

Cisco Systems Inc.'s Goal to Positively Impact 1B People by 2025: Reporting Criteria Document

I. BACKGROUND AND SCENE SETTING

In this section, we provide high-level information on Cisco's goal, a description of what is in scope for assurance, an overview of the programs that are in scope for assurance, our overall measurement approach, etc. In the subsequent Detailed Criteria section, we detail our methodology, provide definitions, specify criteria, and outline key estimates and assumptions.

A. Introduction

Cisco Systems, Inc. (Cisco) made a commitment in 2016 to positively impact 1 billion people by 2025 through our social impact grants and signature programs in the following sectors: crisis response/critical human needs, education, and economic empowerment. This includes initiatives funded by both Cisco and the Cisco Foundation.

This document sets out the basis by which we prepare our reporting of the progress made on Cisco's commitment to positively impact 1 billion people by 2025, 'Reporting Criteria'.

This Reporting Criteria document is based on our internal reporting objectives and processes. To date, a uniform industry standard for social impact assurance with agreed upon measurement criteria across multiple types of social impact intervention programs has not yet been established. There are a range of acceptable social impact reporting techniques that may potentially result in materially different reporting outcomes, and that may affect benchmarking. It is therefore important to read and understand the definitions and data preparation methodologies used by Cisco. Our definitions and preparation methodologies are set out in the following sections.

It is the responsibility of Cisco management to ensure that appropriate procedures are in place to prepare and report upon the progress made towards positively impacting 1 billion people in line with, in all material respects, the methodologies set out in the following sections of this document. We endeavor to ensure that:

- the reported information reflects our performance;
- the data is meaningful and is consistent with the stated definitions, scope and boundaries;
- any specific exclusions are stated clearly and explained;
- we describe openly any material assumptions we make and our accounting and calculation methods;
- there is sufficient transparency to enable users to have confidence in the integrity of our reporting.

Further details on each of these areas are provided within the specific sections of this document.

B. Scope of reporting

The scope of this Reporting Criteria document addresses the number of people positively impacted through selected social impact grants programs and signature programs between August 2015 and July 2022 (FY16-FY22), specifically:

- **Social Impact Grants:** Global Impact Cash Grants (GIG)¹ program
- **Signature Program:** Cisco Networking Academy, and Skills for All

C. Data Sources

Our aim is to gather reliable data and every effort has been made to capture all relevant data, but it is not feasible or practical to capture everything. Where we have made estimates to address such occasions, we make this clear in the criteria. Likewise, where we deviate from this approach, we provide a further explanation in the relevant sections of our reporting. We are committed to provide transparency on the quality of the data where we consider there are matters which are material to users of the information. The reported information is subject to internal review processes.

D. Cumulative performance measure

Cisco's cumulative performance measure is the number of people positively impacted between August 2015 and July 2022 (FY16-FY22) via Cisco's signature programs and social impact grantee partners² as outlined in Section B – Scope of Reporting above.

E. Positive impact – general approach

A positive impact is an outcome that is achieved as a result of a single or multiple interventions, through a non-profit/non-government partner (Global Impact Cash Grant) or signature program (Networking Academy and Skills for All), that creates a positive impact for an individual. Interventions that result in positive impact can be varied, such as providing equitable access to programs, partners, and/or services via technology tools, or education courses. In the subsequent Detailed Criteria section, we provide definitions of positive impact for each of the sectors in which we are engaged.

F. Theory of Change

We use Theory of Change models to understand and evaluate how the activities undertaken by an intervention (such as a program, project, product, service, etc.) contribute to a chain of results that lead to intended or observed positive impact. Sometimes these models are referred to as impact pathways or logic models.

A Theory of Change articulates how an entity believes positive impact and long-term change will happen and, as a result, how that entity will direct its time and resources to contribute to and facilitate

¹ Selected global impact cash grants are excluded from the scope of assurance, for example: cases where the grantee cannot count unique beneficiaries, an estimation formula cannot be applied, planning grants, etc.

² Cisco investment strategy is to be an early investor in the design and deployment of NGO solutions. We provide a variety of resources and support over time to our NGO partners to help them validate, replicate, and scale their solutions. Note that some of our global impact cash grantee partners receive funding from additional sources, therefore, we do not claim to be the sole driver of our NGO partners' positive impact on individuals.

