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## 2008 Corporate Social Responsibility Report

This report documents Cisco's corporate social responsibility (CSR) efforts. It sets forth our CSR philosophy and describes the progress we have made in initiatives directed at improving the health, welfare, and sustainability of our business and the communities where we operate worldwide.

We have prepared the report using the current Global Reporting Initiative guidelines and the United Nations Global Compact. It incorporates data and feedback received from our employees, shareholders, customers, and the many private, government, and nongovernmental organizations with which we partner.

We believe that the information in this report is a faithful representation of our business operations, presented within the context of the company's social and economic responsibilities. Please direct any questions to [citizenship@cisco.com](mailto:citizenship@cisco.com).

A Letter from John Chambers

Letter from John Chambers  
Chairman and CEO



Fifteen years ago, Cisco promised we would help change the way the world works, lives, plays, and learns. Today we are much closer to realizing that vision. We now have an unprecedented opportunity to improve how people conduct and organize their lives, and also how they interact with their communities and the environment.

The conversations I have with business, community, and political leaders keep returning to the same central issue: How should we prepare ourselves and the next generation for the future in the face of economic, social, organizational, and climate change? Cisco is working not only to transform networks, but also to transform how we think about and use networks to meet the challenges of that fast-approaching future that concerns us all.

At Cisco we are using our unique capabilities to drive initiatives that really make a difference in the world. With network-enabled innovation and collaboration, we can help transform how education is structured and delivered, thereby raising standards of living. We can help transform how societies provide services and benefits to their citizens. We can help transform how we impact the ecosystem. And we can help transform how quickly and effectively we and our customers respond to change—in the marketplace and the global community.

We aspire to be one of the best companies in the world, and part of that goal is becoming one of the best companies *for* the world. This Corporate Social Responsibility Report offers an overview of the responsible business practices and social investments that together enable us to create long-term value for our business and for society.

*John J. Chambers*

A Letter from Tae Yoo

Letter from Tae Yoo  
Senior Vice President of  
Corporate Affairs



Whether we are speaking of a company, a society, or the planet itself, long-term sustainability requires collaboration on a global scale. As this year's *Cisco Corporate Social Responsibility Report* points out, Cisco collaborates with a variety of public, private, and nongovernmental organization (NGO) partners in a broad range of social responsibility initiatives, all of them enhanced by the power of networking.

Cisco recognizes that prosperity and human well-being flourish only when people's basic needs have been met and they have the knowledge and practical skills to reach their potential within a social and economic framework that allows them to succeed. Food, shelter, health, and security are essential to human life. But education is a major catalyst that makes sustainable prosperity possible in communities around the world.

Future global economic growth and social progress depend on providing students with a learning environment that adequately prepares them to make a living and to contribute to their communities in an increasingly knowledge-based economy. Unfortunately, however, educational practices have not always kept pace with the needs of today's students and employers. Cisco is working in partnership with public and academic institutions to help transform education through the Cisco Networking Academy, the 21st Century Schools Initiative, and other global initiatives based on a holistic blueprint for educational reform.

Since the inception of the Networking Academy, more than 2.6 million students have participated in courses in more than 160 countries. We revamped 70 percent of the curricula over the last year and a half to stay current with new developments and learning styles, and now offer courses in all six United Nations languages and five other languages as of the end of FY08. Cisco and our partners in the Least Developed Countries Initiative have helped more than 70,000 students in over 40 countries in the developing world to obtain an IT education. Of the 18,000 students who have passed the Cisco CCNA course, 31 percent are women.

To meet basic human needs, Cisco and our employees are involved in a wealth of programs in partnership with public sector organizations and NGOs to improve life in impoverished and underserved communities. We invest in and support programs that not only deliver immediate benefits, but also have the potential to grow to serve additional populations. We also look for strong programs that can sustain themselves over time. And because we believe in the power of the network to improve people's lives everywhere, we focus on programs that take advantage of the Internet and web 2.0 technologies.

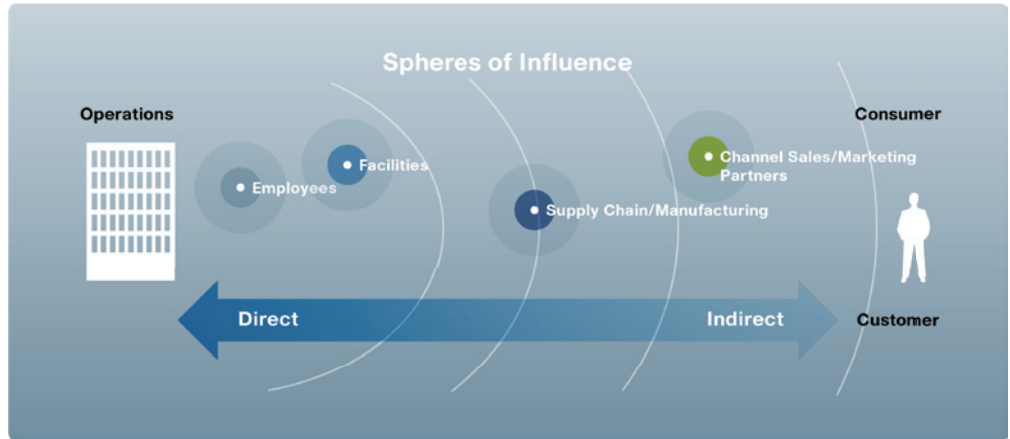
**A Letter from Tae Yoo**

Our employees are generous with their time and money, as individuals and as members of Cisco affinity groups and community organizations. In addition, our Leadership Fellows program places some of our most gifted employees in local and global nonprofits, where they work to provide guidance and management expertise.

The *2008 Corporate Social Responsibility Report* provides an overview of our efforts in FY08, and also offers a look forward as we continue to expand our existing initiatives and undertake exciting new ones in concert with our partners.

A handwritten signature in black ink, appearing to read "Tae Yoo". The signature is written in a cursive, fluid style with a large, sweeping flourish at the end.

# Cisco and Citizenship



At Cisco, we take a disciplined approach to corporate social responsibility (CSR) that aims at creating long-term benefit for our business and global communities through effective business practices and social investments. Our commitment to responsible business practices helps ensure sound management across our business ecosystem.

Through the following corporate citizenship activities, we seek to build trust in our company, innovate our business, and benefit the global community as a whole.

[Corporate Governance](#)

[Accountability and Responsibility](#)

[Responsible Management and CSR Governance](#)

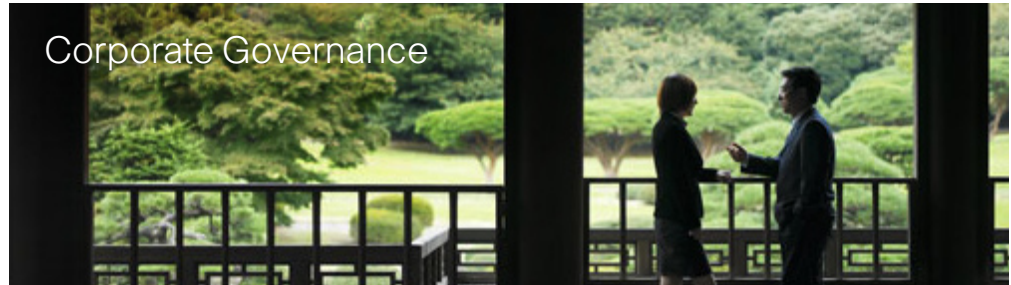
[CSR, Business Resiliency, and Responsible Risk Management](#)

[Supplier Diversity](#)

[Stakeholder Engagement](#)

[Reporting Frameworks](#)

Cisco and Citizenship



Cisco is committed to strong corporate governance policies and practices as well as promoting outstanding leadership by our executive management team and our Board of Directors. Our commitment and dedication to strong corporate governance practices is reflected in our Board's effectiveness and accountability to both our shareholders and our stakeholders.

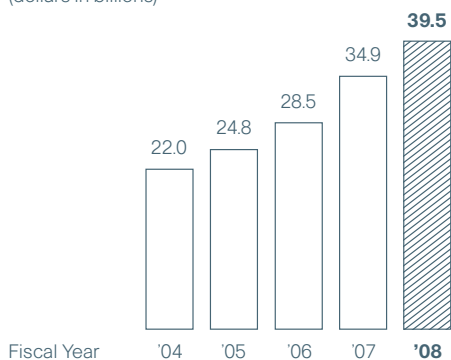
Beyond providing global access to information and seeking to support and improve the communities in which we do business, we continually strive to create substantial, long-term value for our shareholders by:

- Delivering solid, profitable growth in revenue and earnings per share over the past six years
- Remaining focused on execution for the short and long term
- Maintaining a strong balance sheet
- Establishing trust and integrity by employing corporate governance best practices

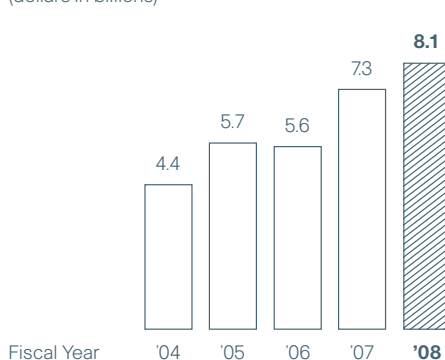


Financial Highlights >

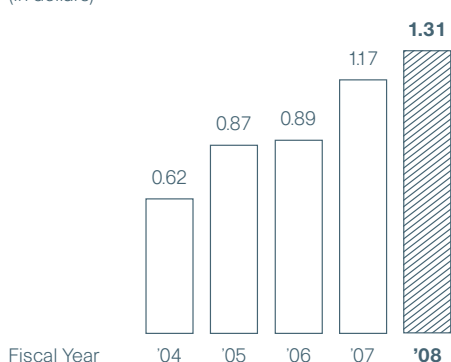
**Net Sales**  
(dollars in billions)



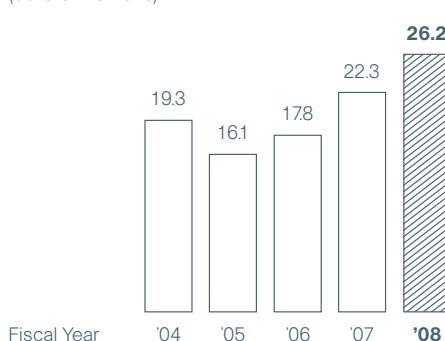
**Net Income**  
(dollars in billions)



**Diluted Net Income per Share**  
(in dollars)



**Cash and Cash Equivalents and Investments**  
(dollars in billions)



**Consolidated Statements of Operations Data**  
(in millions, except per-share amounts)

Years Ended	July 26, 2008	July 28, 2007	July 29, 2006
Net sales	\$ 39,540	\$ 34,922	\$ 28,484
Income before provision for income taxes	\$ 10,255	\$ 9,461	\$ 7,633
Net income	\$ 8,052	\$ 7,333	\$ 5,580
Net income per share—diluted	\$ 1.31	\$ 1.17	\$ 0.89

**Consolidated Balance Sheets Data**  
(in millions)

	July 26, 2008	July 28, 2007	July 29, 2006
Cash and cash equivalents and investments	\$ 26,235	\$ 22,266	\$ 17,814
Total assets	\$ 58,734	\$ 53,340	\$ 43,315
Shareholders' equity	\$ 34,353	\$ 31,480	\$ 23,912

Cisco and Citizenship



We have instituted greater accountability in executive compensation through support of a pay-for-performance compensation structure aligned with long-term value creation. A significant portion of our executive officers' compensation consists of performance-based awards, and the Compensation Committee benchmarks its program against a relevant peer group of companies.

We are also committed to rigorous and diligent oversight at every level across the company, ethical and responsible management of our affairs, and corporate governance that exceeds requirements. The steps we have taken to fulfill this commitment are enabled through clear and consistent corporate governance policies that include the following:

- Our Board of Directors has adopted majority voting for uncontested elections of directors.
- A majority of our Board members are independent of management.
- All members of our key Board committees—the Audit Committee, the Compensation and Management Development Committee, and the Nomination and Governance Committee—are independent, and meet regularly without the presence of management.
- We have a highly regarded code of business conduct that is monitored by our ethics office and is annually affirmed by our employees. The Ethisphere Council awarded the Cisco Code of Business Conduct a Grade "A."
- Cisco provides various vehicles for employees to use to report ethical concerns, including email, a confidential (anonymous) web form, and a globally available hotline. Our Audit Committee has procedures in place for the anonymous submission of employee complaints on accounting, internal controls, and auditing matters.
- In FY08, we adopted measures that continue to enhance our practices to further align management interest with shareholders. These include an adoption of stock ownership guidelines for our nonemployee directors and executive officers, and a compensation recoupment policy that applies to all of our executive officers.
- Through our strong internal controls, including our internal audit control function that reports directly to the Audit Committee, we maintain critical oversight over the key areas of our business and financial processes and policies.

Our Nomination and Governance Committee is responsible for overseeing, reviewing, and making periodic recommendations to the Board of Directors concerning Cisco's corporate governance policies. We maintain a corporate governance page on our website with key information about our corporate governance initiatives, including Cisco's Corporate Governance policies, Cisco's Code of Business Conduct, and charters for each of the committees of the Board of Directors. The corporate governance page can be found by clicking on "Corporate Governance" in the Investor Relations section of our website, at [investor.cisco.com](http://investor.cisco.com).

Cisco and Citizenship



**Workplace Rights**

Cisco strives to treat employees, and the communities in which we serve, with respect and dignity.

A supporter of the [United Nations Universal Declaration of Human Rights](#) and [Global Compact](#), Cisco's codes of conduct, employee policies and guidelines substantially incorporate laws and ethical principles including those pertaining to freedom of association, nondiscrimination, privacy, collective bargaining, compulsory and child labor, immigration, and wages and hours. Consistent with Cisco's culture and applicable laws, employees are encouraged to:

- Promote a safe, healthy, and supportive work environment where employees can contribute their skills; and
- Participate with local stakeholders in addressing community well-being, social and economic development, and environmental preservation.

Employees shall respect the human rights and dignity of others as outlined in the [Code of Business Conduct](#), employee policies, and guidelines or local laws applying and abiding within the scope of their individual roles and responsibilities to whichever sets higher standards.

Cisco believes it is our responsibility to conduct our business in a sustainable manner, with respect for our employees, our partners, our suppliers, our stakeholders, our shareholders, and the communities in which we do business.

We invest significant time and resources to help ensure that our activities and policies are consistent with and promote our goals, initiatives, and business values. Our Sustainable Business Practices (SBP) group works directly with Cisco executive leadership to continuously improve our corporate social responsibility practices and programs, and engages with our global stakeholders to evaluate our CSR performance by assessing our social, ethical, and environmental practices and policies.

Cisco's Board of Directors oversees the impact of the company's policies and activities on our responsible business management and overall CSR performance through the SBP group, as well as through various CSR issue-related councils, project teams, and embedded businesses processes.

**Supporting Integrity in the Workplace: All employees are required to acknowledge the Code of Business Conduct each year.**

We believe that each employee at Cisco is individually responsible for maintaining the highest standards of ethical behavior. To that end, Cisco strives to ensure that employees have access to information, resources, and guidelines in support of each employee's own good judgment, to provide employees with the skills to evaluate individual situations and take the appropriate action. Violation of a Cisco policy, guideline, or practice could result in disciplinary action, up to and including termination of employment.

Internally, we ask all of our employees and our subsidiaries, as well as members of the Cisco Board of Directors, to commit to ethical business practices in their work lives, and to reaffirm that commitment by reviewing and agreeing to abide by the [Cisco Code of Business Conduct](#). All employees are required to acknowledge the Code of Conduct each year. Developed by the Cisco Ethics Office, the Code of Business Conduct won Cisco recognition by *Ethisphere Magazine* as one of the "world's most ethical companies" in 2008. The Code of Business Conduct, or COBC as it is known inside Cisco, has been designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that Cisco files with, or submits to, government agencies and in other public communications
- Protection of Cisco's confidential and proprietary information, and that of our customers and vendors
- Compliance with applicable governmental laws, rules, and regulations
- The prompt internal reporting of violations of this code
- Accountability for adherence to this code

Cisco and Citizenship

An example of how we integrate ethics training and support for human rights and fair treatment of workers in the workplace can be seen in our Workplace Rights guidelines.

**Ensuring Ethical Sales and Marketing Practices**

As we do with our general employees, we offer our sales teams guidance and support to ensure that each business transaction is conducted ethically, responsibly, and in compliance with both local laws and Cisco's policies.

Approximately 80 percent of the company's revenue is generated through our partner companies. Partner companies are evaluated before being invited to become a Cisco partner—a vetting process that includes background investigations of the company's principals, and investigation into the company's current and prior business dealings.

In addition, partners are asked to sign and abide by contracts that outline Cisco's acceptable business practices, as well as the company's obligations to abide by all relevant laws and regulations.

Cisco's Distribution Review Board—consisting of the vice president for distribution in the relevant channel, company legal advisors, representatives of our Brand Marketing team, and members of our finance organization—reviews and approves all partner contracts at the time of initial signing, and each time the contract is up for renewal, to ensure compliance.

Cisco requires our distributors to submit point-of-sale data for inspection by Cisco on a regular basis. In addition, Cisco partners and resellers receive online training in Cisco's policies and procedures, as well as support by Cisco's legal team and Human Resources staff.

We strive to protect and actively enhance the personal dignity of our employees and the communities in which we operate. We maintain a specific corporate policy on human rights and other codes and policies addressing human rights for our employees and suppliers.

With regard to our products and the customers of our products:

- Cisco does not customize, or develop specialized or unique filtering capabilities, in order to enable governments to block access to information.
- Cisco sells the same equipment with respect to all functionality relevant to human rights concerns.
- Cisco is not a service or content provider or network manager.

Cisco has no access to information about individual users of the Internet except if network administrators provide it to us in the course of our providing services for our products.



In a changing world, the responsible assessment of risk is part of doing business as a global company. To maintain our business resiliency, Cisco works to anticipate and prepare for major disruptive events that might threaten our ability to conduct business.

From deploying redundant communications systems to maintaining the safety of Cisco employees to dealing with pandemic threats and natural disasters to evaluating geopolitical risks within our supply chains, Cisco seeks to ensure business continuity across our company.

Part of this process requires the development of “risk maps” that measure the likelihood and severity of an adverse event based on interviews with the risk owners within the company. These risk maps identify the portfolio of assets that are at risk, the level of risk, what considerations need to be built into the business model to address the risks, and how the risks should factor into a group’s or business unit’s decision-making process.

Factors used in relative risk ranking and mapping include geopolitical and financial events, pandemic events such as an outbreak of avian flu, and governmental stability. Potential disruptions in our supply chain, including events at key manufacturing and commodity supplier sites as well as business-critical infrastructure sites, such as airports, are monitored by the Supply Chain Risk Management (SCRM) team using a worldwide alert service, to ensure minimal disruption.

### **Reducing Risk in the Supply Chain**

Cisco has one of the most complex supply chains in the IT industry, with almost 200 product families that require more than 35,000 component parts. Our partners provide electronic manufacturing, testing, design, transportation, logistics, and other services. With a complex supply chain that is globally dispersed, managing supplier relationships is a complex, demanding, and ongoing process.

Cisco works closely with our manufacturing and component suppliers as well as logistics partners to ensure quality and reliability in our supply chain, and we conduct regular performance reviews with them to proactively identify areas for continual improvement.

Our supply chain risk management organization helps to develop analytics to assess and predict risk scenarios and then works directly with the manufacturing and supplier entities to help identify, assess, and avoid risks. Site assessments are undertaken directly, or we employ a third-party assessor to do the inspection. Risk assessors employ actuarial data to look at factors such as the potential for a natural disaster at the site.

Cisco and Citizenship

In 2008, the Emerging Countries Supply Chain Team updated and improved upon the emerging economies analytical processes developed in 2007. The team incorporated techniques taught in the world’s leading international business schools to extend our view into our supply chain, with the goal of enhancing our ability to proactively understand and address the unique challenges of these countries. The newly bifurcated model takes into consideration the operating environment as well as the sales environment to identify the supply chain transformation required to improve Cisco’s supply chain performance and customer satisfaction, based on the unique aspects of each country. The following factors are now taken into consideration:

**Risk Management in the Operating Environment**

End-to-End Supply Chain	Infrastructure	PESTEL <sup>1</sup>
Customs clearance lead times	Emergency medical services (EMS) skill set	Gross domestic product (GDP)
Customs duties	EMS partner base	iPod Index <sup>2</sup>
Product lead time	Existing supply base	Regional demographics
Logistics/transportation availability	Possible future supply base	Local demographics
Labor pool/rates	Channel partners	Corruption
Rule of Origin standards	Distributor Tier 1 and 2 split	Transparency
Country of origin requirements	CA depots in-country	Corporate social responsibility
	Special economic zones	Stability – political, economic, social
	Length of benefits/term	Rule of law and governance
	Export/Import compliance	Currency stability
	Local buy/sell	Expatriation (foreign exchange controls)
	Sales offices and personnel strength	Economic development participation
		Institutional voids
		Technology trends
		Risks
		Tax – income, value added tax, indirect
		Jobs due to Cisco presence

<sup>1</sup> PESTEL refers to political, economic, social, technological, environmental, and legal factors.

<sup>2</sup> The iPod currency index measures buying power based on local prices for the Apple iPod.

Cisco and Citizenship

Risk Management in the Sales Environment

Revenue	Market Size	Other Market Information
Bookings	Total addressable market	Top competitors
"Plan" revenue	Practical addressable market	Top 10 products (sellers)
"Incremental" revenue	Cisco share of market	Top customers
Revenue at stake by deals due to COO	Development financing	In-country competitive landscape by segment
Revenue opportunity/challenges	Product segment/technology	Customer feedback/satisfaction
Intellectual property protection	Group/channel/relevant growth rates	Notable product segmentation trends
Gray markets		Notable market segmentation trends
Brand protection		Areas of underperformance
		Counter-trade
		Brand awareness
		In-country company benchmarks
		Internal benchmarks

We also determine site-specific risks to buildings and equipment. For example, one location may introduce a higher geopolitical risk but present fewer natural-hazard risks. The goal is to anticipate and avert possible problems.

For example, each year, suppliers are asked to respond to a Business Continuity Planning (BCP) assessment questionnaire prepared by the Global Supply Chain Management team, which helps Cisco assess suppliers' ability to maintain business continuity.

To support sound business resiliency decisions throughout our relationships with our suppliers, we meet regularly with the contract manufacturers and key component suppliers who build or add value to our products, to discuss what risks we face and what actions those risks require. In the process, we seek to develop long-term, mutually beneficial relationships with our suppliers.

Cisco and Citizenship

**Ensuring an Ethical Supply Chain**

How Cisco products are created—from a human rights perspective, from an environmental perspective, and from a community perspective—is very important to Cisco. In FY08, Cisco's top suppliers were asked to respond to additional questions regarding their own corporate social responsibility practices. To help ensure that our supply chain continues to be sustainable, Cisco also partners with a number of organizations dedicated to developing and disseminating best practices in the production and distribution of Internet and electronic technology and equipment.

Cisco is an early member of the Electronic Industry Citizenship Coalition (EICC), a group of companies whose mission is to create a comprehensive set of tools and methods that support credible implementation of a Code of Conduct throughout the electronics and information and communications technology (ICT) supply chain. Cisco sits on the Board of Directors of the organization and has helped guide the organization's expansion, and representatives are also involved in various work groups. Through the EICC, Cisco has actively contributed to the development of standardized methodologies, tools, and processes for assessing and monitoring supply chain social responsibility across our industry sector.

All Cisco suppliers are provided with the Cisco Supplier Code of Conduct, which conforms with the EICC code and sets forth performance and compliance expectations across five areas of social responsibility:

- Labor
- Health and safety
- Environmental
- Management system
- Ethics

In addition, Cisco is a long-time board member of the Global e-Sustainability Initiative (GeSI), a consortium of companies formed in 2001 in support of the United Nations Millennium Development Goals.

Through our involvement in GeSi, Cisco is working with other IT companies to further sustainable development in the IT sector, with particular focus on ICT product responsibility, supply chain management, and climate change. Work groups dedicated to these specific issues aim to provide industry advice to companies, policymakers, and consumers by:

- Creating an open and global forum for the improvement of products, services, and access to ICT for the benefit of environmental sustainability and society
- Facilitating international and multistakeholder cooperation for the ICT sector
- Encouraging harmonization and continual improvement in sustainability management within the industry
- Promoting and supporting greater awareness, accountability, and transparency



Cisco and Citizenship



In addition to our manufacturing suppliers, Cisco works with a number of vendors, many of whom represent small businesses that provide a number of services to Cisco. Diversity among these suppliers is an important part of our supply chain philosophy. We believe diversity is good for our business in a variety of ways:

- Regional diversity gives us access to worldwide skills and markets, and provides business resiliency if disruptions should occur in a particular region. It also helps reduce transportation costs.
- Culturally diverse suppliers offering different viewpoints and styles of interacting help us develop and market products that fit the needs of the global community.
- Social diversity promotes inclusiveness that benefits communities and local economies.
- Regional diversity helps balance the risks to the supply chain posed by such factors as potential civil unrest, natural hazards, and economic uncertainties.

The Cisco Global Supplier Diversity Business Development (GSDBD) program was established more than 15 years ago to provide equal access to businesses owned by minorities, women, people with disabilities, and military veterans, as well as to companies in historically underutilized business zones (HUBzones). Cisco has an internal goal of awarding 10 percent of our supplier expenditures to such businesses.

This program also provides ongoing supplier diversity training throughout Cisco's business units. To help identify diverse suppliers, Cisco works with external inclusion organizations and with Cisco's own employee networks. We have also implemented a vendor management tool that allows us to manage certified diverse suppliers.

For the past four years, Cisco has been recognized for our supplier diversity efforts by DiversityBusiness.com. Cisco ranks as one of the top 50 United States companies providing multicultural business opportunities, based on feedback received from more than 350,000 women- and minority-owned businesses.

Cisco and Citizenship



At Cisco, we engage with a wide range of stakeholders, including our employees, customers, investors, governments, and communities. Much of this engagement takes place as part of normal business practice, but we also solicit important feedback from stakeholders specifically on issues around our corporate citizenship activities.

Cisco consults with our stakeholders when we want to consider their views and involvement in making and implementing a business decision. This process also provides significant opportunities to further align our business practices with societal needs and expectations to help drive long-term sustainability and shareholder value.

Dialogue with our external and internal stakeholders improves our understanding of how Cisco is perceived, helps us evaluate stakeholder satisfaction, strengthens our citizenship programs, and allows us to identify important issues to address.

Through these engagements, Cisco aims to gain perspective and insight regarding our corporate citizenship performance, specifically:

- To learn more about how Cisco's current corporate citizenship is perceived and where the company could be more transparent or change current practice
- To get forward-looking information from stakeholders with particular subject-matter expertise, industry knowledge, or insight into our lines of business and specified growth areas
- To provide Cisco leadership with a chance to listen to different perspectives and build ongoing relationships with key influencers

The feedback from recent stakeholder engagements indicates that our stakeholders believe Cisco has made progress in areas of corporate social responsibility (CSR). Stakeholders view Cisco as a leader in CSR, as evidenced by our participation in the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), for example. In addition, stakeholders view Cisco as transparent, accessible, and a strong performer, and they feel our participation in external groups is wide ranging.

For the future, our stakeholders look to Cisco to provide more nuanced data and metrics in support of our CSR activities, as well as to anticipate trends and continue to play a leadership role in addressing emerging CSR issues.

### Cisco's Commitment to Stakeholders

Cisco engages with a diverse range of stakeholders:

- **Communities and civil society:** Through our operations and corporate and employee contributions, we strive to enhance the quality of life in the communities where we live and work, and upon which we depend.
- **Customers and consumers:** Our company consistently strives to treat customers and consumers fairly and honestly, maintain product quality and integrity, engage in responsible marketing and consumer information practices, and address social and health issues related to our products.
- **Employees:** We are committed to fostering workplaces that are safe and professional and that promote teamwork, diversity, personal development, and trust.
- **Environment:** We are committed to reducing the environmental impact of our activities and promoting the sustainable use of the natural resources on which we depend, while providing quality products that meet the needs of our customers and consumers.
- **Governments:** We are firmly committed to conducting business in compliance with the letter and spirit of the law, regulatory requirements, and other accepted standards of business conduct, and to working with legislators and government officials.
- **Shareholders:** We seek to create shareholder value by working hard and responsibly to achieve superior financial results, and through our commitment to transparency and integrity in our financial reporting.
- **Suppliers/business partners:** In all our business dealings, Cisco strives to be honest and fair. We seek to establish and maintain productive relationships with our business partners. In our markets, we will compete vigorously but fairly, complying with all laws protecting competition and the integrity of the marketplace.

Cisco actively collaborates and engages with the following stakeholder organizations:

- [The Carbon Disclosure Project](#), an independent nonprofit organization dedicated to creating a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change.
- [Climate Leaders](#), an EPA industry-government partnership that works with companies to develop comprehensive climate change strategies.
- [The Clinton Global Initiative](#), a nonpartisan community of global leaders from various backgrounds whose goal is to devise and implement innovative solutions to some of the world's most pressing challenges.
- [CSR Europe](#), the leading European business network for corporate social responsibility, whose mission is to support member companies in integrating CSR into their day-to-day business activities.
- [International Telecommunication Union \(ITU\)](#), a nonprofit organization dedicated to providing access to telecommunications technology on a global scale, to improving lives, and to safeguarding human rights.
- The [United Nations](#), the [United Nations Development Programme](#), and the [United Nations Environment Programme](#).

Cisco and Citizenship

- [Global eSustainability Initiative](#), an organization dedicated to the creation of an open and global forum for the improvement and promotion of products, services, and access to ICT for the benefit of human development and sustainable development
- The [Electronic Industry Citizenship Coalition](#) (EICC), whose goal is to create a comprehensive set of tools and methods that support credible implementation of the Code of Conduct throughout the electronics and information and communications technology supply chain.
- The [Climate Group](#), an independent, nonprofit international organization dedicated to advancing business and government leadership on climate change.
- [Environmental Defense Fund](#), a leading national nonprofit organization that links science, economics, and law to create innovative, equitable, and cost-effective solutions to society's most urgent environmental problems.
- The [World Business Council for Sustainable Development](#) (WBCSD), a CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development.
- [The World Economic Forum](#) (WEF), an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional, and industry agendas.

