the Executive Incentive Plan (EIP), which was scored based on the executive leadership team's joint execution of our ESG strategy, including specific goals on sustainability, and inclusion and collaboration.

These charts summarize the major elements of target total direct compensation for our CEO and our other named executive officers (NEOs<sup>1</sup>) as a group for fiscal 2022 and demonstrate our continued pay-for-performance philosophy.

<sup>1</sup> As defined in our Proxy Statement for our 2022 Annual Meeting of Stockholders



- **49%**  
Performance-based equity incentive awards
- **33%**  
Time-based equity incentive awards
- **13%**  
Variable cash incentive awards (performance-based)
- **5%**  
Base salary



- **44%**  
Performance-based equity incentive awards
- **40%**  
Time-based equity incentive awards
- **10%**  
Variable cash incentive awards (performance-based)
- **6%**  
Base salary

### Our executive compensation program rewards performance

- Compensation philosophy is designed to attract and retain, motivate performance, and reward achievement
- Performance measures are aligned with stockholder interests
- Majority of annual total direct compensation is performance-based
- No dividends are paid or settled on unvested awards

### We apply leading executive compensation practices

- Independent compensation committee
- Independent compensation consultant
- Comprehensive annual compensation program risk assessment
- Caps on incentive compensation
- Promotion of ESG initiatives considered in the variable cash incentive program for executive officers
- No employment, severance, or change in control agreements for our executive officers
- Stock ownership guidelines
- Recoupment/clawback policy
- Limited perquisites
- No single-trigger vesting of equity award grants
- No stock option repricing or cash-out of underwater equity awards
- No supplemental executive retirement plan or executive-defined benefit pension plan
- No golden parachute tax gross-ups
- Broad anti-pledging and anti-hedging policies

## Board of Directors

Cisco's Board of Directors is committed to strong corporate governance structures and practices that help Cisco build long-term stockholder value. The Board believes strongly in the value of an independent board of directors and has established a Lead Independent Director role with broad authority and responsibility. Independent board members have consistently comprised over 75% of the members of Cisco's Board of Directors. **Additionally, all members of the key board committees—the Audit Committee, the Compensation and Management Development Committee, and the Nomination and Governance Committee—are independent.**

	Director Since	Committees					Board skills and attributes						
		AU	C	NG	AQ	F	Leadership	Sales and Marketing	Academia	Technology	Financial expertise	Public company board experience	Global business
 <b>M. Michele Burns, 64</b> Independent Director Former Chair and CEO, Mercer LLC	2003	M				C	✓				✓	✓	✓
 <b>Wesley G. Bush, 61</b> Independent Director Former Chair and CEO, Northrop Grumman Corporation	2019		M			M	✓	✓		✓	✓	✓	✓
 <b>Michael D. Capellas, 68</b> Lead Independent Director Founder and CEO, Capellas Strategic Partners	2006			C	C		✓	✓		✓	✓	✓	✓
 <b>Mark Garrett, 64</b> Independent Director Former CFO, Adobe Systems Incorporated	2018	C		M			✓			✓	✓	✓	✓
 <b>John D. Harris II, 61</b> Independent Director Former Vice President of Business Development, Raytheon Company	2021					M	✓	✓		✓	✓	✓	✓
 <b>Dr. Kristina M. Johnson, 65</b> Independent Director President, The Ohio State University	2012		M			M	✓		✓	✓	✓	✓	✓
 <b>Roderick C. McGeary, 72</b> Independent Director Former Vice Chair, Consulting, KPMG LLP	2003	M	C	M			✓			✓	✓	✓	✓
 <b>Sarah Rae Murphy, 39</b> Independent Director Former Chief Procurement Officer and Senior Vice President of Global Sourcing, United Airlines	2022	M					✓	✓			✓		✓
 <b>Charles H. Robbins, 56</b> Chair and Chief Executive Officer	2015						✓	✓		✓	✓	✓	✓
 <b>Brenton L. Saunders, 52</b> Independent Director Executive Chair, The Beauty Health Company	2017		M		M		✓	✓			✓	✓	✓
 <b>Dr. Lisa T. Su, 52</b> Independent Director Chair and CEO, Advanced Micro Devices, Inc.	2020				M		✓	✓		✓	✓	✓	✓
 <b>Marianna Tessel, 54</b> Independent Director Executive Vice President and Chief Technology Officer, Intuit Inc.	2021				M		✓			✓			✓