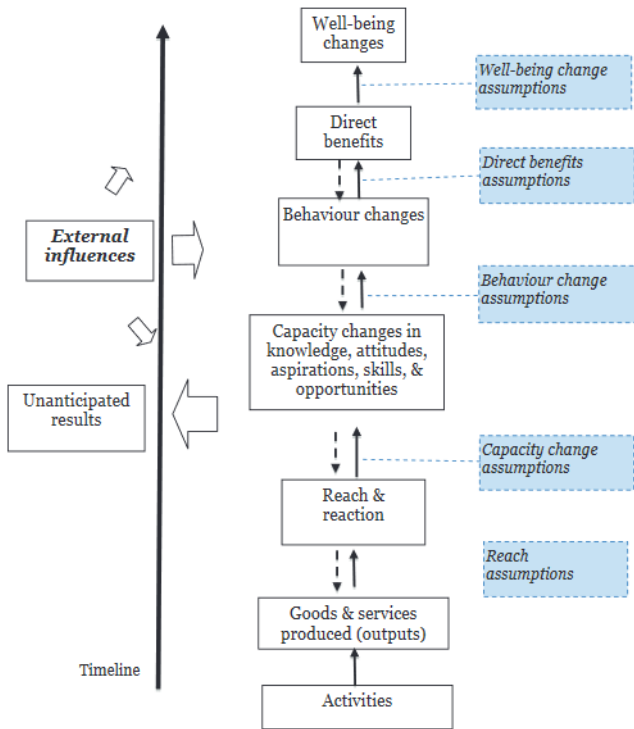
that change. They are used to design interventions and include activities that lead to outputs, outcomes, and the impact on people and/or communities that a program is aiming to achieve. The main categories of a Theory of Change include:

- **Inputs:** This includes all of what is invested, and the associated resources provided. Examples include: funding, staff time, expertise, technology, physical space/infrastructure, partners/stakeholders, etc.
- **Outputs:** These are metrics used to assess the immediate results achieved based on program goals. This may include specific measures focused on short-term activities related to the project or program, and tangible operational activities.
- **Outcomes/Positive Impact:** These are metrics that demonstrate results achieved from program outputs. This includes specific measures of positive impact on an individual.
- **Long-term Impact:** Metrics that demonstrate long-term program impact on people and/or communities, or ultimate goal achieved.

Measures can be documented and obtained at each step of interventions that lead to outcomes, positive impact, and long-term goals and impact. We undertake a variety of monitoring and evaluation activities to document progress, results, and positive impact of both our signature programs and GIG program. As part of our monitoring processes, we also stress-test our assumptions and, in cases where estimates and/or multipliers are used, we examine and validate the appropriateness of these estimates/multipliers. If needed, this validation process may result in amending the number of people positively impacted in our reporting.

An example of a Theory of Change models is provided below³:

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³ Canadian Evaluation Society

II. DETAILED CRITERIA

A. Global Impact Cash Grants (GIG)

1.1 Measure: The number of people positively impacted through our global impact cash grant (GIG) program between August 2015- July 2022 (FY16-FY22).

This measure is determined by calculating the number of people who have been positively impacted through our Global Impact Cash Grant (GIG) program NGO partners, as per our established definitions for positive social impact in the following sectors targeted by our Global Impact Cash Grants (GIG): crisis response, education, and economic empowerment.

Each year, we provide cash grants to NGOs with programs/solutions that are intended to address a significant social problem, aligned to the sectors noted above. GIGs have been distributed to more than 75 eligible organizations during this timeframe of FY16-FY22.

1.2 Positive impact definitions

Positive impact is defined by and varies based on the sector of the grant. All of our cash grants focus on underserved, vulnerable, and/or under-represented populations. Therefore, in some cases, we consider equitable access to information, knowledge, and resources to be early indicators of, and lead to, long-term positive impact. Selected examples of positive impact for each sector are provided below:

- a. Crisis response/critical human needs: Equitable and improved access to critical resources such as water/sanitation solutions, housing, food, and humanitarian relief that leads to positive impact. This may include:
 - Quicker, more efficient, and/or easier access to critical resources and services, including: affordable and stable housing, clean and affordable drinking water and sanitation, safe and effective humanitarian relief, etc., toward independence and resilience.
 - Increased availability of capacity building resources to improve knowledge of smallholder farmers that results in increased farm yields, farmer productivity, and/or farmer income toward resilience and economic security.
- b. Education: Equitable and improved access to quality education resources for teacher capacity building and student outcomes in Science, Technology, Engineering and Math (STEM) that leads to positive impact. This may include:
 - Enhancements in curriculum content and curriculum delivery that lead to increases in student attendance, interest, persistence, engagement, and/or confidence; decreases in behavior referrals and/or drop-out rates; and, increases in student mastery of subject matter.
 - Enrichment of teaching pedagogy that leads to improvements in teacher preparedness, capacity, capabilities, satisfaction, performance, and retention.
- c. Economic empowerment: Equitable and improved access to digital financial products and services, skills training for employment and career development, job creation (direct and indirect), and entrepreneurship, that leads to measurable impact. This may include:

- Affordable and relevant digital financial products and services (e.g., loans, insurance, savings accounts, capacity building resources) that enable people to affordably and securely transact, and participate in the formal economy regardless of their resources and/or location.
- Technical and professional skills training that enables people to obtain jobs that provide stable and sufficient income, and pursue career development opportunities – toward independence and economic security.
- Capital, networks, mentoring, and other resources and advisory services that enable entrepreneurs to start, maintain, and/or expand businesses that create jobs, drive revenue to support long-term financial viability, etc.

Any eligible* NGO can apply for GIG funding year-round through our website (<https://www.cisco.com/c/en/us/about/csr/community/nonprofits.html>).

**Eligibility requirements and details on the application process can be found here: <https://www.cisco.com/c/en/us/about/csr/community/nonprofits/global-impact-cash-grants.html>*

To receive a Global Impact Cash (GIG) grant, the eligible NGO must demonstrate their intent to target underserved populations through the grant** and use technology to improve the reach, efficiency, and/or impact of services either directly or through partner organizations.

*** Underserved definition: Cisco defines underserved as at least 65% of the target population being economically underserved or under-represented. This can include low income, under-represented ethnic or racial minority, and/or vulnerable populations (e.g., women/girls, youth, refugee/Internally Displaced Person , etc.).*

2. Monitoring and Evaluation

2.1 Monitoring and Evaluation Processes

As noted earlier, Cisco conducts a variety of monitoring and evaluation activities, at varying stages of our NGO relationships, as detailed below.

- Pre-Grant due diligence:** Prior to issuing a Global Impact Cash Grant, Cisco sector investment leads conduct due diligence to evaluate the management capabilities of the potential NGO partner, the potential outcomes and impact of the proposed solution, the NGO's capacity to successfully implement the proposed solution, their internal monitoring and evaluation systems, and ability to provide evidence of positive impact.

Once a proposed grant is sufficiently scoped, the Sector Investment Lead presents the solution internally for general feedback, after which a 'Go/No Go' decision is made as to whether to invite the NGO to submit a formal grant application.

If the NGO is invited to submit a grant application, they must detail the main workstreams, associated activities and deliverables, line item budget, a Theory of Change, and an overview of their own monitoring and evaluation activities, methodology, and data collection and validation processes.

After a grant application is received, a more formal grant review is conducted in which a third-party vendor vets the NGO to ensure it meets all U.S. Internal Revenue Service (IRS) guidelines and complies with Cisco/Cisco Foundation policies and grant-making criteria. The grant application is then reviewed by the Sector Investment Lead, a formal GIG Review team, Cisco Foundation Executive Director (for Cisco Foundation funded grants) or Cisco

Director (for Cisco corporate funded grants), and Cisco Foundation Trustee/s (for Cisco Foundation grants), or Cisco Vice President for corporate grants above USD200,000.

