







# Introduction

Cisco has pioneered the development  
of networking technology for

Our products and solutions connect people, processes, data, and things in meaningful ways and are the foundation of the next wave of the Internet–



A message from

# Chuck Robbins

In today's world, technology is enabling us to create incredible value at a pace faster than we have ever seen. As we connect people,

CSR & Our Business: A message from

Tae Yoo

I am delighted that each section of the CSR report this year is introduced by executive leaders from the responsible business functions, reflecting







# Governance & Ethics

Our Priorities

Cisco is committed to creating technology solutions that solve our customers' challenges and make the world a better place







**PRIORITY**

## **Ethical Conduct**

We believe that long-term, trusting business relationships are built on honesty, acting ethically and with integrity. Our Code of Business





In the February 6, 2015, issue of the Harvard Business Review (HBR),

## Our Plans

Strong governance and ethical conduct are essential to the success of our business, helping us build a sustainable, resilient business and gain the trust of our employees, customers, and stakeholders. Governance and ethics are routinely identified as areas of great focus, both to our internal business success and our

# Governance and Sustainability Management

## Key GRI G4 Indicators

GRI G4 Standard Disclosures: 15, 16, 24, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 51, 52, 53.

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in the Environment chapter. The SBP team manages the

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governance and management of Cisco, paying special attention to CSR issues that are most relevant to our business and our stakeholders.

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### Public Policy and Political Support

Our Global Government Affairs team works with industry stakeholders, partners, and government leaders to influence global, national, and local policies that affect our business. Further details can be found [here](#).

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## Promoting Security Awareness

The [Cisco Security Education Program](#) uses our experience to help other organizations increase security awareness. The [Cisco Security blog](#) offers regular updates and tips, while our weekly \_\_\_\_\_

## Digital Rights: Freedom of Expression and Privacy

We believe that the rights to freedom of expression and

## Digital Rights: Product Use

We believe our role in providing more people across the world with access to the Internet is critically important



## 2015 World Economic Forum

In January 2015, Cisco Executive Chairman John Chambers and top company executives joined other business, political, and international

# Our People

## **Our Priorities**

"At the core of our success is our















All In: Global Momentum Through Inclusion and Collaboration (I&C)



## Our Plans

Objectives	Target Date
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[Redacted content]

[Redacted content]



Our People Deal

Inclusion, Diversity,  
& Collaboration

Developing  
Our People

Rewarding  
Our People

A Safe & Healthy  
Workplace

## The Details

## Our People Deal

This year, we created Our People Deal. We have always wanted it to be a movement—not a mandate. Something to inspire and empower our people. We listened to our people and used their own ideas to create it.

Our People Deal sums up what it means to be part of Cisco and it is integral to everything we do.



and ethnicity representation across technical, non-technical, and manager-level roles.

With new insight, we have started a powerful new dialogue across our leadership about what's at stake, what value we can create, and how we can come together to create it.

Leading the conversation is a new Chief Inclusion and Collaboration Officer, a new Chief People Officer, and a new CEO. Our Executive Leadership Team (ELT) is

“Connect everything.”



starts with rigorous assessments for each Country Leader, identifying gaps in capabilities to leverage diversity and integrate teams across cultures. Targeted development plans follow, along with transformational practices for resolving existing challenges and creating innovative solutions.

We are asking a lot of our leaders. We are asking them to align on how to build a stronger foundation and create a framework for innovation. We are asking them to break down barriers, drive action and accountability, and model

Our Diverse Hiring Practices are part of an integrated and holistic approach, beginning with the way we attract qualified applicants to the way we talk to candidates about their qualifications—and the people we gather to lead those conversations.

We have accelerated the adoption of Diverse Interviewer Panels (DIPs) as a key part of the interview process for all hiring opportunities across every function and every region in our company. Our data shows that Diverse Interviewer Panels, which include a set of interviewers of mixed gender and/or diverse ethnicity, increase the odds for hiring Black/African Americans by 70 percent and Hispanic/Latino

## Marriage Equality

### Benefit Everyone: The Long-Reaching Value of Marriage Equality

We were one of the very first U.S. companies to recognize that marriage inequality outside of the workplace significantly hindered our ability to provide equal benefits to the families of our LGBT employees. So we took action—years of persistent action—to address this fundamental problem.

