2019 Corporate Social Responsibility Report

CISCO
The bridge to possible
By their very nature, bridges connect us. They lift us. They take us to places we’ve only imagined. And they prevent people from being left behind.

What awaits us on the other side? A story that’s still unfolding. Cisco envisions an inclusive future where technology gives everyone the tools to thrive. Our people, solutions, and investments are making this a reality.

Between a digital divide and an inclusive future, there’s a bridge.

Learn more about the bridges we’re building in our 2019 CSR Report.
We see massive opportunities for our innovation, expertise, and culture to play a role in finding solutions to some of society’s biggest challenges. That takes shape in a variety of ways, including partnering with governments to accelerate digitization goals, advocating for data security and privacy, and empowering the next-generation workforce. We see incredible power in collaborating with passionate people and sharing our technology and expertise with those who need it most, from social investment partners working to end global hunger to nonprofits addressing homelessness in Silicon Valley. Within our own company, we continue to transform our culture—driving diversity and inclusion throughout our entire organization and implementing sustainable business practices to reduce our environmental impact. We also encourage and accelerate our employees’ passion to do good in the world by providing time off to volunteer and a matching donations program.

Cisco has long understood that social responsibility must be an integrated piece of our overall business strategy and that there is a clear connection between a healthy business and a healthy community. They are not mutually exclusive, and now it’s more important than ever that we all realize this and collectively come together to shape inclusive economies and cultures and extend opportunities for all.

Sincerely,

Chuck Robbins,
Chairman and Chief Executive Officer
A blueprint for bridge building

Tae Yoo, Cisco’s Senior Vice President, Corporate Affairs, leads the company’s social investments and stewards CSR and social impact. Here, she shares her perspective on Cisco’s CSR philosophy, journey, and accomplishments in FY19.

Q: How would you describe Cisco’s CSR and social impact philosophy?
A: It all goes back to our purpose: to build bridges between hope and possibility. Creating new possibilities for people, society, and the planet requires Cisco to take a holistic approach where CSR and social impact are integrated across the business. We use the power of our technology and the expertise of our employees to accelerate global problem solving and advance social and environmental benefits. Some CSR priorities are owned by various business functions; others are championed by Corporate Affairs. All are integrated into ongoing business strategy and long-range planning, focused on the programs and partnerships with the greatest potential for impact.

Q: CSR has emerged as a top priority for many organizations and their stakeholders. How has this affected Cisco’s CSR and social impact strategy and programs?
A: The good news is that for Cisco, it doesn’t change much. We’ve always been about doing good and driving impact. It’s part of our culture and woven into all we do. In 1997 we launched Cisco Networking Academy, the world’s largest and longest-running CSR education program, and we set our first GHG emissions reduction goal in 2006. We’ve learned and evolved over the years, including in how we communicate. There’s more interest in our CSR and social impact work now—from investors, customers, current and prospective employees, and beyond. Today, we’re using data and storytelling to connect the dots between actions and impact for our stakeholders, and to inspire them and others to help solve global problems.

Q: Cisco has made significant progress towards our ambitious goal of positively impacting 1 billion people with digital solutions by 2025. Cisco takes measurement seriously and in FY19, reassessed how we’re evaluating our progress. Can you share what’s changed this year?
A: With more data available and accessible to both our partners and Cisco, we advanced and refined our reporting methodology to a more conservative approach. For consistency in reporting, we have recast the prior-period numbers to conform to the revised methodology. Under the revised methodology, the number of people positively impacted for FY16, FY17, and FY18 are 118 million, 100 million, and 123 million, respectively. In addition, we are pursuing an external limited assurance of the cumulative-to-date number. Through these efforts, we aim to provide our stakeholders with an even deeper level of transparency of the impact we’re making through our partnerships. Today, we are excited to report that we impacted 128 million people in FY19, for a cumulative impact of 469 million (47 percent of our 2025 goal), with great anticipation that we will achieve—and hopefully exceed—our 1 billion goal.
Making progress toward our goals

Clear objectives keep us focused on what’s most important. In FY19, we were proud to reach multiple goals ahead of schedule, and are already at work on new goals that set our sights even higher. We also regularly assess our goals to make sure that we’re achieving what we intend to. As a result, we adjusted how we’ll track progress toward a few goals going forward.

