

Together we are the human network

CSR REPORT HIGHLIGHTS 2010



Cisco Networking Academy

Students from virtually every socioeconomic background are given the opportunity to develop skills to design, build, secure and maintain computer networks.



91,000+

Facebook fans

Cisco Networking Academy links students and graduates from around the world through the Academy Connection website that gets 1.2 million hits a month, and a Facebook page.

Learning together

In the slums of Nairobi, Kenya, Stephen Ondieki Orioki is helping students learn about networking technology. In Colombia, Maria Del Pilar Munoz gets a coveted job after winning a Cisco-sponsored education competition. And in Sweden, Daniel Falemo lands a consultancy position shortly after completing a Cisco-supported networking program.

Stephen, Maria, and Daniel are just three of over 900,000 people in 165 countries who in 2010 received much-needed skills training from Cisco Networking Academy.

The academy aims to equip students to thrive in the highly competitive global economy. It not only brings people together in their communities and nations, but also links students and graduates from around the world through the Academy Connection website that gets 1.2 million hits a month, and a Facebook page with over 91,000 fans.

Students from virtually every socioeconomic background are given the opportunity to develop skills to design, build, secure, and maintain computer networks. The academy builds public-private partnerships with governments, academic institutions, nongovernmental organizations, and nonprofit organizations to increase the scope and impact of the program.

In addition to Networking Academy, Cisco makes wide-ranging investments in education around the world. Our strategy is driven by our view that a better, more productive workforce powers economic development.

All societies require more people to be economically active throughout their lives. This demands not only a lifelong learning infrastructure, but also a renewed and repurposed investment in the early years of learning. It's critical that those initial years provide a strong foundation for future knowledge and instill a love of learning that will motivate people to progress throughout their lives.

New patterns of working and living mean that there's greater demand for interdisciplinary knowledge and 21st century skills like collaboration, problem solving, and creativity.

At some levels, education systems around the world have done well. Literacy is up, and more children spend more time in school than ever before. But even the best schools and universities seem unable to meet the growing and changing global demand for learning.

The scale of this challenge is enormous. We estimate that 10 million new teachers will be needed to get an additional 260 million students into education systems in China, India, Indonesia, and Nigeria alone.

In larger, more established education systems, significant challenges remain: student dropout rates are high, education often perpetuates inequality, and good results are tailing off.

Quality education promotes productivity and economic development. These are strategic issues for Cisco as we have a stake in helping communities thrive. Education that creates strong communities also creates stronger markets, thus making our support of education critical to our long-term success.

Responsible together



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Cisco is engaging the power of the human network to transform societies, create a thriving employee experience, govern our business, develop products responsibly, and protect the environment.

For more than two decades, Cisco's vision has been to change the way the world works, lives, plays, and learns.

Core to that idea is introducing the same rigor in our corporate social responsibility (CSR) efforts as we do in our business operations. This means applying our technologies, partnerships, and business acumen to build a better business and a better world.

By working together with public and private partners, we can tackle challenges that no single organization could solve alone. Together we help create a more economically, environmentally, and socially sustainable world for our business and global communities.

Cisco's approach to CSR is holistic, encompassing initiatives in five areas: governance and ethics, the value chain, our employees, society, and the environment.

Governance Managing together

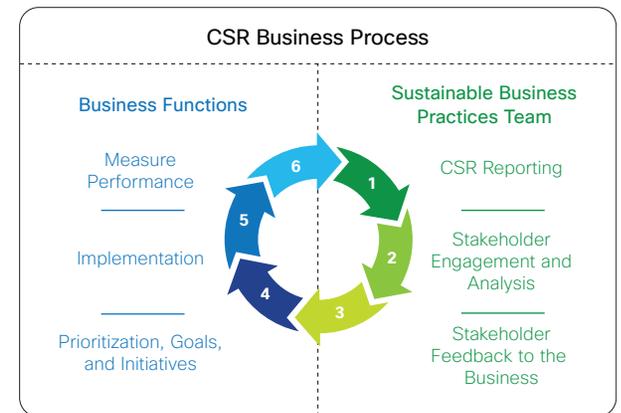
Our CSR philosophy and initiatives are integral to Cisco's everyday business operations.

We follow a six-step process for evaluating and integrating CSR into our business, an approach that involves continuous reporting to our stakeholders (see diagram).

We regularly solicit feedback from people affected by our business or those who influence our reputation, working to understand what's most important to them. Their feedback helps us prioritize our efforts.