Starting in 2009 with our groundbreaking “True Up” tax equalization measure, which provided equal tax

That is why we have sharpened our focus and streamlined our strategic programs, initiatives, and events to what we call the “critical few.” We are putting our investment and energy into a more targeted portfolio of

## Growing Vibrant Communities

At Cisco, our culture of inclusion is fueled by a vibrant I&C Community—a platform for diverse groups to come

## Diversity Data

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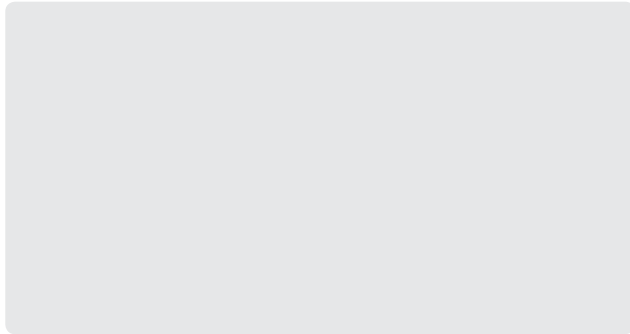


Table 2. Ethnic Diversity			





## Developing Our People



Since the program started in FY14, we have had four

“Innovate everywhere.”



- **Paid Family Leave:** This gives employees up to one week of pay to care for a seriously ill family member.



Park, North Carolina; and Bangalore, India. Each health center location provides primary medical care integrated

n addition, we have technology that allows exible



### Global Expert Medical Opinion

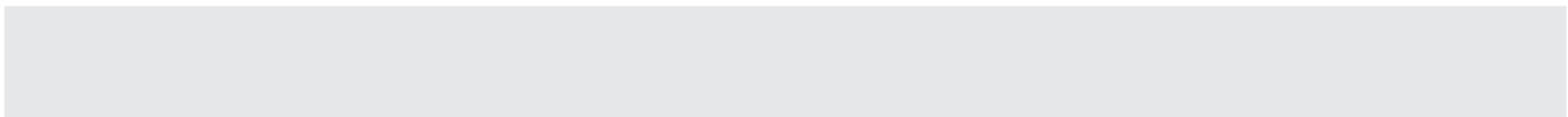
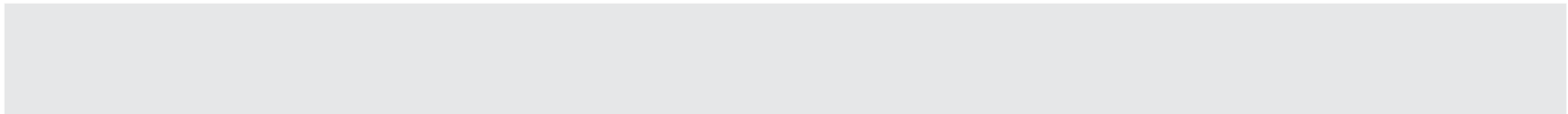
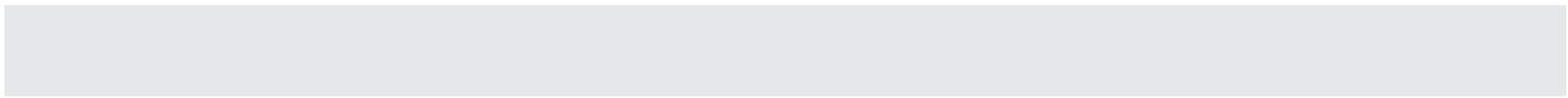
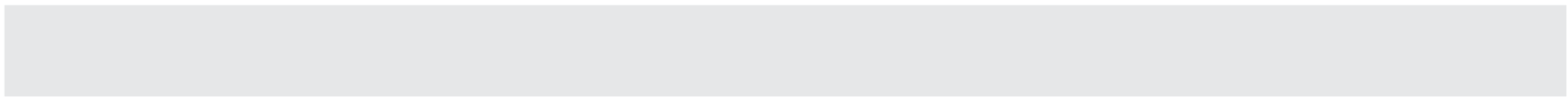
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Cisco has been integral to the growth of the Internet, and we recognize that digitization can help solve some of the world's biggest challenges.

Through our social investments, we empower global problem solvers to harness technology to address these challenges. Whether creating







## Economic Empowerment and ICT

Businesses worldwide are struggling to find skilled IT workers.