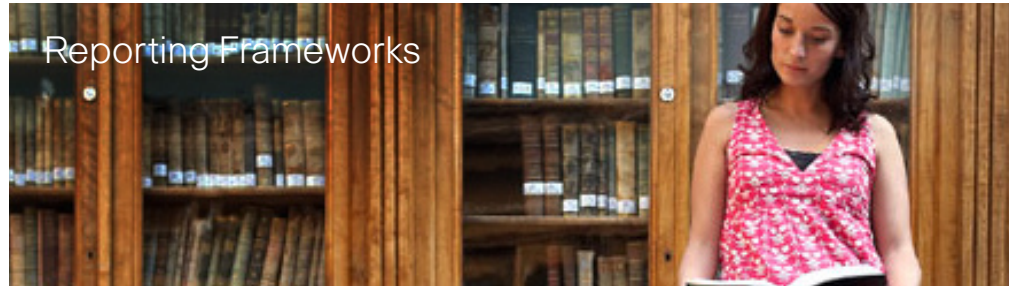
Cisco engages with the following stakeholder organizations in a monitoring or educational capacity:

[Amnesty International](#)  
[Catholic Agency for Overseas Development](#)  
Centre for Reflection and Action on Labour Issues  
[Good Electronics](#)  
[European Metalworkers' Federation](#)  
[Global Reporting Initiative](#)  
[Greenpeace](#)  
[International Metalworkers' Federation](#)  
[Silicon Valley Toxics Coalition](#)  
[Centre for Research on Multinational Corporations](#)

Through industry forums, Cisco engages with the following stakeholder organizations:

[The Association for Sustainable & Responsible Investment in Asia](#)  
[Ethics and Compliance Officers Association](#)  
[Ethifinance](#)  
[The Ethical Funds Company](#)  
[Henderson Global Investors](#)  
[Interfaith Center on Corporate Responsibility](#)  
[World Wildlife Fund](#)

Cisco and Citizenship



Cisco's corporate social responsibility practices improve our accountability, business sustainability, and employee well-being, and contribute to environmentally conscious operations and products. Cisco consults with a diverse pool of stakeholders concerning existing and emerging issues relevant to our industry.

In addition to our responsible management practices and stakeholder consultation, we support and report against the following voluntary reporting guidelines and frameworks:

- [Progress on the United Nations Global Compact](#)
- [United Nations Millennium Development Goals](#)
- [Key Performance Indicators](#)
- [Global Reporting Initiative Indicators & Telecommunications Supplement](#)

## Progress on the United Nations Global Compact

The United Nations Global Compact (UNGC) aims to bring businesses together with UN agencies, labor organizations, civic organizations, and governments to address critical issues affecting much of the world's population.

The purpose of the UNGC is to expand prosperity and peace through the creation of sound business, trade, and investment practices. To achieve this, participating businesses are asked to align their practices with [principles](#) in the areas of [Human Rights](#), [Labor](#), the [Environment](#), and [Anti-Corruption](#).

Cisco has supported the UNGC since 2001. Our commitment to the organization is reflected in the integration of the UNGC principles into our own codes of conduct, our commitment to the Electronic Industry Citizenship Coalition, our human resources policies, and our environmental programs, to name a few examples.

### Ten Principles of the UN Global Compact

#### [Human Rights](#)

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and
- [Principle 2](#): make sure that they are not complicit in human rights abuses.

#### [Labor Standards](#)

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): the elimination of all forms of forced and compulsory labor;
- [Principle 5](#): the effective abolition of child labor; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation.

#### [Environment](#)

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

#### [Anti-Corruption](#)

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

## United Nations Millennium Development Goals

The [United Nations Millennium Development Goals](#) (MDGs) were created in response to the world's primary development challenges. From cutting poverty in half to halting the spread of HIV/AIDS, the eight goals are drawn from the Millennium Declaration signed by 147 heads of state and governments in 2000. They serve as blueprints for governments toward building a better world in the 21st century. Specifically, signers and supporters of the MDGs have committed to making recognizable progress on addressing these issues by the year 2015.

Cisco has supported both the MDGs and the United Nations Development Programme, the UN sponsoring organization, since their inception. In FY08, Cisco joined representatives from Google and the UN to unveil the [MDG Monitor](#), an online web based portal that allows interested parties to access accurate and timely information on how much progress is being made toward achieving the MDGs both globally and at the country level, a project that Cisco helped develop.

Intended to serve as a resource for policymakers, development practitioners, journalists, students, and others, the tools at MDG.org provide information on the number of families living in extreme poverty (defined as an income of less than \$1 per day), the number of underweight and malnourished children, and other indicators, on a global scale in real time. Country-specific reports, outlining progress by goal, are also available.

By using the power of the human network to bring focus to the needs of some countries, and the successes of others, Cisco firmly believes that the MDG Monitor can effectively promote renewed national efforts, and guide expertise and resources to those in need.

We also believe that Cisco's education, human services, environmental, and partnership projects around the world are helping to address the MDGs.

# Key CSR Performance Indicators

The Key Performance Indicators (KPIs) in the table below represent a quantification of our corporate social responsibility (CSR) performance and progress over the past year.

We regularly review and track our performance in these areas throughout the year, and provide the results to Cisco leaders and program managers. In addition, we compare our performance against our competitors and other corporate social responsibility leaders to arrive at a benchmark.

The table provides an overview of Cisco's CSR performance. Additional details can be found throughout each section of the *Cisco Corporate Social Responsibility* report.

Indicators		FY05	FY06	FY07	FY08
<b>Workplace</b>					
<b>Employee satisfaction</b>	Percentage of employees who agreed with seven statements about Cisco as a place to work (average)	81%	85%	86%	87%
<b>Voluntary employee attrition</b>	Total voluntary attrition as percentage of ending headcount	4.59%	5.45%	4.52% <sup>1</sup>	5.01%
<b>Health and safety (U.S. only)</b>	Number of nonfatal injuries and illnesses	129	107	93	137
<b>Diversity</b>					
<b>Women</b>	Women as percentage of total global employees	21.80%	22.10%	23%	23.50%
	Women in VP positions or above as percentage of global employees	13.20%	14.00%	12.70%	15.50%
<b>Ethnic minorities (U.S. only)</b>	Ethnic minorities as percentage of total U.S. employees	42.30%	42.80%	43.70%	44.70%
	Ethnic minorities in VP positions or above as percentage of total U.S. employees	17.60%	17.50%	15.60%	22.20%



## Cisco and Citizenship

	Units	FY05	FY06	FY07	FY08
<b>Environmental KPI</b>					
<b>Total net sales</b>	\$M	24,801	28,484	34,922	39,540
<b>Greenhouse gas emissions (Scope 1 and 2)</b>	metric tons of carbon dioxide equivalent (mTCO <sub>2</sub> e)	426,052	526,155	498,250	408,643
<b>Normalized greenhouse gas emissions (Scope 1 and 2)</b>	mTCO <sub>2</sub> e per \$M total net sales	17.2	18.5	14.3	10.3
<b>Greenhouse gas emissions (Scope 3 air travel)</b>	mTCO <sub>2</sub> e	171,140 <sup>2</sup>	211,178	219,874	221,092
<b>Normalized greenhouse gas emissions (Scope 3 air travel)</b>	mTCO <sub>2</sub> e per \$M total net sales	not applicable <sup>2</sup>	7.4	6.3	5.6
<b>Electricity from renewable sources</b>	millions of kWh	~0	14	112	342
<b>Product recycling</b>	mT recycled equipment <sup>3</sup>	not available	4516	7102	8906

Cisco and Citizenship

Indicators		FY05	FY06	FY07	FY08
<b>Social Impact</b>					
<b>Social investment</b>	Total corporatewide and foundation cash and in-kind contributions	\$65 million	\$115.5 million	\$116.8 million	\$92 million
<b>Employee volunteerism</b>	Number of hours volunteered by employees	235,000 <sup>4</sup>	160,000	130,000	91,160
<b>Cisco Networking Academy</b>	Number of active students in Cisco Networking Academy courses <sup>5</sup>	596,840	597,085	637,304	716,987
<b>Leadership Fellows</b>	Cisco leaders who share their expertise with nonprofit organizations	5	8	17	20
<b>Social and economic investment</b>	Number of countries or regions where Cisco currently invests or manages programs <sup>6</sup>	160	160+	160+	160+
<b>Strategic partners</b>	Significant collaborations with corporate partners, nonprofit organizations, and NGOs	31	36	34	41

<sup>1</sup> FY07 percentage adjusted for acquisitions.

<sup>2</sup> FY05 Scope 3 emissions could not be upgraded like air travel emissions for FY06 – FY08, so the reported value is the same as previously reported and should not be trended with or compared to later years.

<sup>3</sup> Recycled equipment represents material sent to Cisco's recycling vendors. Cisco collects equipment from customer and service returns as well as Cisco internal return and employee eScrap efforts. A portion of returned equipment is repaired if needed and repurposed, with the balance sent to a Cisco recycling vendor.

<sup>4</sup> In FY05 volunteerism increased significantly as part of that year's 20 Years of Service campaign.

<sup>5</sup> In FY08 the Networking Academy standardized on an "active" definition for calculating student, academy, instructor, and country metrics that uses a 12-month participation window. The data in this table, based on the new active definition, has changed compared to data reported in previous Cisco Corporate Social Responsibility Reports.

<sup>6</sup> For administrative purposes, we have defined some regions as countries that are not autonomous states or are not recognized as countries by international bodies such as the United Nations. Examples of these include American Samoa, French Polynesia, Hong Kong, and Puerto Rico.

# Report on Global Reporting Initiative Indicators

The [Global Reporting Initiative](#) (GRI) is an independent, nonprofit organization that has pioneered the development of the [Sustainability Reporting Guidelines](#) (SRGs), which serve as the cornerstone of one of the world’s most widely used sustainability reporting frameworks.

The GRI is committed to the continuous improvement and application of its reporting guidelines worldwide, and through the SRGs, sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.

Cisco shares GRI’s commitment to corporate transparency, accountability, reporting, and sustainability, and employs these guidelines to measure our own performance in these areas. Information in the table below cross-references our report content with specific GRI indicators.

**GRI Cross Reference**

**STRATEGY AND ANALYSIS**

No.	Question/Indicator:	Reported:	Links
<b>Strategy And Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	Yes	<a href="#">Letter from John Chambers</a>
1.2	Description of key impacts, risks, and opportunities	Yes	<a href="#">Cisco and Citizenship</a>



## Cisco and Citizenship

**ORGANIZATION PROFILE**

No.	Question/Indicator:	Reported:	Links
<b>Organization Profile</b>			
2.1	Name of the organization	Yes	<a href="#">Cisco</a>
2.2	Primary brands, products, and/or services	Yes	<a href="#">About Cisco</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Yes	<a href="#">Cisco Corporate Overview</a>
2.4	Location of organization's headquarters	Yes	<a href="#">Cisco Fact Sheet</a>
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Yes	<a href="#">Cisco Offices Worldwide</a>
2.6	Nature of ownership and legal form	Yes	<a href="#">Cisco Investor Relations</a>
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Yes	<a href="#">Cisco Corporate Overview</a>
2.8	Scale of the reporting organization, including: Number of employees, Net sales, Total capitalization broken down in terms of debt and equity, Quantity of products or services provided	Yes	<a href="#">Annual Financial Statements</a>
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: The location of, or changes in operations, including facility openings, closings, and expansions; Changes in the share capital structure and other capital formation, maintenance, and alteration operations	Yes	<a href="#">Cisco Annual Reports</a>
2.10	Awards received in the reporting period	Yes	<a href="#">CSR Awards</a> <a href="#">Corporate Awards</a>

## Cisco and Citizenship

**REPORT PARAMETER**

No.	Question/Indicator:	Reported:	Links
<b>Report Profile</b>			
3.1	Reporting period for information provided	Yes	<a href="#">Cisco Fiscal Year 2008</a>
3.2	Date of most recent previous report	Yes	<a href="#">Cisco Fiscal Year 2007</a> 
3.3	Reporting cycle (annual)	Yes	<a href="#">Previous Reports</a> 
3.4	Contact point for questions regarding the report or its contents	Yes	<a href="mailto:citizenship@cisco.com">citizenship@cisco.com</a>
<b>Report Scope and Boundary</b>			
3.5	Process for defining report content, including: Determining materiality, Prioritizing topics within the report, and Identifying stakeholders the organisation expects to use the report	Yes	<a href="#">Cisco and Citizenship</a>
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Yes	Cisco and subsidiaries
3.7	State any specific limitations on the scope or boundary of the report	Yes	Only as noted in report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Yes	Cisco uses equity share to set boundaries for reporting. Outsourced operations are included to the extent included in discussions of direct and indirect supply chain.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	Yes	<a href="#">Key Performance Indicators</a> Only as noted in report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Yes	<a href="#">Key Performance Indicators</a> Only as noted in report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Yes	<a href="#">Key Performance Indicators</a> Only as noted in report

Cisco and Citizenship

**GRI Context Index**

No.	Question/Indicator:	Reported:	Links
<b>Gri Context Index</b>			
3.12	Table identifying the location of the Standard Disclosures in the report	Yes	Global Reporting Initiative Indicators
<b>Assurance</b>			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	No	

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**GOVERNANCE**

No.	Question/Indicator:	Reported:	Links
<b>Governance</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Yes	<a href="#">Corporate Governance</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Yes	<a href="#">Board of Directors</a>
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Yes	<a href="#">Board of Directors</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Yes	<a href="#">Code of Business Conduct</a> <a href="#">Accountability and Responsibility</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Yes	<a href="#">Accountability and Responsibility</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Yes	<a href="#">Code of Business Conduct</a> <a href="#">Accountability and Responsibility</a>
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Yes	<a href="#">Corporate Governance Policies</a> <a href="#">Accountability and Responsibility</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Yes	<a href="#">Letters from John Chambers and Tae Yoo</a> <a href="#">Cisco and Citizenship</a> <a href="#">Cisco and Our Employees</a> <a href="#">Cisco and the Environment</a> <a href="#">Cisco and Society</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Yes	<a href="#">Responsible Management and CSR Governance</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Yes	<a href="#">Responsible Management and CSR Governance</a>



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<b>Commitments to External Initiatives</b>			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Yes	<a href="#">Energy Efficiency</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Yes	<a href="#">Reporting Frameworks</a> <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic	Yes	<a href="#">Reporting Frameworks</a> <a href="#">Key Performance Indicators</a> <a href="#">Stakeholder Engagement</a> <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>
<b>Stakeholder Engagement</b>			
4.14	List of stakeholder groups engaged by the organization	Yes	<a href="#">Stakeholder Engagement</a>
4.15	Basis for identification and selection of stakeholders with whom to engage.	Yes	<a href="#">Stakeholder Engagement</a>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Yes	<a href="#">Stakeholder Engagement</a>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Yes	<a href="#">Cisco and Citizenship</a> <a href="#">Cisco and our Employees</a> <a href="#">Cisco and the Environment</a> <a href="#">Cisco and Society</a>



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**ECONOMIC**

No.	Question/Indicator:	Reported:	Links
<b>Economic Performance</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Yes	<a href="#">Cisco Annual Reports</a> 
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Yes	<a href="#">Cisco and the Environment</a>
EC3	Coverage of the organization's defined benefit plan obligations	Yes	<a href="#">2008 Annual Report (PDF version)</a> 
EC4	Significant financial assistance received from government	No	
<b>Market Presence</b>			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Yes	<a href="#">Supply Chain: Diversity</a>
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	No	
<b>Indirect Economic Impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Yes	<a href="#">Cisco and Society</a>

Cisco and Citizenship

**ENVIRONMENTAL**

No.	Question/Indicator:	Reported:	Links
<b>Materials</b>			
EN1	Materials used by weight or volume	No	
EN2	Percentage of materials used that are recycled input materials	No	
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source	Yes	<a href="#">Key Performance Indicators (Scope 1)</a> <a href="#">Cisco and the Environment</a>
EN4	Indirect energy consumption by primary source	Yes	<a href="#">Key Performance Indicators (Scope 2)</a> <a href="#">Cisco and the Environment</a>
EN5	Energy saved due to conservation and efficiency improvements	Yes	<a href="#">Cisco and the Environment</a>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Yes	<a href="#">Cisco and the Environment</a>
<b>Water</b>			
EN8	Total water withdrawal by source	Yes	<a href="#">Reducing Water Use</a>
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No	Not applicable
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	No	Not applicable

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<b>Emissions, Effluents, and Waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight	Yes	<a href="#">Key Performance Indicators Cisco and the Environment</a>
EN17	Other relevant indirect greenhouse gas emissions by weight	Yes	<a href="#">Key Performance Indicators Cisco and the Environment</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Yes	<a href="#">Key Performance Indicators Cisco and the Environment</a>
EN19	Emissions of ozone-depleting substances by weight	No	Not applicable
EN20	NOx, SOx, and other significant air emissions by type and weight	No	Not applicable
EN21	Total water discharge by quality and destination	Yes	<a href="#">Water, Air, Food, Waste</a>
EN22	Total weight of waste by type and disposal method	Yes	<a href="#">Water, Air, Food, Waste</a>
EN23	Total number and volume of significant spills	No	Not applicable
<b>Products and Services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Yes	<a href="#">Environmentally Responsible Products and Supply Chains Supply Chain: Sustainability</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Yes	<a href="#">Products: End-of-Life Management</a>
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No	

Cisco and Citizenship

**SOCIAL PERFORMANCE: LABOR PRACTICES & DECENT WORK**

No.	Question/Indicator:	Reported:	Links
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region	Yes	<a href="#">Cisco and Our Employees</a>
LA2	Total number and rate of employee turnover by age group, gender, and region	Yes	<a href="#">Key Performance Indicators</a> <a href="#">Cisco and our Employees</a>
<b>Labor/Management Relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements	No	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	No	
<b>Occupational Health and Safety</b>			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Yes	<a href="#">Key Performance Indicators</a> <a href="#">Wellness around the globe</a> <a href="#">Family Assistance</a>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Yes	<a href="#">Balancing Life, Promoting Wellness</a> <a href="#">Workplace Flexibility</a> <a href="#">Wellness around the Globe</a> <a href="#">Fitness and Ergonomics</a> <a href="#">Family Assistance</a> <a href="#">Global Safety and Security</a>
<b>Training and Education</b>			
LA10	Average hours of training per year per employee by employee category	Yes	<a href="#">Diversity Education</a> <a href="#">Developing Leaders at Every Level</a> <a href="#">The C-Lead Model</a> <a href="#">Executive Development</a> <a href="#">Manager and High-Potential Development</a> <a href="#">Career Development</a>
<b>Diversity and Equal Opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Yes	<a href="#">Cultivating Inclusion and Diversity</a> <a href="#">Employee Resource Groups</a> <a href="#">Diversity Education</a>
LA14	Ratio of basic salary of men to women by employee category	No	

Cisco and Citizenship

**SOCIAL PERFORMANCE: HUMAN RIGHTS**

No.	Question/Indicator:	Reported:	Links
<b>Investment and Procurement Practices</b>			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Yes	<a href="#">Cisco and Society</a>
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Yes	<a href="#">Supplier Code of Conduct</a>  <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>
<b>Non-Discrimination</b>			
HR4	Total number of incidents of discrimination and actions taken	No	
<b>Freedom of Association and Collective Bargaining</b>			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Yes	<a href="#">Supplier Code of Conduct</a>  <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>
<b>Child Labor</b>			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Yes	<a href="#">Supplier Code of Conduct</a>  <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>
<b>Forced and Compulsory Labor</b>			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	Yes	<a href="#">Supplier Code of Conduct</a>  <a href="#">CSR, Business Resiliency, and Responsible Risk Management</a>

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**SOCIAL PERFORMANCE: SOCIETY**

No.	Question/Indicator:	Reported:	Links
<b>Community</b>			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Yes	<a href="#">Cisco and Society</a>
<b>Corruption</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption	Yes	<a href="#">Responsible Management and CSR Governance</a> <a href="#">Engaging Our Employees</a> <a href="#">Cisco Code of Business Conduct</a> ↗
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Yes	<a href="#">Responsible Management and CSR Governance</a> <a href="#">Engaging Our Employees</a> <a href="#">Cisco Code of Business Conduct</a> ↗
SO4	Actions taken in response to incidents of corruption	Yes	<a href="#">Accountability and Responsibility</a> <a href="#">Responsible Management and CSR Governance</a> <a href="#">Cisco Code of Business Conduct</a> ↗
<b>Public Policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying	No	
<b>Compliance</b>			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No	

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**SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY**

No.	Question/Indicator:	Reported:	Links
<b>Customer Health and Safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Yes	<a href="#">Environmentally Responsible Products and Supply Chains</a>
<b>Products and Service Labelling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	No	
<b>Marketing Communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	No	
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No	

# Cisco and Our Employees

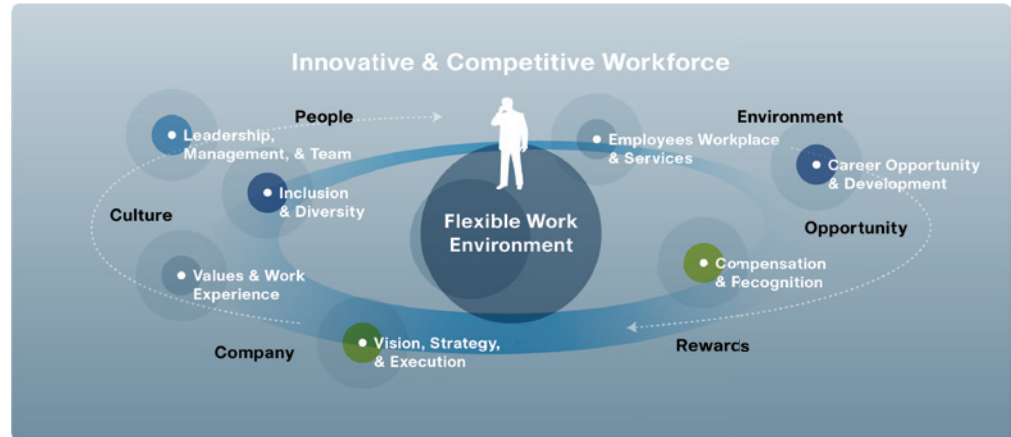
## Message from a New Hire

As Cisco's chief technology officer, Padmasree Warrior helps define our technological strategy and pursue innovation, working closely with the company's senior executive team and Board of Directors to align these efforts with Cisco's corporate goals.

As an evangelist for what is possible, she pushes the organization to stretch beyond its current capabilities, not just in technology, but also in its strategic partnerships and new business models. Warrior assumed her position in March 2008.

"I want people to see Cisco as an incredibly capable company poised to lead the next wave of global innovation," Warrior says. "And I want people to gain a clear sense of the extra effort that Cisco puts into understanding customer and partner goals, both current and future, and the way we work with them to meet those goals.

"Enabling others to innovate is central to the future model of innovation. In essence, I want everyone to understand that innovation and collaboration are intertwined like the double helix of DNA. This is the code to our culture at Cisco."



To stay innovative and competitive, Cisco must attract and retain the very best and brightest employees. We compete for our employees globally, not just in the IT sector but across a broad spectrum of industries. Many of our new hires are young people who come to us with different expectations about their work environments than past generations had. They take flexible workplaces and collaborative technologies for granted, and they bring a facility for social networking and a multicultural outlook to their jobs.

How and where people work has changed. And as the working world continues to evolve, so do the needs and aspirations of the global workforce. At Cisco, we recognize that the innovations we introduce to our employee relations and engagements are just as important to our business as the technical innovations we introduce to networking. And we also know that employees expect to take advantage of company-sponsored career development opportunities, whatever their jobs and aspirations.

We constantly reevaluate our programs and work environments to make sure they meet the needs of our employees, who vary widely in their job descriptions, ages, working styles, cultural backgrounds, career aims, and personal lives. We seek new ways to cultivate inclusiveness, develop leadership abilities, nurture career growth, and engage our employees in our strategies and objectives. Plus, we continually adjust our policies with a view to helping employees stay healthy and keep their work and home lives in balance.

In all these matters, we look to our employees for their ideas and personal involvement. A diverse and highly collaborative workforce like ours can offer a wealth of perspectives that often lead to transformative programs. It's all part of the collaborative force that drives the human network effect.

## Who We Are

Cisco is a multigenerational, multicultural community. There are many ways of looking at Cisco's employees. Here are a few insights into our workforce:

## Where We Live

Cisco employs more than 66,000 people in 70 countries and over 300 locations worldwide. Approximately one third of our employees work at the headquarters site in San Jose, California.



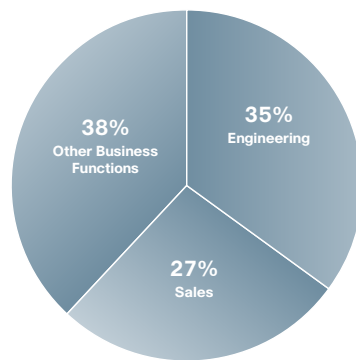
Cisco and Our Employees

**How We Work**

Fully 63 percent our employees' working time is spent communicating and collaborating, and 56 percent of their work is accomplished away from their desks. Collaborative work is more often conducted virtually, using collaborative technology (35 percent), than face to face (28 percent). Forty percent of Cisco employees report to a manager located in another city, state, or country. The average commute time for Cisco employees is 1.4 hours a day, and 85 percent of our employees telecommute at least part of the week. Those who telecommute complete 24 percent of their work outside the office, and 48 percent of work done while telecommuting takes place outside business hours, which underscores our ability to work flexibly.

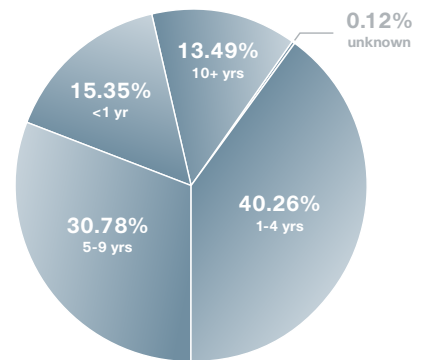
**What We Do**

Our workforce has a variety of skill sets, but as one might expect we have a large engineering contingent. More than 17,000 Cisco engineers work in 10 major development centers around the world.



**We Have a Low Turnover**

Cisco has one of the lowest rates of voluntary employee attrition in the IT industry: just 5 percent. Among the companies we have acquired, attrition is only 3 percent during the initial commitment period (typically two years). Since 2003, more than 80 percent of employees who came to Cisco through acquisitions have continued with the company.



Read more about Cisco's employees and employee programs:

[Welcome to Cisco](#): Programs for recruiting top talent and integrating new hires and acquisition employees into the company

[Engaging Our Employees](#): How Cisco gathers employees' opinions and helps them connect with the company's vision and strategies

[Cultivating Inclusion and Diversity](#): Initiatives for increasing and encouraging diversity in our corporate culture

[Developing Leaders at Every Level](#): The many ways Cisco helps build employees' work and leadership skills at all levels

[Balancing Life, Promoting Wellness](#): Programs that give Cisco employees more flexibility in their work and life, and help them stay healthy and safe

Cisco and Our Employees



Cisco extends a warm welcome to new employees, starting with the recruiting process and extending to programs for new hires and employees of acquired companies. We want employees to experience the best that Cisco has to offer, beginning on their very first day.

**Casting a Wide Net**

Diversity, the collective mix of who we are as individuals, is central to Cisco's culture and way of doing business. We actively seek to hire people of diverse backgrounds, cultures, skills, and points of view because we firmly believe that a more inclusive workforce positions our company to:

- Anticipate important changes in world markets
- Respond to a wide spectrum of customer needs
- Tap rich sources of technical and business innovation
- Build a solid foundation for the future

We sharpened our recruiting focus in 2008 by adding a dedicated diversity recruiting oversight manager and developing a comprehensive global strategy for diversity recruitment. This strategy focuses on broadening our reach, identifying and targeting untapped resources, and increasing the diversity of the candidate pool for executive, professional, and university hires.

To improve our candidate hiring experience, in February 2008 Cisco began administering online surveys to hiring managers and external job candidates. The surveys, which will be conducted each quarter, help identify opportunities to improve our hiring processes. The survey data assesses the quality of interactions between the staffing organization, hiring managers, candidates, and new hires.

Cisco uses many channels to identify and recruit top talent, looking not only for strong skill sets but also for unique perspectives and cultural experiences. We partner with a variety of technical, professional, and community organizations, among them the National Society of Black Engineers, the Society of Women Engineers, the National Society of Hispanic Engineers, the Chinese Institute of Engineers, the National Society of Black MBAs, the National Society of Hispanic MBAs, and the Anita Borg Institute for Women and Technology. Cisco is also involved in a number of military and veterans hiring programs.

Cisco has a strong community of employee resource groups representing the diverse cultures and interests of our workforce. These groups are active both inside and outside the company through mentor programs, community outreach, recruiting, and social networking. By valuing the differences that make each person unique, we are able to increase individual and team performance, productivity, and satisfaction. We also encourage managers and employees to actively engage with culturally rich organizations that allow them to grow personally and professionally, while also broadening Cisco's network of talented employees.

### **Making Sure New Engineers Find a Good Fit**

Cisco Choice, one of the most distinctive recruiting programs in the IT industry, is designed to attract top engineers from select U.S. universities.

All new graduates who receive an offer to join the Cisco Choice program participate in the selection of their workgroups and managers. They attend a three-week orientation and placement program, where they meet managers from different technology groups to get an impression of their management styles and plans. An open-house event provides additional time for the engineers to meet with prospective managers. A Cisco Choice wiki is also available for information sharing.

After the orientation, the new hires indicate their preferences for particular groups and managers, then are integrated into an organization through mentor programs and networking events. During FY08, Cisco hired 500 graduates through the program.

### **Web-Based Recruiting and Hiring**

Web 2.0 technologies have opened new avenues for Cisco's recruiting, interviewing, and orientation activities while also avoiding the time, expense, and carbon emissions involved in travel. For college recruits, we conduct on-campus virtual information sessions during which potential hires hear a presentation by a Cisco executive and then go to a virtual room to meet with a manager from a specific business unit. For executive candidates, we host interviews using Cisco TelePresence technology. Since January 2008, about 40 candidates for executive positions have participated in approximately 250 Cisco TelePresence interviews. Each candidate took part in interviews with several Cisco executives remotely, simplifying and shortening the hiring process without requiring the participants to take significant time off from work.