- b. **Quarterly Progress Reports:** Each quarter, GIG grantees must submit quarterly reports in which they detail activities taken during the current quarter, progress against grant workstreams and deliverables, flag any deviations from their original implementation plan, and planned activities for the subsequent quarter/s.
- c. **Grant-End Reports:** At the end of the grant period, GIG grantees must submit a final report detailing results and outcomes during the grant period, and a final budget reconciliation.
- d. **Annual Summary Impact Reports:** On an annual basis, GIG grantees submit Annual Impact Reports in which they report on the number of people positively impacted during the reporting period. Relevant teams at Cisco (Sector Investment Lead/team, Cisco Foundation Executive Director, etc.) and our external Social Impact Evaluation consultant review each report submitted by each NGO grantee to confirm the number of people positively impacted, based on Cisco's defined criteria, as well as supporting data and evidence. This review may entail examination of Theory of Change models, impact frameworks, third party impact evaluation/research studies, etc. An additional validation process occurs in which the annual numbers submitted by each GIG grantee are reviewed and verified directly with grantees. In some cases, and adjusted as needed. Any adjustments are reviewed and approved by a team that includes the portfolio manager, Director of Reporting and Assurance, and Cisco Foundation Executive Director.
- e. **Annual, Internal Pre-assurance Review of Selected GIG grantees:** In FY21, Cisco established a 'Grantee Checklist' that we use to obtain a better understanding of both the number of people positively impacted and associated data collection and validation methodologies used by some of our grantees. Cisco validates the information provided in the checklist with the grantee, examines underlying available evidence, and works with the grantee to agree upon a common methodology for validating the point at which an individual can be counted as having been positively impacted based on Cisco's established definitions.

Cisco applies a structured, risk-based approach to how we conduct this internal pre-assurance work. First, we run a report to identify which grantees will be reporting people positively impacted and filter out any grants that are determined to be out of scope (e.g., planning grants, grants where grantees do not have a way to count number of unique people positively impacted, etc.). We then prioritize grantees to run through our internal Pre-Assurance Review, using a risk based approach, outlined below. Broad parameters for grantees to be in-scope for Cisco internal Pre-Assurance Review include:

- Grantees that are positively impacting large numbers of people
- Grantees where we anticipate a significant year-over-year increase in number of people positively impacted
- Grantees that are/may be using multipliers and/or estimates in their reporting
- Grantees that have revised their methodology or approach for reporting the number of people positively impacted

2.2 Grant Application and Reporting System

Cisco uses a third-party vendor - [Cybergrants \(Bonterra\)](#) - to support Global Impact Cash Grant applications and related progress and impact reporting. Cybergrants provides a secure platform for grantees to submit grant applications and impact reports, and for Cisco to review and approve grant

applications, and review impact reports. Cybergrants facilitates compliance with U.S. IRS and Cisco policies via automated grantee checking against watch lists and tax-status databases, both U.S. -based and international. It also enables Cisco to provide permission based user access to both prospective grantees as well as selected Cisco employees, all compliant with relevant U.S. and international privacy and security guidelines to safeguard information and data for both grantees and Cisco.

In selected cases (e.g., multi-year grants, grants made via Cisco donor advised funds, etc.), Global Impact Cash grantees may report outside the Cybergrants platform. This is done via written quarterly reports submitted either directly to Cisco or via our donor advised fund. In addition to written quarterly reports, Quarterly Business Review (QBR) and Annual Business Review (ABR) meetings are held with these grantees to review progress and validate positive impact, and supporting data and evidence. Reports are reviewed and approved annually by a team including the Sector Investment Lead, Reporting and Assurance team, and Cisco Foundation Executive Director.

2.3 Timing and Duration of Recognition of Positive Impact

a. Timing of Recognition of Positive Impact: As noted above, Cisco has defined positive impact for each sector in which we invest, in order to clarify what is meant by positive impact as well as the point at which an individual can be counted as having been positively impacted. For example, for a skills to careers program, positive impact for a specific program may be recognized at the point at which an individual completes that program. For a school-based education program, positive impact for a student may be recognized at the point at which a student completes a specific level of a course or achieves a certain milestone. Further, an individual is counted as having been positively impacted only in the first year that they meet our criteria for positive impact – even if they are positively impacted via additional interventions in subsequent years.

b. Duration of Recognition of Positive Impact: Where we have provided a Global Impact Cash Grant in a given year, we will count and report on people positively impacted during the current year and for the following three years. This is because our investment strategy is predicated on providing funding for early-stage, technology-enabled ideas and solutions, where positive impact continues beyond the original year of funding when the solution is created, or launched. This timeframe is based on evidence from impact evaluations. (e.g., United Way, 1996 & Mickel and Golberg, 2019)