## Digital Inclusion











In poor urban areas of northern Mexico, young people who lack traditional

## Our Plans

## The Details

Our strategy is focused on:

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## Employee Volunteering

### Key GRI G4 Indicators

GRI G4-SO1: Percentage of operations with implemented

US2020

Our annual Global Hunger Relief Campaign encourages employees to donate to charities and increases their

together for group volunteering and team-building to fight hunger around the world. For example, during our 12th annual campaign in FY15, employees in Richardson, Texas, sorted 19,000 pounds of food to make 16,000 meals for the North Texas Food Bank in Dallas.





## Preparing Diverse Students for IT Jobs

At North Lake College, a two-year public community

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Employee  
Volunteering

Education

Economic

## Economic Empowerment

Cisco began supporting DDD in 2010 and has since provided \$685,000 in cash investments as well as Cisco product donations to help the organization work more efficiently, add new business services for clients, enhance its product offerings, and build the capacity to reach more disadvantaged youth.

In FY14 and FY15, Cisco helped DDD launch and expand



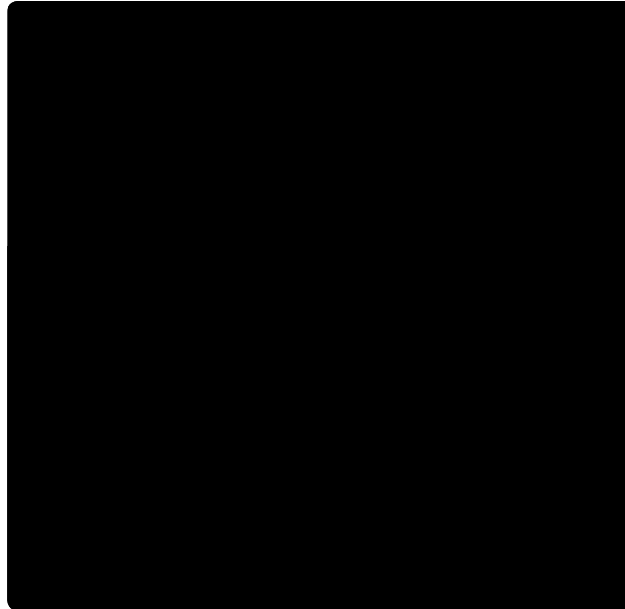


Employee  
Volunteering

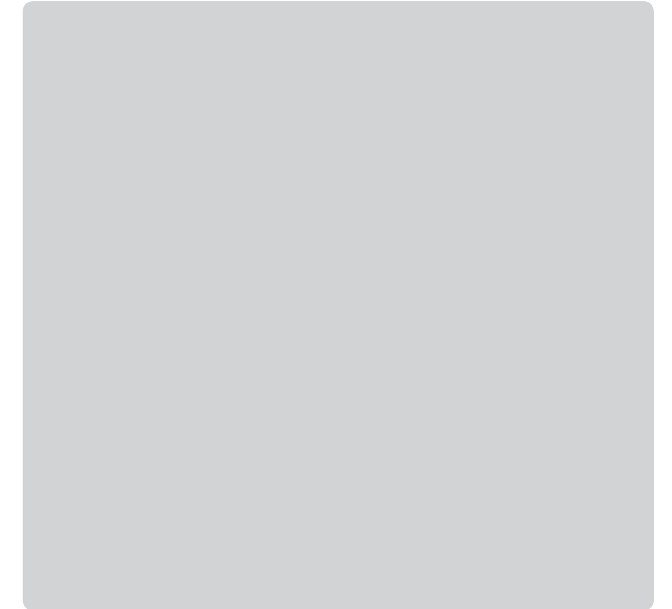
Education

Economic

client registration, and ongoing monitoring and evaluation.



January 1, 2013, that will allow us to monitor accessibility throughout a product's lifecycle.