Cisco even recruits in cyberspace. To attract the next generation of collaboration technology workers, Cisco has a recruiting presence in Second Life, the web-based virtual world provided by Linden Lab. In this three-dimensional virtual environment, Cisco "avatars" host technical talks, resume-writing seminars, and question-and-answer sessions with Cisco executives. On November 6, 2007, Cisco conducted a Channel Partner Career Fair on Second Life, with four partners participating.

Visit Cisco on [Second Life](#).

Watch a [recruiting video](#) recorded in Second Life.

### **Cisco's New Hire Network**

The Cisco New Hire Network is a resource for new, early-in-career professionals. Like other Cisco employee resource groups (ERGs), the New Hire Network helps its members share knowledge, build leadership skills, and develop professional relationships. The program offers a self-paced, online training module covering Cisco history, customers, processes, and tools that helps acclimate new employees to Cisco's corporate culture. It also provides opportunities for professional networking and collaboration with other new hires, and hosts a forum for conversing with company leaders. In August 2008, the New Hire Network held its first Welcome to Cisco event to formally welcome new employees and ease their assimilation into the company, including introducing them to the other Cisco ERGs.

### **Welcoming New Employees from Acquisitions**

Acquisitions play an important role in Cisco's strategy for long-term growth, and they are critical in successfully developing our next generation of products and solutions. We take care to welcome the employees of our acquisitions into the Cisco family, where they can benefit from expanded personal development and career opportunities. In fact, some of our most senior leaders originally joined Cisco from acquired companies. This supportive environment contributes to Cisco's high retention rate of 80 percent of acquired employees since FY03.

Employees of a company that is being acquired can feel overwhelmed by the experience. Cisco uses a high-touch human resources (HR) model to introduce newly acquired employees to the company culture and make them feel at home. Communication is a vital component of this "on-boarding" process.

**Bringing Sales Talent to the Marketplace**

The Cisco Sales Associate Program is a worldwide graduate recruitment program designed to infuse the field sales organization with early-in-career, diverse talent whose vitality, skills, and creative thinking fuel productivity and strengthen Cisco's long-term competitive advantage.

Associate education is a blend of classroom instruction, hands-on lab exercises, self-study, and on-the-job training that offers participants the opportunity to apply their training to real-world sales scenarios, and to gain hands-on customer experience.

Over the last several years, the program has graduated more than 1500 account managers and systems engineers, representing over 40 countries and accounting for 10 percent of Cisco's worldwide sales force. They contributed more than \$1 billion in revenue and consistently achieved 100 percent of their sales quotas in their first year.

As soon as an acquisition is announced, a Cisco HR Acquisitions team is dispatched to the acquired company's site. The team meets with employees to walk through the integration process and timeline, making sure they know what to expect in the upcoming weeks and resolving any urgent professional or personal concerns. Every new employee receives a welcome letter and a list of contacts for ongoing support. Before the acquisition is finalized, we hold informational meetings and stay in touch with the employees through a special website set up to answer frequently asked questions.

Engaging the managers of the acquired company is also a key part of the process. In doing so, we seek to involve these managers in the process of on-boarding the rest of the acquired employees. We work with the management team to integrate the new employees into our compensation structure, discussing each employee individually. For smaller acquisitions, the result of these discussions is usually a personal letter delivered to each employee prior to the acquisition closing date.

When the acquisition closes, we hold an onsite orientation meeting to ensure a smooth integration process for the new employees. This helps them become productive quickly, and assures them that a support structure is there when they need it. The New Employee Orientation includes information on a range of areas, including Cisco benefits, policies, workplace resources, and security. The HR Acquisitions team typically continues its high-touch model of involvement over the 30 days following the close of the acquisition, as employees transition to their new Cisco HR manager.

Cisco and Our Employees



We define employee engagement as the connection that our employees feel to Cisco's vision, strategies, and business execution, together with their commitment to helping us realize our objectives over time. We have found that employee engagement is closely related to productivity and job satisfaction. Research shows that employees who confirm that they are closely linked with a company are 20 percent more productive and 87 percent less likely to leave their positions.

An important part of Cisco employee engagement is the Cisco Code of Business Conduct, a resource that employees can rely on for guidance as they strive to act with integrity in the workplace. The code promotes:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to government agencies and in other public communications
- Protection of confidential and proprietary information about Cisco, our employees, contractors, customers, partners, and vendors
- Compliance with applicable governmental directives, laws, rules, and regulations
- Prompt internal reporting of any violations of the code

Every employee is accountable for adherence to the Cisco Code of Business Conduct, and we ask each of our employees to acknowledge their commitment to these shared values every year.

### Taking the Pulse of the Workforce

The Cisco Pulse Survey is a confidential, online employee survey that helps us measure key elements of employee satisfaction and engagement so we can target areas for improvement in our work environment. In the past, the survey was conducted quarterly and involved randomly sampled employees. Starting with FY08, the Pulse Survey will be conducted annually and encompass our entire workforce.

The Pulse Survey is a census survey, designed to solicit feedback from employees in each Cisco organization, function, or business unit. There are currently 54 core questions in 10 categories:

- **Cisco as a Place to Work:** General satisfaction/loyalty/engagement perceptions
- **Manager:** Areas specific to direct manager intervention
- **Career Development:** How employees perceive career opportunities and advancement at Cisco
- **Results and Recognition:** Links between employee effort and recognition
- **Teamwork and Cooperation:** What employees think about collaboration in the workplace
- **Understanding the Business:** Employees' understanding of and belief in Cisco's strategic direction and their role in Cisco's success

### Creating Value with Wikis

Dawn O'Bryan-Lamb, a Cisco IT program manager in California, implemented a limited competitive bid process for consultant engagements that has saved Cisco more than \$300,000 in the two quarters the program has been in effect. She has found that the process can save \$10,000 to \$20,000 per engagement/consulting contract. To spread the word, O'Bryan-Lamb created a Cisco wiki describing how other employees can implement a similar process in their own groups.

- **Empowerment:** How employees regard their autonomy and authority
- **Honesty and Ethics:** Trust in leadership and ethical practices
- **Job Satisfaction:** Employees' feelings about their work
- **Workgroup:** How employees perceive the teams and groups in which they work

Overall participation and results have improved since the first Cisco Pulse Survey was conducted in 2006. This year, 73 percent of employees responded to the survey, compared to 69 percent in 2006. Cisco was rated as a great place to work by 87 percent of respondents, up from 85 percent in 2006. The Understanding the Business category received a particularly positive response, with 85 percent of the employees indicating they have a good grasp of our business, up from 82 percent in 2006.

The Cisco Pulse Survey will continue to evolve as we find new and better ways to engage with our employees. Specifically, we see room for improvement in the Career Development and the Results and Recognition areas.

### Input from Focus Groups

In addition to the Pulse Survey, we use focus groups consisting of several employees interacting together and with the survey taker to help improve employee satisfaction and respond to their needs. Focus groups in FY08 looked at employee engagement issues, flexible work practices, and employee health and family support. The new Cisco LifeConnections Center, scheduled to open in late 2008, is an integrated childcare, fitness, and employee health center that came about as the direct result of input generated in focus groups.

### A Wiki for Sparking Innovation

The Idea Zone, or I-Zone, is a wiki sponsored by the Cisco Emerging Technologies Group that gives all employees the opportunity to submit new product ideas or build on their colleagues' ideas. Employees have submitted more than 500 ideas through this interactive online forum, including input that led to the Cisco TelePresence collaboration solution, one of our most innovative and successful emerging technologies. Over 20,000 unique users have visited the site to date, and there have been more than 1900 edits or comments to the 500 different categories.

All ideas generated by I-Zone go through an innovation framework and filter function. Some ideas are given to the Action Learning Forum, a talent development program aimed at incubating business models to support new product opportunities. The best ideas may result in the formation of a new business unit, presenting a leadership opportunity for select Action Learning Forum participants.

### Wider Recognition for Achievers

The Employee Recognition Initiative singles out exceptional employees who deserve kudos for their achievements from colleagues and peer organizations outside the company. Cisco managers can submit nominations for awards given by groups outside the company, such as Black Engineer of the Year, Asian Engineer of the Year, Women of Color Research Sciences and Technology Awards, Chinese Institute of Engineers/USA, and the YWCA Tribute to Women and Industry Program.

### Direct Access to Cisco Executives

Birthday Chats, a long-standing Cisco tradition, offers Cisco Chairman and CEO John Chambers an occasion for celebrating a personal day with employees while giving them a venue for asking questions and sharing information. The Birthday Chats, held every other month, provide an open forum where employees can voice concerns and get straight answers about a variety of topics.

Cisco and Our Employees

Employees in Raleigh, North Carolina, and Richardson, Texas, can participate remotely by streaming video, and other remotely located employees can attend using Cisco TV. A video of the session, organized by the questions asked, is made available to all employees following the event.

Chambers also records his "On My Mind" and "On Your Mind" video blogs every other month, where he talks about our business and answers questions. Several other leaders at Cisco use videos, blogs, and discussion forums to communicate on topics that are important to them, their teams, or our customers. All Cisco employees are encouraged to join in these discussions.

For example, Cisco CFO Frank Calderoni issued a challenge to employees at a company meeting in March 2008, encouraging them to find ways to manage Cisco spending in areas such as travel, training, outside services, office supplies, and equipment purchases. The goal: save the company \$1000 per employee. As a follow up, Calderoni wrote a blog on the Cisco Finance website that was also posted to the employee intranet homepage. With over 40 responses in the first three hours, the CFO's \$1K Challenge blog has garnered more than 250 responses as of June 2008.

**Employee Issue Resolution**

From time to time, issues with employees or former employees arise that cannot be resolved through open communication. Cisco has an issue resolution process for handling these problems promptly and fairly.

Managers are responsible for considering the employee's issue, attempting to reach resolution quickly, and communicating the reason and rationale for the decision to the employee. If the manager does not resolve the issue to the employee's satisfaction, or if the employee does not feel comfortable discussing the issue with his or her immediate manager, the employee may go to a manager at the next level. Should the problem remain unresolved, the employee may present the issue to the local Human Resources (HR) group. An issue is a good candidate for consideration if it has impacted a term or condition of the employee's employment. Examples include harassment in the workplace, termination, demotion, or denial of a promotion.

Occasionally an investigation is required to fully research, understand, and address an issue. For example, Cisco investigates claims of alleged unlawful harassment upon notification. The local HR generalist, HR manager, designee, or security person is responsible for coordinating and conducting such investigations. If the issue is not resolved after thorough consideration by the employee's immediate manager, management team, and local HR, the employee may appeal to Cisco corporate HR.

At the end of the process, if the issue remains outstanding, an employee in the United States may contact the local office of the American Arbitration Association and request an "intent to arbitrate" form. This association manages the processes of notifying Cisco, selecting a neutral arbitrator, and scheduling a formal hearing. The arbitrator's decision is final.

Cisco and Our Employees



**Diversity is a major business imperative at Cisco because it . . .**

- helps attract, retain, and engage top talent
- drives innovation
- fuels collaboration
- promotes globalization
- boosts financial performance
- allows us to better align with our customer base

Cisco's commitment to inclusion and diversity (I&D) makes us a better company, a better global competitor, and a better corporate citizen. By fully embracing the human network in all its multiplicity, we foster innovation and talent in the workplace and engage more effectively with our customers and partners in the worldwide marketplace.

Cisco is executing on our commitment to I&D by:

- Sponsoring I&D initiatives and providing visibility at the executive level
- Building diversity into the recruiting and hiring process
- Providing mandatory manager and employee training in diversity and actively promoting a culture of inclusion
- Implementing tools and processes to develop I&D awareness, manage a diverse and often virtual workforce, and promote behavior change
- Providing supplemental development opportunities to diverse populations

One important way that Cisco cultivates I&D is through employee resource groups (ERGs). These employee-driven, company-supported affinity groups enable our employees to connect with others who share a similar culture, identity, interest, or career goal. Open to employees around the world, ERGs provide social networking and professional-development support, while also offering opportunities to participate in recruiting, mentoring, and community outreach.

Cisco formed the Global Inclusion and Diversity Council in 2007 to integrate I&D into business processes and operations at all levels of the organization. Led by Senior Vice President of Human Resources Brian Schipper, the council is supported by sponsors at the executive level and reports directly to Cisco's operating committee.



“Cisco respects and appreciates differences based on race, color, religion, national origin, sex, sexual orientation, gender expression, age, physical abilities, culture, occupation, position, education, work, and behavioral styles, and the perspectives of each individual shaped by his/her nation and experiences.”

– John Chambers  
Cisco Chairman and CEO

**Cisco New Hires by Gender (Non-U.S.)**

	FY06	FY07	FY08
Total Number of Hires	3120	4982	4517
Number of Female Hires	694	1029	1018
Percent of Female Hires	22%	21%	23%

**Cisco New Hires by Gender and Ethnicity (U.S. Only)**

	FY06	FY07	FY08
Total Number of Hires	3562	5821	5441
Number of Female Hires	1014	1712	1643
Percent of Female Hires	28%	29%	30%
Number of Non-Caucasian Hires	1642	3108	2838
Percent of Non-Caucasian Hires	46%	53%	52%
Total Number of Female/Non-Caucasian Hires	2111	3858	3533
Total Percent of Female/Non-Caucasian Hires	59%	66%	65%

**Cisco Employees by World Market Regions**

	FY06	FY07	FY08
Asia-Pacific	4411	7528	9276
Emerging Markets	1549	2406	2921
Europe	5778	6907	7604
Japan	1015	1158	1253
United States and Canada	28,659	33,494	35,832

**Inclusion and Diversity Achievements This Year**

Here are some examples of our inclusion and diversity achievements in FY08:

- The latest Pulse Survey results indicated progress in our efforts to narrow the gender gap across all business areas. The survey shows that Cisco women’s job satisfaction rate has increased relative to men’s and that there has been an increase in female employee satisfaction in all the survey categories.
- Cisco has virtually eliminated the gender gap in the company’s voluntary attrition rate.
- I&D goals were added to the employee annual performance review form, encouraging employees to find out how they can contribute to a diverse and inclusive culture.
- Cisco was a proud sponsor of International Women’s Day 2008.

### Opening the Door to Opportunity for Women

Many of Cisco's training and development opportunities are specifically directed toward women. The Compass Series, launched in 2006, is designed to give female senior managers exposure to Cisco executives. The events also offer opportunities for the women to network with cross-functional peers. Discussion topics have included "Career Strategies to Get Ahead" and "Creating a Culture of Courage."

The Perspective Series offers a forum for Cisco women at director level and above. Three sessions have been held to date, with a focus on building executive-level leadership skills. Topics have included "Creating a Leading Strategy" and "Being Perceived as a Leader." Cisco also sponsors women and members of other underrepresented groups who wish to attend external development programs.

- Cisco now provides a resource guide for Cisco employers in the Asia Pacific region that covers disability issues. The guide includes a listing of regional disability-oriented organizations and websites, as well as policy examples and case studies.
- Cisco was named to the 22nd annual Top 100 list in the October 2007 issue of *Working Mother* magazine, recognizing U.S. companies that provide family-friendly programs and benefits to support working parents.
- Senior Vice President of Manufacturing Angel Mendez was honored as "Visionary of the Year" by the Latinos in Information Sciences and Technology Association in October 2007.
- Cisco attained a score of 100 percent in the Human Rights Campaign's January 2008 Corporate Equality Index. Human Rights Campaign is America's largest civil rights organization working to achieve gay, lesbian, bisexual, and transgender equality.
- Cisco Australia received the Employer of Choice for Women award in March 2008 from the Equal Opportunity for Women in the Workplace Agency.
- Vice President of Marketing Rick Moran, sponsor of the Gay, Lesbian, Bisexual, Transgender & Advocates ERG, was the recipient of the "Above-and-Beyond Executive Sponsorship Award" from Working Mother Media and Diversity Best Practices in May 2008.

Read more about inclusion and diversity at Cisco:

- [Employee Resource Groups](#): Affinity groups that are critical to our I&D efforts
- [Diversity Education](#): The many ways Cisco informs employees about I&D

## Employee Resource Groups

Cisco employee resource groups (ERGs), affinity organizations that are recognized and supported by the company, are critical to our I&D efforts. All employees are eligible to affiliate with one or more ERGs. To date there are 11 unique Cisco ERGs in 17 countries.

Employee Resource Group	Location
Cisco Asian Affinity Network (CAAN)	Canada, San Jose
Cisco Black Employee Network (CBEN)	Herndon, Northeast, RTP, San Jose, Texas
Cisco Disabilities Awareness Network (CDAN)	San Jose, RTP, EMEA
Gay, Lesbian, Bi-Sexual, Transgender (GLBT & Advocates)	Amsterdam, Canada, RTP, San Jose
Indians Connecting People (iCON)	Northeast, San Jose, Texas
Latino Employee Network (Conexion)	EMEA, Latin America, Miami, RTP, San Jose, Texas
Middle East Inclusion & Diversity (MEDI)	San Jose
New Hire Network (NHN)	RTP, San Jose
Service Member, Veterans, and Family Support Group (SVFSG)	San Jose
Women's Action Networks (WAN)	APAC, Canada, EMEA, Herndon, Latin America, Northeast & Northwest, Midwest, RTP, San Jose, Texas
Women in Technology Action Network (WTAN)	San Jose

ERGs provide nurturing environments within which Cisco employees can:

- Seek career and professional growth
- Advance the success of Cisco business initiatives
- Volunteer for projects that benefit the community
- Support Cisco's efforts to recruit and acquire talent
- Celebrate and share diverse cultures and commonalities

In June 2008 the company held Employee Resource Group Fairs in 10 locations globally to introduce employees to the spectrum of ERGs that are available and give them an opportunity to meet with ERG members.

### A Wide Spectrum of Interests

Cisco ERGs currently include:

- **Asian Affinity Network:** Provides a forum and a professional network for Asian employees worldwide
- **Black Employee Network:** Creates an environment for African-American employees to facilitate business excellence, career growth, and community involvement

“While serving as professional development and social groups, ERGs have an equally important mission: supporting business partnerships, recruitment, and development. All of our ERGs are extremely active in their communities and at Cisco, and are expanding both in number of chapters and in membership. The ERGs are invaluable resources for employees, as well as for the company as a whole.”

– Marilyn Nagel  
Cisco Director of Human Resources, Diversity and Inclusion

- **Conexion, the Cisco Latino Network:** Facilitates Latino professional development, community and educational outreach, networking, and advancement of Cisco’s business objectives
- **Gay, Lesbian, Bisexual, Transgender (GLBT) & Advocates Network:** Creates a climate where GLBT individuals are embraced as part of the Cisco family and valued for their contributions to the company and their local and global communities
- **Indians Connected:** Links the Cisco Indian community to facilitate professional development and networking for employees, drive business growth, market the Cisco brand, and give back to targeted communities in need around the world
- **Middle East Inclusion and Diversity Network:** Focuses on Middle Eastern employees who want to enhance their careers, support the community, and grow the business by facilitating business partnerships between Cisco and the community
- **New Hire Network:** Enables early-career new hires to succeed at Cisco by facilitating leadership, professional relationships, and shared experiences
- **People With Disabilities Network:** Welcomes employees who have or have had a disability, or who know someone within the disabled community
- **Service Member Veterans and Family Support Group:** Our newest ERG focuses on integrating the experience, values, and knowledge of both active-duty service people and veterans
- **Women in Technology Action Network:** Provides a forum for women at Cisco to advance their technical and career development, and to promote engineering as a career among girls and women in the community
- **Women’s Action Networks:** Empowers female employees to grow professionally by offering networking, mentoring, and career development resources to women worldwide; there are a total of 32 chapters in 24 countries

**ERG Activities This Year**

Some examples of the recent work and focus areas of Cisco ERGs:

- Women’s Action Networks (WANs) are critical to helping recruit women into careers in technology. For example, the ANZ WAN successfully launched a pilot for Speed Networking, which links Australian and New Zealand women together for professional development and knowledge sharing. The Hong Kong WAN partnered with a WAN at IBM Corporation to hold a one-day career development workshop titled “The Story of Your Success.” In June 2008, the India WAN participated in a Connected Women Leadership Forum that attracted more than 250 professional women from our partner and customer communities. The Korea WAN organized a development workshop that concentrated on increasing business presence and communication skills, while also strengthening the community of support among Korean professional women.
- The Black Employee Network has been focusing on recruiting, retention, and development. It hosted an event in which the National Society of Black Engineers visited the Cisco campus to hear about the Cisco experience, take part in a tour via Cisco TelePresence technology, and network with representatives from the ERG.
- Conexion has formed partner alliances with Hispanic-owned businesses to benefit local communities and to bring incremental revenue to Cisco.
- The Gay, Lesbian, Bisexual, Transgender (GLBT) & Advocates Network has established intercompany benchmarking, best-practice sharing, and social networking with other companies including Apple, Dell, Google, IBM, Microsoft, and Yahoo.
- The Asian Affinity Network and Indians Connected have both been working to establish mentoring programs.
- The New Hire Network hosted the first “Welcome to Cisco” event in San Jose in August 2008.

Cisco and Our Employees

**Diversity Award Recognizes Executive for Going “Above and Beyond”**

Rick Moran, vice president of Cisco’s SMB Solutions Marketing, was honored with the first Above-and-Beyond Executive Sponsorship/Champion award from Working Mother Media and Diversity Best Practices. The award was presented at the Network and Affinity Leadership Congress event in New York on June 5, 2008.

This national award recognizes individuals who, in addition to their daily job duties, work to increase participation in employee affinity groups, nurture future leaders, and advocate on behalf of affinity group members to foster personal and company success. Nominated by their superiors and peers, honorees have helped to increase company participation, contribute to profits, champion future leaders, and advocate the values of their members.

Cisco leaders such as Moran are vital in helping realize our vision of creating a truly diverse and inclusive culture, both inside and outside the company. Informed by an understanding and appreciation of the challenges faced by Cisco’s gay, lesbian, bisexual, and transgender employees, Moran has been successful through the credibility, trust, and dedicated partnership he has built by delivering appropriate business advice.

As the executive sponsor of the GLBT & Advocates employee resource group, Moran has focused the group’s efforts on leadership, mentoring, and development, helping the group find its voice and spearheading significant changes in company policies. He has also raised the group’s stature as a “go-to” resource within Cisco.

## Diversity Education

Cisco sponsors a broad range of diversity programs and provides numerous diversity education resources for employees.

### ERG Development Series

The Employee Resource Groups Development Series are quarterly events hosted by our combined employee resource groups (ERGs) with a focus on building leadership skills. Each quarter, several ERGs take the lead in making the event possible by coordinating speakers, logistics, and communications. Cisco's Global Inclusion and Diversity group partners with the ERGs to provide the budget for each of the events, as well as leadership and guidance during the planning process.

A recent ERG Development Series event took as its theme "Putting Our Differences to Work: Impact of Inclusion on Innovation and Leadership." Speakers discussed types of inclusive behaviors, how to incorporate them into the employee's personal style, and how to apply them to achieve important objectives such as improved collaboration, adoption of process change, high-performance team creation, and other types of organizational transformation.

The events have been very well received. Every event fills to capacity, with approximately 400 employees attending in person, plus an additional 200 to 500 participating remotely through Cisco IPTV. Videos of the sessions are posted for viewing after the event. Invitations to each session are extended beyond the ERGs to include core functional teams such as Sales, Chief Development Organization, Finance, Operations, and Customer Advocacy. This is partly responsible for a significant increase in ERG membership.

### Other Diversity Education Activities

Additional educational activities in FY08 that promoted diversity include:

- **Micronequities: The Power of Small™:** Developed by Insight Education Systems, this instructor-led workshop increases participants' awareness of the power of behavior to drive inclusion.
- **GlobeSmart:** Developed by MeridianEaton Global, this is a web-based tool offered to all employees that provides access to extensive resources relating to how to conduct business effectively with people living in more than 40 different countries.
- **Inclusion and Diversity Leadership Session:** As part of Cisco's annual Strategic Leadership Offsite, Cisco leaders at the director level and above are invited to participate in an inclusion and diversity breakout session. Inclusion and diversity information is also covered in activities throughout the event.
- **FY08 Inclusion and Diversity Symposium:** On March 26–27, 2008, Cisco held a two-day Inclusion and Diversity Symposium that included topics such as connected women, employee engagement, and leading in a multigenerational and multicultural environment. The global audience consisted of diversity leaders from each of Cisco's functional organizations, as well as employees from Cisco's Human Resources group.
- **I&D articles and videos:** Ongoing efforts to keep I&D issues at the forefront include posting articles and videos on the Cisco Employee Connection Intranet. For example, in June 2008 a video on workplace diversity and women in technology was posted on the homepage for all Cisco employees. The video includes a panel discussion with two female Cisco executives and a researcher from Catalyst, Inc. about how inadvertent barriers can lower retention rates of women in technical and engineering roles.

Cisco and Our Employees



Cisco has designed a comprehensive leadership development system aimed at developing key capabilities, competencies, and expectations for individual contributors, managers, directors, and executives. We seek to strengthen and deepen leadership qualities at every level of the organization. The ultimate goal is to prepare employees to manage for sustained business growth and profitability in a complex and global business environment, and to establish Cisco as the employer of choice for the world's best leaders.

**Education, Exposure, and Experience**

An important concept at Cisco is that employees build skills and enhance their careers through the "Three E's": education, exposure, and experience. We anticipate that employees will achieve about 10 percent of their career development through education, 20 percent through exposure to their fellow employees' practices and expertise, and 70 percent through on-the-job experience:

- **Education:** Cisco is continually developing new and innovative instruction delivered through executive forums, instructor-led classes, online learning, interactive video, virtual learning environments, and multimedia courses.
- **Exposure:** Exposure involves learning through the experiences of others. Action Learning Forums, employee networks, cross-functional teams, coaching and mentoring programs, and communities of practice are some of the activities in this category.
- **Experience:** Experience learning is considered the major development opportunity at Cisco. By viewing job assignments as learning activities, employees have an opportunity to fully integrate career development with close attention to business results.

The Three E's concept is widely promoted at Cisco and built into the employee performance review process, through which employees and managers agree on specific steps that would be helpful in pursuing career goals.

Intellectual capital is a prime source of innovation and growth at Cisco. To grow this capital, we offer developmental opportunities that include professional and technical certifications, professional skills training, and manager/leadership development. Our approach is to ensure that employees develop core capabilities that support transferable skills, and then build on these with additional functional learning with each new assignment. We also support our employees' educational pursuits through a tuition reimbursement program.

We believe that one of the best ways to develop our employees is to place them in roles that continually challenge them to reach their full potential. To that end, Cisco looks to fill 60 percent of our new job openings with current employees. Furthermore, because strong companies are built by leaders who have experience in multiple disciplines, geographies, and business climates, we use rotational and international assignments to help broaden our employees' experience, leadership abilities, and career opportunities.

Cisco and Our Employees

In addition to development and training, Cisco's teamwork leadership structure offers a number of hands-on learning opportunities, enabling our employees to continually augment their careers while meeting business objectives.

Read more about Cisco's multilevel leadership development initiatives:

- [The C-LEAD Model](#): A comprehensive, collaborative framework for preparing employees to lead and contribute to our success
- [Executive Development](#): Our process for transforming top-level leaders who will go on to transform Cisco
- [Manager and High-Potential Development](#): Programs for building capabilities in mid-level managers and high-performance employees
- [Career Development](#): A wealth of resources to support and further the aspirations of Cisco employees

**The Value of Rotational Assignments**

Cisco believes that we grow the company and broaden our employees' perspectives, skills, and opportunities by rotating job assignments across functions and geographies. Employees are given the opportunity to sample a range of assignments, matched to high-priority work. They typically spend two to three years on assignment, either local or in another country. Many groups hold development roles open to rotating assignments. It is not uncommon, for example, for a career finance person to try a rotation in marketing, or a manufacturing manager to take a leadership role in human resources. In fact, 20 to 30 percent of the Cisco leadership team has held a position in another business function.



## The C-LEAD Model

Cisco differentiates itself from competitors by being innovative in the way we think about technology and in the way we conduct our business. This spirit of innovation extends to how we develop leadership qualities in employees at all levels of the company. We strive to nurture transformational leaders who can contribute to our vision, act as agents of change, collaborate effectively, and execute on our strategies.

Leading a successful business in the face of strategic business transformation requires a unique combination of capabilities. To prepare our managerial and thought leaders to lead at Cisco, we have developed competency models for collaborative leadership called C-LEAD. C-LEAD for Executives is designed to build the leadership capabilities of employees at director level and above, and C-LEAD for Management focuses on developing competencies for mid-level managers and high-potential employees who demonstrate management potential.

### Five Themes for Effective Leadership

C-LEAD defines what Cisco expects from its leaders and what they should expect from each other. It has five interdependent themes: Collaborate, Learn, Execute, Accelerate, and Disrupt. Each theme encompasses leadership expectations or competencies that together constitute the skill set of an effective leader.

- **Collaborate:** working across boundaries, building teams, managing conflict, earning trust, and recognizing good performance
- **Learn:** developing personal skills and coaching others
- **Execute:** solving problems, making decisions, delegating, giving feedback, and demonstrating passion for the work
- **Accelerate:** communicating goals and building capabilities
- **Disrupt:** envisioning opportunities, innovating, taking risks, and leading change

We are integrating the C-LEAD framework into all our manager and leadership programs, including recruitment, assessment, development planning, deployment and promotion, and training. C-LEAD is also part of Cisco's executive promotion and succession planning processes. By employing consistent assessment criteria internally to develop leaders, and externally to select managerial candidates, Cisco is developing a leadership team that strengthens our business and fits well with our corporate culture.

## Executive Development

In FY08 we launched the Cisco Center for Collaborative Leadership, the company's process for transforming leaders who will transform Cisco. The Center for Collaborative Leadership focuses on three principles of executive talent management: talent strategy and planning, executive assessment and development, and organizational transformation. During FY08, Cisco engaged more than 100 senior executives in customized executive assessment and robust development planning.

### Executive Action Learning Forum

The Executive Action Learning Forum is an effective development process that strengthens the abilities of our most senior executives to create strategic and accelerated competitive advantage for Cisco. The 14-week process aligns vice presidents with Cisco's strategic priorities, concentrating on breakthrough business strategies and transformative leadership traits. Executives collaborate intensely in action teams focused on anticipating and shaping market transitions and disruptions, creating conditions for the successful execution of our strategies, and modeling the values and behaviors necessary to lead the next wave of innovation.