### Key to Committees

**AU** Audit Committee  
**AQ** Acquisition Committee  
**NG** Nomination and Governance Committee

**F** Finance Committee  
**C** Compensation and Management Development Committee

**M** Member  
**C** Chair



## The role of the Board of Directors in strategy

One of the Board’s key responsibilities is overseeing management’s formulation and execution of Cisco’s strategy. Throughout the year, our CEO, the executive leadership team, and other leaders from across the company provide detailed business and strategy updates to the Board. During these reviews, the Board engages with the executive leadership team and other business leaders regarding various topics, including business strategy and initiatives, capital allocation, portfolio updates, the competitive landscape, talent and culture including inclusion and diversity, ESG matters including human rights implications of Cisco product development and sales, our environmental impact and regulatory developments. Additionally, on an annual basis, the Board reviews and approves Cisco’s financial plan. The Lead Independent Director also chairs regularly scheduled executive sessions of the independent directors, without Cisco management present, during which Cisco’s strategy is reviewed and other topics are discussed.

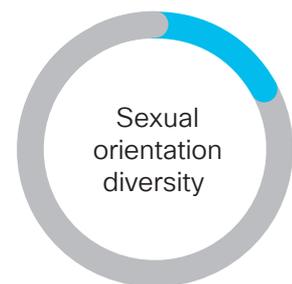
### Board snapshot



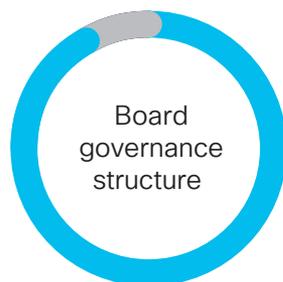
- 42% Women
- 58% Men



- 83% White
- 8% African American or Black and Native American
- 8% Asian



- 17% LGBTQ+

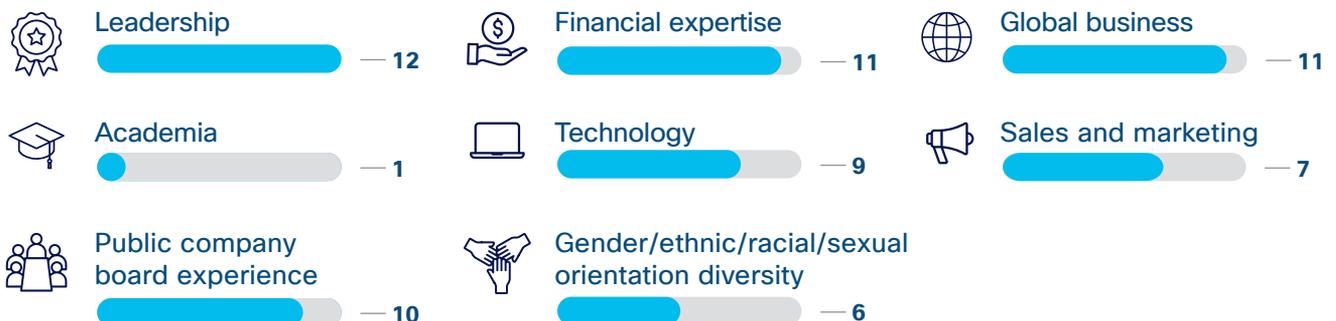


- 11 Independent
- 1 Non-Independent



- 7 Directors 0-5 years
- 1 Director 6-8 years
- 4 Directors 9+ years

### Board Skills and Attributes



\*Percentages may not total 100% due to rounding.

# Our purpose

For decades, Cisco has been evolving and expanding the way it positively impacts people and the planet. At the core of all our efforts is our Purpose: to Power an Inclusive Future for All. Technology has the potential to create opportunities—or deepen inequalities. Cisco believes that technology, when thoughtfully and strategically applied, can help address inequities; bring positive, lasting change to people’s lives and communities; and benefit the planet. To help fulfill our Purpose, we leverage our technology and catalyze our networks, partners, and people to make a positive impact in communities worldwide and for the planet. We know we can achieve so much more when we work in partnership with those aligned with our values and Purpose.