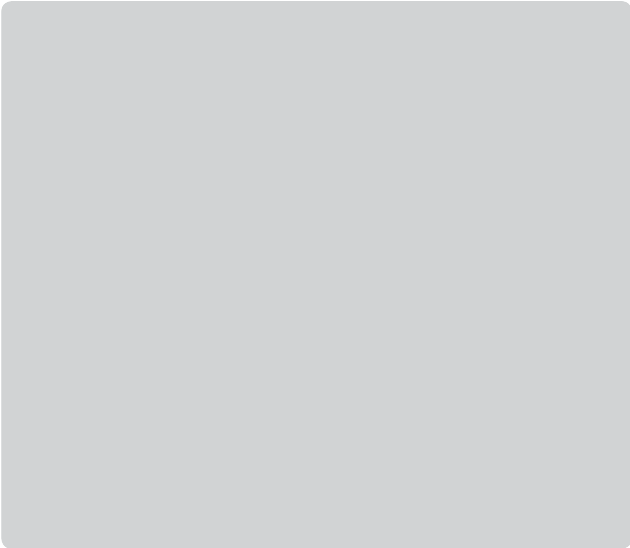
San Diego and at the FCC co-sponsored M-Enabling Summit in Washington, D.C. As well as allowing us to share our work and ideas, these events provide us opportunities to gain feedback on our products and real-life accessibility challenges.

We also continued our support of the Rochester Institute of Technology National Technical Institute for the Deaf and the DeafTEC initiative in California by rolling out training for educators and employers. DeafTEC is a resource for high schools and community colleges that educate deaf and hard-of-hearing students in STEM-related programs and for employers hiring deaf and hard-of-hearing individuals.

# Healthcare

Technology is helping to connect people to healthcare in remote or underserved regions. Cisco networking

by eliminating 1m and achieving faster turnaround times for radiology reads. In May 2015, JHI was recognized with a Network Middle East Innovation Award for "Cloud Implementation of the Year" for SXP. In four years, more







Environment

Randy Pond

## 2015 Objectives and Progress

Objectives





PRIORITY

## Solar Power

In June 2015 Cisco partnered with NRG Renew LLC (wholly owned subsidiary of NRG Energy, Inc. [NYSE:NRG]) to develop a 20 MW solar energy facility to generate power for our San Jose, California, headquarters.

NRG Renew will finish development of the solar installation on its 153-acre parcel in the Sonoran Desert near the Arizona and California border by the end of 2016. Electricity generated by the solar installation will be sold to Cisco under a 20-year power

## Product End of Life

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## **100% Product Return**

In conjunction with several channel partners and customers, we are working on a 100% Product Return pilot. The goal of the pilot is to

## EnergyOps Program Overview

## Our Plans

We will continue to focus on our energy and GHG and product end of life priority areas. This includes:

### Product Energy Efficiency

Increasing our product energy efficiency is critical to reducing environmental impacts from the use phase while achieving the projected, and required, product performance specifications for the next five to ten years. Cisco products will require an architecture that



Environmental  
Sustainability

Materials

## The Details



Details about our performance and actions in all these areas are provided in the relevant Environment sections that follow.

## Environmental Management System

acquisition are included in the scope of the Corporate

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Figure 1. C





Environmental  
Sustainability

Materials

Energy &  
GHG Emissions

Water Use

Biodiversity &  
Land Use

Non-GHG Emissions

**Halogenated Flame Retardants and  
Polyvinyl Chloride**

Polyvinyl chloride (PVC) and nonregulated halogenated flame retardants (HFRs) are used in printed circuit boards, plastic parts we have designed, and cable insulation. We are working with manufacturing partners, industry standards technical committees, and academia to validate proposed alternatives for HFRs and PVC.

retardant or use a halogen-free flame retardant. This percentage will continue to increase as new products

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km) from being driven by employees. At some sites we offer programs that allow eligible employees to purchase mass-transit passes with pre-tax dollars.

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We continue to apply the four dimensions of environmental packaging design as part of our release process for both new products and some legacy product offerings. Aligned to the SET Sustainable Product Fulfillment track, Pack It Green is a cross-functional,

requirement for our product designs is minimizing materials while still achieving performance and reliability targets.

### **Packaging**

Generally, our packaging uses corrugated cardboard that includes about 30 percent recycled content.

Generally we use thermoformed medium-density polyethylene (MDPE) cushions made from virgin material or recycled substitutes which are recyclable in most regions after use. When regionally available and technically feasible we use cushions made from 100 percent recycled polyethylene, which are also recyclable.

Almost all our packaging for new products is made either of one material or multiple materials that are separable for recycling.