### Action Learning Forum

This year more than 250 executives attended the Action Learning Forum (ALF), Cisco's signature executive development program for high-potential directors. ALF combines executive learning with real-time business problem solving. Working in teams, executives come together for 16 weeks to develop strategies for new products, markets, and technologies, some of which result in new Cisco business units. The program emphasizes an action-learning approach in which participants develop financial models and go-to-market strategies for various business ideas in support of our emerging technologies group, with the aim of creating Cisco's next \$1 billion business unit.

ALFs are designed to develop the leadership skills needed to operate in a highly matrixed, collaborative, and ever-changing global environment. ALF participants go on to lead significant business initiatives, boards and councils, and key functions for Cisco. ALF was recognized in April 2008 by the International Quality and Productivity Center, earning its Talent Management Best in Class (TAMBIC) award for "Most Innovative Talent Management Initiative."

#### ALF: Developing Leaders, Incubating Ideas

Cisco Action Learning Forums offer a combination of learning and brainstorming activities that sharpen leadership skills and also spawn new business initiatives. Teams of high-potential Cisco employees from a variety of regions and functional areas compete to come up with the best ideas. Rather than expending energy on artificial case studies, ALF teams work on real-life scenarios and business plans that the company can use to bring innovations to market. The teams spend part of the time on site and part of it collaborating virtually from their local office locations.

Dirk Schlesinger, global lead for manufacturing and managing director of the Asia-Pacific region in Cisco's Internet Business Solutions group, has attended ALFs as a participant and, most recently, as a subject matter expert. He helped develop the business case for a Cisco Smart Grid initiative that would use network technology to make electrical transmission systems more efficient, reliable, and responsive to environmental concerns.

"Part of our Smart Grid business case came from my experience as Cisco Global Manufacturing Lead and from a previous job at Boston Consulting Group," Schlesinger says. "We also built on suggestions derived from Cisco's I-Prize innovation competition. The case examined a number of issues. Why should Cisco do this? What is the benefit to customers? What is the financial model? How do we go to market, on our own or with strategic partners? Who are our potential competitors and how do we differentiate our solution? ALF is a training forum that creates real business value for Cisco because the work goes directly to an executive board to be considered for implementation."

The Smart Grid idea incubated this year at ALF was well-received by the board. It has been named one of the 24 companywide initiatives that Cisco will pursue in FY09.

## Manager and High-Potential Development

The Cisco Leadership Series is a set of four programs that offer a high-impact learning experience focused on building foundational leadership capabilities. It specifically targets managers and other leaders within the company who demonstrate a track record of high performance. Participants are nominated on the basis of job performance, leadership reviews, and development opportunities.

During FY08 approximately 200 executives, and 1230 managers and leaders, attended one of the four Cisco Leadership Series programs. The content is designed internally and includes input from distinguished universities and consulting firms. Additionally, Cisco executives teach aspects of the classes. During the training, attendees engage in simulations, role playing, and other exercises that reflect current Cisco business challenges and opportunities.

In addition to the Leadership Series, Cisco also offers a facilitated workgroup for new managers that helps them and their teams get off to a good start.

### Global Leader Program

Cisco's Global Leader Program is designed to enhance the global mindset and skill set of Cisco's global management team. This program is a key offering for managers and senior managers as part of the Cisco Leadership Series.

Its objectives are to:

- Translate Cisco's global priorities into organizational goals, define the execution approach, and align the actions required to achieve those goals
- Foster innovative global business practices by making use of local competencies, local cultures, global relationships, and networks
- Inspire others to act as global leaders through words, actions, and passion
- Promote a culture of trust and mutual accountability that fosters a strong sense of team identity
- Create high-performance global teams by enrolling people in a shared purpose
- Build structures to maximize productivity and effectiveness

### Global Technical Leader Program

To maintain our strong customer satisfaction and loyalty ratings, Cisco relies on strong technical leadership around the world. The Global Technical Leader Program is an annual program in the Cisco Leadership Series that plays an important role in building a community of business-oriented technical leaders prepared to take on the challenges of the global marketplace. The FY08 program, held in Singapore, involved 30 of Cisco's emerging technical engineering leaders.

Cisco and Our Employees

**Business Leader Program**

For manager-level employees, the Business Leader Program in the Cisco Leadership Series aims at strengthening knowledge in key business areas, applying business concepts in highly interactive business simulations, developing planning and commitment skills, and looking for opportunities to build a Cisco leadership network.

The Business Leadership Program is conducted in three phases:

- The Self-Directed Learning phase consists of various readings, e-learning, and preparation tasks for the residential workshop.
- The Residential Offsite is a five-day workshop that combines new ideas, experiential learning, and dialogue between Cisco participants and University of California at Berkeley thought leaders and peers. The workshop is a partnership that includes Cisco, the University of California at Berkeley, BTS Consultants, and Imparta.
- The Applied Learning phase consists of the participants' follow-through on performance commitments made during the Residential Offsite.

**Emerging Leader Program**

The Emerging Leader Program in the Cisco Leadership Series helps entry-level managers build their capabilities for personal leadership, teamwork, and staff development through:

- Developing self-awareness and leadership effectiveness
- Increasing business awareness by understanding the factors that influence business performance
- Understanding the impact that inclusion and diversity have on the role of a leader
- Improving internal and cross-functional collaboration
- Increasing talent-development skills

**New Manager Assimilation**

The new manager assimilation process is a facilitated discussion that helps new managers learn about their team and get off to a productive start. A trained facilitator solicits employee perspectives on a variety of questions related to the manager while the manager is out of the room. For example, they may discuss what they know about the manager, what they would like to know, and what their expectations are for the new manager. The facilitator shares the anonymous list of comments with the manager, who responds to them upon returning to the room. This process has proved very effective in bringing newly formed teams up to speed quickly.

**Cisco Leadership Fellows Program**

The Cisco Leadership Fellows program gives our senior-level employees the opportunity to help solve community problems by leading strategic projects full time at nonprofit organizations. The experience also helps the Fellows enhance their business and leadership skills. Upon returning to Cisco, Leadership Fellows are expected to bring enhanced soft skills, a broader focus, and a more global perspective to their next leadership assignment. Current assignments for Cisco Leadership Fellows include 21st Century Schools and the New Partnership for Africa's Development e-Schools Initiative, two programs devoted to accelerating educational transformation by integrating information and communications technologies into schools. Since the Leadership Fellows program began in 2003, 50 Cisco employees have served as Fellows.

For more on Cisco Leadership Fellows, go to:

- [Cisco Leadership Fellows](#)
- [Cisco and Society](#)
- [Meeting the Range of Human Needs](#)

“The ultimate result of the ePM process is the quality of the dialogue between manager and employee. This is an opportunity to connect results with rewards, assess progress on building a long-term career at Cisco, and get aligned on goals and deliverables for the upcoming performance period.”

–Brian Schipper  
Cisco Senior Vice  
President of Human  
Resources

## Career Development

The best employees need room to grow professionally, and they continually look for opportunities to hone the skills they have and develop new ones. Career development programs are a strategic priority at Cisco because they enable us to retain top talent and recruit the sorts of people who can help us stay competitive in the IT marketplace and move forward with our plans for transformative global networking.

By understanding the core skills of our workforce, we are able to develop holistic programs that help employees advance their careers and attain their professional goals. We also want to make sure our employees have opportunities to apply their capabilities in challenging assignments that may cross functional lines. These assignments broaden the scope of their experiences and prepare them for future career growth. In FY08 Cisco promoted 5722 employees to higher positions within the company.

### Performance Management Reviews

The annual online review and development process called e-performance management (ePM) gives Cisco employees the opportunity to summarize what they have achieved during the past year and establish new goals for the coming year. Recent changes to the ePM tool make it faster, easier, and even more meaningful for employees and their managers. The new ePM form now takes into account inclusion and diversity goals, Cisco leadership development (C-LEAD) goals, and volunteer activities.

The ePM review provides the structure for conversations between employee and manager that enable the employee to identify strengths, challenge areas, and the next steps necessary to achieve career goals. The ePM process is also an important part of Cisco's Total Rewards, a risk-tolerant compensation philosophy that rewards employees for their contributions to the company's success.

### My Learning Network

Cisco's My Learning Network offers online education for all employees that is mapped to professional skills and job roles. Classes and information target new managers, manager development, people development, business essentials, and compliance issues (such as equal opportunity employment). The training activities have broad applicability across all business functions. As a result, Cisco employees receive a consistent training experience and can take full advantage of Cisco's investment in learning regardless of their job or location.

Cisco employees can use My Learning Network to access online courses, remote labs, simulations, games, video-on-demand modules, and recordings of events. Dozens of live events are also broadcast over the intranet to employees, including departmental meetings and senior leadership presentations.

In addition, My Learning Network provides a guide called *3 Steps to Career Development* that offers a set of tools to help employees define their career goals and align them with Cisco's future business needs. The three steps are:

- **Assess:** Understand how personal goals align with business needs.
- **Discuss:** Validate goals using multiple perspectives.
- **Take action:** Create a strategy for continuous learning.

## Cisco and Our Employees

### Mentoring Programs

Cisco supports a strong mentoring culture and has several formal and informal mentor programs in place across the company. As part of the yearly review process, employees are encouraged to identify a mentor within the company to help broaden their perspectives and increase business knowledge. A comprehensive mentoring website is available to all employees, providing information, guidance, and tools that support a range of mentoring approaches:

- **One-to-one mentoring:** Formally and informally matched pairs with a focus on development guidance, perspective, and support
- **Mentoring circles:** Network-based mentoring that brings people with common goals together to share business and leadership skills for mutual learning and growth
- **Peer mentoring:** Experience and information sharing between persons of disparate skill sets to help grow professional networks
- **Reverse mentoring:** Formal or informal relationships in which a junior-level employee mentors a senior-level employee

For example, Sales New Hire Mentoring is a three- to six-month structured program that increases the proficiency of new hires by matching them with experienced employees. The goal is to produce superior business results while smoothing the “on-boarding” process for the new hires.

### CareerPath Job Search

One way Cisco can maintain a leading position in the industry and respond quickly to market opportunities is to connect the best talent to the right opportunities. CareerPath allows our employees to use a global database of open positions and career opportunities to match job openings with their resumes, helping them to spot hidden opportunities. CareerPath’s job agent feature allows employees to select and store criteria relevant to their career interests, then receive email notifications when career opportunities match their criteria.

### Cisco Certifications

Cisco employees in support positions need the skills necessary to plan, design, implement, operate, configure, deploy, maintain, and troubleshoot Cisco products and solutions. So do technical staff members among our customers and partners. To develop and validate these skills, we offer more than 35 different certifications. Each certification requires candidates to pass one or more examinations, many of which include simulations that measure practical, on-the-job proficiency.

### Career Development Across the Company

Here are a few more examples of the many career development programs open to Cisco’s employees:

- **Engineering learning:** As a leading technology company, Cisco has a learning organization dedicated to offering a wide variety of specific development opportunities for our engineering community. Learning events are held periodically that allow engineers to share some of their expertise and insights with peers. Nerd Lunches, a Cisco tradition begun in 1991, convene every six weeks and now attract 150 to 200 technically minded participants. Internal Networkers is a four-day event hosting as many as 1200 Cisco networking engineers that includes keynotes, leadership discussions, networking events, and celebrations.

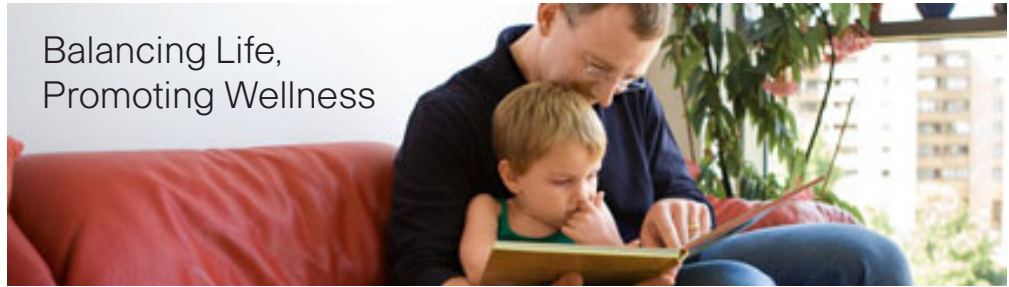
**Success Profile for Cisco Administrators**

This year a cross-functional group of talent specialists, executive administrators, and managers, worked together to design a Success Profile for Cisco Administrators. The Success Profile provides a compendium of core skills, experience, and competencies for each administrative level.

The tool is used by managers and administrators as a reference for hiring, promotion, development, and mentoring. Administrative assistants are encouraged to mentor with executive administrators to gain skills and knowledge for developing their careers.

- **Women's Action Network Coaching pilot:** In June 2008, we launched a pilot program for members of our Women's Action Network that provides situational coaching and mentoring to women using Cisco TelePresence technology. Since the program's inception, more than 150 women have registered for situational coaching.
- **Cisco TV:** We offer communications and training to Cisco employees, partners, and customers via live broadcasts and video on demand. The Cisco TV guide shows the daily live sessions available. Offerings include product updates and training, services training sessions, and application training sessions, as well as all-hands meetings and messages directed to employees within specific functional groups. With onsite studios and knowledgeable staff, together with self-authoring tools for creating desktop videos, employees have the means to produce virtually any type of video production. Employees can then post, view, and rate videos, photos, and podcasts on the internal C-Vision website, with submissions ranging from educational to entertaining.
- **Web 2.0 Summit:** On March 28, 2008, Cisco held the first Web 2.0 Summit focused on how collaboration tools are changing the way we communicate and gain competitive advantage. Attendees learned about the business impact of web 2.0, how to deploy web 2.0 tools in their organizations, how other organizations are using web 2.0 internally and externally. They also learned how to set up and use Cisco WebEx Connect collaboration technology, the C-Vision video blog, RSS feeds, discussion forums, and text blogs.
- **External training:** Each Cisco business function has budget to send employees to external training courses or programs. These vary greatly depending on the function, level of the employee, and skills or expertise needed. Because Cisco executives are expected to communicate regularly to employees and customers, communication coaching and training sessions are popular. Groups also bring consultants in to improve teamwork and collaboration skills, or to analyze complex business situations.

Cisco and Our Employees



Sustainable work performance based on employee satisfaction is critical to Cisco's success. Accordingly, our managers are trained and encouraged to make sure employees can successfully balance their work and personal lives. Cisco has a tradition of offering employees the ability to work flexibly while meeting the needs of the business. We want to empower our employees to determine for themselves, in concert with their managers, how they can best manage their job and home responsibilities.

**Flexibility, Trust, Empowerment**

Flexibility, trust, and empowerment are the hallmarks of the employee-employer relationship at Cisco. Cisco employees require a holistic integration of work, family, health, and home to perform at their best. Our corporate culture is based on trust—the trust that executives invest in managers and other employees, and the trust that employees place in their managers and the company.

From the beginning, Cisco has informally offered employees a large degree of flexibility when it comes to work hours and telecommuting. This is an outgrowth of our corporate culture, which has always focused on achieving results rather than putting in time at the office. Flexibility benefits work-life integration by enabling a work schedule that fits the individual and allows for personal contingencies, such as the need to care for a family member, see a doctor, attend to an emergency, or avoid high-traffic commute hours.

Because most Cisco employees work flexible hours (flextime), there is no stigma attached to using this benefit to fulfill parenting and other responsibilities; it is simply part of how Cisco operates.

Read more about how Cisco promotes well-being among our employees:

- [Workplace Flexibility](#): Programs, work environments, and tools that help employees be more productive by working the way they like
- [Wellness Around the Globe](#): HealthConnections and other programs that create wellness awareness, engagement, and accountability
- [Fitness and Ergonomics](#): Fitness centers and ergonomics evaluations enable employees to maintain their health
- [Family Assistance](#): Supporting our employees and their families when they are most in need
- [Global Safety and Security](#): Programs for protecting and preserving Cisco's people, property, and information around the world



**Flexibility is key to Cisco's working environment because it . . .**

- meets employees' requirements for work-life integration
- enables employees to work when they are most productive
- improves employee retention and lowers attrition costs
- addresses the growing globalization of our business
- helps us recruit top talent and lead the industry in workforce management

"The Cisco Connected Workplace is a way of thinking. It describes work environments that take advantage of recent technologies to better align with the current needs of the workforce. In many cases, this results in a flexible environment that focuses on collaborative space with little assigned seating. Employees are given a broad choice of workspaces and technologies to do their jobs. They choose where they work, based on the requirements of the tasks on which they are working."

—Mark Golan  
Cisco Vice President of  
Connected Real Estate

## Workplace Flexibility

Cisco recognizes that when, where, and how people work has a major impact on their productivity and job satisfaction. We promote flexibility in our approach to both work styles and lifestyles, investing in programs and tools that help employees balance job, family, and other personal responsibilities. Cisco has become a prominent advocate of networking technology as a driving force for transforming the workplace and improving the lives of workers, while also contributing to prosperity and environmental sustainability in communities worldwide.

Cisco technology makes it possible for employees to work from home, access real-time business information, and collaborate with colleagues and customers—whenever, wherever. Combined with flexible work schedules and a culture of trust and empowerment, communications technology gives employees more control over their work and personal lives.

For parents, networks provide the opportunity to fully realize a challenging career and a fulfilling home life. For the children of aging parents, networks offer the ability to care for their parents and still fulfill their career goals. Cisco sees a positive correlation between flexibility and productivity, low attrition, and a workforce equipped to meet the demands of a 24-hour global business environment.

### Working from Remote Locations

As of June 2008 approximately 1200 employees, or 2 percent of our workforce, have officially registered as full-time remote workers. However, a recent survey showed that up to 22 percent of Cisco employees may be working remotely at any given time. Based on a 2008 workplace study of Cisco work practices:

- Most Cisco employees (85 percent) devote some portion of their time working at home during an average week.
- Cisco employees spend an average of 56 percent of their working time at locations other than their primary office or desk.
- After their Cisco office, home is where employees spend the greatest portion of their work time (23 percent, on average).
- About 22 percent of employees' work time is spent outside the usual 8:00 a.m. to 5:00 p.m. business hours, often collaborating with team members and clients in remote locations and different time zones.

### Cisco Connected Workplace

Cisco designed a flexible work environment that boosts productivity by making collaboration and communication easier. Many floors in the buildings on our San Jose, California, campus have converted to the Cisco Connected Workplace environment or are scheduled for conversion.

Instead of assigned cubicles, Cisco Connected Workplace features an open, flexible layout, portable furniture, and a variety of workstations. With comfortable couches and chairs, televisions, kitchens with cappuccino makers, and enclosed meeting spaces for individuals or groups, the workspace encourages collaboration and camaraderie. The spaces are work-enabled by Cisco products and technologies, including IP telephony, video conferencing, Cisco TelePresence, and wireless mobility. The design has not only improved employee satisfaction as measured by our internal surveys, it has also reduced building and equipment costs and yielded environmental benefits by allowing more people to work comfortably in less floor space.

Read more about Cisco Connected Workplace at:

[Cisco Connected Workplace](#)

Cisco and Our Employees

**How Cisco Technology Creates Flexibility**

Cisco's commitment to flexibility takes tangible form in the technology that we provide our employees:

- **Laptops with VPN access:** Every Cisco employee is supplied with a laptop that provides wireless capability and highly secure virtual private network (VPN) access to the company's internal network.
- **Mobile mail/handheld devices:** Cisco currently supports mobile mail devices and services for 23,800 employees globally, about a third of our workforce. We will extend mobile capabilities to additional employees in the future as requirements warrant. These services offer immediate access to email, calendar, directory information, sales information, customer satisfaction scores, and Internet resources.
- **Home broadband:** Cisco pays for installation and the monthly charges associated with broadband connections for approximately 19,000 of our U.S. employees and 25,000 employees globally.
- **Softphone/IP Communicator:** Delivering the functionality of a Cisco desk phone, Cisco Softphone software allows employees to take their work extension numbers to any location where they have access to their Cisco laptops and the Internet.
- **Collaboration technologies:** Cisco Unified Video Advantage improves collaboration in phone meetings by allowing employees to place and receive video calls using a video camera hooked to a laptop. With Cisco Unity Voice Messaging, employees can access voicemail from their computer or by using a desk, home, or mobile telephone. Cisco Unified MeetingPlace provides an integrated voice and web conferencing tool that supports virtual meetings and document sharing. Cisco WebEx Connect makes it quick and easy for teams to collaborate with capabilities such as workspaces, desktop sharing, file sharing, instant messaging, and voice and video calls between PCs. Cisco TelePresence is a sophisticated collaboration technology that allows employees to have face-to-face conversations and share information remotely just as if they were in the same room with other meeting attendees.

## Wellness Around the Globe

To foster a healthy and productive workforce, our integrated health management strategy focuses on keeping people well and mitigating health risks for those with existing or potential problems. Our core value of corporate social responsibility and our strategic business concepts of enhancing communication and building partnerships are also the mainstays of our health management approach.

Based on local regulatory and market norms, Cisco provides direct access to, or facilitates access to, core benefits, including:

- Healthcare
- Disability insurance
- Life insurance
- Long-term savings
- Travel and emergency assistance
- Employee assistance programs

The HealthConnections program combines our traditional health benefits with access to health enhancement tools. This program provides an integrated network of healthcare providers, condition management, health coaching, disability management, workplace resources, food services, fitness centers, and other resources. Employees' identities are kept secure and Cisco does not have access to any medical information. All information is sent to a third-party vendor to ensure confidentiality.

### **Worldwide Wellness Programs**

Cisco understands the need to adapt wellness programs to the different countries, cultures, and economies in which we operate. In China and Hong Kong, for instance, where influenza is prevalent, annual flu shots are included in the medical plan. Employees in India may extend health coverage to their parents or parents-in-law in addition to their spouse and children. In Canada and many other countries, gym and fitness membership reimbursements promote physical fitness. And in the United Kingdom, Cisco conducts ongoing lunchtime workshops devoted to stress management, health and nutrition, and smoking cessation.

In addition, Cisco's worldwide workforce has access to employee assistance programs that provide confidential support for issues that include family problems, work related stress, interpersonal conflict, grief and loss, relationship difficulties, alcohol and other drug use, and emotional stress or trauma.

Cisco and Our Employees

**Expanding the HealthConnections Program**

In FY08 HealthConnections partnered with global sites to explore strategies for further expanding our health initiatives. Highlights of some initiatives that have been implemented by our global partners include:

- **Worldwide:** HealthConnections hosted Global Migraine web seminars for Cisco employees in Australia/New Zealand, Europe, India, and the United States/Canada.
- **In Australia:** Cisco Australia launched a HealthConnections portal customized with health information of interest to Cisco employees in Australia and New Zealand. The site features health resources, tools, event information, and links to videos of Health and Wellness Shows.
- **In China:** In FY09 Cisco China will adopt a smoke-free work environment across all Cisco locations. “No smoking” signs with facts about the adverse health effects of smoking will be posted in Cisco buildings.
- **In Germany:** In August 2008 Cisco Germany hosted a Health Week focusing on stress prevention and stress management. In FY09 Cisco Germany also will launch a HealthConnections portal featuring health information, resources, and health event listings.
- **In India:** Cisco India opened an onsite health clinic in Bangalore that provides basic services such as medical consultations, immunizations, first-aid, and preventive care. In FY09 an onsite childcare facility will also open at this location.
- **In the United States:** The U.S. HealthConnections portal features at least one global health resource each month that aligns with the designated health topic of the month.

**Health Risk Assessment and Coaching**

Cisco’s HealthConnections and Matria Healthcare have collaborated in a program that helps employees assess their health risks and delivers personalized interventions to reduce those risks. After a health assessment, employees can confer with a healthcare coach and get access to tailored behavior-change programs designed to address their risk factors.

Here is a testimonial from a 45-year-old female Cisco employee who works remotely:

“To be very honest, I got involved in HealthConnections because of the \$100 incentive that Cisco provides to participants. Then I got the results back and Matria did a great job of reaching out to me. I knew I needed to lose weight and figured the more support I received, the better it would be. I really wasn’t expecting anything out of the program. But I can now say having someone call you, motivate you, and give you ideas and offer ways to approach the problem differently made a tremendous difference.”

“So far, I have lost 27 pounds toward my goal of 40 pounds, lowered my body mass index, and dropped two dress sizes. When you are overweight, you usually think of exercising as a chore. Now it’s not a chore because I have so much more energy. But, more importantly, I’ve really changed the way I look at foods and the kinds of foods I eat. I travel 7 to 14 days per month, so finding a dietary plan and workout schedules that I can use when traveling is really important to me. My coach was terrific in providing me with ideas and suggestions.”

## Fitness and Ergonomics

Keeping our employees healthy and productive is a top priority. Our policy is to make it easier for employees to keep fit by offering facilities and programs that they can take advantage of while at work. We take measures to ensure a safe and healthy working environment, including an ergonomically correct workspace.

### Onsite Fitness Centers

Since 1995, Cisco has offered onsite fitness centers along with a variety of health education, sports and recreation, fitness classes, and special programs to employees at our San Jose, California, headquarters. Our San Jose Fitness Center presently has approximately 17,000 members. This represents 77 percent of the San Jose campus headcount, a 27 percent increase over the last fiscal year. On average, the fitness centers host 950 participants a day. Onsite fitness centers are also located in Cisco offices in Bangalore, India; Bedford Lakes, United Kingdom; Boxborough, Massachusetts; Kanata, Ontario; and Research Triangle Park, North Carolina.

The fitness centers are staffed at all times and are equipped with cardiovascular and strength-training equipment, stretching areas, and group exercise rooms. California-based employees located outside of San Jose who do not have access to an onsite fitness center can join one of a network of fitness facilities offering discounted memberships.

Cisco partners with a fitness and wellness management company, TimeOut Services, to provide a management team that is highly qualified and trained in health promotion, kinesiology, exercise physiology, recreation, and fitness management. The staff develops and implements an annual program of innovative and zero-cost/cost-effective programs designed to assist employees in integrating physical activity into their lives.

One of the most successful of these programs is group fitness classes. As part of our objective to increase employees' physical activity in FY08, Cisco implemented subsidized monthly group exercise passes that have resulted in a 30-percent increase in participants. More than 660 classes are offered per quarter involving some 6200 employees. The class offerings include yoga, Pilates, karate, tai chi, indoor cycling, Latin aerobics, salsa, Indian dance, and step. One participant said of the program, "I love the flexibility to join any class. The instructors I have had so far are all very helpful. No intimidation, no arrogance, just a genuine desire to help others and see them be successful."

Personal training is another highlight of the Cisco Fitness Centers. Personal training sessions begin with an interview and goal-setting assessment with a certified training specialist. Trainers then design a personalized program to continuously challenge the employee and help ensure that fitness goals are met.

### Ergonomic Evaluations

We have implemented an online ergonomic questionnaire to help employees review the way they use their computer, how their work area is set up, and how their workspace is organized. Based on their answers, the program provides specific, personalized recommendations that can help them reduce stress and the chance of injury. For example, the employee may receive a report on how to make workstation changes to avoid neck and back strain or repetitive-motion stress. Employees can order equipment and request desk modifications according to their ergonomic needs.

#### **Autism Benefit**

In response to the dramatic increase in the detection of autism among today's population of children, and at the request of employees and their families who are dealing with autism, Cisco now offers an enhanced autism benefit.

This addition to the employee health program provides coverage for Early Intensive Behavior Intervention programs and related interventions for employees and dependents with autism or autism-spectrum disorders such as Asperger's syndrome. Cisco is one of only a handful of employers in the United States to offer this type of benefit.

## Family Assistance

The Cisco Family Assistance program provides short-term, emergency resources to help employees deal with a serious medical condition, the death of an immediate family member, or the impact of a disaster.

A recent example of assistance offered to Cisco families came about during the wildfires in Southern California that occurred in October 2007. These fires had a severe impact on several neighborhoods and left hundreds of people in the area homeless. We accounted for Cisco employees, determined which ones were affected, and offered support in the form of hotel accommodations for those who could not easily locate lodging.

A similar effort took place after an earthquake devastated China's Sichuan Province in May 2008. We immediately offered support to Cisco China employees in the impacted area who needed to relocate temporarily.

### **Automated External Defibrillator Program**

As part of our emergency preparedness program, Cisco has invested in automated external defibrillator (AED) units recommended by the American Heart Association. When used on a heart attack victim within the first few minutes of cardiac arrest, these units can significantly increase the chance of survival. Units are installed in employee-accessible locations such as break rooms, briefing centers, and fitness centers. Cisco also provides advanced medical training, including AED training, to the volunteer emergency response team, although the units are designed to be used by anyone. In May 2008, Cisco received a commendation from the City of San Jose in recognition of the program.

## **Global Safety and Security**

The mission of Cisco's Global Safety, Security, and Business Resiliency group is to ensure the protection and preservation of Cisco people, property, and information through the balanced design and application of security, safety, and business recovery practices. Our specialists ensure the physical safety and security of Cisco's employees on a daily basis, and also prepare employees for emergencies, such as natural disasters, inclement weather, or an evacuation event. Because emergencies can strike quickly and without warning, we believe it is imperative that employees learn how to report an emergency, respond to different types of emergencies, and evacuate an area safely if necessary.

In addition, the group is responsible for assessing and mitigating disruption to business functions within the company. To make sure that the business functions are prepared, Cisco has formed a Protect to Grow Steering Committee to oversee planning and response activities.

Cisco has five on-site security and facilities operations centers providing services that include:

- Assisting employees while they are traveling
- Dispatching emergency response teams and local outside agencies to onsite emergencies
- Keeping track of world political events, weather, and other factors that could impact the company
- Monitoring building alarms
- Assisting in the recovery of stolen or missing assets, such as laptop computers and mobile phones
- Resolving problems ranging from building access to stalled vehicles
- Helping Cisco Human Resources contact employees in crisis situations

### **Crisis Management and Communications Teams**

Cisco has established global crisis management teams in regions and major sites worldwide. Local onsite emergency response teams are made up of Cisco employees who have volunteered their time and are trained as first responders to a variety of emergencies. Initial training includes cardiopulmonary resuscitation and automated external defibrillation (CPR/AED) certification, first-aid/bloodborne-pathogen certification, building evacuation, fire safety, and incident command systems.

Emergency response teams and the crisis management teams participate in annual drills to ensure that they are properly prepared for an actual event. After a drill at the San Jose campus in June 2008, the chief of San Jose Fire Department Battalion 29 declared, "I'm very impressed with the accuracy of the information and level of cooperation." Cisco also maintains network emergency response vehicles to be used as mobile communication centers in emergency or crisis situations.