The upcoming fiscal 2022 Purpose Report, which is expected to be published in December 2022, will describe our latest impact, ongoing goals and commitments, and progress towards our goals and commitments on our Purpose journey.

## Purpose governance and management

Cisco’s People, Policy, and Purpose organization leads our social investment programs and champions our commitment to ESG performance and transparency. Within this organization is a core reporting team which engages with stakeholders, leads ESG materiality assessments<sup>1</sup>, and stewards reporting activities. Our reporting is aligned with standards set by the Global Reporting Initiative, Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, and the UN Sustainable Development Goals. The Nomination and Governance Committee of the Board reviews Cisco’s policies and programs concerning our Purpose. This structure is designed to ensure that we prioritize the right ESG topics as a company, and that we stay on track with our commitments.

## Board of Directors

### Nomination and Governance Committee

Reviews Cisco’s policies and programs concerning our Purpose, including environmental, social, and governance matters

### Other Board Committees

- Acquisition
- Audit
- Finance
- Compensation and Management Development

### ESG Topics\*

- Climate change and GHGs
- Inclusion and diversity
- Corporate governance
- Human rights and working conditions in the supply chain
- Business ethics
- Data security and privacy
- Innovation and responsible technology
- Employee health safety and labor rights
- Circular design and lifecycle management
- Operational waste
- Environmental Protection
- Water
- Talent
- Employee wellbeing
- Community impact
- Digital Inclusion
- Critical human needs and disaster relief
- Economic empowerment



### People, Policy, and Purpose Organization

Champion Cisco’s company-wide commitment to ESG performance and transparency



### Business Functions and Cross-Functional Groups

Conduct due diligence and implement policies and programs for specific ESG focus areas



### Governance, Risk, and Controls

Champion Enterprise Risk Management (ERM) efforts across the business to identify, assess, and manage risks



\* These are the topics identified in our FY21 ESG materiality assessment and validated in our FY22 interim ESG materiality assessment

<sup>1</sup> ESG materiality, as used in this report, and our ESG materiality assessment process is different than when used in the context of Securities and Exchange Commission (SEC) disclosure obligations. Issues deemed material for purposes of this report and for purposes of determining our ESG strategy may not be considered material for SEC reporting purposes, nor does inclusion of information in this report indicate that the topic or information is material to Cisco’s financial condition or results of operations.

## Powering an inclusive future for all

Cisco's efforts to fulfill our Purpose to Power an Inclusive Future for All are organized into three ESG pillars. From the technology that helps securely power the world's connectivity (Power), to driving fairness, inclusion, and equitable opportunity (Inclusive), and helping to ensure a sustainable and regenerative planet (Future).

### Power

For almost four decades Cisco has helped power the world's connectivity. Our software and solutions protect the data of millions of users within public sector organizations and businesses of all sizes, including 98% of the Fortune 500. At Cisco, we cultivate trust and hold ourselves to the highest standards of business conduct. This requires applying leading security and privacy practices and global principles of human rights to the design, sourcing, manufacturing, and sale of our solutions, and working to integrate a human rights perspective across Cisco's global business. Cisco instills trust by operating with transparency, fairness, accountability, and integrity in every aspect of our business – from the integrity of our solutions and networks, to our cyber resilience strategies which we share with organizations around the world, to our financial transparency and high standards of ethical conduct.

Cisco works to ensure that our products are made responsibly, consistent with Cisco's values. We expect our manufacturing partners and suppliers to uphold Cisco's standards for labor, health and safety, environment, and ethics. We are a founding member of the Responsible Business Alliance (RBA) and have long adopted the RBA Code of Conduct as our Supplier Code of Conduct. We assess our suppliers' conformance to our policies through risk assessments, audits, and targeted engagements. If suppliers do not meet our standards, we work with them to improve and hold them accountable to achieve that improvement. We also work across the Information and Communications Technology (ICT) industry to build supplier capacity to ensure a baseline of human rights and environmental standards. This work in our supply chain is a core element of our commitment to our Purpose.