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

Achieved

- **2.15M** students reached in 2019
- New partnerships and expansion into new countries helped us extend our reach.

Goal: Avoid 1 million metric tonnes of GHG emissions in our supply chain from FY12 to FY20.

Evolving

- **1.15M** of goal achieved
- Smart supply chain decisions across the organization helped us achieve and exceed this goal ahead of the FY20 target date.

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

- **51%** of employees are engaged as of FY19
- Employees were giving back in ways that weren’t fully captured by this goal, so we have adjusted our approach. Learn more here.

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

New

- **469M** people have been positively impacted as of FY19
- Access to additional data provided us with the opportunity to advance and refine our methodology for reporting impact. Learn what’s changed.

With our 2020 supply chain GHG goal complete, we set a new goal to reduce Cisco supply chain-related Scope 3 GHG emissions by 30 percent absolute by FY30 (FY19 base year). Learn more here.
The bridge to inclusive cultures

Within Cisco, we’re breaking down social barriers, developing diverse talent, and creating an ethical place to work. Beyond our walls, we’re supporting inclusive actions and partnerships to create opportunities for disadvantaged populations worldwide. The result is a Conscious Culture that starts with our employees—and benefits all.

Let’s demonstrate empathy. Let’s be kind to one another. Let’s have curiosity. Let’s continue to learn. And most importantly, let’s take action. In a Conscious Culture, that’s our job. We take action if we experience something or if we see something. And in doing so, we change the culture for all.”

Francine Katsoudas, Executive Vice President and Chief People Officer
Taking our culture
to the next level

A company’s culture can be its greatest asset. Unfortunately, you don’t have to look far to find companies where culture isn’t working. Places with problems like unethical behavior, discrimination, and harassment. And employees who are afraid to speak their mind.

Cisco aims to help set a new standard, reinforcing the values and behaviors that make this a great place to work. In FY19, we built upon our solid foundation and started defining culture using a new framework. We call it “Conscious Culture.” It has three components:

- **Environment.** An inclusive, diverse environment that positively impacts people, society, and the planet.
- **Characteristics.** The typical traits of our culture, such as our unique beliefs, behaviors, and Principles.
- **Experience.** The everyday interactions people have with their leaders and colleagues.

Many companies focus on only one of these three aspects of culture. Bringing all three pieces together is what sets Cisco apart. And this culture is “conscious”—aware and accountable for what’s working, what’s not, and how we can improve. When we see or experience something, like harassment by a manager or a violation of our Code of Conduct, we say something.

Employees can protect our culture by sharing concerns with our Ethics Office. As part of Conscious Culture’s debut, we shared metrics internally regarding concerns our employees reported—issues like bullying and other negative behavior. We’ll continue to do so every six months, as well as sharing how concerns are handled.

But Conscious Culture is more than addressing concerns. It affects every aspect of how our people work and interact. Now, business functions across Cisco are determining how to apply Conscious Culture to their practices. As this journey progresses, the result will be better employee engagement. And in turn, better experiences for our customers and communities.
No shame, no stigma

Over the past year, Cisco has made it a priority not only end the taboo against talking about mental health, but encourage people to ask for help. It all started with an email. In 2018, in the face of growing concerns about mental health in society, Cisco CEO Chuck Robbins sent an email to all Cisco employees. In it, he expressed Cisco’s concern for those who are struggling, sharing that no one needs to go it alone.

The response was overwhelming. Robbins received more than 100 replies from employees saying thanks and sharing stories of themselves and their loved ones. Since then, even more people have courageously spoken about personal struggles in company blog posts and the Cisco Beat.