Cisco's global, cross-functional Crisis Communication Team helps evaluate crisis situations and communicates important information to key audiences that may include employees, employees' families; company leaders, customers, partners, the media, analysts, and investors.

# Cisco and the Environment



Networks have become a major force in environmental sustainability efforts, and they will certainly continue to play a key role in the future. When we talk about going “green,” we are really talking about mitigating the collective damage we do to the biosphere. That takes more than good intentions—it requires smart strategies and comprehensive management. Whether we focus on office buildings, data centers, homes, or entire cities and regions, effective measurement and control are crucial to successful environmental management. We can foresee a time when virtually all the devices used for managing human infrastructures are able to communicate over the network.

In addition, people are changing how they think and behave as a result of their environmental concerns. For example, as networks become more effective in enabling people to collaborate across distance, they also help reduce our consumption of fossil fuels for business travel and commuting. Less traveling means lower greenhouse gas emissions, as well as more productive workers.

Right now, Cisco and our customers and partners are demonstrating ways in which network technology can transform how people impact the environment. Networks have the power to create sustainable prosperity by enabling beneficial interactions—with our natural surroundings, and with each other. By harnessing the power of the network, we can also become better stewards of the Earth.

Generating ideas and practical solutions that have a real effect on environmental sustainability is no easy task. The issues are complex and far-reaching, and the rules for measuring success are often inconsistent, poorly defined, or do not exist at all. The Cisco EcoBoard has been tasked with setting a course for the company that addresses the many environmental issues that face us and our communities. Established in October 2006, the Cisco EcoBoard consists of 14 senior executives representing key business organizations across the company. The board sets priorities and goals, forms working teams to implement environmental policies and best practices, and assesses the effectiveness of these efforts with both internal and independent third-party audits.

Cisco’s environmental programs focus on three main areas:

- Innovations to network architecture
- Environmentally conscious product design and supply chains
- Sustainable company operations

These programs are at various stages of development. As we progress in our efforts, we look forward to playing a larger part in fostering sustainable prosperity through network innovation.



## Letter from the Cisco EcoBoard

Left to Right:  
Laura Ipsen  
John McCool  
Ron Ricci



The Cisco EcoBoard leads environmental initiatives across the company and assesses their effectiveness. The board is composed of 14 leaders representing key areas of Cisco's global business.

This year the Cisco EcoBoard made significant progress toward realizing Cisco's vision of promoting environmental sustainability through the power of innovation and collaboration. The board worked with employees, partners, and other stakeholders to communicate this vision and to act on it by formulating new strategies and measuring the success of existing programs.

As part of our commitment to the U.S. Environmental Protection Agency (EPA) Climate Leaders, Cisco launched a program in June aimed at reducing absolute greenhouse gas emissions 25 percent by calendar year 2012, based on a 2007 baseline. We plan to meet this goal with a variety of energy-efficiency programs and with innovative enabling technologies, such as the Environmental Data Tool for measuring and managing our energy data worldwide. This tool is now considered best-of-class by EPA Climate Leaders and will be shared with other organizations as an ISO 14001 best-practices technology.

Cisco's collaborative technologies have had a measurable effect on carbon emissions within the company by reducing business travel, and they promise to have a positive impact for our customers as well. Cisco TelePresence collaboration was highlighted in March at the VoiceCon "eco-panel" featuring former U.S. Vice President Al Gore and Cisco Chairman and CEO John Chambers. Cisco TelePresence was also recognized as one of the "new business as usual" innovations by the Environmental Defense Fund in its *2008 Innovations Review*.

The first Connected Urban Development Global Conference was held in San Francisco in February, followed by a second conference in Amsterdam in September. These events attracted business, government, and academic leaders from around the world who want to use information and communication technologies in cities to enable sustainable development and limit urban environmental impacts.

In FY09 we plan to align our environmental sustainability efforts even more closely with our business priorities by means of four key capabilities: market access, market enablement, differentiation, and positioning/competition. We will also broaden our focus from internal operations to developing more energy-saving and sustainable solutions for our customers.

As EcoBoard co-chairs, we are committed to further reducing the effects of our operations and products on the environment. We look forward to working with our customers, partners, employees, and communities to further solutions that address the important environmental challenges that face us all.

Laura Ipsen, SVP, Global Policy and Government  
John McCool, SVP/GM, Switching and Service Group  
Ron Ricci, VP, Corporate Positioning

Cisco and the Environment

### **Architecting Networks for a Sustainable Future**

Cisco is developing technology solutions that benefit the environment by improving service delivery and transportation in urban areas, reducing the need for business travel, and making buildings more manageable and energy efficient. Many of these transformations require an innovative network architecture that can perform multiple tasks.

Environmental initiatives relating to our network architecture include:

- [Architecting Networks for a Sustainable Future](#): Introduction
- [Network-Enabled Cities](#): Connected Urban Development helps reduce carbon footprints and improve services for urban citizens
- [Virtual Collaboration](#): Cisco's collaboration and unified communications solutions reduce emissions by bringing people together without the need to travel
- [Smarter Buildings](#): Connected Workplace and Connected Real Estate initiatives make human-built environments more sustainable
- [Energy-Efficient Data Centers](#): Facility planning and architecture coupled with new technologies increase network capacity with less hardware and greater power efficiency

### **Environmentally Responsible Products and Supply Chains**

Product stewardship starts with product design and continues all the way to the end of the product's useful lifespan and disposition. Cisco is embedding energy efficiency in our products and addressing environmental impacts within our supply chain. We are also committed to a diverse supply chain, and to designing products that make the benefits of networking accessible to as wide a range of users as possible.

Cisco's initiatives relating to environmental sustainability and diversity in our products and supply chain include:

- [Environmentally Responsible Products and Supply Chains](#): Introduction
- [Products: Hazardous Materials](#): Compliance and initiatives that go beyond compliance
- [Products: Energy Efficiency](#): Our work with industry and government groups, including frameworks for product energy use
- [Products: End-of-Life Management](#): Enhancing reusability, and our recovery and compliance programs
- [Products: Accessibility for All](#): Meeting and setting accessibility standards
- [Supply Chain: Sustainability](#): A holistic approach that addresses social and environmental issues
- [Supply Chain: Diversity](#): How we foster diversity among our suppliers

Cisco and the Environment

**Sustainable Company Operations**

Minimizing the ecological impact of how we operate and do business is another key part of our social responsibility efforts. Employees are making our operations more sustainable in a number of ways, on both the organizational and individual levels.

Our environmental efforts related to operations include:

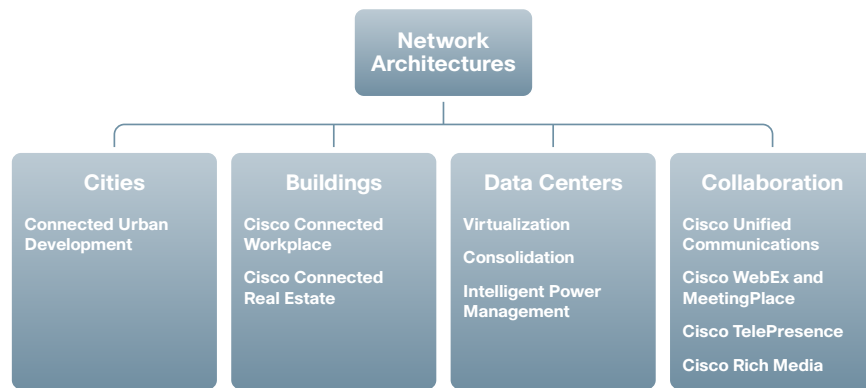
- [Sustainable Company Operations](#): Introduction
- [Mitigating Climate Change](#): Reducing greenhouse gas emissions due to business travel and company operations
- [Water, Air, Food, Waste](#): Limiting water use, improving air quality, making food services more sustainable, and dealing responsibly with waste
- [Environmental Management Systems](#): Integrating best practices under the ISO 14001-based management system
- [Employee Education and Engagement](#): Involving employees in all aspects of the company's environmental efforts

Cisco recognizes the [United Nations Millennium Development Goals](#) which call for timely, quantifiable progress in eradicating poverty, achieving universal education, promoting gender equality, reducing child mortality, improving maternal health, combating disease, ensuring environmental sustainability, and building global partnerships for development.

Cisco and the Environment



Today's and tomorrow's networks must support more sustainable ways of living and working. Cisco's vision is to transform the network into a platform for environmental sustainability, with every networked device potentially a part of the environmental solution. That means using the network to collaborate, and also to measure, monitor, and better utilize energy and natural resources.

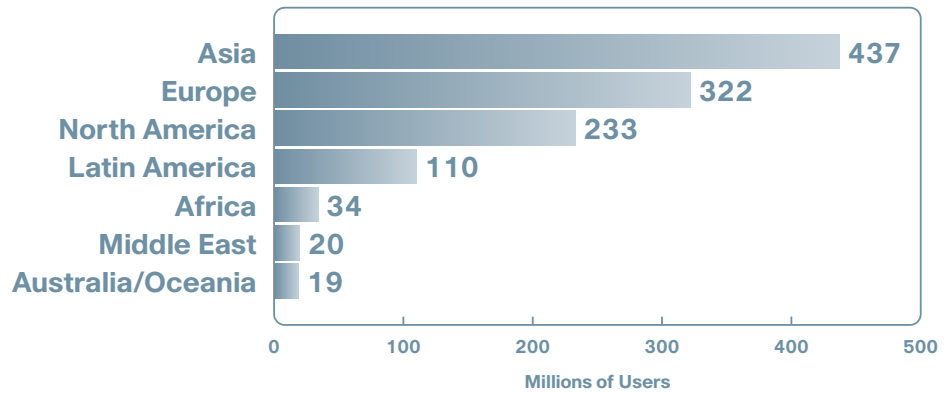


Cisco is developing technology solutions that benefit the environment by improving transportation in urban areas, reducing the need to travel, making buildings more manageable and energy efficient, and helping people and businesses rethink traditional ways of working. Many of these benefits require a network architecture that can perform multiple tasks, such as:

- Integrating an array of monitoring and control mechanisms
- Enabling comprehensive management of diverse systems and operations
- Supporting technologies that encourage long-distance collaboration

Our aim is to help our customers meet their environmental goals by making every network connection a sustainable one.

Approximate Number of Users Communicating on Cisco Networks, by Continent



Read more about how Cisco is architecting networks for environmental sustainability:

- [Network-Enabled Cities](#): Connected Urban Development helps reduce carbon footprints and improve services for urban citizens
- [Virtual Collaboration](#): Cisco's collaboration and unified communications solutions reduce emissions by bringing people together without the need to travel
- [Smarter Buildings](#): Connected Workplace and Connected Real Estate initiatives make the human-built environment more sustainable
- [Energy-Efficient Data Centers](#): Facility planning and architecture coupled with new technologies increase network capacity with less hardware and greater power efficiency

## Network-Enabled Cities

For the first time in human history, half the world's population now lives in large urban areas. According to UN-HABITAT and the C40 Large Cities Climate Leadership Group, cities consume 75 percent of the world's energy and are responsible for 80 percent of the greenhouse gas emissions that are the chief cause of climate change. Cisco envisions a future where the intelligent use of networking architectures can transform urbanized societies, not only by boosting productivity and spurring economic growth, but also by supporting environmental sustainability and enhancing the quality of life.

### **A Partnership for Urban Development**

To reduce the carbon they emit into the atmosphere, businesses and government organizations have generally focused on conserving energy, switching from fossil fuels to alternative energy sources, and, most recently, exploring ways to offset or capture and store carbon emissions. Cisco and select cities are taking a new approach to lessening their carbon footprints as part of a public-private partnership called Connected Urban Development.

The Connected Urban Development initiative focuses on providing solutions that address the many factors contributing to carbon emissions in urban environments, including the use of energy and natural resources and transportation. The initiative demonstrates how to reduce carbon emissions by introducing fundamental improvements in the efficiency of the urban infrastructure using information and communications technology.

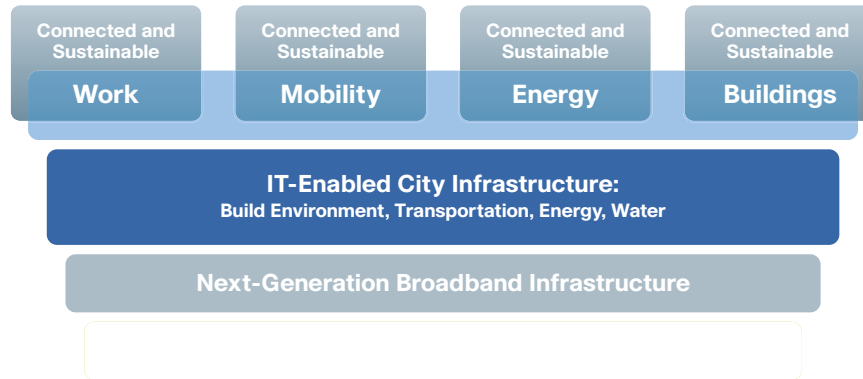
Cisco launched the Connected Urban Development initiative in late 2006 as part of our commitment to the Clinton Global Initiative. The program draws on our own expertise, as well as research from the Massachusetts Institute of Technology. The first phase concentrated on building partnerships with three cities: Amsterdam, San Francisco, and Seoul. In February 2008 the program was expanded to include the cities of Birmingham (U.K.), Hamburg, Lisbon, and Madrid. We will continue to engage more cities, partners, and global thought leaders, and to scale our efforts by actively sponsoring and participating with NGOs, governments, and businesses, using collaborative technologies to share best practices.

Solutions the partners are currently working on include:

- Making vehicle traffic flow more efficiently
- Improving public transportation services
- Creating a sustainable model for buildings that incorporates better energy efficiency
- Establishing energy-saving work environments such as shared office space and virtual collaboration
- Finding better ways for cities to deliver services to residents
- Enabling residents to self-manage their carbon footprints

All the solutions in the Connected Urban Development portfolio require a connected IT broadband network. Each solution must involve a practical and operational project, and each must be replicable and able to deliver measurable results. The diagram below shows how initiatives in the areas of work, mobility, energy, and buildings are all built upon a solid network infrastructure.

Connected Urban Development Framework



Cisco has committed \$15 million to Connected Urban Development over a five-year period. The initiative is presently at the proof-of-concept level, and a number of pilot projects have been established and their effects evaluated.

**Progress To Date**

- **Connected Urban Development Global Conference:** The first conference was held February 20–21, 2008 with the theme “Connecting Cities: Innovation and Sustainability.” Co-hosted by Cisco and the City and County of San Francisco, the event attracted a group of more than 200 urban, business, research, academic, and civic leaders from 27 countries who share an interest in developing innovative environmental solutions. This was the first conference of its kind to focus on how IT intersects with the issues and challenges cities face when dealing with climate change and other environmental issues. Following the event, the global dialog has continued with online discussions and seminars. The second Connected Urban Development Global Conference will take place in Amsterdam September 23–24, 2008, with the theme “Connectivity for Sustainability.” More than 300 delegates from 86 cities in 32 countries are expected to attend.
- **The Connected Bus:** Since 2007 the San Francisco Municipal Transportation Agency (Muni) and Cisco have been working together on this pilot project to encourage citizens to use the city’s bus system. Touch screens on the bus provide real-time information about schedules and wait times. Riders enjoy free wireless Internet access, while signs on the exterior of the bus inform motorists and pedestrians of its benefits. The Connected Bus is a hybrid-powered vehicle that is 95-percent emissions free, eliminating 270 tons of carbon from the air per year compared with a standard bus. Future network-enabled enhancements may include smart technology for avoiding collisions, traffic signal priority, onboard entertainment, “Find-It” services for locating points of interest, and security systems.
- **Personal Travel Assistant:** This prototype service, being considered for pilot testing by Amsterdam, Hamburg, and Seoul, aims to improve the transit experience in urban environments by allowing citizens to make informed decisions about their transportation options through a number of digitally enabled access platforms, including mobile phones, personal digital assistants, public touch screens, and PCs. Personal Travel Assistant will be able to plot the most efficient route between destinations, drawing on up-to-date traffic and public transportation information and taking into account other elements, such as fare prices and environmental impact. The service will also be able to alert users to traffic accidents and delays, and it may eventually be used to pay for transport tickets and tolls.

"When the Clinton Global Initiative approached us, we asked ourselves how technology could help solve one of today's most pressing problems: climate change. We found the answer in innovative urban planning, collaboration technologies, and smart policy."

– John Chambers  
Cisco Chairman and CEO

"Connected Urban Development will dramatically enhance how people experience life in and around cities, while substantially decreasing carbon-dioxide emissions. It will prove what we have to prove everywhere in the world: that the only way to save the planet is to reduce greenhouse gas emissions. The only way to get everyone to do that is to show that the effort will create economic opportunity and improve quality of life."

– Former President  
Bill Clinton  
Connected Urban  
Development Conference  
keynote video address,  
February 20, 2008

- **Smart Work Centers:** This public-private collaboration in Amsterdam plans to encircle the city with e-work facilities, providing workers with an alternative to commuting into the city center or maintaining a home office. The first center, to be launched in September 2008, will be equipped with state-of-the-art networking technology and other amenities, including flexible workstations, conference rooms, lounges, a restaurant/business club, a childcare center, and banking and notary services. Cisco TelePresence technology will offer workers leading-edge virtual collaboration capabilities. The Smart Work Centers program promises to benefit the environment by reducing commuting, which lowers energy use and carbon emissions. It also benefits workers by offering a professional, distraction-free work environment close to home.
- **Energy efficiency:** Cisco, the City of Lisbon, the Portuguese Ministry of Education, and Electricity of Portugal (EDP) have agreed to launch pilot projects to explore how information and communications technologies can play a major role in improving energy efficiency. The partnership seeks to implement integrated approaches to energy generation and manage a network of public office buildings and schools across the city. The cities of Birmingham and Madrid are also concentrating on bringing IP-enabled energy efficiency to offices, homes, and public buildings.
- **Smart Transportation Pricing:** This prototype service being piloted in Seoul enables flexible transportation pricing by extending innovative charging schemes across the city based on time and distance. In Seoul the service uses GPS and wireless broadband network architecture. The objectives of Smart Transportation Pricing are to reduce traffic congestion and the carbon impact of vehicles, and to encourage a shift from personal cars to public transportation through incentives linked to reward and loyalty programs. This is expected to provide economic returns for the city by increasing the efficiency of the transportation system and reducing the need to add system capacity.

Reports from these pilot programs are encouraging. Measurement of impact is a core part of the Connected Urban Development program, and these metrics will be made available on the program's website. In addition, planning methodologies are being formalized and shared globally with a growing network of government and academic practitioners. Our plan for next year is to proceed with operational rollouts and continue to measure the results of key initiatives in the first-phase cities. The campaign is helping to build strong public-private partnerships in the four newest partner cities and is targeting the development of specific solutions for those communities. We also plan to share content and methodologies with cities not currently associated with Connected Urban Development.

To learn more about Connected Urban Development, visit:

<http://www.connectedurbandevlopment.org>

<http://www.cisco.com/go/connectedurbandevlopment>



Cisco and the Environment

**Cisco Connected Real Estate**

Cisco networking infrastructure solutions can also improve energy efficiency by facilitating the design, monitoring, and control of multiple-building management systems. Traditionally, buildings required several separate systems to handle electrical, environmental (heating, ventilation, and air conditioning), security, communications, and other functions.

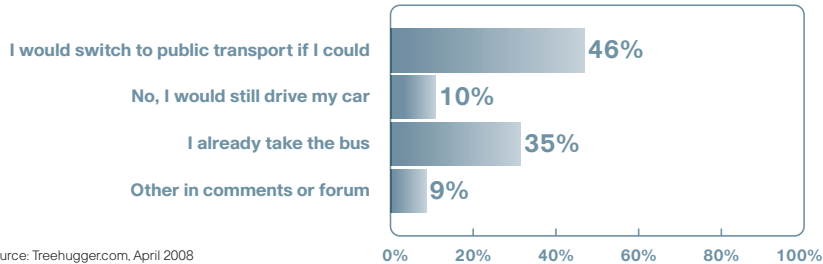
The Cisco Connected Real Estate program integrates the control and management of these systems with Cisco's network infrastructure. This enables 24-hour onsite or offsite control of all building systems over a single IP network. The technology is even able to integrate devices such as printers and copiers into the energy-management system, and it can spot unauthorized personal equipment plugged into office electrical outlets.

A study commissioned by the Converged Buildings Technology Group, a consortium of building system manufacturers, found that this converged network approach generated capital savings of 24 percent during the building construction phase, and reduced operating expenses by 30 percent over the life of a building. Our own studies also show a dramatic reduction in electrical demand—by more than 40 percent.

**TreeHuggers Embrace The Connected Bus**

TreeHugger, a popular independent website devoted to sustainability and green topics, conducted a survey of its users to determine how much The Connected Bus might increase ridership. The survey indicated that a significant portion of respondents would switch to public transportation if they had access to a Connected Bus. The survey also sparked a lively discussion on the site.

**Would it make a difference in your transit?**



Source: Treehugger.com, April 2008

**Cisco Live Conference Goes Virtual**

The Cisco Live conference, most recently held June 22–26, 2008 in Orlando, Florida, provides networking training, insight, and education to Cisco customers and partners. For those who couldn't make it in person, Cisco Live Virtual offered extensive search capabilities, video of keynotes and super sessions, customer video blogs, and content recommendations to suit the personal preferences of individual users.

## Virtual Collaboration

With high energy prices driving up travel costs and greenhouse gas emissions a growing global concern, organizations are looking for ways to bring people together without so many commutes to the office or business trips. Cisco's advanced collaboration solutions offer a user experience and quality of interaction that make virtual meetings a viable alternative to face-to-face meetings. Collaboration over the network combines the business benefits of lowering operating costs and fostering teamwork with the environmental benefits of reducing travel.

Unified communications is the merging of voice, data, and video on a single network to make collaboration easier and more productive. Cisco offers an extensive suite of unified communications solutions for business of all types and sizes. Following are examples of Cisco collaboration solutions that help reduce environmental impacts.

### **Making the Web a Conference Room**

With 35,000 customers and more than 2.6 million registered users, Cisco WebEx collaboration solutions enable users to hold interactive meetings, make online presentations, deliver web-based training, provide remote support, broadcast events, and set up shared online workspaces.

As one example of how Cisco WebEx can make an environmental difference, companies are using the technology to establish virtualized contact centers that allow call center agents to work remotely from localized facilities or even from home, saving the cost of setting up a centralized facility and reducing or eliminating commutes.

Cisco Unified MeetingPlace and MeetingPlace Express are solutions that integrate voice, video, and web conferencing to make remote meetings natural and effective. The U.S. Postal Service (USPS), with more than 700,000 employees, uses Cisco Unified MeetingPlace with integrated voice and web conferencing to replace travel to the frequent training sessions held by the agency. "We calculate that an effective virtual conferencing solution can reduce annual travel costs by \$10 million," according to James Shipman, the USPS's advanced computing environment program manager. Reducing travel not only saves money, it also makes employees more productive, increases job satisfaction, and helps reduce the USPS's carbon footprint.

### **Just Like Being There**

Collaboration flourishes in an atmosphere of trust, which is based on the personal interactions and social dynamics that occur when people work in close proximity and meet frequently face to face. Building trust is a challenge for virtual teams that collaborate largely by phone and email because the body language and other nonverbal signals that people use to communicate in person are absent from the conversations.

Cisco TelePresence is a suite of solutions that melds high-definition video and high-quality audio and data. It makes meeting participants feel as though they are in the same room together, even when they are located on different continents. This gives employees back the time they otherwise would spend traveling, and also eliminates the fuel expenditure and carbon emissions that physical travel requires.

Read about what Cisco is doing to reduce our own carbon footprint:

[Sustainable Company Operations](#)

Cisco and the Environment

**Virtual Hiring Helps Avoid Emissions**

Cisco's University Relations department is augmenting its in-person college recruitment process with online collaboration technology. Instead of having an executive and hiring managers travel to a campus to engage in preliminary recruitment activities, our University Relations team is using Cisco WebEx web conferencing solutions to conduct virtual information sessions. The sessions start with an overview of the company given by a Cisco executive, after which the students can enter virtual rooms to learn more about individual business units and interact with hiring managers. The five pilot sessions held so far not only helped the company avoid carbon emissions, they also saved an estimated \$10,000 in travel expenses. The virtual sessions also enabled the executives and managers to make more efficient use of their time and be more productive.

**Connected Building Wins New Zealand Green Award**

Meridian Energy is New Zealand's largest state-owned electricity generator, supplying power to 200,000 residential and business customers using only renewable resources. The company aspired to be recognized as a Global Reference Company for Renewable Energy. To achieve that goal, Meridian needed technology that would enable employees to collaborate over distance, save on travel emissions, and become more energy efficient. Meridian built New Zealand's first fully green-certified building in Wellington, implementing Cisco's Unified Communications technology suite. The building contains smart operating systems that sense and react to wind, sun, temperature, and internal carbon-dioxide levels, and also employs solar power to heat water and recycle rainwater for flushing toilets. The building is expected to consume approximately 60 percent less energy and 70 percent less water than a standard office building. The New Zealand Green Building Council has awarded the facility a five-star rating—the first such designation for a purpose-built building in New Zealand.

## Smarter Buildings

### A Cisco Connected Workplace Environment in San Jose

Cisco set out to implement a Cisco Connected Workplace environment in a building that gives employees there a broad choice of where and how to work. Cisco Connected Workplace is based on a university model, with both open public areas and enclosed spaces. To facilitate mobility, the environment was designed for wireless communications, with 60 percent fewer wired jacks than a standard building.

Designers settled on four basic types of workspaces:

- Individual workstations consist of docking stations for laptops and a Cisco IP phone, which employees personalize with their phone number and preferences. Employees can also use softphones on their laptops.
- Collaboration spaces include formal spaces that have doors for privacy and are equipped with speakerphones and, in some cases, IP video conferencing stations. Informal meeting spaces can be created using seating on wheels, mobile tables, and portable privacy screens.
- A quiet space or “library” lets employees work without distractions.
- A laboratory area supports engineering activities and associated equipment.

In addition to using the various workspaces from day to day, employees often move among the spaces throughout the day.

A global market transition is motivating the real-estate industry to provide places to work and live that are more environmentally sustainable. Much of the focus has been on “greening” the building location, the architectural design, and the building systems. In addition, many buildings are being architected and retrofitted to support changing work styles and lifestyles.

Cisco believes that integrated networking and collaboration technologies can have a demonstrable impact on the environmental performance of buildings and building complexes wherever they are built. We have launched initiatives to make commercial buildings better places to work, as well as more economical to operate, easier to manage, and friendlier to the environment. These include Cisco Connected Workplace, Cisco Connected Real Estate, and energy-efficient data centers.

### Cisco Connected Workplace

As a building owner and employer, Cisco is demonstrating in our own facilities that a more flexible, environmentally friendly workspace can increase productivity and employee satisfaction while also reducing costs. Typically Cisco’s meeting rooms are overbooked, while offices and cubicles remain vacant for up to 65 percent of the time. To address these inefficiencies, Cisco Connected Workplace combines collaborative and networking technologies with an open floor plan and an emphasis on mobility, thereby reconciling productive working patterns with environmental responsibility.

Cisco Connected Workplace increases workplace efficiency and has enabled a 40 percent increase in employees assigned per 100,000-square-foot office space, which has a significant impact on the need for and cost of real estate and benefits the environment by reducing new construction.

Reducing the number of devices in the workspace has the quantifiable benefit of reducing power consumption. In one building at Cisco, the Connected Workplace implementation resulted in 50 percent fewer Ethernet ports, significantly fewer shared devices such as printers and copiers, a higher density of wireless access points, and the elimination of stationary personal appliances in the workspace. The table below gives an estimate of the power savings based on a Connected Workplace pilot at Cisco headquarters (see sidebar).

### Estimated Energy Efficiency Gains with Connected Workplace

	Traditional Office	Cisco Connected Workplace	Percent Change
<b>Number of employees</b>	300	400	33% increase
<b>Connected electrical load (watts/square foot)</b>	2.6	1.7	36% reduction
<b>Connected electrical load (watts/employee)</b>	432.9	178.7	58% reduction
<b>Total connected electrical load (watts)</b>	127,169	71,476	44% reduction
<b>Total cooling loads (BTUs)</b>	433,646	243,733	44% reduction
<b>Total cooling provision tonnage</b>	36	20	44% reduction

Cisco and the Environment

Other benefits: With 22 percent fewer electronic devices per employee and 54 percent less cabling, the Connected Workplace generates less electronic waste. Reducing the need for cabling also means less toxic PVC cable cladding and less demand for virgin copper.

In addition, an analysis by independent sustainability consultant WSP Environment & Energy has demonstrated that the decrease in office space per employee, if applied to a 100,000-square-foot office space, could save 1500 tons of concrete, 280 tons of steel, and 2850 tons of greenhouse gas emissions, which is the equivalent of taking 560 passenger cars off the road for a year.

We are rolling out Cisco Connected Workplace across our real estate portfolio. The San Jose campus alone has more than 500,000 square feet devoted to this open work environment. This workspace supports more than 3000 people, approximately 12 percent of the local workforce.

Read more about the results achieved by Cisco Connected Workplace and other initiatives implemented in Cisco facilities:

[Sustainable Company Operations](#)

[Reducing GHG Emissions in Company Operations](#)

[Cisco Connected Workplace](#)

**Controlling 1000 State Buildings Across Missouri**

The State of Missouri was spending \$300 million annually to operate and maintain some 32 million square feet of space in approximately 1000 buildings. Rising costs for energy and real estate plus an ever-increasing backlog of deferred maintenance were continually driving up expenses. In 2005 the state announced that it planned to reduce its energy consumption by 15 percent by 2010.

To accomplish this energy-efficiency objective and meet its environmental sustainability goals, the state determined that it would need a real estate asset management solution linking all the buildings statewide. The State of Missouri Enterprise Asset Management project, begun in December 2006 and deployed throughout 2007, is considered the most comprehensive initiative of its kind in North America—in terms of both scope and results.

The new system enables the state to manage buildings from a central location, making it easier to analyze data from all the sites in Missouri, identify maintenance needs, and more effectively direct the activities of facilities managers. It also gives the state the information needed to identify inefficiencies, avoid unnecessary energy use, and reduce associated carbon emissions.

Cisco network solutions play an important role in the Enterprise Asset Management system. With all of its building control and utility data streaming over a shared network, the state is able to take control of all facets of its building portfolio, generate significant savings, and accurately calculate its carbon footprint.