### Inclusive

We promote inclusivity through our Conscious Culture and social impact initiatives. Our Conscious Culture is a set of expectations, principles, and measures that we believe define Cisco's values, beliefs, and ethos. Our values and expectations are laid out in our Code of Business Conduct. Every employee must certify compliance with the code each year to help ensure integrity in the workplace and the ethical use of data and resources, and to help prevent conflicts of interest. Living a Conscious Culture requires us to act with dignity, respect, fairness, and equity in each of our interactions with one another, allowing us to become a catalyst for social change.

When people are respected for who they are and encouraged to seek balance between work and personal life, we believe they are more productive and successful in their jobs and able to give their best to their families and communities. In fiscal 2017, we set a goal to achieve 80% employee participation in community impact by 2020. We achieved that goal and have sustained 80% employee participation since then.



## Our purpose

Since we announced our Social Justice Beliefs in 2020, we have launched 12 initial actions to address longstanding challenges and drive lasting, generational change within our African American/Black communities, including increasing representation at all levels of the company. In fiscal 2021 we exceeded our goal to increase African American/Black representation by 75% at Director through VP+ level. Our Social Justice Beliefs provide a blueprint for how we respond to injustice and address inequity, not just now, but in the future, when we see injustice and systemic inequality in any community across the full spectrum of diversity. Cisco's Inclusive Future Action Office leads the strategy and execution of our Social Justice Actions – bringing together people across every function and region to lend their unique perspectives, expertise, and skills to fulfill our commitments.

Cisco strives to compensate our employees fairly and equitably. We are a founding signer of the White House Equal Pay Pledge and the Parity.org pledge, and we are leading the charge to make fair pay a reality for all employees through the Employers for Pay Equity Consortium. In fiscal 2022, we expanded our approach to fair pay beyond base salary to include additional forms of compensation such as promotions, stock, and bonuses.

At Cisco, we believe that technology can be used to help solve the greatest social and environmental challenges, such as critical human needs and crisis response, economic inequality, digital inclusion, education, and climate. Cisco set a goal in 2016 to positively impact one billion people by 2025 through our social impact grants and signature programs<sup>2</sup>. We engage with nonprofit partners to invest in early-stage solutions and form long-term partnerships that allow organizations to put technology to its highest and best use.

We are preparing millions of learners with digital skills through Cisco Networking Academy, one of the world's longest running learning and digital skills programs. In fiscal 2022, over three million people participated in our courses in 190 countries, bringing the total to 17.5 million students since inception.

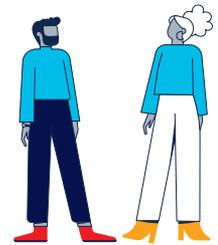
<sup>2</sup> Some of our social impact grantees receive funding from other organizations. In January 2022 Cisco completed an external limited assurance review of our progress toward this goal. For more information see the criteria document and assurance report available at our ESG Reporting Hub at [https://www.cisco.com/c/m/en\\_us/about/csr/esg-hub.html](https://www.cisco.com/c/m/en_us/about/csr/esg-hub.html).

## Diversity highlights

- At Cisco, 42% of our ELT are women and 50% are diverse in terms of gender or ethnicity
- On our Board of Directors, 42% are women, 58% are men, 8% are Asian, 8% are African American or Black, and Native American, 83% are White, and 17% are diverse in terms of sexual orientation
- In fiscal 2021, our global employee base was comprised of 28% women and 72% men, and our U.S. employee base was comprised of the following ethnicities: 51.5% White/Caucasian, 35.2% Asian, 6.2% Hispanic/Latinx, 4.8% African American/Black, 1.8% two or more races (not Hispanic or Latinx), and 0.5% additional groups (including American Indian, Alaska Native, and Native Hawaiian or other Pacific Islander)



- 72% Men
- 28% Women



## Selected company goals

25%

increase in African American/Black representation from entry-level through manager level by fiscal 2023

For more information see our ESG Reporting Hub at [https://www.cisco.com/c/m/en\\_us/about/csr/esg-hub.html](https://www.cisco.com/c/m/en_us/about/csr/esg-hub.html).