This response has awakened us to an issue that wasn’t being addressed. Consider the statistics: about one in five U.S. adults lives with a mental health condition. Yet many people are still uncomfortable talking about these issues. Cisco is breaking the silence. We want everyone to know that it’s okay to not be okay. By decreasing the stigma and broadening the resources we offer, we hope to encourage people to get the help they need. And change the conversation about mental health across our industry.

Mental health initiatives:
• Improving access to care in our largest U.S. medical plans. Employees will now pay the same coinsurance, whether they go in or out of network for mental health treatment.
• Offering confidential 24/7 visits with counselors as part of our global Employee Assistance Program, and in-person visits in our LifeConnections health centers. We increased the number of free visits to 10 in the U.S. to align with what we offer globally.
• Continuing our support as founder of Connected North, which uses Cisco collaboration technology to deliver mental wellness programming to remote, underserved communities in Canada.

Increasing awareness:
• The Safe to Talk community on Cisco’s intranet includes videos, links to internal and external resources, and employee stories.
• On Leader Day, we trained leaders across Cisco on how to recognize signs of mental illness and support their teams.
• Our CEO has written, spoken, and tweeted publicly about the importance of this issue.
• In the U.K., mental health “first aiders” help fellow employees access resources.
Bridge building brought to life

Bridges between hope and possibility are everywhere if you know where to look. With our new Bridge Awards competition, we are seeking to identify employees who embody our purpose—those who truly exemplify what it means to “be the bridge.”

More than 300 nominees showed up and inspired us with their actions. They come from different places and teams, but they share one quality: a passion and desire to make a positive impact.

These incredible Cisco employees are living and breathing the bridge to possible. Meet a few of our inaugural Bridge Award winners. And learn more about the competition on page 65.

= Click icons to watch video

When one of Vanessa Russell’s students became a victim of human trafficking, she called a community meeting. And founded a nonprofit that she now runs full-time, which has housed dozens of women and children and rescued hundreds of trafficking victims.

During the refugee crisis of 2015, more than 1 million people fled to Germany. Claus Schaele, wanted to help. He has invested hundreds of hours teaching refugees digital skills and helping them find jobs.

Daud Yamin’s family started a health clinic and school in rural Pakistan, which now enrolls nearly 800 children. His next goal? Establish a Cisco Networking Academy to help kids achieve a future in technology.
A place to call home

Every night in America, more than half a million people go to sleep homeless. An even greater number are at risk of becoming homeless—just a missed paycheck or unexpected medical bill away from a night on the street. Sal and Elaine Sanchez were among those at risk. Sal once ran a successful plumbing business in Silicon Valley. Then, he got hurt and a downward spiral began. The couple ultimately experienced homelessness for eight long years.

Cisco has moved to address this serious and growing crisis of inequality in our backyard. In 2018, we committed to donate $50 million over five years to help Destination: Home catalyze public funding and launch the Supportive Housing & Innovation Fund. The fund will help build supportive housing, which combines housing with other social services, and expand programs that prevent people from becoming homeless in Santa Clara County, California. Among the new residents of San Jose’s very first supportive housing development were Sal and Elaine.

We’re extending this commitment to help people like Sal and Elaine in other communities. In FY19, Cisco announced a commitment of $1 million over four years to support a housing-first pilot in Rome, Italy, where homelessness is on the rise. The Cisco team in Italy will work closely with our two implementation partners, Comunità di Sant’Egidio and fiö.PSD, to supply the technology they need to support and scale their operations.

We’re proud to report the following progress from the first year of the Destination: Home partnership:

- 1,200+ housing units will be constructed through support to housing developers
- 841 families and individuals helped by Destination: Home and its partners through their Homelessness Prevention program
- 71% of participants in prevention programs received financial aid within 72 hours of application
- 95% of families remained stably housed while receiving prevention services
The bridge to inclusive technology

Cisco laid the foundation on which the Internet is built. As we enter an era where everything and everyone is connected, we’re once again shaping the network’s future. In the process, we’re applying the lessons we’ve learned over more than 30 years and building technologies that are secure, accessible, and that bring people together.