Major results of the State of Missouri Enterprise Asset Management project to date:

- Combined savings of more than \$35 million a year
- Expected return on investment of about one year
- Significant reduction in emissions that cause climate change and acid rain: more than 205 million pounds of carbon dioxide, 307,000 pounds of nitrogen oxides, and 583,000 pounds of sulfur oxides

**Cisco Connected Real Estate**

Cisco Connected Real Estate is a framework for transforming the network into an intelligent part of the building infrastructure. Greater accessibility to data from all building systems enables building managers to improve efficiency and enhance operations performance.

Cisco and the Environment

According to the U.S. Green Building Council, commercial buildings account for:

- 70 percent of total U.S. electricity consumption
- 39 percent of total U.S. primary energy use
- 39 percent of total U.S. greenhouse gas emissions
- 136 million tons of U.S. construction and demolition waste
- 40 percent of raw materials used globally

Cisco Connected Real Estate solutions help alleviate these negative environmental impacts by:

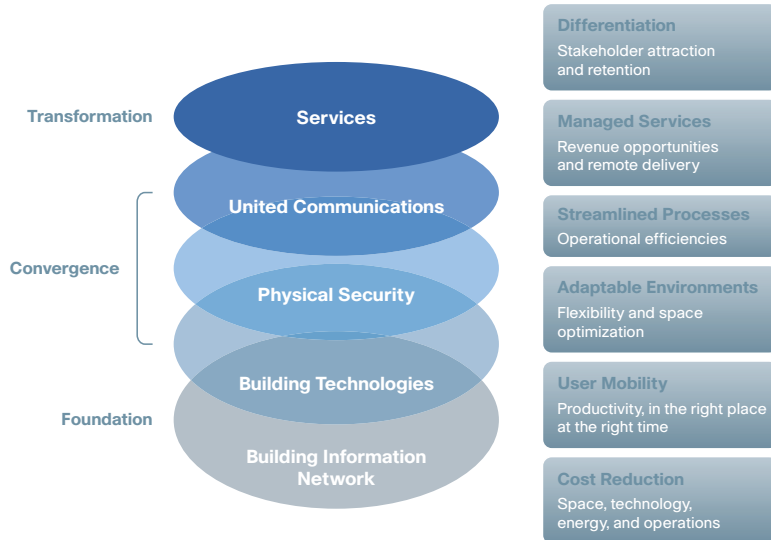
- Improving energy efficiency with better management systems
- Decreasing greenhouse gas emissions by using less energy
- Consolidating office space requirements
- Reducing consumption of materials and equipment
- Reducing office and electronic waste

Connected Real Estate solutions produce cost savings by enabling building developers, owners, and managers to monitor and control all building information systems using a single IP network. Employers are also better able to provide flexible, customized workspaces for their employees, and building owners can realize higher income by tailoring buildings to the requirements of each tenant.

A study commissioned by the Converged Buildings Technology Group, a consortium of building system manufacturers, found that a converged-network approach to building management can generate capital savings of 24 percent during the building construction phase, and reduce operating expenses by 30 percent over the life of a building. Additional research conducted by WSP Environment & Energy in FY08 analyzed energy and operational cost savings before and after implementation of intelligent building management solutions. The evaluation identified typical annual energy savings of 15 percent per building.

The diagram below illustrates how the various components of the Connected Real Estate solution fit together.

Creating Value with Cisco Connected Real Estate



For more about [Cisco Connected Real Estate](#), click here.

### Power-Intensive U.S. Data Centers

The U.S. Environmental Protection Agency reported in August 2007 that the energy used by the nation's servers and data centers consumed about 61 billion kilowatt-hours (kWh) in 2006, representing 1.5 percent of total U.S. electricity consumption. This is more than the electricity consumed by the nation's color televisions, and equal to the power used by approximately 5.8 million average U.S. households.

The cost to businesses: about \$4.5 billion. The federal government's servers and data centers alone account for approximately 6 billion kWh, or 10 percent of the government's total electricity use, at a cost to taxpayers of about \$450 million annually.

## Energy-Efficient Data Centers

Rapid IT growth is driving up power requirements in data centers, causing concern from both a cost and environmental perspective. Organizations and data center managers need to find better ways to:

- Slow the growth of power and cooling needs
- Measure, monitor, and manage data center power over the network
- Promote power efficiency considerations in data center operations
- Track power consumption and emissions to support energy conservation initiatives within the organization

### Meeting the Challenges

These challenges can be addressed through a combination of the right network architecture and organizational transformation. Cisco has developed solutions for slowing the upward trend in power consumption by:

- Establishing data-center operation efficiency and utilization benchmarks
- Implementing power-consumption measurement, monitoring, and management applications
- Identifying under utilized and low-value infrastructure
- Providing accurate data on power efficiency

In addition, Cisco's solutions are helping IT managers shift from isolated silos of servers to a community of computing and storage resources linked with an intelligent network that can be optimized for users across the organization. Known as *virtualization*, this approach combines the manageability and energy and space savings of a centralized infrastructure with the flexibility of a locally distributed system.

Today, Cisco offers customers a solution combining Cisco RDS 9500 Series Multilayer Directors storage switching and the Cisco Catalyst 4948 Switch virtualized fabric. This leading-edge solution increases the information storage capacity in the data center by 70 percent, thereby reducing the number of devices needed and the energy used. This solution can also help managers identify unused power capacity in their existing facility.

### Measuring Improvement

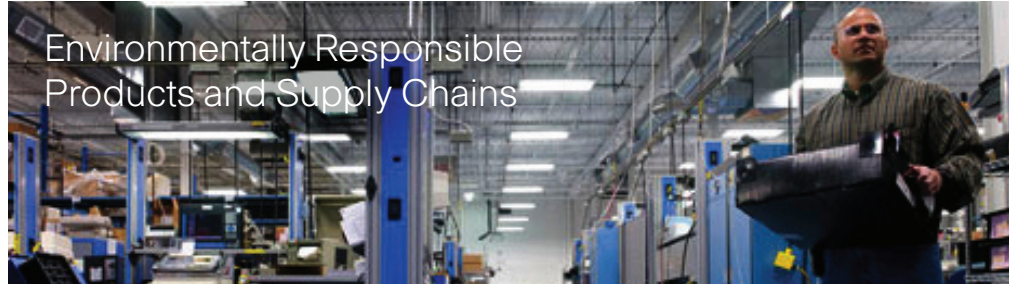
Our customers and partners tell us that most data center managers do not know how efficiently their data centers are operating. The main reason for this lack of knowledge is that measurement is often a manual process, and results can vary widely within several hours of performing a one-time calculation. However, several metrics now exist that can help determine the efficiency of a data center operation. Cisco is a member of The Green Grid, a global consortium dedicated to advancing energy efficiency in data centers that works to develop better standards, measurements, and processes.

In June 2008 Cisco announced the public beta launch of the [Efficiency Assurance Program](#), a tool that helps analyze power use and establish efficiency benchmarks across facilities and the data center. With the aid of this web portal, users are able to determine the power cost, utilization rate, and carbon-dioxide emissions related to their operations.

For more about Cisco's energy-efficient data center solutions, visit:

[http://www.cisco.com/en/US/solutions/ns708/networking\\_solutions\\_products\\_genericcontent0900aecd806fd493.html](http://www.cisco.com/en/US/solutions/ns708/networking_solutions_products_genericcontent0900aecd806fd493.html)

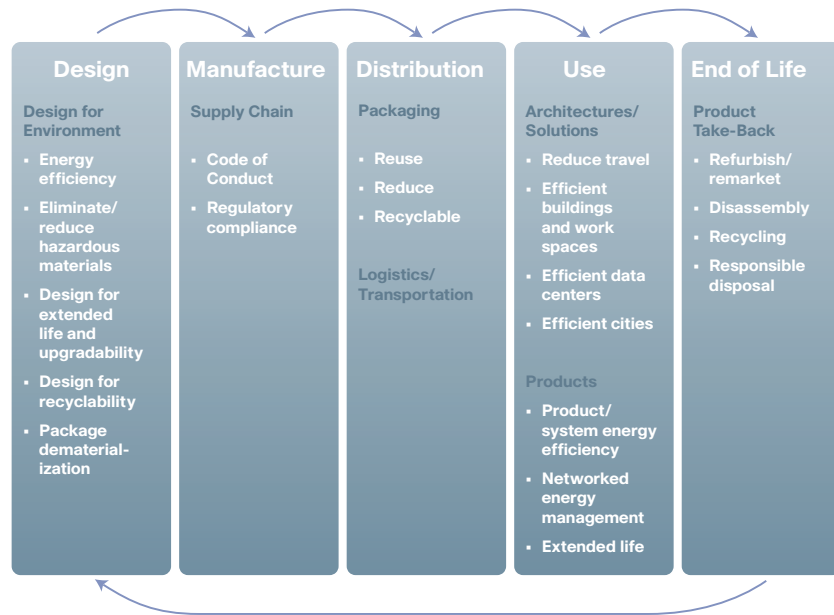
Cisco and the Environment



The demand for new and more powerful network equipment and new collaboration tools continues to drive strong growth in Cisco's business. With more than 28 million networking devices shipped in FY08, a key element of our commitment to a socially responsible supply chain is the reduction of the environmental impact of our products. That means working to lower the toxicity of the materials used in the products' manufacture, the energy consumed during their useful lives, and the waste they produce when they reach end of life.

Enhancing sustainability across our product line is no small undertaking. Cisco markets almost 200 product families that require more than 35,000 component parts. We outsource manufacturing through more than 600 supply partners, making our supply chain one of the most complex in the industry. During FY08, Cisco established the Sustainability Science Center, an internal organization that provides a focal point for designing for the environment and intelligent power management in our products.

Key Environmental Considerations for Cisco Products





Cisco and the Environment

Cisco's supply chain strategy aims to influence efficiencies and innovation across the supply chain and provide sustainable solutions for our customers. It also aims to positively impact how the virtual supply chain operates, motivating our suppliers to take action.

Our initiatives in the areas of product and supply chain management include:

- [Products: Hazardous Materials](#): Compliance and initiatives that go beyond compliance
- [Products: Energy Efficiency](#): Our work with industry and government groups, including frameworks for product energy use
- [Products: End-of-Life Management](#): Enhancing reusability, and our recovery and compliance programs
- [Products: Accessibility for All](#): Meeting and setting accessibility standards
- [Supply Chain: Sustainability](#): A holistic approach that addresses social and environmental issues
- [Supply Chain: Diversity](#): How we foster diversity among our suppliers

## Products: Hazardous Materials

Cisco seeks to minimize the use of potentially hazardous substances in our products, and we continue to find ways to incorporate materials and components that reduce the environmental impact of Cisco products and packaging. We use our Product Compliance Assurance Process to achieve these goals.

- Cisco's Product Compliance Assurance Process is part of our due diligence to ensure that our supply chain partners fully comply with applicable standards, including the European Union Restrictions on Hazardous Substances (RoHS) Directive and China's Administration on the Control of Pollution Caused by Electronic Information Products (China RoHS). In addition, we have developed specifications to validate our suppliers' management of restricted substances and their documentation of compliance standards. This process-based approach to compliance enables Cisco to assess the risk of supplier noncompliance, implement continuous improvement, and integrate management of the environmental impact of our products across our supply chain.
- Our Lead-Free Program aims to transition Cisco product lines to lead-free solder, while also addressing quality and reliability issues associated with that transition. Cisco's goal is to ensure the capability for conversion to lead-free solder in the supply chain for all Cisco, Linksys, and Scientific Atlanta products by 2011. Cisco is also working with leaders in several international industry organizations to develop reliable and environmentally sound lead-free solutions.
- Implementation of the Global Battery Compliance Specification ensures that batteries used in Cisco products are compliant worldwide.

## Products: Energy Efficiency

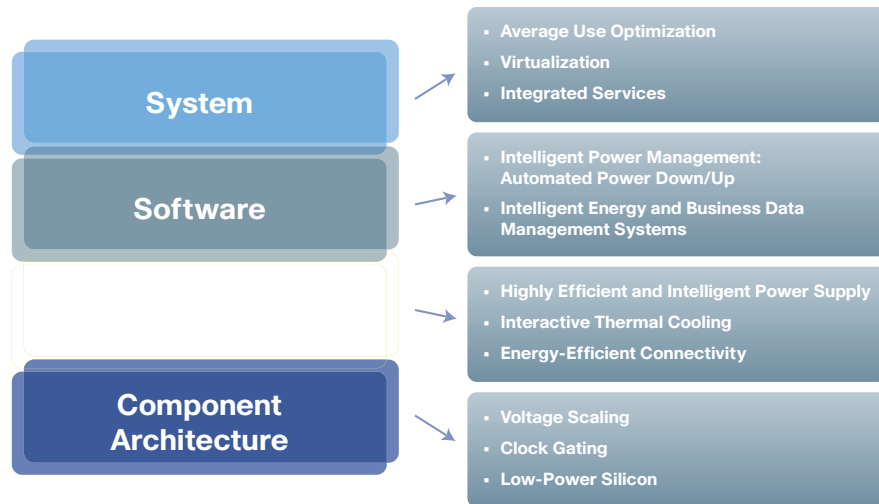
Climate-change concerns, the cost of energy, and new regulations continue to prompt energy-efficiency initiatives across the IT sector. The rise in energy consumption has brought the efficiency of today's IT devices and technologies to the attention of investors because of the operating costs they represent. In addition, regulators worldwide are increasingly addressing energy efficiency in consumer electronics equipment. As the world's largest supplier of networking equipment, Cisco has established a comprehensive program to assess energy efficiency across our entire product range.

### Assessing Product Energy Use

Network equipment can be divided into core, edge, and end devices. Examples of end devices are digital video recorders, IP phones, and broadband access routers. While individual end devices do not use as much power as the energy-intensive devices located at the core of the network or at service provider sites, they offer the greatest opportunity for saving energy because they are sold in higher volume. The technology and services that Cisco delivers can have a significant impact on the operation and energy consumption of these devices. Cisco's greatest opportunity for improving network energy efficiency is to lower the demand for power in end devices while they are not in use.

Our multilevel approach to addressing product energy efficiency ranges from components, systems, and software to optimizing the energy used by the network as a whole. Key Cisco product energy-efficiency initiatives during FY08 are shown below.

### Cisco Energy Efficiency Initiatives



### Component Architecture and Hardware

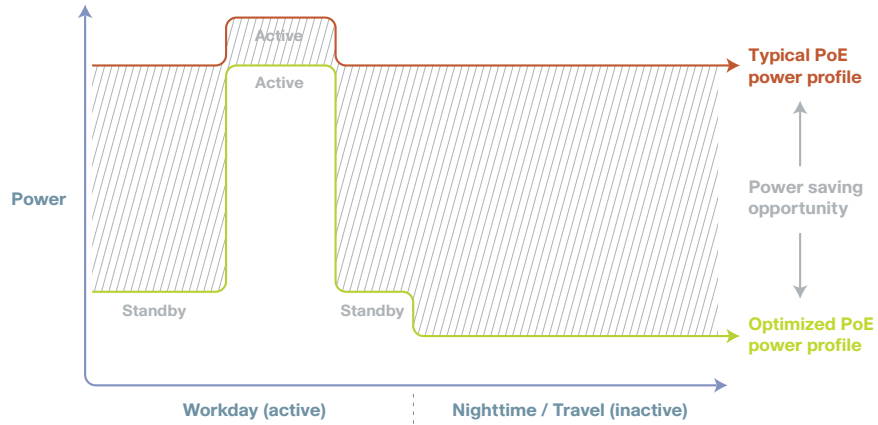
Efficiency begins with the smallest product components, namely integrated circuits, or chips. Cisco's R&D and supply chain teams look to include sustainability in chip design criteria and have been able to make significant progress in enhancing the performance of each new chip generation.

We use a chip design approach called Application-Specific Integrated Circuit (ASIC) Optimization to regulate the function of an ASIC so it performs a specific task at faster switching speeds. Voltage Scaling regulates the power needed to perform a targeted task. Cisco engineers also employ a technique called clock gating, which powers down portions of the chip circuitry that are not actively being used for computing.

**System and Software Design**

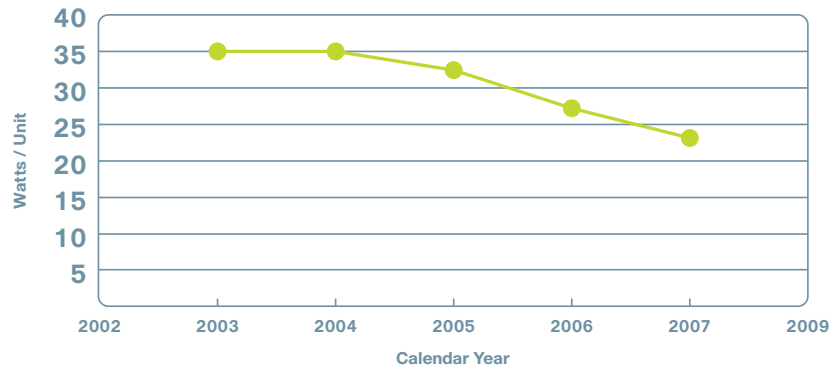
The judicious use of power-down and standby modes offers additional opportunity for energy-efficiency gains, as illustrated in the diagram below.

**Energy Efficiency Achieved by Using Power-Down and Standby Modes**



For many of Cisco's mission-critical routers, implementing these measures is challenging due to the requirement that they operate on-demand, around the clock. But significant power savings are possible for peripheral devices, such as those that receive their power over network cables (called Power over Ethernet, or PoE), and consumer electronics, such as our set-top boxes. The graph below shows a 17-percent decrease in the energy demand of set-top boxes over the past four years.

**Energy-Efficiency Gains for Set-Top Boxes**



Energy-efficiency measures that Cisco uses in our end devices include:

- Spinning down hardware on devices when not in use
- Powering down areas of a chip that are not in use
- Minimizing the frequency of communications between devices

Besides working to improve energy efficiency, Cisco is collaborating with industry groups to develop specific metrics that can be used to benchmark the performance of a variety of products.

Cisco and the Environment

**Progress and Future Plans**

During FY08, Cisco conducted a full assessment of our products' energy requirements, determined which products have the greatest impact, and created programs to improve energy efficiency across our product lines. Activities planned for FY09 include:

- Work with our industry partners to agree on power configurations
- Assign each product a Power Profile Specification
- Establish energy-efficiency metrics for benchmarking the performance of our equipment
- Set performance improvement targets

**Reusing Equipment to Avoid Waste and Save Money**

The Cisco Technical Assistance Center in Gurgaon, India, is a good example of how Cisco has succeeded in implementing environmental stewardship through reuse of equipment, yielding both ecological and financial benefits.

Approximately \$10 million worth of refinished, high-quality equipment was used as capital to establish and rapidly equip a large organization with a small budget. The lab equipment included high-end routers, switches, wireless products, phones, and optical devices with dedicated racks.

In the highly competitive environment in India, the equipment now allows 150 engineers to handle 10,000 service requests per month from around the world.

## Products: End-of-Life Management

Electronic waste is an important environmental issue that has been the focus of increased regulation over the past five years. In addition to complying with these regulations, Cisco is establishing our own product end-of-life management and asset-recovery programs to reduce this waste while also generating revenue and returning value to our shareholders. Establishing commercial incentives for reuse and increasing asset recovery rates is a central part of our strategy to improve our end-of-life management practices.

### Asset and Value Recovery Programs

Cisco has developed a tightly controlled, closed-loop reverse supply chain, ensuring that environmental responsibility results in financial benefits for Cisco and our shareholders.

Cisco takes back and provides resources for recycling all our products in major markets worldwide. Whenever possible, we refurbish returned products and make them available to internal groups throughout the company. For products that cannot be reused, we work with waste-recovery partners to reduce the quantity of nonrecyclable material that ends up in landfill. Less than 2 percent of Cisco's returned electronic equipment goes to landfills.

Last year, we received \$275 million worth of Cisco product returns globally, about 65 percent of which were the result of the Cisco Technology Migration Program. This program encourages end-of-life product returns by offering customers a discount on new products in exchange for returning their existing equipment. We also take back products as the result of other customer returns, service parts inventory, supplier excess inventory, and internal scrap.

All product returns are channeled through the value recovery process so they can be redeployed as an alternative to recycling. Of the \$275 million in product returns in FY08, approximately 57 percent were redeployed. This represents a growth of 63 percent in value recovery from FY07 to FY08. Products that are not redeployed are sent through a world-class recycling process that captures additional value through recovery of precious metals and plastics. Less than 1 percent of nonrecyclable material ultimately ends up as true scrap. During FY08, we recycled 10,249 metric tons of electronics materials, representing a 44-percent increase in our performance over FY07.

In FY09 we plan to continue to expand our programs in emerging markets and increase our value recovery by 10 percent.

[View a video on Cisco's product end-of-life and reuse management called "Takeback and Recycle Program"](#)

### Regulatory Compliance

Cisco's take-back and recycle program meets the requirements of the European Union (EU) Waste Electrical and Electronic Equipment (WEEE) Directive. All Cisco products in EU countries can be returned to Cisco at no cost to the customer or partner. Cisco is working with trade associations, regulators, and regional organizations, including the European Information and Communications Technology Industry Association and the U.S.-based Information Technology Industry Council, to effectively and efficiently implement regulations concerning electronic waste. Cisco actively contributes to the United Nation's Solving the E-waste Problem program and the Global e-Sustainability Initiative.

Cisco and the Environment

**Designed for Extended Life**

Extending product life conserves materials and reduces environmental impact. Cisco's modular approach to system design allows for the easy upgrade of network interface and processor boards and the continued use of the existing system chassis and back planes. As a consequence, many product chassis built and shipped 10 years ago are still in use today.

Cisco product warranties enable customers to return nonfunctioning parts for reuse and recycling. Our products are designed to be:

- Compatible with previous and future versions of Cisco's network components, so obsolescence is minimized
- Complementary with standard chassis dimensions, so customers can use their existing equipment racks

We also gain efficiencies by endeavoring to deliver exactly what our customers need. Last year we saved as many as 2.7 million sheets of paper and approximately \$1.9 million by providing product documentation on CDs and making it available online. To help prevent waste, we give customers the option of not having to purchase certain product accessories that they may not need. Streamlining our product distribution and return logistics reduces transportation requirements, lowers greenhouse gas emissions, and saves money.

### **Breaking New Ground in Telephone Accessibility**

Tenacity accessaphone is the first comprehensive set of computerized telephony accessibility provider solutions. The accessaphone employs input options such as keystrokes and voice commands that allow for easier and quicker control of the telephone. For instance, keystrokes D, H, and T can be used to perform dial, hold, and transfer.

Keystrokes can also be mapped to voice commands, enabling hands-free telephone use. The accessaphone makes full use of text-to-speech technology, and convenient verbal prompts guide the user through advanced features such as conference calling.

For example, Cisco provided accessaphone with a handset lifter to a disabled professor at the University of North Carolina, Charlotte. With the accessaphone technology, the professor can now make or receive telephone calls using keyboard controls or alternative input devices, and also has full use of an audible voice message system.

## **Products: Accessibility for All**

Providing all employees with access to work and communications tools improves an organization's productivity, responsiveness, and ability to attract and retain the most qualified people, regardless of disability. It also increases the organization's service levels to a distinct segment of its customer base, increasing customer satisfaction and revenue.

Cisco is committed to designing products and services that are accessible to people with disabilities. Since 1999, we have actively promoted and implemented technologies that enable user accessibility. The Cisco Accessibility Team monitors ongoing compliance with Cisco accessibility standards and worldwide regulations, reporting to Cisco's Corporate Quality Compliance & Certification Organization.

### **Accomplishments to Date**

In FY04 Cisco launched the Accessibility Initiative to help ensure that our products, facilities, websites, and documentation can be easily accessed by users with disabilities. As of FY08, accessibility is implemented into all Cisco business functions, subsidiaries, and acquisitions. In all, we have provided accessibility training to more than 6000 employees.

Additional accomplishments for Cisco's Accessibility Team in FY08 include:

- Supporting and assisting more than 250 Cisco customer accessibility inquires
- Establishing the Cisco Disability Awareness Network
- Deploying the Cisco and IP blue softphone solution for visually impaired workers in the Colorado Department of Labor

The Cisco Disability Awareness Network was established this year as one of 11 employee resource groups sponsored by Cisco. To promote an adaptable work environment to support Cisco employees and our partners, the eight charter members of this network are developing a global plan to start chapters worldwide. Duncan Mitchell, executive sponsor of the network, formed a People With Disabilities advisory board to prioritize and take action on issues raised.

### **Accessibility Partners**

Cisco works closely with our vendors to improve accessibility and usability in our products. Some examples:

- Cisco worked with Tenacity to certify their accessaphone™ as a Cisco Preferred Solution. Tenacity accessaphone allows users to operate the phone from their PC keyboards and enables text-to-speech for caller ID, calls on hold, voicemail notification, and missed, received, and placed calls. The product is also compatible with leading speech-recognition software that lets dexterity-impaired people control the phone with voice commands.
- Working with NexTalk, we are developing solutions that connect Cisco Unified Communications Manager to NexTalk NXi Telephony Services (NTS), enabling features that serve the hearing-impaired community. NTS provides advanced text communications over IP networks, transforming the PC into a teletypewriter (TTY) device for sending and receiving messages. NTS also provides automated attendant, interactive voice response, and messaging options such as email, fax, digital paging, and instant messages.



### **A Special Phone for the Visually Impaired**

An accessible software-based phone for the Cisco unified communications system, the VTGO-PC 508 Compliant softphone from IP blue can be deployed alone or in conjunction with the Cisco Unified IP Phone 7960G. Users choose which phone to use on a call-by-call basis.

With built-in text-to-speech translation, the VTGO-PC 508 Compliant softphone provides audio assistance for all phone features, including caller ID, call hold, line status, call directory, missed calls, and even prompts and messages from third-party applications. IP blue also supports Cisco Text Relay, which allows the softphone to receive and place TTY calls without the need for additional TTY devices.

- ARC Solutions' attendant console assists visually impaired users by supporting the Job Access with Speech screen reader. This provides access to information displayed on the screen using text-to-speech or a Braille display.

### **Meeting and Setting Standards**

Cisco participates in committees that set accessibility standards within the International Telecommunication Union, the Internet Engineering Task Force, and the Telecommunications Industry Association. We require our equipment to comply with the Americans with Disabilities Act, Section 255 of the U.S. Telecommunications Act, and the U.K. Disability Discrimination Act. Our products also conform to Section 508 of the U.S. Rehabilitation Act and similar legislation, and we are participating in efforts to help the United States Access Board rewrite and update the Section 508 requirements.

Internally, Cisco's employee intranet complies with the Web Accessibility Initiative, an independent consortium working with organizations worldwide to develop strategies, guidelines, and resources to help make the web accessible to people with special needs.

### **Plans for the Future**

In FY09 our goals are to:

- Extend the Accessibility Initiative to our most recent acquisitions and subsidiaries
- Complete the curriculum for Accessible Rich Internet Applications and testing methodology
- Create and deploy the Cisco Sales/Reseller Accessibility Outreach Program

[For more information, visit our accessibility web page.](#)

## Supply Chain: Sustainability

Cisco is a “virtual manufacturer,” which means the production of the majority of our products takes place outside our direct control. We work closely with our supply chain partners to meet our delivery, quality, and cost requirements. We also monitor their ongoing compliance with the obligations we require under our Supplier Code of Conduct.

Sustainable practices are good business practices. By reducing carbon emissions, waste production, and natural resource demand in FY08, Cisco's Global Supply Chain Management realized over \$3 million in annual cost savings through manufacturing efficiency.

Some examples of our environmental and business successes include:

- **Recycling IP handsets:** By regrounding the excess plastic produced during the manufacturing process, we recycle approximately 13 percent of the plastic used in our IP phones, conserving materials and saving \$880,000 a year.
- **Customer choice of accessories:** Customers can choose to opt out of receiving accessory kits they do not need, potentially saving 100 tons of material per year.
- **CD documentation:** Converting product documentation from paper manuals to CDs saves 2.7 million sheets of paper a year and at least \$1.2 million.
- **Reducing print size:** By changing the format and reducing the font size in the printed material about China's Restriction of Hazardous Substances Directives (RoHS) requirements that accompanies our products, we saved approximately \$1 million in printing costs and 22 million sheets of paper annually.

### Supplier Code of Conduct

Cisco's [Supplier Code of Conduct](#) forms the basis for our supply chain social responsibility program. It reflects the common guidelines developed through the Electronic Industry Citizenship Coalition (EICC), but also includes additional requirements specific to our business and operating model. The Code covers the environmental expectations we have for our suppliers, as well as ethics, health and safety, labor rights, and management systems. In response to the EICC's new membership rules, Cisco intends to convert our Supplier Code of Conduct to the EICC core code in FY09, with an addendum that highlights significant changes.

Cisco's supplier assessment process evaluates the performance of our suppliers by means of:

- Risk assessment of supplier facilities
- Review of the management systems for those facilities identified as high risk
- Third-party facility audits, where appropriate
- Corrective action process

The foundation of this program is dissemination of the Cisco Supplier Code of Conduct to suppliers through our supplier management tool and as an addendum to all contracts with new and existing partners. To facilitate compliance, we help suppliers understand our interpretation of the elements in the Code. Cisco may request that some suppliers complete a Self Assessment Questionnaire to provide more information about their facilities, which may lead to a comprehensive third-party audit. In FY08 Cisco initiated about 20 third-party audits using the audit methodology developed through

## Cisco and the Environment

the EICC's joint audit program. As a member of the EICC board of directors, Cisco seeks to ensure that EICC best practices and tools are applied throughout our supply chain.

Among the supplier facilities audited in FY08 were five key contract manufacturers, six component suppliers, and six original-design manufacturers working with our Linksys brand. Additionally, through the EICC joint audit program, Cisco received audit reports for an additional 14 component suppliers in China. In all, the 31 audit reports received in FY08 generated a large volume of findings, including innovative programs addressing workforce needs. Areas that required our attention included:

- **Labor:** careful adherence to worker overtime and rest requirements, as well as fair treatment of supplier contract labor
- **Environment Health and Safety:** safe handling and storage of chemicals and availability of and training for use of personal protective equipment for workers
- **Intellectual Property Management:** more rigorous attention to the detailed supplier management of Cisco's proprietary information and improved scrap management procedures
- **Management Systems:** assurance of an integrated and comprehensive management system for tracking worker training and labor and ethics management

Cisco is currently working with each supplier to address any findings and formulate an action plan to ensure alignment with the Supplier Code of Conduct. The program's emphasis is on continuous supplier education and engagement.