2.4 Key Estimates and Assumptions, and Process for Making Adjustments

For selected grantees, the calculation of the number of people positively impacted may incorporate a multiplier or estimate. For example, in the case of a financial inclusion program that provides loans and/or other financial products and services to individuals, the grantee may apply a household multiplier which is then reflected in the number of people positively impacted that they report to Cisco. In cases where a grantee applies a multiplier, Cisco's Reporting and Assurance team examine both the appropriateness and validity of the multiplier. In the financial inclusion program example, Cisco's Reporting and Assurance team will examine the appropriateness of the grantee's use of a multiplier by evaluating evidence demonstrating the positive impact of a loan on both the individual receiving a loan and other individuals in the household. In addition, the team examines the appropriateness of the specific household multiplier applied by validating average household size, using government census data in the country in which the intervention took place or other international data (e.g., United Nations, World Bank, etc.). Likewise, in selected cases where a grantee's calculation of the number of people positively impacted may incorporate an estimate, Cisco's Reporting and Assurance team follow the same process to examine the appropriateness of the

specific estimate applied by the grantee. In cases of both multipliers and estimates, Cisco may make adjustments to the multipliers or estimates applied by grantees, based on our team’s investigation.

We undertake an assessment of all our grantees to determine the potential level of double counting, and whether a discount factor should be applied. As an outcome of such an assessment, one grantee was determined to require a discount factor to eliminate the potential risk of double counting. Our treatment of this case is outlined below.

Given the reach of one of our NGO grantees (the “NGO Partner”) operating in many of the same geographies where our other NGO grantees operate (the “Other Grantees”), in fiscal 2022 we revised our counting methodology for this partner in order to address the potential for double-counting people positively impacted between the NGO Partner and Other Grantees (the “overlapping grantee programs”) – within the same fiscal year and/or across fiscal years. We adjusted our counting methodology to address the potential for overlapping grantee programs being double-counted by reducing the total number of people positively impacted in two ways: (1) removed the aggregate number of people positively impacted by the Other Grantees in FY22, and (2) removed from FY22 the number of people that were positively impacted that we had removed during the period FY16-FY21 under our previous counting methodology. We believe this to be a more conservative approach that minimizes the risk of potential double-counting. We also note that the application of this methodology may result in an undercount of the number of people positively impacted.

Finally, once all grantees’ reports are validated and any necessary adjustments are made, the Cisco team consolidates data and calculates the total cumulative number of people positively impacted. This data is reviewed and approved annually by a team that includes the Sector Investment Lead, external Social Impact Evaluation consultant, Cisco Reporting and Assurance team, and Cisco Foundation Executive Director. It is this cumulative number - with individual grantee numbers included therein - that is in scope for assurance.

B. Cisco Networking Academy and Skills for All

1.1 Measure: The number of unique people who were positively impacted by our signature programs, Cisco Networking Academy and the newly launched Skills for All program between August 2015 and July 2022 (FY16-FY22).

- a. **Students** participate in courses all over the world via its Cisco Networking Academy and Skills for All learning platforms in over 190 countries. Courses are delivered directly to learners as well as through university, community college and high school partners. The majority of students take courses directly in class through their University, community college or equivalent or high school using our LMS (Learning Management System) platform. In addition, Skills for All offers a free, mobile-first program that delivers leading-edge adaptive and gamified learning experiences, including self-paced courses, interactive tools, and career resources that are designed by industry experts.
- b. **Instructors** teach all over the world through Cisco Networking Academy’s university, community college and high school partners.
- c. **Packet Tracer users:** are individuals around the world who have used the Networking Academy’s Packet Tracer tool (version 7.1 and higher).

This is made up of:

- The number of unique students who completed a course between August 2015 and July 2022 (FY16-FY22) on the Networking Academy platform.
- The number of unique students who completed a course between August 2015 and July 2022 (FY16-FY22) on the Skills for All platform who were not also students in the above.
- The number of unique, active instructors in Cisco’s signature program, Networking Academy between August 2015 and July 2022 (FY16-FY22) who were not also identified as students in the above. Instructors are deemed as active if they opened one or more Networking Academy classes during the timeframe between August 2015 and July 2022 (FY16-FY22) with a minimum of three student participants in the class(es) in order to be counted in the positive impact figure. Active instructors have access not only to the content within the course they open for their students, but also a variety of instructional tools and resources from which they can derive positive benefit. The number of unique Packet Tracer Authenticated Users between July 2017 - July 2022 (FY22) who were not also identified in the above. Individuals needed to have logged in at least 3 times to the Networking Academy’s Packet Tracer tool (version 7.1 and higher) within a single Cisco fiscal quarter in order to be counted in the positive impact figure.