## Energy and GHG Emissions

Cisco supports the reduction of global GHG emissions

4. Reduce total Cisco operational energy use per unit of revenue worldwide by 15 percent by FY17 (FY07 baseline).

5. U







Environmental





Environmental Sustainability

Not all of the terms in Cisco's green lease templates are mandatory for every lease. At a minimum, green leasing allows us to better communicate and negotiate with the

In addition, we evaluated numerous other locations for both cogeneration and fuel cell installations but have not yet found a location where the return was 11(h)-10(t)-

Materials

**Energy & GHG Emissions**

Water Use

Biodiversity & Land Use

Non-GHG Emissions

Effluents (Liquid)

Waste

Appendix

Cisco's Allen, Texas, Data Center Solar Project

At our San Jose, California, campus, we engaged with the Indian Energy Exchange and were able to get a contract set up to purchase approximately 15 percent of our electricity demands from solar. At our San Jose, California, campus, Cisco



Scope 3

Key GRI G4 Indicators  
GRI G4-EN17: Other indirect greenhouse gas (GHG)

Scope 3						
2012	2013	2014	2015	2016	2017	2018

- June 2008: EPA Climate Leaders commitment to reduce all Scope 1, Scope 2, and business-air-travel Scope 3 GHG emissions worldwide by 25 percent absolute by end of CY12 (CY07 baseline). This goal was met in 2012 and the commitment was closed.
- February 2013: Cisco announced a new goal to reduce total Cisco business-air-travel Scope 3 GHG emissions worldwide by 40 percent absolute by FY17 (FY07 baseline).

Travel reduction to meet our first five-year goal was aided by budget reductions due to the economic downturn beginning in late 2008 ([Table 11](#))

Environmental Sustainability

Materials

Energy & GHG Emissions

Water Use

Biodiversity & Land Use

Non-GHG Emissions

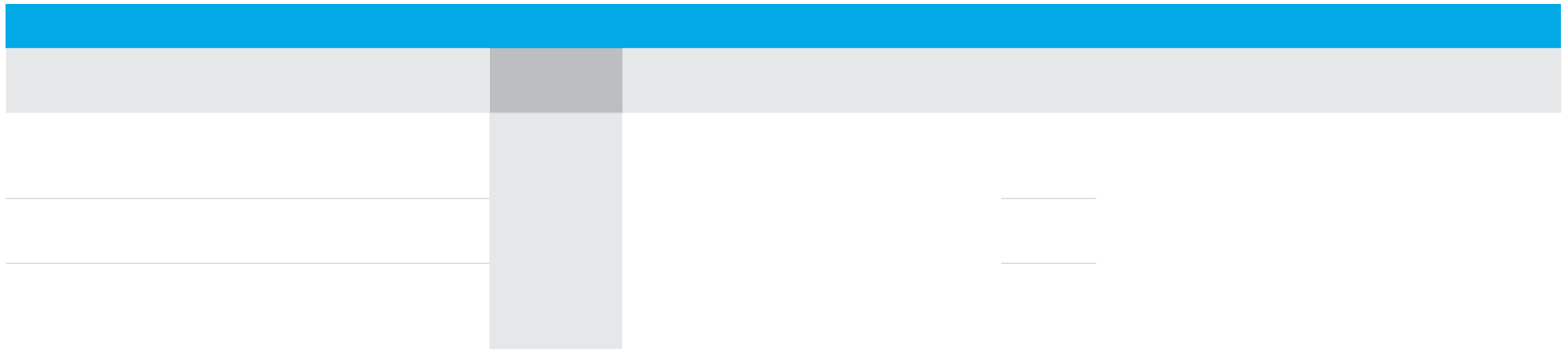
Despite these challenges we have managed to achieve absolute reductions in emissions compared to our FY07 base year. We experienced our first reductions in air-travel emissions, measured on an annual basis, starting in FY08. As the economy recovered from the 2008-2009 downturn and our travel increased, we still met our FY12 reduction goal.

We do not apply different emissions factors across the timeframe in which we

from the goal of travel substitution. Second, we are unsure how to characterize emissions factors for different classes of air travel for a single company. Even though Cisco is a large company, it is likely that scheduled air service has not been changed by our reduction in air travel, even reductions measured in hundreds of thousands of flights per year. Of course, as more companies adopt collaborative network technologies,

Cisco TelePresence IX5000 Series

Reducing GHG Emissions from Scope 3 Business Air Travel



now interoperate. For example, WebEx users can see and hear—and can be seen and heard in—Cisco TelePresence rooms, expanding the types of remote collaboration enabled by Cisco technology.