As data becomes more accessible and meaningful, we must ensure that availability does not come at the expense of privacy. In FY19, CEO Chuck Robbins called for comprehensive laws that respect privacy as a fundamental human right. Learn more about how Cisco protects human rights and data privacy.
Amazing things happen when you connect the unconnected. Cisco should know. We pioneered the technology that connects everything. And in doing so, unlocked the potential to solve some of our most pressing challenges. Here are just a few ways that Cisco products are making the world smaller—and the possibilities a whole lot bigger.

**Secure data**
Our suite of cybersecurity solutions reduces customers’ vulnerability to harmful and costly cyberattacks.

**Disaster relief**
Cisco Meraki cloud-controlled networking connects the unconnected when disaster strikes.

**Protected wildlife**
The Open Conservation partnership uses IoT to track and protect endangered species.

**Smart cities**
IoT solutions use sensors and advanced data processing to help cities and businesses grow sustainably.

**Reduced emissions**
Remote collaboration technologies like Webex create a virtual work experience that limits the need for physical travel.

**Healthcare anywhere**
Telehealth applications allow people to get the care they need, no matter where they are.

**Accessible tech**
Solutions that help people with vision, hearing, and mobility challenges communicate and collaborate. The Cisco IP Phone 8800 series is the first enterprise desk phone with built-in text-to-speech functionality. The product received the Chairman’s Award for Advancement in Accessibility from the Federal Communications Commission.
Connecting the dots from skills to careers

Access to opportunity can change lives and change communities. Cisco Networking Academy partners with educators, governments, and employers to bring global and inclusive access to digital skills to millions of people. Because the workforce of the future will look different. Large-scale growth is predicted based on the adoption of new technologies bringing upwards of 133 million new job roles by 2022¹.

So Networking Academy couldn’t be timelier and more relevant. In partnership with thousands of traditional and nontraditional learning organizations, such as universities, community colleges, and prisons, we’re helping to bridge the shift from conventional jobs to in-demand IT-savvy jobs. By providing best-in-class curriculum to these education partners free of charge, we’re bringing greater career possibilities to people everywhere.

Learn more about the life-changing potential of Networking Academy from those who have lived it:

“There was a time when I said, ‘maybe it’s not the right career for me’...but something told me that it was possible.”

Sara Martinez, a student of indigenous background in Puerto Vallarta, Mexico, who learned Spanish in order to earn a degree

“It’s not just reading a book. It’s actually setting up things with your hands and running into situations that you’re going to face in the real world. That’s what helped me prepare for a career.”

Megan Chapman, an IT professional in North Carolina who was inspired by Networking Academy to empower women in IT

“Because of my background, I never dreamed I could have a career in IT. Cisco Networking Academy changed all of that.”

Sergio Sales, whose parents immigrated to the U.S. from Mexico

¹Future of Jobs Report 2018, World Economic Forum
Seeing the source

Ore extracted from a mine has value because it can be sold, smelted, and made into new products. But what’s also valuable about the ore is the data behind its origin: Where was it mined? Who mined it? Between the mine, smelter, and factory, where did it travel?

These are important questions for companies like Cisco, as we use minerals like tantalum, tin, tungsten, and gold in many of our products. We continually conduct due diligence on minerals in our supply chain to ensure their mining and sale is not benefiting armed groups or actors that commit human rights violations. But until now, precise data about the origin of minerals has been lacking. Without this data, it’s much harder for us to address human rights and other issues at their source: the mine.

The Transparensee Project aims to change that. The idea was first hatched as a system for combining innovative tagging technologies with a blockchain network to track ore from mine sites to downstream companies like Cisco. From this concept, we began building prototypes, which we took to mine sites in Rwanda, where we gathered feedback from governments, NGOs, and miners themselves.