1 billion

people positively impacted through our social impact grants and signature programs by fiscal 2025

## Future

Our Purpose includes helping to ensure the sustainability of our planet. We focus on areas where we believe we can make the most significant impact: addressing climate change, driving a circular economy, and being responsible stewards of the planet’s limited resources. We also help to enable customers to reduce their own environmental footprints using our technology, and support innovators developing solutions to respond to the consequences of a changing climate.

### Addressing climate change

In early fiscal 2022, we set a goal to reach net zero for greenhouse gas (GHG) emissions across our value chain by 2040. In July 2022, our goal was approved by the Science Based Targets initiative (SBTi) and is consistent with reductions required to keep global warming to 1.5°C above pre-industrial levels. In addition, Cisco joined SBTi’s Business Ambition for 1.5°C campaign, which drives the adoption of robust emissions reduction targets at the pace and scale required by climate science.

Our net zero goal includes two interim goals:

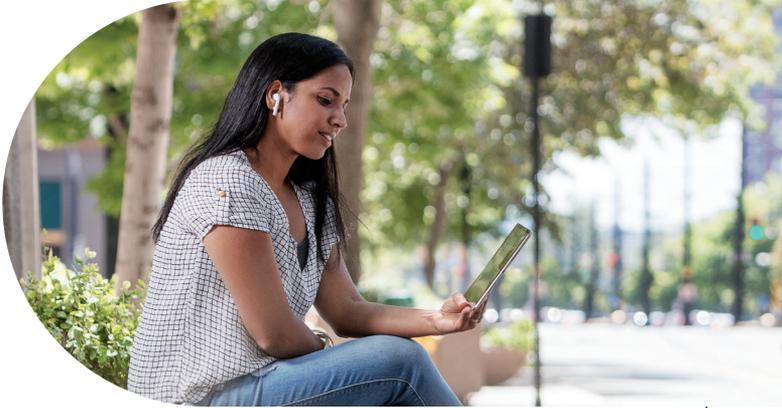
- to reduce absolute Scope 1 and Scope 2 emissions by 90% by 2025 compared to our 2019 fiscal year
- to reduce absolute Scope 3 emissions from purchased goods and services, upstream transportation and distribution, and use of sold products by 30% by 2030 compared to our 2019 fiscal year.

There are several components of our strategy to help achieve our net zero goal, which include:

- Accelerate the use of renewable energy
- Continued improvements to our product energy efficiencies
- Further embed circular economy principles across our business
- Embrace hybrid work
- Invest in innovative carbon removal solutions

Measuring and managing environmental performance also extends to Cisco’s global supply chain operations. Active engagement with suppliers is helping us make progress toward our goals to have suppliers set their own absolute GHG emissions reduction targets and reduce Cisco’s supply chain-related Scope 3 GHG emissions. We will report our fiscal 2022 progress towards our environmental sustainability goals in our 2022 Purpose Report and ESG Hub.

Cisco is also helping innovators and communities around the world explore solutions and respond to the consequences of a changing climate. In fiscal 2021, the Cisco Foundation announced a 10-year, \$100 million commitment to fund nonprofit grants and impact investing in climate solutions. At the end of fiscal 2022, the Cisco Foundation had disbursed approximately \$11 million dollars to early-stage solutions that are in diverse stages of development, from conceptual ideas to solutions that are ready for commercial deployment and widespread impact.



## Our near- and long-term science-based net zero GHG emissions goals

### 2025

90% reduction in absolute Scope 1 and 2 GHG emissions by 2025

Compared to fiscal 2019. We will neutralize any remaining emissions by removing an equal amount from the atmosphere.

### 2030

30% reduction in absolute Scope 3 emissions from purchased goods and services, upstream transportation and distribution, and use of sold products by 2030

Compared to fiscal 2019.

### 2040

We will reach net zero emissions across our value chain by 2040

By reducing our absolute Scope 1, 2, and 3 emissions by 90% compared to fiscal 2019 and neutralizing any remaining emissions by removing an equal amount from the atmosphere.