### Progress and Future Plans

Standardizing the process of measuring environmental impacts throughout a company's supply chain is still in the formative stage. The scale and magnitude of the task requires collaboration with industry peers and supply chain partners. Cisco has prioritized our own efforts in supply chain management to focus on the issues of greatest impact.

In FY09 our goal is to work with our supply chain at various levels to identify and incorporate quantitative social and environmental metrics, including:

- Greenhouse gas emissions
- Energy availability and use
- Water availability and quality
- Land use and waste
- Hazardous materials

## Supply Chain: Diversity

Historically Cisco pursued supplier diversity as an initiative only in the United States, but during the last few years Cisco's Global Supplier Diversity Business Development initiative has expanded this effort to other countries. Supplier diversity reinforces Cisco's competitive advantage by strengthening our relationships with our partners and with the communities where we operate. It also helps foster economic growth and vitality, and it bolsters our ability to meet the requirements of our customers.

Supplier development is central to the process of growing Cisco's diverse businesses and gives us an opportunity to collaborate with leaders from a variety of businesses. Cisco has provided supplier-diversity solutions for our company as well as for our direct and indirect supply chain. This year we focused on creating a Diverse Specialty Distributor Pilot project aimed at introducing more diversity into the supply chain while continuing to meet customer requirements. This solution is targeted to become a full-fledged program in the United States during FY09.

In FY08, we developed, enhanced, and implemented several supplier development programs:

- Suppliers were invited to participate in the UCLA Management Development for Entrepreneurs Academy. This program at the University of California at Los Angeles helps entrepreneurs develop management expertise and strengthens their ability to build effective and profitable organizations. Participants also have access to UCLA Anderson School of Management professors and the alumni network.
- Suppliers participated in business missions to countries such as Canada, China, South Africa, and the U.K., forming partnerships with globally diverse suppliers and exploring potential business opportunities.
- Cisco established the Executive Mentor Protégé Program, an initiative in which six Cisco executives mentor six diversity-supplier CEOs and help them navigate Cisco's diversity supplier process.

Cisco sponsors a range of organizations that promote supplier diversity at events and conferences globally. They include:

- National Minority Supplier Development Council
- Women Business Enterprise National Council
- Industry Council for Small-Business Development
- University of California, Los Angeles, Management Development for Entrepreneurs Program
- Black Enterprise
- U.S. Hispanic Chamber of Commerce
- U.S. Pacific Asian American Chamber of Commerce
- National Association of Women Business Owners of Silicon Valley
- Reservation Economic Summit
- Canadian Aboriginal and Minority Supplier Council
- Minority Supplier Development UK
- WEConnect International (women-owned businesses)
- WEConnect UK
- Quantum Leaps (women-owned businesses)

**Cisco and the Environment**

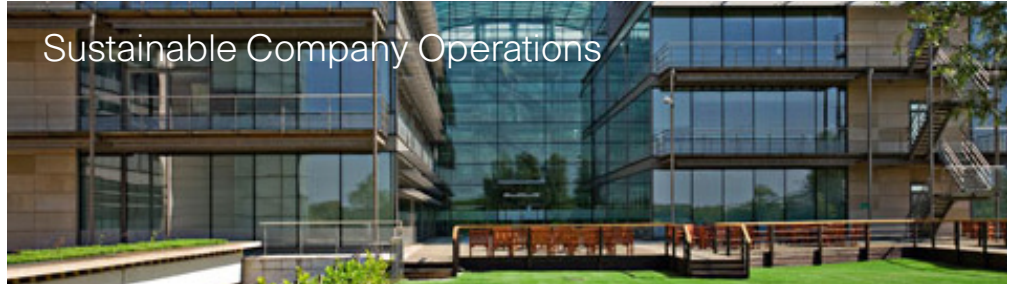
- Minority Supplier Development China (proposed)
- Australian Indigenous Minority Supplier Council (proposed)

For the past five years, Cisco has been recognized for our supplier diversity efforts by DiversityBusiness.com. Cisco ranks as one of the top 50 U.S. companies providing multicultural business opportunities, based on feedback received from more than 350,000 women- and minority-owned businesses.

“Every corporation has a responsibility to help address climate change and to minimize the impact of its operations on the environment. Cisco is approaching this challenge not only by curbing our own company’s greenhouse gas emissions, but also by taking advantage of the power of networking technology solutions to better manage our environmental concerns.

“By deploying innovative information technology and using the network as a platform for 21st century environmental management, we believe we can significantly alter our greenhouse gas footprint and help our customers meet their sustainability goals.”

– John Chambers  
Cisco Chairman and CEO  
Keynote address to Cisco Live conference, June 24, 2008



Cisco is committed to a high level of environmental responsibility in its business operations, culture, products, and customer solutions.

We have established internal sustainability programs aimed at:

- Lowering energy consumption across the company
- Reducing our absolute greenhouse gas emissions 25 percent by CY12 based on our CY07 baseline emissions
- Using our own network-based collaboration products to cut down on business travel
- Expanding the Cisco Connected Workplace concept and applying Cisco Connected Real Estate principles to our facilities
- Obtaining power generated from renewable resources
- Closely managing water consumption, air quality, and food procurement
- Monitoring and properly disposing of hazardous materials
- Improving our already well-established corporate Environmental Management System
- Inspiring employees to help make the workplace more energy- and resource-efficient

Read more about how Cisco is addressing sustainability across the company:

- [Mitigating Climate Change](#): Reducing greenhouse gas emissions due to business travel and company operations
- [Water, Air, Food, Waste](#): Limiting water use, improving air quality, making food services more sustainable, and dealing responsibly with waste
- [Environmental Management Systems](#): Integrating best practices under the ISO 14001-based management system
- [Employee Education and Engagement](#): Involving employees in all aspects of the company’s environmental efforts

## Mitigating Climate Change

Cisco's commitment to mitigating climate change is far-reaching, impacting all aspects of the company, from culture and operations to products and customer solutions. Because greenhouse gases are a major contributor to climate change, most of our efforts in this area focus on reducing GHG emissions. To do this, we leverage our own technology to lessen our reliance on business travel and make our company operations more efficient. Using the network as a platform for 21st-century environmental management, we have the ability to exponentially increase the impact of our own efforts and also develop best practices and solutions that we can share with new and existing customers.

### Cisco's GHG Emissions Commitments

Cisco's 2006 Clinton Global Initiative Carbon-to-Collaboration commitment is to reduce emissions from business air travel by 10 percent, using FY06 as a baseline. Since making this commitment, Cisco has joined the United States Environmental Protection Agency (EPA) Climate Leaders program, a public-private partnership that works with companies to develop GHG reduction strategies. As part of EPA Climate Leaders, Cisco has committed to a 25 percent reduction in GHG emissions (including air travel) by CY12, using a CY07 baseline.

To help meet those commitments, we are using Cisco remote collaboration technologies in place of business air travel and making our operations more efficient. With regard to operations, we are reducing energy use and improving energy efficiency in new and retrofitted buildings. We are also applying our network technologies in our engineering laboratories, data centers, and building operations, and we are purchasing electricity from renewable sources.

### GHG Emissions Reporting

Cisco's GHG emissions over the last four years are shown in the following table, expressed in metric tons carbon dioxide equivalent (mTCO<sub>2</sub>e):

Cisco GHG Emissions, in mTCO<sub>2</sub>e

	FY05	FY06	FY07	FY08
<b>GHG Protocol Scope 1 and 2</b>	<b>426,052</b>	<b>526,155</b>	<b>498,250</b>	<b>408,643</b>
<b>GHG Protocol Scope 3 (air travel)</b>	<b>171,140*</b>	<b>211,178</b>	<b>219,874</b>	<b>221,092</b>

\* Scope 3 emissions for FY05 could not be upgraded, so the value is the same as we reported previously. This value should not be trended with or compared to later years.

Cisco GHG emissions reporting, including the definitions of Scope 1, 2, and 3 emissions, is based on the [Greenhouse Gas Protocol](#). The [EPA Climate Leaders](#) program provides additional program guidance.

- **Scope 1 and 2:** As part of Cisco's EPA Climate Leaders partnership, we have significantly improved our data collection to make it more complete. In previous years, we reported only the emissions data actually collected from Cisco sites and separately noted the estimated completeness of the data. We now collect actual emissions data for approximately 90 percent of our real estate portfolio and estimate the balance based on building square footage and usage. To make historical trending prior to FY07 comparable, we adjusted the previously reported FY05 and FY06 emissions to estimate 100 percent of Scope 1 and 2 emissions for those years. In addition, FY07 emissions

Cisco and the Environment

were completely updated as part of a comprehensive upgrade to our internal reporting systems. The table includes 100 percent of our Scope 1 and 2 emissions.

- **Scope 3:** As part of Cisco's partnerships with the Clinton Global Initiative and EPA Climate Leaders, we upgraded access to air travel records obtained from our travel provider. Because of incomplete data in prior years, we did not include emissions from several large acquisitions and several countries. We also did not adjust the total for any estimated underreporting. The data for FY06, FY07, and FY08 has been completely updated.

Read more about Cisco's GHG initiatives:

[Reducing GHG Emissions from Air Travel](#)

[Reducing GHG Emissions from Operations](#)

**Carbon Disclosure Project Information**

The Carbon Disclosure Project is an independent not-for-profit organization that acts as an intermediary between shareholders and corporations on climate change issues, providing primary climate change data from the world's largest firms to the global marketplace. The data is obtained from responses to an annual information request, sent on behalf of institutional investors and purchasing organizations.

Cisco has responded to the Carbon Disclosure Project survey in all six years of its existence. Our reports for the past five years are available at:

<http://www.cdproject.net/company-homepage.asp?id=976>

Cisco's most recent submittal (CDP6) includes extensive details about our GHG emissions data collection, methodology, and reporting. Analyses of all submittals are available on the Carbon Disclosure Project website. Reports by PriceWaterhouseCoopers for the Global 500 and S&P 500 indicies are available at:

[http://www.cdproject.net/download.asp?file=65\\_329\\_143\\_CDP%20Global%20500%20Report%202008.pdf](http://www.cdproject.net/download.asp?file=65_329_143_CDP%20Global%20500%20Report%202008.pdf)

<http://www.pwc.com/images/gx/eng/about/cdp/CDP6-Report-SP500.pdf>



## Reducing GHG Emissions from Air Travel

Cisco's 2006 Clinton Global Initiative Carbon-to-Collaboration commitment is to reduce emissions from business air travel by 10 percent, using FY06 as a baseline. Even though Cisco's headcount and revenue have increased at least 40 percent since FY06, year-to-year GHG emissions from air travel have decreased. We are working to continue this downward trend in the face of business growth that would normally cause an increase in travel.

The table below shows changes in headcount, revenue, and GHG emissions due to air travel over the last four years. Because we have improved our data collection and analysis methodology, the data in this table generally does not match previously reported results.

### GHG Emissions from Air Travel Compared to Headcount and Revenue

	FY05	FY06	FY07	FY08	FY06 to FY08
<b>Headcount Change Year to Year</b>	5%	13%	19%	20%	42%
<b>Revenue Change Year to Year</b>	13%	15%	23%	14%	40%
<b>GHG Emissions from Air Travel Change Year to Year</b>	23%*	13%*	4%	<1%	5%

\*Percent change in GHG emissions based on previously reported FY04 and FY05 air travel emissions.

### Cisco TelePresence Installations

We continue to roll out Cisco TelePresence and other collaborative technologies across the company. The units in executive offices and Customer Executive Briefing Centers help reduce travel by Cisco executives, briefing presenters, and customers.

### Number of Cisco TelePresence Installations within the Company

	FY07	FY08 General Use Units	FY08 Executive and Executive Briefing Center Units
<b>Number of Cisco TelePresence Rooms</b>	110	165	94
<b>Number of Cities with Cisco TelePresence Installations</b>	Approx. 60	116	19
<b>Number of Countries with Cisco TelePresence Installations</b>	Approx. 20	39	12

As of April 2008, 500 Cisco TelePresence units have been ordered or installed at customer sites worldwide, further increasing the size of the network and reducing overall air travel. Worldwide utilization of Cisco TelePresence units remains near 50 percent based on a 10-hour day, and many individual units are booked at or over 100 percent during the 10 hours. Use is especially heavy during the time when business days in the world's regions overlap.

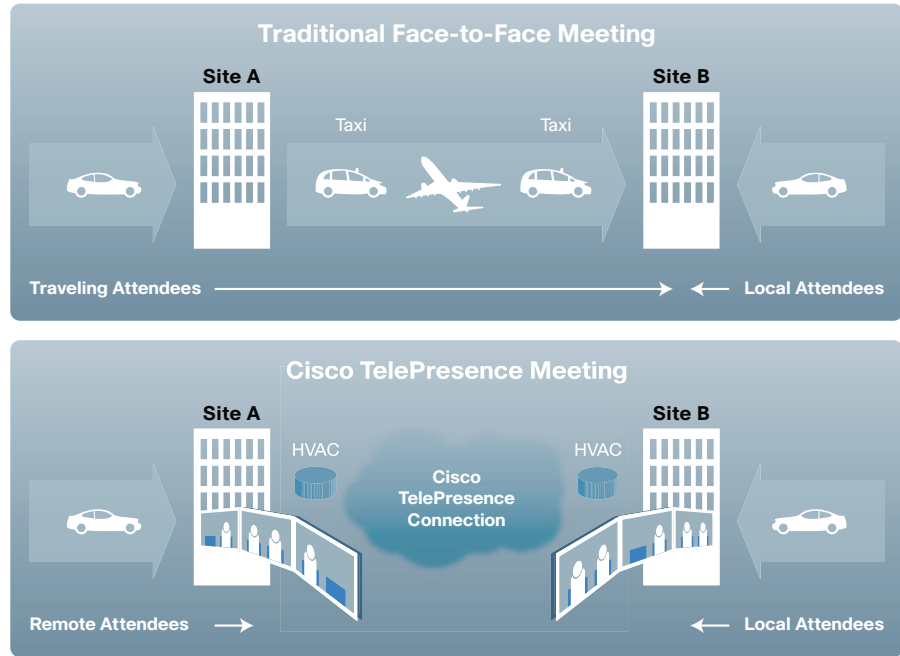
### Major Challenges

About two-thirds of Cisco employees who regularly travel by air are in the sales and field service organizations. Business activity in these organizations requires frequent interactions and is closely tied to revenue growth. By rethinking the way we conduct business, we seek to reduce travel without adversely affecting operations and customer satisfaction. The Cisco Communication Center of Excellence provides employees with instruction on how to use collaborative technologies by sharing experiences and best practices across job functions.

Cisco and the Environment

**Cisco Executives Make the Trip via TelePresence**

In the past, Cisco executives from around the world have flown to the company's headquarters in San Jose, California, to attend the corporate operations review meeting, led by Chairman and CEO John Chambers. For the meeting held in June 2008, eight of the 98 attending executives skipped the journey and participated in the meeting through Cisco TelePresence links.



The executives who did not travel were at sites in India, Japan, the United Kingdom, and the United States. Two Cisco TelePresence systems were used by participants in the San Jose conference room, with all of the meeting connections carried over the Cisco network as a multipoint TelePresence session. Each of the remote systems was active for an average of 16 hours over the span of the four-day meeting.

For just this one event, Cisco estimates that remote conferencing offset more than 19.9 mTCO<sub>2</sub>e. But more important, the executive meeting proved that virtual collaboration can be a successful alternative to travel even for top-level management teams.

The growth in our emerging markets business is another major impetus to travel because relatively few employees in these countries must cover large geographic areas. Furthermore, network infrastructure is less developed in the emerging market regions, making it more difficult to replace travel with collaborative technology.

Replacing business air travel with remote collaboration (virtual meetings) is not simply a matter of installing the equipment. Business processes, management practices, and corporate culture must all change if employees are to adapt well and take full advantage of the technologies. We expect the need for travel to continually decrease over time as virtual collaboration becomes more available and prevalent in the company and among our customers and partners.

**GHG Reporting Systems for Air Travel**

To support standardization and benchmarking across companies, Cisco uses the Greenhouse Gas Protocol to help calculate business air travel, a Scope 3 emission. Emissions calculated with the Greenhouse Gas Protocol take only the length of the flight into account. But there are other factors that affect emissions and their allocation to an individual traveler, including the type of aircraft, the flight load factor, and class of service.

To improve our tactical decision making regarding air travel, Cisco has adopted the nonproprietary [TRX Airline Carbon Emissions Calculator](#). In addition, we obtain air travel data from a custom report run using the American Express AXIS@ work application. By aligning this report with our travel financial accounts, we can track the percentage of air travel captured by the Cisco Travel Network. Our goal is to track 100 percent of the travel.

To verify the value of virtual collaboration, we have created models comparing our GHG emissions from air travel to emissions from the generation of electricity used to power the network that supports the collaborative technologies.

**Looking to the Future**

The key to success in substituting remote collaboration technologies for air travel is updating business processes and management practices to support this solution both within and outside the company.

Introduced in October 2006, Cisco TelePresence has become the company's fastest growing emerging technology, with more than 100 customers globally and 500 units having been ordered as of April 2008. Including the units that have been deployed internally and supplied to philanthropic organizations, more than 750 units are now operating worldwide. We plan to continue promoting this technology and introducing models that can reach a greater user population. We expect to expand the types of interactions supported by Cisco TelePresence with pilot programs that also help guide our product development efforts.

We plan to continue to add capabilities to Cisco WebEx, MeetingPlace, and Unified Communications solutions and make them an ever larger part of our daily business activities. As more organizations transform their operations to fully leverage these collaborative technologies, we anticipate that employee productivity and work-life balance will be enhanced as air travel emissions decrease.

We have found that a workforce that can take full advantage of remote collaboration is more effective overall than one that requires travel for face-to-face meetings:

- People make decisions more quickly.
- Cross-cultural communications improve.
- Feedback from stakeholders and customers is disseminated better within the company.
- Scarce global resources can be shared more effectively among projects.
- Products move to market faster.

To assist with our GHG reduction efforts, we have teamed with a number of strong partners:

- American Express provides consultation and reporting services for Cisco air travel data.
- Our involvement with the U.S. EPA Climate Leaders program helps us develop GHG reduction strategies. The program provides an onsite auditing resource that has reviewed our data collection processes and methodology for calculating emissions from air travel and operations. We also have an ongoing reporting relationship with EPA staff.
- Cisco is a board member of the Global eSustainability Initiative, which in partnership with The Climate Group recently released a report entitled "[SMART 2020: Enabling the low carbon economy in the information age](#)." Cisco's EPA Climate Leaders and CGI greenhouse gas reduction goals are included in Appendix 4 of the report.

## Reducing GHG Emissions from Operations

In the laboratories and data centers that account for a significant percentage of Cisco's energy use, we are working to deploy a variety of greenhouse gas reduction techniques. These include:

- Taking detailed measurements of energy use
- Using laboratory equipment that is more energy efficient
- Employing virtualized data centers to store data
- Adding smart power-distribution units that automatically shut down machines that are not in use
- Upgrading building mechanical and electrical systems

We are also looking for ways to deploy the Cisco Connected Workplace solution in additional locations.

One of our primary goals is to use network-based IT to reduce energy use in our facilities and to operate our owned and leased spaces more efficiently. Cisco is currently piloting a software solution in the United States to model the impact of various factors on carbon footprint, waste reduction targets, and other goals. This tool allows us to forecast how the rising cost of energy will affect operations and expenditures, and it lets us model how certain practices can reduce energy use.

We are also incorporating environmental standards into new site design and existing site retrofits, and purchasing renewable energy to supplement the company's operational efforts.

### Energy-Efficient Buildings

Buildings are estimated to account for perhaps half of all the world's energy consumption, and the costs associated with real estate represent the second largest expense for businesses, after human resources. There is great potential to cut both greenhouse gas emissions and property operations costs by reducing the amount of space needed for workers.

Both emissions and costs can be reduced through environmentally conscious building design and improved management facilitated by networking. Another important step is to encourage organizational innovations such as teleworking, "hot desking" or sharing physical resources, and local work centers.

For information on Cisco's internal Connected Workplace initiative and Cisco Connected Real Estate solutions for the marketplace, [click here](#).

Cisco's laboratories and data centers account for a significant percentage of our total energy use. To date, 11 percent of our real-estate portfolio is labs and data centers.

To minimize energy consumption within our labs, we are pursuing several energy conservation strategies. They include:

- Taking detailed measurements of energy flows to facilitate conservation
- Utilizing more-efficient lab equipment
- Implementing innovative data center technologies like virtual data storage
- Upgrading building mechanical and electrical systems

Cisco and the Environment

We have developed and are piloting two software programs designed to achieve greater energy efficiency in the company's operations. The first, Automated Management Power System software, powers down equipment when it is not in use. The second, tMon, is a web-based system that monitors and reports on equipment power status, sending prompts when equipment has been left on. During FY08, these programs were piloted in 116 labs and business units, resulting in an annual energy savings of 5,858,559 kilowatt-hours (kWh). These pilot programs alone saved \$703,000; in addition, Cisco received a \$104,000 rebate check from its utility provider, PG&E, for energy savings in its San Jose labs.

Cisco is currently working with partners to develop specifications and standards aimed at enabling these two programs and the related power distribution units (smart power strips) to be integrated in our products and distributed globally.

We also achieve energy efficiency through retrofit, remodeling, and expansion projects. For example, we upgraded or installed variable-frequency drives on condenser water pumps and chilled water pumps in 19 buildings at our San Jose, California, campus. We estimate that this effort has the potential to save 1.2 million kWh a year, resulting in cost savings of nearly \$156,000. A similar power-optimization pilot project is underway in Cisco's labs in the United Kingdom.

Cisco is a member of The Green Grid, a global consortium dedicated to advancing energy efficiency in data centers and business computing ecosystems. Cisco also collaborates with Lawrence Berkeley National Laboratory to identify energy-efficiency opportunities in labs and data centers.

**Cisco and PG&E Partner to Reduce Energy Consumption**

When demand for electricity is high and supply is short, power interruptions can sometimes occur. Building enough power plants to satisfy every possible supply-and-demand situation is one possibility. But the cost and environmental repercussions of doing that are unacceptable. Utilities have instituted Demand Response programs as fiscally and environmentally responsible ways to respond to occasional and temporary peak demand periods. These programs offer financial incentives to businesses that volunteer to participate by temporarily reducing their electricity use when demand could outpace supply.

Cisco is partnering with local utility PG&E to reduce electricity use at our San Jose, California, campus during peak periods. Cisco's participation in the Demand Response program is intended to help PG&E avoid using fossil-fuel-based energy sources, such as coal-burning power plants, thereby reducing the amount of greenhouse gases released into the atmosphere. The energy not used by Cisco can then be deployed elsewhere on the electrical grid.

Cisco's network-enabled building automation systems simplify the task of complying with Demand Response requirements by making it easier to turn off unnecessary lighting, switch campuswide systems to reduced-power modes, and raise threshold temperatures for cooling in buildings. During a Demand Response period, Cisco also asks employees to take steps to reduce their individual power usage by turning off unnecessary office lighting and powering down unneeded equipment.

Cisco and the Environment

**Cisco Connected Workplace**

Launched in FY05 Connected Workplace is a flexible work environment designed to improve collaboration and productivity and support employee mobility. The design incorporates collaborative technologies such as Cisco Unified Communications, wireless network access, and virtual private networks.

During a recent office move, the San Jose, California, customer service team moved from traditional office space in Building 18 to a Cisco Connected Workplace environment in Building 14. Benefits associated with the move include:

- 44 percent savings in energy load
- Reduction in square footage per employee from 160 to 106 square feet
- 54 percent less cabling per employee, reducing electronic waste

Cisco Connected Workplace also boosts workplace efficiency by supporting up to twice as many employees as can be accommodated in a traditional office environment. The new space in Building 14 is now occupied by 400 employees, compared to only 300 in Building 18 (as of FY08).

The Connected Workplace environment has successfully reduced per-capita use of equipment and IT infrastructure. The table below gives the number of electronic devices in Building 18 in FY07, compared to the number of such devices designated for Building 14. The higher employee density in Building 14 results in more devices overall, but fewer devices per employee—an improvement of 22 percent.

**Devices in the Customer Service Office Space Before and After Their Move**

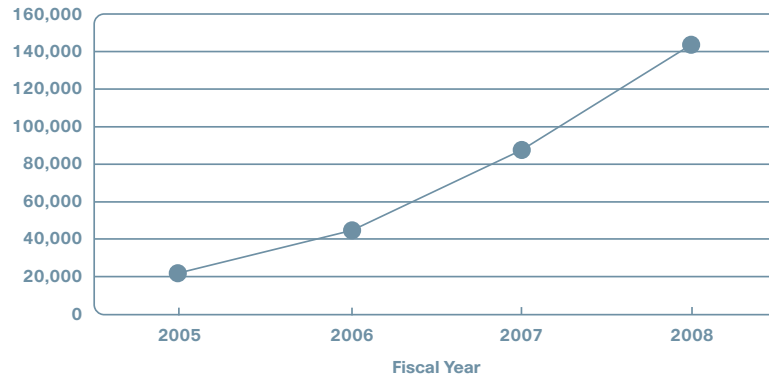
	<b>Standard Cisco Office Building 18</b>	<b>Connected Workplace Building 14</b>
<b>Printing and copying equipment</b>	28	8
<b>Desktop equipment</b>	981	1032
<b>Audio/visual equipment</b>	22	47
<b>Miscellaneous equipment</b>	13	0
<b>Total number of devices</b>	1050	1095
<b>Number of employees</b>	300	400
<b>Devices per employee</b>	3.5	2.7

Cisco and the Environment

Implementation of Cisco Connected Workplace at Cisco is shown in the following figure and will continue in FY09.

**Cisco Connected Workplace Deployment**

**Total Connected Workplace (sqft)**



The Cisco Connected Workplace concept has been well received by most employees, who take advantage of cutting-edge technologies and enjoy the space for its natural light and openness. They have also found that the workspace facilitates closer collaboration. Employees who have found the transition to a mobile environment more challenging are typically those who spend most of their day at desks or need to work with paper documents. However, even some of these employees have indicated that they value the increased variety of workspaces and technologies available to them.

**Cisco Connected Real Estate**

Cisco Connected Real Estate enables building developers, owners, and tenants to manage building information systems across one IP-enabled network. Video and data signals, as well as heating/ventilation/air-conditioning (HVAC), lighting, energy, and video surveillance signals, can be centralized and monitored remotely. The Connected Real Estate solution provides building occupants with local control using IP-enabled phones and control panels, and has the benefit of improving resource efficiency in buildings.

Furthermore, Cisco is incorporating environmental standards into new site designs and existing site retrofits. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System encourages global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. Cisco's Sustainable Green Building Design program was initiated in FY07 with the goal of LEED-certifying every appropriate project that meets the prerequisites within North America. In FY08 approximately 75 percent of the approved projects in North America have registered for LEED certification.

In FY09 our goal is to create a Global Sustainable Buildings Team to represent every region of Cisco's operations. We intend to initiate phase 1 of the LEED EB (Existing Building) Portfolio Certification for all Cisco owned buildings globally. The results of our gap analysis are expected to enable us to prioritize our LEED projects across our global property assets. Finally, we plan to test and validate the next generation of integrated workplace solutions software to optimize existing workspace and reduce our need for additional office space.

“Cisco approaches sustainability from multiple angles, such as reducing energy use and employee travel. The Green Power Purchase program is another tool in our toolbox. In places such as India and China, a large supply of green power simply doesn’t exist. But as green energy becomes more available on a global basis, we will continue to look for opportunities to increase the amount we purchase.”

– Rob Rolfsen,  
Director of Cisco  
Sustainable Development

Cisco is a member of the U.S. Green Building Council and the Continental Automated Buildings Association, a nonprofit industry association that promotes advanced technologies for the automation of homes and buildings in North America.

**Renewable Energy**

Purchasing electricity generated from renewable sources is another important component of Cisco’s GHG reduction strategy. “Green power” is electricity generated from renewable resources that do not emit GHG during production, such as solar, wind, biomass, and geothermal sources.

Cisco purchases renewable power where it is available in the local power market. For example, because Europe has a large supply of renewable power on the open market, more than 80 percent of electricity used by Cisco’s European operations is renewable. Fully 100 percent of Cisco’s power in France, Germany, Ireland, Italy, the Netherlands, and the United Kingdom comes from renewable sources.

In each market where renewable energy is purchased, there is a certification process for green power. A Renewable Energy Certificate (REC) in the United States or Renewable Energy Guarantees of Origin (REGO) certificate in Europe verifies the environmental attributes of 1000 kWh (kilowatt-hours) of green power. In states or countries that have a REC program, a green power supplier, such as a wind farm, feeds energy into the electrical grid in the same way as a traditional power supplier and is credited with one REC for every 1000 kWh of electricity produced.

RECs or REGOs provide a production subsidy to green power suppliers, which stimulates investment in new renewable energy generation capacity. The cost premium of RECs and REGOs provides an incentive for green power purchasers to continue to invest in energy conservation measures.

Cisco has increased green power purchases since 2005 by buying RECs and REGOs to reduce GHG emissions from Cisco operations. Cisco’s RECs are certified by Green-e, an independent auditor of renewable energy products. The renewable energy supplied to Cisco’s U.S. operations is generated from hydropower projects in Alaska, Arkansas, and Washington; wind projects in Iowa and Texas; and biomass projects in Washington. In Europe, Cisco purchases green power from wind and hydropower sources located in the United Kingdom.

The following table summarizes Cisco’s global green power purchases and the GHG emissions avoided by the use of green power. For comparison, we have provided the equivalent emissions avoided by our purchase of green power in terms of removing passenger cars from the road for a full year and per capita usage in the United States. For FY08, Cisco’s green power purchases in the U.S. represented about 32.5 percent of the electricity used at Cisco’s United States facilities.

**Cisco Green Power Purchases**

	FY07	FY08	FY09 (Projected)
<b>KWh green power</b>	112,000,000	342,000,000	484,000,000
<b>mTCO<sub>2</sub>e</b>	68,500	221,000	310,000
<b>Equivalent number of passenger cars</b>	12,500	40,500	57,000
<b>Equivalent per capita usage in U.S. (number of people)</b>	2900	9400	13,100



Cisco and the Environment

**EPA Green Power Challenge**

Cisco participates in the Environmental Protection Agency's [Fortune 500 Green Power Partnership](#). In December 2006, the EPA challenged Fortune 500 corporations to collectively purchase more than 5 billion kWh of green power by the end of calendar 2007. Cisco was one of the top 15 Fortune 500 purchasers of green power, helping the EPA exceed its goal by 130 percent.