Our employees are also core to this process. They understand that our social and environmental performance supports our business goals, and we rely heavily on their passion and determination to meet our CSR targets. In turn, their ethical behavior sets the tone for those we work with outside of Cisco.

We measure our performance by monitoring progress throughout the year, tracking against our goals, reporting regularly to our stakeholders, and encouraging their feedback.





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The Environment Better together

Cisco products and solutions have enormous potential to help businesses and individuals shrink their carbon footprints. We are using our own organization to demonstrate the potential of our technologies to achieve a global transformation to a low-carbon society.

Cisco employees use our collaboration and remote working technologies, such as Cisco WebEx and Cisco TelePresence, to save more than 47,000 tonnes of carbon emissions a year by avoiding commuting and demonstrating the power of virtual face-to-face communication.

We have robust systems in place to help us monitor, manage, and minimize the impacts of our operations and our products throughout the value chain, from design and manufacture to disposal and recycling by our customers.

We regularly monitor progress against our goals. Check our report card on the back page for a snapshot of our performance in 2010.

Our Value Chain Making better products together

Nearly all of the manufacturing, testing, delivery, return, reuse, and recycling of Cisco products is outsourced to partners.

Managing our value chain is understandably complex, and the quality of our relationships with suppliers is critical to our success.

We focus on every stage in the lifecycle of our products, with the objective that our routine business processes consider labor practices, ethics and intellectual property, human health and safety, and the environment.

Suppliers are asked to assess their performance against our Supplier Code of Conduct. We support these efforts by conducting joint audits and Cisco-initiated reviews. Also, a shared approach is necessary to minimize the demands on our suppliers; we collaborate with our industry partners to make this happen.

We promote a diverse supplier base through a range of initiatives designed to build business skills and capabilities across the globe. Minimizing the environmental impacts of our products is particularly important, as this diagram shows.





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Society

Transforming communities together

Cisco engages in public-private partnerships and applies its business and technical expertise to help build a thriving global community. We focus on education, healthcare, economic development, and critical human needs.

Our flagship education initiative, Networking Academy, is one of the world's largest programs of its kind. In healthcare, collaboration technologies are helping transform the delivery of health services. For example, patients in remote or underserved communities can connect to medical providers virtually, over the network.

We support economic development initiatives through our global investments in nonprofits like the Grameen Foundation and public-private partnership initiatives, such as the Partnership for Lebanon.

Cisco and its employees help with disaster relief efforts, from providing networking technologies that help restore critical communications after natural disasters, to employee and Cisco Foundation donations amounting to millions of dollars a year.

Our employees are critical to Cisco's efforts to build a thriving society, improving their communities through volunteering and cash donations.

Our People

Working together

Cisco actively promotes the development and well-being of our most important asset: our more than 70,000 passionate and dedicated employees, who bring to life our vision.

We support our employees with collaborative technologies that enable flexible and efficient working anywhere, any time. For example, 95 percent of our employees occasionally telecommute or use flextime, two of our flexible work practices that support a better work/life balance.

Cisco promotes an inclusive and diverse culture, with an emphasis on collaboration. This gives us a competitive edge by providing access to new ideas, promoting better decision making, and attuning the company to a variety of customers and cultures. Nearly half of our workforce is non-Caucasian.

A safe and healthy workplace is essential to the wellbeing of our employees, who enjoy a wide range of health and wellness benefits. For example, our LifeConnections Center in San Jose, California, promotes health and offers onsite childcare, a fitness center, and a comprehensive medical center.

Through development and training, we enhance our employees' skills and increase the visibility of internal career opportunities. In this way, we can promote innovation and respond rapidly to changing markets.

We pay our people through competitive, performance-based compensation and benefits that reward innovation, collaboration, and profitability.

Report Card



Environment

393,003

metric tonnes total contractual GHG emissions 2010

12%

reduction of GHG emissions since 2007

19.3 million

people hours of virtual meetings at Cisco using our collaboration solutions

Diversity

22.9%

women as a percentage of total global employees

44.2%

ethnic minorities as percentage of total U.S. employees

Social Impact

\$138.7 million

total corporatewide and foundation cash and in-kind contributions

148,355

hours volunteered by employees

165

countries with active Networking Academy sites

900,000

active students in Networking Academy courses

WORLDWIDE OFFICES

Americas Headquarters
San Jose, California, USA

Asia Pacific Headquarters
Singapore

Europe Headquarters
Amsterdam, Netherlands

Cisco has more than 200 offices worldwide.

Addresses, phone numbers, and fax numbers are listed on the Cisco website at www.cisco.com/go/offices.