The field study taught us the importance of designing a solution in collaboration with all stakeholders, including the mine workers. We’re applying these lessons as we continue developing this platform, seeking the right balance between data transparency and security. Pilots in other countries will give us further insights as we see this technology in action. Learn more about how we’re using blockchain as a traceability tool in the minerals supply chain in a recent Cisco white paper.

Learn more about how Cisco ensures responsible sourcing of minerals used in our products.
Providing for those who provide for others

Smallholder farmers produce more than 80 percent of the world’s food. But they also make up 80 percent of the world’s poorest people, which means they often lack the resources to grow their businesses. Digital Green, a Cisco social investment partner, is using technology to change this equation.

The nonprofit began in 2008 with a vision of helping smallholder farmers improve agricultural practices and boost their incomes. They began by sharing information with farmers on how to increase their yields, producing thousands of locally relevant videos in more than 50 languages.

But they realized that more needed to be done to boost farmer incomes. Just as important as growing food is having a place to sell it. That’s why Digital Green built the Loop app, which helps farmers aggregate their produce and get it to markets. It uses a learning algorithm to optimize vehicle routing so farmers get the best prices for their produce. With Loop, farmers can:

- Book a delivery service to pick up their produce
- Have produce delivered to markets on an optimized route
- Receive payment on their mobile devices

Investment from Cisco makes this possible. Cisco was the first donor to provide dedicated funding to support Loop. Our latest grant will help Loop spin off into a separate social enterprise. Through the collective power of technology and grassroots-level partnerships, Digital Green and Cisco are helping farmers lift themselves out of poverty.

17% increase in gross farmer income as a result of using Loop

Read more about Cisco’s strategic social investments.
The bridge to inclusive economies

Inclusivity means recognizing that the world belongs to all of us. And letting this knowledge guide our actions. We make mindful use of our natural and financial resources. We identify those whom the digital economy has left behind. Then, we work with partners to leverage the power of the Internet to create new paths to economic prosperity for all.

Cisco is aware of how our actions shape demand for resources in the broader economy. In India, where water is scarce, we’re exploring ways to better manage water use. We’re also committed to helping scale renewable energy by investing in a combination of solar, wind, and battery storage, as well as prioritizing projects that add capacity to the grid.
How the program promotes environmental sustainability

As countries grow and develop, they generally pollute more. By applying digitization and IoT solutions to cities, Cisco, along with partners, can begin to break this cycle. For example:

- Smart parking solutions in Paris have reduced congestion by 30 percent
- Las Vegas is exploring the use of sensors to route autonomous shuttles to public transit stops based on demand
- Bucharest, Romania, achieved 75 percent energy savings with smart lighting, including LEDs and motion sensors

Transforming economies through technology

One outcome of increased connectivity is increased competition. Advances in data and technology have the potential to create a new kind of economic divide, one separating those with digital capabilities from those without.

Cisco wants to help more countries and states get ahead. We’re doing so with our Country Digital Acceleration (CDA) program, which acts upon research insights from our Digital Readiness Index. Through CDA, we partner with governments, industry, and academia to create jobs and innovate with technology. To date, we have 370 projects active or completed in the areas of transportation, smart cities, healthcare, cybersecurity, and education.

We begin a partnership by meeting with a country or state leader and finding where Cisco’s capabilities and a population’s needs align. Then, we provide technology, and just as important, knowledge. We help communities educate the next generation of tech professionals through:

- **Cisco Networking Academy.** Equipping students with real-world skills and career connections in fast-growing IT fields.
- **Innovation Centers.** Spaces where local innovation ecosystems can flourish and innovators can exchange ideas.
- **University Investments.** Sponsorships that allow Cisco to not only foster innovation, but also get access to new ideas.
Powering the movement to end poverty

As a technology company, we have a powerful opportunity to create an inclusive future by sharing our skills and capabilities with others. Through a new partnership with international antipoverty organization Global Citizen, we’re equipping young people with the tools to make a difference.