Use of WebEx is pervasive at Cisco. Essentially all Cisco employees using Cisco assigned laptops have a WebEx



Cisco MX800 with Dual Speaker Track Camera Option



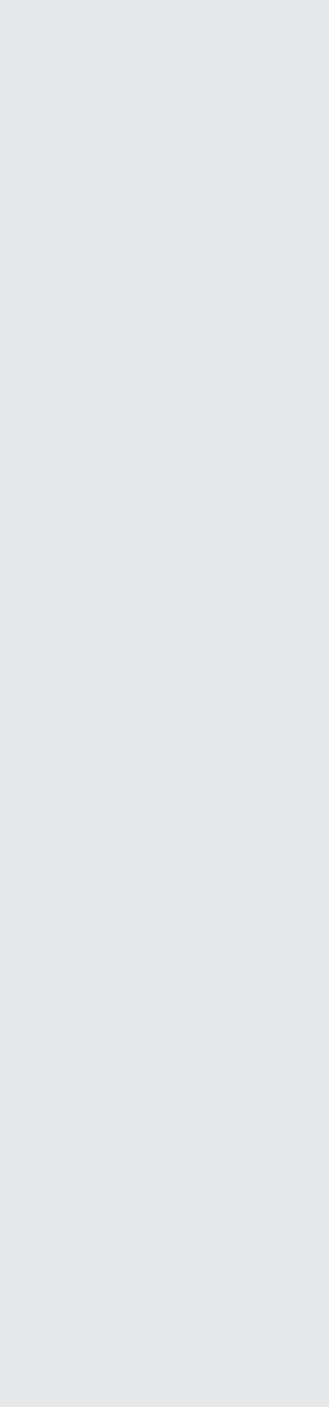
## Scope 3 Life Cycle Emissions

Life-cycle assessment (LCA) techniques and specifically carbon footprinting help us understand where the largest impact of our products lie so we can focus our attention









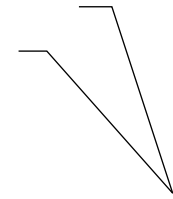
ENERGY STAR is a useful means to promote product

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- High-speed interconnects:



- Cisco Catalyst 1900 Series, 2800 Series, 2900 Series, 3800 Series, 4500 Series, 6000 Series, and 6500 Series Switches
- Cisco CRS-1 and CRS-3 Carrier Routing Systems
- Cisco Network Convergence System (NCS) 6008 Router
- Cisco ONS 15454, NCS 4016, NCS 2000 Series

using the ATIS TEER standard. The results show that in these products, there was an 8.5-fold increase in normalized bits-per-watt performance between the three generations of products, with only a 2.5-fold increase in power usage.

### Scope 3 Product End of Life

The last product life cycle phase defined in the GHG Protocol Product Life Cycle Accounting and Reporting Standard is end of life (EOL) management. There are minimal emissions associated with this life cycle phase for Cisco products, and most of them are connected to the transport of the returned product and the recycling process. The largest impact of recycling on GHG emissions is reducing upstream emissions (for more details, see Pkrb-0 i)-5(m)5(k)i-o

Water-Energy Nexus

Our environmental sustainability materiality assessment





Environmental Sustainability

Materials

Energy & GHG Emissions

Water Use

Biodiversity & Land Use

Non-GHG Emissions

Effluents (Liquid)