## Circular economy

For decades, the global economy has been based on a “take-make-dispose” model, where products are manufactured from virgin materials, purchased, and then discarded. This linear model is not sustainable. It depletes scarce natural resources, creates unnecessary waste, and produces carbon emissions that contribute to climate change.

Cisco continues to work to integrate circular economy principles across our business. In addition to making our products more energy efficient, we are designing them to reduce the environmental impacts of their manufacturing and to better facilitate repair and remanufacturing—with the goal to reduce resource consumption and maximize reuse of products and materials. In fiscal 2022 we further embedded circularity into key design tools and the standard product development process as we work towards our goal of 100% of new Cisco products and packaging incorporating our Circular Design Principles by fiscal 2025.

Cisco’s technology and solutions also enable customers to derive value from a circular model and achieve their own environmental sustainability goals. Cisco is supported by a vast partner ecosystem, so in fiscal 2022, we focused on empowering this community to advance sustainability conversations with our customers. We launched the Environmental Sustainability Specialization which recognizes partners for supporting Cisco’s sustainability initiatives and equips them to educate customers, promote product takeback, and assist in customers’ move to circular business models. We also introduced the Takeback Incentive—an incremental discount of up to 7% on new products with a commitment to return the used hardware to Cisco, building on our longstanding product takeback programs. We continue to improve the customer experience to drive increased product returns at end of use and provide as-a-service models to facilitate return and reuse. Collaborating with our customers, partners and other stakeholders is essential to achieving a circular economy.



### Selected circular economy goals

100%

of new Cisco products and packaging will incorporate circular design principles by FY25

75%

reduction in use of foam in Cisco product packaging by weight by FY25 (FY19 base year)

70%

of Cisco component and manufacturing suppliers by spend will achieve a zero-waste diversion rate at one or more sites by FY25



# Stockholder information and forward-looking statements

## Executive officers

### Chuck Robbins

Chair and  
Chief Executive Officer

### R. Scott Herren

Executive Vice President  
and Chief Financial  
Officer

### Maria Martinez

Executive Vice President  
and Chief Operating Officer

### Jeff Sharritts

Executive Vice President  
and Chief Customer and  
Partner Officer

### Dev Stahlkopf

Executive Vice President,  
Chief Legal Officer and Chief  
Compliance Officer

## Principal accounting officer

### Prat S. Bhatt

Senior Vice President and  
Chief Accounting Officer

## Resources

For more information about Cisco, to view the Annual Report online, or to obtain other financial information without charge, contact:

### INVESTOR RELATIONS

Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1706  
1 (408) 227-2726

[investor.cisco.com](http://investor.cisco.com)

Cisco's stock trades on the Nasdaq Global Select Market under the ticker symbol CSCO.

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP  
San Jose, CA

### TRANSFER AGENT AND REGISTRAR

Computershare Investor Services  
P.O. Box 505000  
Louisville, KY 40233-5000  
[www-us.computershare.com/investor](http://www-us.computershare.com/investor)

Toll-free: 1 (800) 254-5194  
International: 1 (781) 575-2879

### NOTICE OF ANNUAL MEETING

Date: December 8th, 2022  
Time: 8:00 a.m. Pacific time

Virtual stockholder meeting  
[www.virtualshareholdermeeting.com/CSCO2022](http://www.virtualshareholdermeeting.com/CSCO2022)

## FORWARD-LOOKING STATEMENTS

This Summary Report and our Annual Report, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" discussed therein, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "momentum," "seeks," "estimates," "continues," "endeavors," "strives," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to (1) projections of our future financial performance; (2) our anticipated growth and trends in our businesses; (3) our Environmental, Social and Governance (ESG) goals, commitments and programs; (4) the scope and impact of our corporate responsibility risks and opportunities, and the related standards and expectations of third parties; and (5) other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified in the attached Form 10-K, under "Item 1A. Risk Factors," and elsewhere therein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.



**Americas Headquarters**

San Jose, CA, USA

**Asia Pacific Headquarters**

Singapore

**Europe Headquarters**

Amsterdam, The Netherlands

Cisco has approximately 400 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco website at [www.cisco.com/go/offices](http://www.cisco.com/go/offices).



Published October 2022

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