1.2 Positively impact definitions

The number of students who were positively impacted via their participation in Networking Academy or Skills for All courses during the timeframe (FY16 – FY22) as defined by those who have logged into our “LMS” platform and have **completed** (Networking Academy) or become **skilled** (Skills for All platform) in a course between FY16 – FY22.

For the Networking Academy, the completion of a course is defined by taking the final exam and/or an end of course survey, and/or receiving a “Pass” from an instructor. The “Pass” indicator can be given if the instructor deems the student has met course completion requirements (i.e., a passing grade, or completed all course components). Thresholds for completion may vary by instructor. Students are not counted if they only register or participate in a course as defined. Each individual is only counted once even if they take multiple courses or take courses in subsequent years during this timeframe.

For Skills for All, becoming **skilled** in a course is defined by measurable learning of a student through the completion of an assessment (for example, a quiz or exam) within a Skills for All course, where the score achieved on the assessment is at least 70% or greater.

The number of instructors who taught a Networking Academy course during this timeframe (FY16-FY22). An instructor outcome survey is delivered by an internal research team at Cisco with expertise in survey design, research, and evaluation. The survey is administered annually to all active instructors (as defined above) and demonstrates instructors report receiving positive impact from teaching Networking Academy courses, such as starting their career, improving their financial situation, and becoming a better educator. In FY22 there were over 20,000 active instructors who were sent the survey and response rate was 7.5% (approximately 1,500 survey completions). The instructor number excludes instructors that are included in the above student completions count (e.g. the instructor completed a course as a Student in an Instructor Training course).

The number of individuals positively impacted by using the Networking Academy’s “Packet Tracer” tool during the July 2017 - July 2022 (FY22) timeframe, is defined as follows: any user who used Packet Tracer (version 7.1 and higher) 3 or more times in a single Cisco fiscal quarter. The individuals using

the Packet Tracer tool number excludes users that are included in the above student completions count during the FY16-FY22 timeframe.

2.0 Monitoring and Evaluation

2.1 Monitoring and Evaluation Processes

Networking Academy users have a unique identifier in Networking Academy's LMS platform, and we use this identifier to determine the number of unique students completing a course during this timeframe FY16-FY22, using a "distinct count" algorithm.

Skills for All users have a unique identifier in the Skills for All LMS platform, and we use this identifier to determine the number of unique students becoming skilled in a course during this timeframe FY16-FY22, using a "distinct count" algorithm. The same unique identifier is used to exclude students on the Skills for All platform who have also been student completions on the Networking Academy Platform.

Networking Academy users have a unique identifier in Networking Academy's LMS platform, and we use this identifier to determine the number of unique instructors starting a class across this timeframe FY16-FY22, using a "distinct count" algorithm. This same unique identifier is used to exclude instructors starting a class during this timeframe who have also been student participants during the same timeframe.

The number of unique Packet Tracer Authenticated Users in July 2017 – FY22. This includes any user who used Packet Tracer (version 7.1 and higher) three or more times in a single Cisco fiscal quarter who were not already counted as student completions as identified through a unique identifier.

Data is checked and verified using our internal dashboards and summed for students, instructors and packet tracer users to include in the cumulative number. This data and calculations are verified and checked for accuracy through our CSR Impact measurement team.

2.2 Timing and Duration of Recognition of Positive Impact

As noted above, Cisco has defined positive impact in order to clarify what we mean by positive impact as well as the point at which an individual can be counted as having been positively impacted.

All individual users of Networking Academy, Skills for All, and Packet Trackers are counted as having been positively impacted only in the first year that they meet our criteria for positive impact – even if they are positively impacted via additional NetAcad, Skills for All, and/or Packet Tracer offerings in subsequent years.

2.3 Key Estimates and Assumptions, and Process for Making Adjustments

No estimates or multipliers are applied to Cisco Networking Academy, Skills for All, or Packet Tracker. As noted above, Networking Academy, Skills for All, and Packet Tracer users have a unique identifier in their respective platforms, and we use this identifier to determine the number of unique Networking Academy students, Skills for All students, Packet Tracer users, and instructors starting a class across this timeframe FY16-FY22, using a "distinct count" algorithm.