Waste

## Biodiversity and Land Use

Eastern Box Turtle



Environmental  
Sustainability

Materials

Energy &

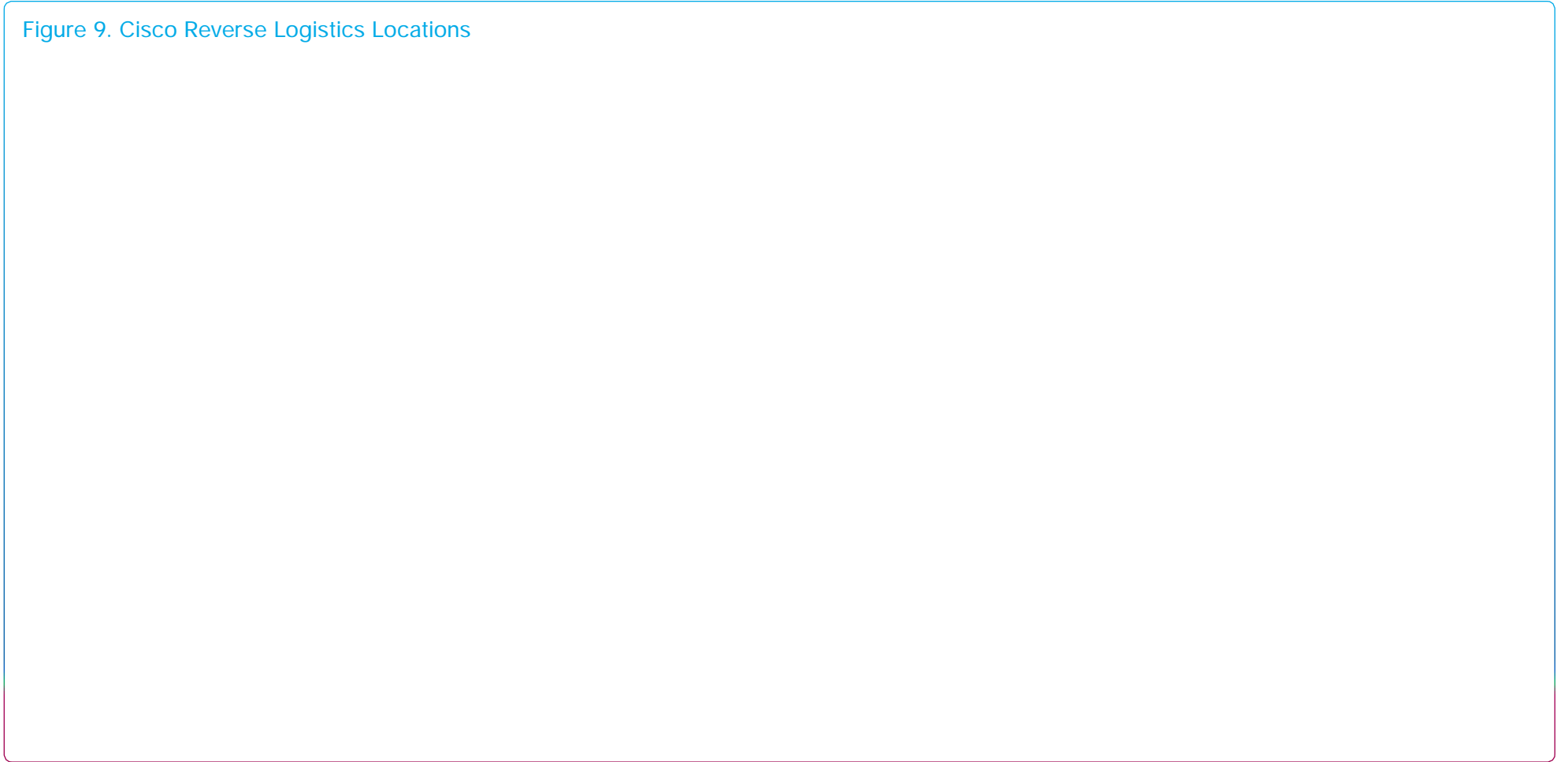
We seek to situate our operations in areas where we can successfully serve our customers while limiting our negative environmental impacts. Operations location is an especially







Figure 9. Cisco Reverse Logistics Locations



Environmental Sustainability

Materials

Energy & GHG Emissions

Water Use

Biodiversity & Land Use

Non-GHG Emissions

materials are collected in the labs for recycling. Smaller labs may have only one eBin, and large labs may have more than a dozen. Each eBin has an owner, and when the eBin is full, the owner visits our recycling web portal and fills out a pick-up request, which is fulfilled by a

certified to one or more e-scrap-specific recycling

Product Packaging End of Life

Environmental Sustainability

Materials

Energy & GHG Emissions

Water Use

Biodiversity & Land Use

Non-GHG Emissions

Effluents (Liquid)

Waste

Examples of how we reduce waste at many of our facilities include:

- Using online learning and communications technologies to reduce paper use
- Making product information available online to reduce paper use
- Using compost made of landscape waste at our San Jose campus

Examples of how we reuse materials at many of our facilities include:

- Managing an internal Repo Depot program, which allows us to reuse lab and testing equipment
- Reusing incoming pallets with outgoing shipments wherever possible
- Collecting PC equipment for reuse by our vendor
- 

700 metric tonne of food waste from local landfills to





Environmental  
Sustainability

Materials

Energy &  
GHG Emissions

Water Use

Biodiversity &  
Land Use

Non-GHG Emissions











## Human Rights in Our Extended Supply Chain

Labor standards matter to Cisco. Stakeholders expect us to take more responsibility for the working conditions, welfare, and human rights of workers employed by our first-, second-, and even third-tier suppliers, where transparency can be challenging to achieve.