Global Citizen encourages people to make positive changes in the world, including working to end extreme poverty. The organization has always been fueled by technology, using an app to log petitions signed, tweets shared, and leaders contacted. Users have taken more than 24.8 million actions to date. Cisco’s technology and expertise will help this platform scale even further. For the next three years, Cisco will provide the Wi-Fi technology, content, and storytelling platforms at Global Citizen’s festivals and other events. We’ll also provide collaboration tools to fuel their business, including connecting Global Citizen with key donors, partners, ambassadors, and festival curators.

Together, we’ve launched an awards program to get even more people engaged. At the Global Citizen Festival in South Africa in December 2018, Cisco CEO Chuck Robbins presented the Global Citizen Prize: Cisco Youth Leadership Award, which recognizes a person between the ages of 18 and 30 who is advancing one or more of the UN Sustainable Development Goals. In addition, winners of Cisco’s first annual Bridge Awards earned entry to the festival.

Having Cisco as a technology partner truly powers our movement, transforming our capacity as an organization to change the world.”

Hugh Evans, Global Citizen Co-Founder and CEO
Stepping up our work on circularity

The circular economy is a natural extension of Cisco’s own business transformation. As a company, we are moving from product upgrade cycles to recurring cloud computing and a software-subscription model. With this same mindset, we aim to harness technology to limit the unintended consequences of one-way consumption.

Cisco is accelerating the adoption of circularity with the goal of decoupling business growth from the consumption of finite resources, designing waste out of the system, and transitioning to renewable energy.

With cross-functional engagement among teams across Cisco and members of our supplier community, we have many projects underway to help us achieve these goals. These include:

- **No Paint Project.** The “No Paint Project” eliminated oil-based wet paints on plastic bezels used in our Catalyst 9200 and 9300L products. This design change enabled significant cost savings, facilitated recyclability, reduced GHG emissions, and eliminated hazardous volatile organic compounds.

- **Recycled plastic.** In FY19, Cisco avoided the use of more than 456 metric tons of virgin plastic by producing 2.72 million 7800 and 6800 IP phones with 35 percent recycled content plastic.

- **Reusable pallet wraps.** We are also combating plastic waste by rethinking the way we package shipping pallets. We replaced disposable wraps with reusable wraps on pallets. This reduced costs, avoided carbon emissions, and prevented 79,000 pounds of plastic stretch-wrap form reaching landfills in FY19.

To learn more about how Cisco is driving circular advantage, please visit our [website](http://www.cisco.com).
Research Triangle Park: Update on our progress

In 2018, we announced goals to achieve 100 percent renewable energy, water neutrality, and zero waste by FY20 at Cisco’s campus in Research Triangle Park (RTP), North Carolina. The campus’s proximity to leading research universities makes it an ideal testing ground for sustainable improvements within our real estate operations. Here’s how we made progress in FY19:

Energy
Cisco’s U.S. facilities are already 100 percent powered by renewable electricity. At RTP, we’ve taken this a step further by using renewable energy generated locally, from on-campus solar to participation in Duke Energy’s Green Source Rider Program. We’re exploring ways to purchase even more local renewable energy as we grow.

Water
We’re managing our water footprint through conservation projects that decrease the amount of water we use. And restoration projects that restore local fresh water watersheds in North Carolina and the Southeast. Through these efforts, we expect to achieve water neutrality in FY20.

Waste
The campus has reduced plastic waste with biodegradable to-go boxes and reusable cups and mugs. Since April 2019, we’ve avoided sending over 10,000 plastic items to landfill each week. That’s 6 tons of plastic saved. Throughout the year, we diverted 68 percent of our waste.

Focused on the future
We’re also working to decrease our environmental impact more broadly. Cisco’s GHG emissions goals include:

- **60%** reduction in global Scope 1 and 2 GHG emissions by FY22 (FY07 baseline)
- **85%** of energy for global electricity demand purchased from renewable sources by FY22 (FY07 baseline)
- **30%** reduction in Cisco supply chain-related Scope 3 GHG emissions by FY30 (FY19 baseline)

See Energy and GHG emissions for more information.
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