## Promoting Supplier Diversity and Inclusion

We recognize that diverse perspectives in our workforce, partner

## Ethical Sourcing Practices

We believe that every employee in our supply chain function plays a part in promoting our values and accomplishing our sustainability goals. While sustainability performance has been incorporated into supplier management practices, we have realized there is also a need

Our stakeholders ask us to reduce and disclose the carbon footprint of our operations and supply chain. Our work with the CDP has consistently shown our commitment to disclosing these environmental impacts.

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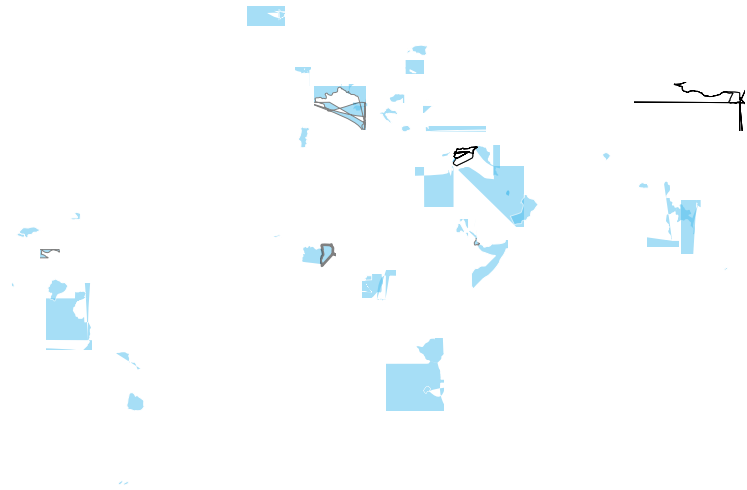
## Our Plans

In FY16, we intend to continue to emphasize our commitment to ethical sourcing practices, enhancing the environmental sustainability of our operations, and supporting the principles of diversity and inclusion in our supply chain.

As part of our commitment to operate in accordance with the EICC Code of Conduct, we intend to continue our education and outreach efforts about the new fifth-generation of the Code, which became effective in April 2015. Our efforts will include driving the development of industry-wide initiatives that focus on ensuring the protection of the most vulnerable workers in the supply chain.

## The Details



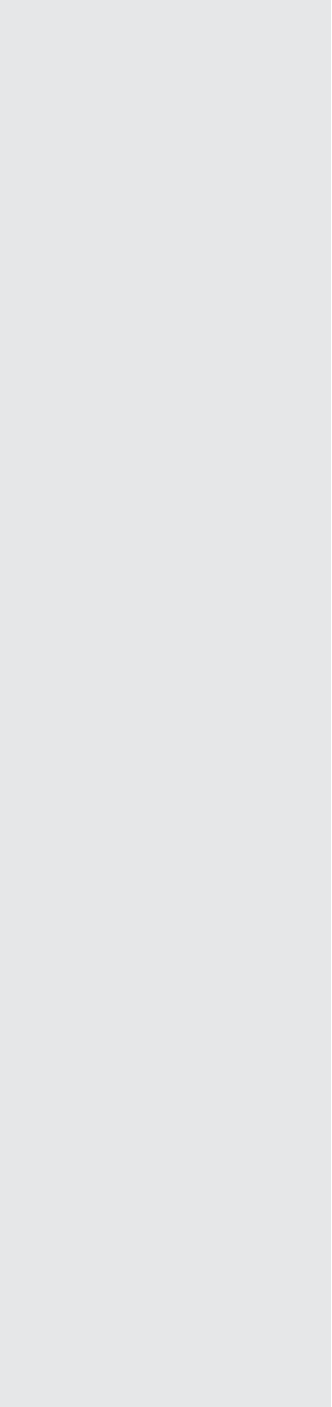






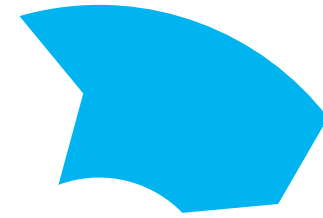








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## “Excellence in Sustainability” Supplier Award

Each year, Cisco awards one supplier with the



## **Global Reporting Initiative Index**

The Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines are a set of internationally recognized indicators covering a company's governance, economic, labor, human rights, society, and environmental impacts.