In 2008 the EPA announced its second Fortune 500 Challenge, which will conclude at the end of 2009. EPA recalculates each company's ranking quarterly. As of July 2008, Cisco ranks seventh among Fortune 500 companies.

**Reductions in Cisco's Energy Consumption Around the Globe**

In Amsterdam, the Cisco office building is designed to consume energy at a lower rate than required by Netherlands law. The building's operation systems include two underground cold-water and two warm-water wells that lower the energy demands on electric chillers and gas heating. The net effect is a 52 percent reduction in energy use and a 51 percent reduction in carbon emissions.

The new Cisco Bangalore campus implements a lighting management system designed to take advantage of sunlight to reduce energy for artificial lighting. Traditional lamps across campus have been replaced with energy-efficient models. Passive infrared sensors and dual-level switching systems in labs and data centers turn on bright lighting (500 lux) only when necessary. The energy saved is enough to power 900 homes over a full year, and represents cost savings of about \$350,000 based on current utility rates.

Cisco's Australian operations have reduced energy consumption by 23 percent in the last two years and 12 percent over the past 12 months. This reduction was made possible by installing energy-efficient lighting in elevators and lobbies, putting lighting sensors in parking areas, installing high-efficiency air conditioning systems, and monitoring and reviewing energy and water consumption on a monthly basis.

## Water, Air, Food, Waste

To help minimize our environmental footprint and improve environmental practices in our office-based operations, Cisco focuses on four key operational issues:

- Reducing water consumption and promoting the use of recycled water
- Improving local air quality
- Purchasing and disposing of food in a sustainable manner
- Prudently managing waste and hazardous materials

### Reducing Water Use

Water conservation is part of Cisco's larger commitment to a cleaner environment. From an operational perspective, Cisco's impact on water availability and quality is an important local issue. Conserving water in regions where it is scarce and maintaining water purity ensures that more of this critical natural resource is available to neighboring communities. By minimizing our demand for water, Cisco can also save and reinvest these utility costs.

Wherever appropriate, Cisco reduces water consumption and uses reclaimed water for landscaping and similar applications. In California alone, we are saving more than 81 million gallons of water each year as a result of our water conservation efforts. Our headquarters in San Jose, California, uses only recycled water for landscape irrigation and fountains, representing approximately 30 percent of our 700,000 cubic-feet of water consumption. We installed smart water controllers that employ web-based technology to automate and optimize watering schedules using weather forecasting data and horticultural science.

In San Jose, we installed faucets with solar-powered sensors that help minimize both water and energy consumption. We have also completed installation of 473 waterless urinals throughout the campus, which we estimate save 11.8 million gallons of water a year. Following the success of this program, we plan to install these appliances at other Cisco sites next year.

Initiatives at other Cisco locations include the installation of 450 low-flow sink aerators and 88 low-flow shower heads at our Research Triangle Park facility. We expect that these measures will reduce water used in sinks by over 30 percent and water in showers by over 20 percent per year.

### Improving Local Air Quality

To help improve regional air quality near our headquarters in San Jose, Cisco is cooperating with the California Air Resources Board by avoiding the use of gasoline-powered lawn mowers during days when air quality is poor, known as Spare the Air Days. During FY08, Cisco refrained from using mowers a total of 292 hours when air pollution levels were highest.

### Sustainable Food Services

Cisco's North American cafeterias provide Cisco employees with healthy food options through sustainable and socially responsible business practices. By partnering with Bon Appétit Management Company, a leader in sustainable food service, Cisco is acting on its commitment to support our employees' health, local agricultural economies, and the environment.

Cisco's sustainable food purchasing initiatives date back to 1999 with the establishment of Bon Appétit's Farm to Fork program. Through this companywide initiative to purchase food locally, Cisco helps promote the local farming community while supporting sustainable farming and harvesting techniques.

## Cisco and the Environment

Most recently Bon Appétit launched its revolutionary Low Carbon Diet program, which highlights the impact of food and climate change, and aims to reduce Cisco's greenhouse gas emissions with meals that are:

- **Regional:** By purchasing all meats and vegetables from North American farms, we reduce the emissions associated with long-distance transport and food refrigeration.
- **Seasonal:** By planning menus that use fresh ingredients that are available locally and in season, we reduce the demand for energy-intensive food production that, for instance, uses heated greenhouses for cultivation.
- **Proportional:** By serving appropriate serving sizes, we encourage healthy eating while reducing food waste and packaging.

The Low Carbon Diet program dovetails with Cisco's Healthy Planet, Healthy You program. The Low Carbon Diet program has not only been a tremendous success, it has also positioned both Cisco and Bon Appétit as progressive pioneers in their respective industries.

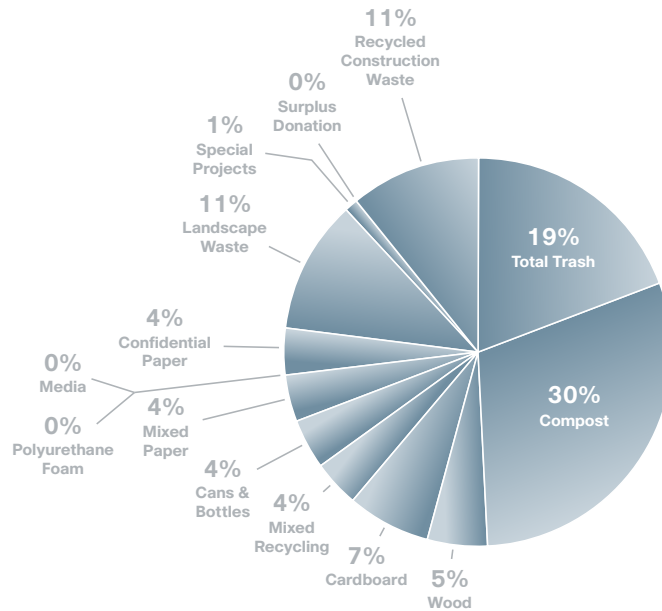
Other programs that help support Cisco's sustainable food initiatives:

- Cisco campuses in San Jose, California, and other North American locations host programs for composting and recycling food wastes where municipal facilities are available to process these materials. During FY08, the food waste separation program at Cisco's San Jose, California, campus diverted more than 1621 tons of food waste that otherwise would have been sent to local landfills. The waste was then turned into compost and made available for purchase by gardeners.
- For our cafeterias, we seek to procure nontherapeutic-antibiotic-free meat and poultry, seafood from certified sustainable fisheries, and "Certified Humane" eggs.
- Cisco's facilities in San Jose and Research Triangle Park, North Carolina, recycle waste vegetable oil. This vegetable oil is converted into biodiesel fuel used to power traditional diesel vehicles.
- In the United Kingdom, all coffee is "rain-forest aware," and all fish are sourced from an ecologically aware supplier.

### Managing Operational Waste

Responsible operations is a concept that applies to all areas of Cisco's business, including our office environments. Globally our recycling rates have increased, while the program on our San Jose campus showcases best practices. For example, by providing separate containers for paper, aluminum, plastic, and glass, our maintenance staff ensures that most recyclable materials stay out of landfill. Our offices and facilities throughout the Americas consistently divert at least two-thirds of waste from landfill. At our San Jose headquarters alone, our diversion rate exceeded 80 percent in FY08.

Composition of Cisco's Waste Stream



Cisco's Waste Reduction and Recycling Program is a key component of Cisco ISO 14001 certification and our global environmental policy. We routinely collect and recycle many items, including batteries, CDs and diskettes, beverage containers, trash, wood and pallets, cardboard, mixed paper, confidential waste, packaging materials, toner cartridges, compost, polyurethane foam, landscape waste, mobile phones, and construction waste. We estimate that the amount of energy saved by recycling these items, rather than manufacturing new ones, amounts to 35 million kilowatt-hours (kWh) annually.

We have put the following programs in place to redeploy useful equipment, reduce waste, and recycle what cannot be reused:

- Waste reduction and recycling:** Cisco is committed to minimizing waste that is destined for landfills by reducing, reusing, and recycling as much waste as possible. Another important aspect of this effort is ensuring that all our waste and recovery vendors adhere to Cisco's waste disposal requirements. To eliminate nonbiodegradable plastics from Cisco's cafeteria waste stream, our San Jose campus has replaced plastic utensils with utensils made from potato starch, and now uses take-out containers made from compostable corn starch. Additionally, the San Jose campus began a program to send waste through a sorting facility prior to landfill in order to capture additional compostable materials from break rooms and restrooms. Scientific Atlanta and Cisco South Korea now offer filtered water on site rather than bottled water to reduce plastic waste.
- Supply Chain Field Operations Recycling:** This program helps employees reuse, reduce, and recycle their personal and work-related electronic products. In FY08, 53 Cisco sites around the world collected 148 metric tons of electronic products, 6 tons more than the previous year.

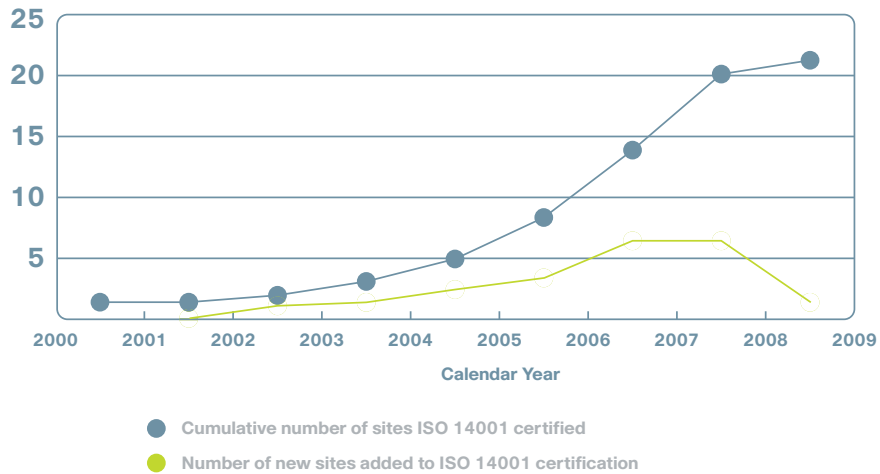
## Environmental Management Systems

Cisco's ISO 14001 Environmental Management Systems (EMS) provide a set of processes and practices that enable us to reduce environmental impacts and increase operating efficiency. Through a continuous cycle of planning, implementing, reviewing, and improving the processes, EMS influences all aspects of Cisco's operations, products, and services, including compliance with environmental requirements and ongoing improvements to environmental business performance.

The EMS framework is used at each Cisco ISO 14001-certified site to identify, prioritize, and manage the pertinent environmental concern in that region. For FY08, our management systems were integrated and aligned with a number of key environmental concerns promoted by Cisco operations, including energy and carbon-emission management, green supply chain management, waste reduction, and recycling.

ISO 14001 certification is an internationally accepted standard for environmental management systems. To date, Cisco has achieved ISO 14001 certification in 20 sites through independent, third-party auditors, and we expect to include 21 sites by the end of CY08. These sites represent approximately 70 percent of Cisco's employee population. We anticipate that our facility in Vimercate, Italy, will be added to the list of certified sites in December 2008.

Number of Cisco ISO 14001 Certified Sites



### Progress to Date

In FY08 Cisco continued to develop a robust and scalable EMS program that demonstrates our commitment to the environment, local communities, and our customers. This year's focus has been on improving processes and aligning corporate-level initiatives to support a global, synchronized, and efficiently managed system.

- **Virtual internal audits:** In CY08, approximately 50 percent of internal audits are being conducted virtually—that is, from a remote location. This represents a 20 percent increase in virtual internal audits. By conducting audits remotely, we decrease our carbon footprint from travel, save travel costs, and boost employee productivity.
- **Adoption of EMS:** Throughout the year, various functional groups and business units have been integrating sustainable performance targets into their business goals and making these activities part of the day-to-day process.

Cisco and the Environment

- **Dashboards:** Cisco has put in place two custom tracking systems called Eco-Dashboard and Environmental Aspect Team Dashboard. The dashboards have increased employee and management awareness of environmental goals by proactively following the progress of more than 40 environmental teams around the globe.
- **Environmental newsletter:** Our quarterly environmental management newsletter informs employees about environmental programs and enables business units to share best practices and collaborate on cross-functional environmental initiatives.

Cisco ISO 14001 Certified Site Locations



**Making Best Practices Even Better**

In the process of auditing Cisco sites for ISO 14001 certification, implementation teams are often able to introduce best practices that improve the company’s environmental performance in innovative ways. Here are two recycling examples.

In Bangalore, India, the implementation team entered into a unique partnership with a certified waste hauler and a local charity. The waste management company collects paper-based waste from all of Cisco’s Bangalore offices and delivers it to the Samarthanam Trust for the Disabled, which provides education and housing for visually, physically, and economically challenged residents. Students at the Samarthanam Trust use the paper to make Braille notebooks, and any material left over is recycled by the trust for additional income. Cisco Bangalore no longer sends any paper-based waste to the landfill.

In Richardson, Texas, the ISO 14001 implementation team developed an interactive spreadsheet that provides comprehensive status information on the recycling program’s objectives, targets, and deliverables. This tool was so successful that it is now being deployed to all the other Cisco implementation teams.

## Employee Education and Engagement

Making the company's operations more environmentally sustainable is part of everyone's job at Cisco. Because effective initiatives often require a cultural shift to influence behavior, we look to educate and support our employees as they undertake new, more environmentally responsible practices at work.

Cisco seeks to inspire employees to help make the workplace more energy- and resource-efficient, as well as to engender pride in Cisco's environmental actions. To this end, a robust employee education and communications plan was implemented in FY08.

Objectives of the communications plan are to:

- Broaden employee awareness of Cisco's sustainability policy and EcoBoard-led strategy globally
- Inspire employee pride in Cisco's sustainable business practices globally
- Increase employee understanding of the EcoBoard's global goals for organizations, teams, and individual employees
- Leverage existing communication mechanisms, while evaluating potential new techniques, to enable a robust global employee exchange concerning Cisco's environmental policy and practices
- Identify and promote best practices globally among Cisco organizations, teams, and individual employees

Developed by Cisco Workplace Resources, Cisco EcoBoard, Cisco Green Task Force, and Cisco's Civic Councils, our environmental education and engagement programs focus on issues such as energy awareness, travel, and waste reduction. Some of the activities we engage in that create environmental awareness include:

- Regional activities such as beach and park cleanups, tree planting days, and panel discussions with local environmental advocates
- Companywide events, including Bike to Work Day, E-Scrap Event, Earth Day, and Energy Awareness month
- An internal website dedicated to environmental issues and employee interaction on how Cisco can continue to accelerate its environmental strategy
- An online speakers bureau to showcase employees who are interested in speaking internally on Cisco's environmental strategy
- Regular communications and email announcements
- Compact fluorescent lamp (CFL) giveaways

This year the Cisco EcoBoard and Green Task Force launched the Cisco Green website, where employees can learn more about energy awareness and access other environmental information. This online resource highlights strategies that employees can use to conserve energy and reduce waste companywide. It also provides an employee discussion forum, "Let's Talk Cisco Green."

**Bulbs Make a Big Energy Difference**

In observance of Energy Awareness Month, this October Cisco gave away 43,600 energy-saving CFL bulbs to employees at more than 30 locations worldwide. We estimate that these bulbs will reduce power consumption by 1943 kilowatts each during their lifetime, resulting in energy savings of 2.1 million kWh. This is enough electricity to power 214 U.S. homes for an entire year.

**Earth Day Events**

During the week of Earth Day (April 21–27, 2008), Cisco sponsored our second annual Environmental Awareness campaign. The campaign combines three anchor events: Earth Day itself, E-Scrap Event, and Bike to Work Day. Cisco sites around the world participated in a wide variety of Earth Day activities.

Cisco's E-Scrap Event takes place twice a year worldwide. It provides employees with the opportunity to bring electronic devices from home for responsible disposal. The program follows the same business processes as our internal and customer waste disposal programs. For more about Cisco's waste policies, go to [Products: End-of-Life Management](#).

In FY07 Cisco's Bike to Work Day involved 435 confirmed participants at 15 sites in six countries. In FY08 participation more than doubled to 896 riders at 40 sites in 13 countries.



# Cisco and Society



Corporate social investments can help sow the seeds of prosperity anywhere in the world, but especially in those places where the needs are greatest. People prosper when their basic needs have been met and they are free to reach their full potential, increasing their own well-being and that of their family and community. Food, shelter, and health are essential to human life. But knowledge is the key to prosperity in the modern world, and the catalyst for acquiring that knowledge is education.

Cisco takes a results-oriented approach to CSR by compiling a strong portfolio of social investments and continually assessing how well they perform. Our investment model focuses on education as a catalyst for social progress, but we also invest in programs that offer sustenance and support to people in need. We look for CSR investments that offer a good return by having a measurable impact on lives and society, and that promise to grow and sustain themselves over time through community involvement.

Innovation is central to Cisco's business approach, whether in product development, supply chain management, sales and marketing, or corporate social responsibility. We are always looking for new and better ways to apply our core competencies to build healthier, more productive, and more sustainable communities, enabling them to play a stronger role in promoting prosperity throughout the global community.

- Partnerships are invaluable for social goals as well as business goals. Cisco has gained a global reputation for seamlessly integrating supply chain partners into our business, and we have applied this talent for successful partnering to the CSR arena. Using public-private partnerships, Cisco has succeeded in bringing innovative ideas and practiced expertise together to address global challenges and, as a result, improve outcomes for individuals and communities.
- We apply the same original thinking and collaborative spirit that goes into our products and business processes to the challenges that our social investments are working to address. In collaboration with established institutions and agencies, we look to develop breakthrough approaches based on 21st century technologies and techniques.
- We not only invest, we engage. Our employees bring their own intelligence, business acumen, and socially responsible attitudes to the programs that we initiate and incubate. They work side by side with our partners to brainstorm, coach, and then apply their world-class competencies to local initiatives.

## Cisco and Society

- Cisco recognizes that everyone's future prosperity and well-being depends on a healthy planet. Consequently, many of the CSR initiatives both within and outside the company promote and practice environmental sustainability.
- We seek to apply a keen business focus to the CSR initiatives we undertake. We take care to accurately monitor and measure results, so we can implement midcourse corrections that result in continuous improvement over time. When a project proves to be well established and self-sufficient, we shift resources to new endeavors.

### **Education: Passport to Prosperity**

Cisco's social investment strategy focuses on empowering people with knowledge, specifically the practical skills that help them improve their standard of living and let them contribute more fully to their local communities and the global economy. Find out how Cisco is using 21st century education principles and techniques to transform the information and communications technology (ICT) learning experience in classrooms and computer laboratories worldwide.

Our CSR educational initiatives include:

- [Education: Passport to Prosperity](#): Introduction
- [Global Education Transformation](#): A blueprint for positive change focusing on 21st century skills, pedagogy, technology, and system reform
- [21st Century Schools](#): An initiative combining education leadership, professional development, leading-edge technology, and community involvement
- [Cisco Networking Academy](#): A global ICT skills education resource and force for innovative learning in more than 160 countries
- [Egypt Education Initiative](#): A model for public-private partnerships
- [Rajasthan Education Initiative](#): A partnership for education in India's largest state
- [New Partnership for Africa's Development e-Schools Initiative](#): Internet access for thousands of African students
- [Mediterranean Youth Technology Club](#): Building tolerance and understanding through a regional virtual community
- [Transition Training Academy](#): Vocational skills for injured U.S. military personnel
- [National Center for Learning Disabilities](#): Raising expectations for struggling learners
- [MIND Research Institute](#): Improving mathematics proficiency at the primary school level

## Cisco and Society

**Meeting a Range of Human Needs**

Prosperity can be impeded by socioeconomic problems ranging from privation and poverty to the effects of natural disasters and other regional and local calamities. Read about the many ways that Cisco employees use their expertise and skills to help people around the world meet their needs for physical well-being, safety, and social connections.

Our CSR initiatives in the human needs area include:

- [Meeting a Range of Human Needs](#): Introduction
- [Partnership for Lebanon](#): Assisting Lebanon's reconstruction and development
- [Digital Cities](#): Bringing Jewish and Arab municipalities together through technology
- [Cisco's Clinton Global Initiative Sub-Saharan Africa Commitment](#): Helping to alleviate poverty in underserved communities
- [Community Voice Mail](#): Free voicemail services for people in crisis
- [Disaster Relief](#): Help for victims of natural disasters worldwide
- [Cisco China Public-Private Partnership](#): A multiyear rebuilding effort after the earthquake in Sichuan Province
- [Cisco Citizens](#): Individual employees find innovative ways to aid people in their communities
- [Cisco Civic Councils](#): Employees join together in volunteer projects and partnerships with NGOs
- [Cisco Leadership Fellows](#): Cisco leaders who share their expertise with NGOs

Cisco recognizes the [United Nations Millennium Development Goals \(MDGs\)](#) which call for timely and quantifiable progress in eradicating poverty, achieving universal education, promoting gender equality, reducing child mortality, improving maternal health, combating disease, ensuring environmental sustainability, and building global partnerships for development. Cisco co-funded the [MDG Monitor](#), a web application that tracks real-time progress toward the MDGs in a number of categories.

**Cisco Foundation Grants**

The Cisco Foundation supports Cisco's efforts to team with nonprofit and nongovernmental organizations around the world to develop public investment programs that improve the organization's ability to deliver services that address basic human needs, education, and economic opportunities. We focus this work on underserved communities and look for solutions that harness the power of the Internet and communications technology.

**Cisco Financial Contributions over Five Years**

Donations (In millions)	FY04	FY05	FY06	FY07	FY08
Foundation total (corporatewide)	\$8.5	\$10.6	\$9.3	\$8.8	\$10.7
In-kind total (corporatewide product and people)	19.7	29.0	39.4	49.0	37.9
Cash total (Foundation cash and corporatewide cash)	33.4	35.0	76.1	67.7	54.1
Corporatewide giving total	53.0	65.0	88.7	93.6	92
Funds from Cisco to Cisco Foundation	0	0	26.8	23.2	0
Contributions as a percentage of earnings before income tax (EBIT) from previous year	1.1%	1.0%	1.4%	1.5%	0.97%

**Cisco and Society**

The corporatewide giving totals shown above for FY06 and FY07 include funds given to the Cisco Foundation by Cisco. The Committee Encouraging Corporate Philanthropy (CECP) does not count this amount in its annual giving report. CECP is the only international forum of business CEOs and chairpersons pursuing a mission focused exclusively on corporate philanthropy.

To help ensure that all Cisco Foundation and Cisco corporate grants are aligned with Cisco's CSR vision, and that we have exercised due diligence regarding the strategic alignment of recipients with our grant-making criteria, in FY08 we implemented a more consistent, rigorous, and thorough process for evaluating organizations through [UniversalGiving Corporate](#). We now conduct media/reputation searches and include vetting of product grants in addition to vetting all gift-matching validation requests and cash grant requests. After this initial due diligence step is performed, grant proposals may follow one of two approval paths, depending on the source of funding.

For Cisco Foundation grants, all grant recommendations from program officers are vetted for conflicts of interest and self-dealing. The recommendations are reviewed and approved by a grants committee, then approved by the executive director of the Cisco Foundation. Once this process is complete, the grant request goes to the Cisco Foundation board for final approval.

Cisco corporate grants are also screened for alignment with our grant criteria and vetted for conflicts of interest before they are recommended for review and approval by the director of our Public Benefit Investment group or another Cisco director. After due diligence has been completed on the grant recommendation, and depending on the amount of the request, the grant must then be approved by another Cisco executive with appropriate fiscal authority.

Financial information about the Foundation is available on [Form 990-PF](#) filed with the Internal Revenue Service.

Cisco and Society



A good education is a passport to a more productive and rewarding life. Strong educational systems produce the entrepreneurs, technologists, thinkers, knowledge workers, teachers, and leaders who collectively make it possible for economies and communities to prosper. Moreover, Cisco's future success and sustainability depend on recruiting employees who have a firm educational grounding based on innovative curricula and relevant skill building.

There is a critical need for universal access to high-quality education in the world today. Unfortunately, significant barriers stand in the way of achieving this goal, ranging from teacher shortages and gender inequality to educators' inability to take advantage of the latest pedagogical techniques and web 2.0 technologies. Cisco has joined with public- and private-sector partners to overcome these barriers, not only by sponsoring a spectrum of educational initiatives, but also by working towards a holistic transformation of global educational systems that promises to provide 21st century students with the skills and knowledge they need to thrive in a global economy.

For more than a decade, Cisco has played a leading role in supporting initiatives aimed at furthering technical education around the world, particularly in developing countries and among underserved populations. Broad in scope and international in focus, the Cisco Networking Academy combines cutting-edge technology and pedagogy to train instructors and deliver interactive course content to today's highly connected students in many different classroom settings. The innovations and best practices that we have developed in the academies have taken root in many other Cisco education initiatives.

Read more about Cisco's educational innovations and initiatives:

- [Global Education Transformation](#): A blueprint for positive change focusing on 21st century skills, pedagogy, technology, and system reform
- [21st Century Schools](#): An initiative combining education leadership, professional development, leading-edge technology, and community involvement
- [Cisco Networking Academy](#): A global ICT skills education resource and force for innovative learning in more than 160 countries
- [Egypt Education Initiative](#): A model for public-private partnerships
- [Rajasthan Education Initiative](#): A partnership for education in India's largest state
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- [Transition Training Academy](#): Vocational skills for injured U.S. military personnel
- [National Center for Learning Disabilities](#): Raising expectations for struggling learners
- [MIND Research Institute](#): Improving mathematics proficiency at the primary school level

**Learning Leadership at Peking University**

Cisco is collaborating with Peking University in Beijing, China, to create the Guanghua Cisco Leadership Institute. The institute, representing a \$20 million investment from Cisco over the next three to five years, addresses four program areas:

- A research chair for the development of thought-leadership insights, and creation of indigenous case studies outlining opportunities and best practices for leadership and competitiveness
- Education practices using the network to emphasize how networking technology serves as a cornerstone for world-class enterprises in the 21st century
- Theme-based summits and events serving as venues for the creation of business development concepts and opportunities, and showcasing industry luminaries and business leaders
- Programs addressing the role and value of IT, unified communications, web 2.0, and Cisco TelePresence technology as key enablers and competitive differentiators for government and global enterprise leaders, and installation of these solutions at Peking University

**Global Education Transformation**

Over the years, Cisco has learned many valuable lessons from the Cisco Networking Academy, the [Jordan Education Initiative](#), the 21st Century Schools initiative, and the other educational initiatives that we have led or with which we have been involved. We have concluded that meeting the challenges that face education today will require nothing less than a holistic system transformation based on a new paradigm for teaching and learning. Building collaborative public-private partnerships will become critical as education systems evolve over the next century.

As a multinational company with a global workforce, Cisco has a vested interest in skilled, well-educated students coming through schools and universities in the decade ahead. By drawing ideas from a set of experts around the world, we have discovered a widespread desire for fresh and innovative thinking about education.

In the developing world, the priority is providing access and building basic capacity. Within emerging economies, the key issue is raising education quality. And in the developed world, the critical challenge continues to be how to decrease the variability in performance. Although our approach to education is global, we understand and respect the fact that educational change requires solutions tailored to local circumstances.

**Global Journey, Local Destinations**

Cisco believes that 21st century learning is a global journey with local destinations in villages, towns, and cities around the world. Reaching all those destinations will require the cooperation of local officials and institutions, sensitivity to diverse cultures, and attention to the needs of individual learners. After consulting with educators and other stakeholders worldwide, we have concluded that:

- 21st century instruction that emphasizes learner-centric teaching, interactivity, collaboration, and hands-on activities will lead to greater student participation and better outcomes.
- Technology can make a major contribution in the classroom, but it must be applied thoughtfully to ensure a balanced approach and adequate return on investment.
- Teaching the teachers to use the new pedagogy is critical to instructional success, but these skills must be supplemented by effective teaching materials, peer support, and educational leadership.
- Lasting reform will require a broad coalition of stakeholders in both the public and private sectors.

To turn these conclusions into actions, we have established the Cisco Global Education team, which works with teams across the company to build on our successes and experience to offer an expanded perspective on education. The Cisco Global Education team has initiated a number of engagements aimed at helping education system leaders address the profound challenges that face them as the 21st century unfolds.

For more on global education transformation:

[White Paper: Equipping Every Learner for the 21st Century](#)

Video: [21st Century Education: Driving Educational Change](#)

Video: [Global Education Transformation: Cisco's Investment in Global Education](#)

### Technologies That Go into Making a 21st Century School

Matas Elementary School was one of the eight original Cisco 21st Century Schools in Louisiana. During the past year, the school has received the following technologies aimed at advancing learning:

- Upgraded high-speed network, including new cabling and Cisco wireless networking routers throughout the school
- Upgraded electrical infrastructure throughout the school
- Wiring for a closed-circuit TV system, used for morning schoolwide broadcasts
- Laptops for all teachers and administrators
- 28 interactive whiteboards and student response systems
- Ceiling-mounted LCD projectors and screens in every classroom
- Cisco IP phones in all classrooms and offices, including voicemail
- Hand-held personal digital assistants for K–3 teachers, used for reading assessments
- 20 digital cameras, 4 video cameras, 2 document cameras, 9 network laser printer/scanners
- 3 classroom amplification systems

## 21st Century Schools

Cisco's 21st Century Schools initiative began with a commitment to raising student performance and increasing educational efficiency in Gulf Coast communities that experienced heavy damage from hurricanes in 2005. Now in its third year of operation, the program has succeeded in deploying fully converged data, voice and video technology in the schools; training thousands of teachers in new educational methods; and connecting schools more closely with parents and educational resources.

Supported by an \$80 million investment in technology, training programs, and Cisco Leadership Fellows' expertise, the 21st Century Schools initiative in Louisiana and Mississippi demonstrates the synergies that occur when visionary educational leadership and extensive professional development efforts combine with leading-edge technology and a resurgence in community involvement.

Cisco has expanded the 21st Century Schools concept to make it an integral part of our vision for education transformation. A 21st Century School is a rich learning environment where students are fully engaged in a targeted curriculum brought to life through the creative use of technology.

Cisco's 21st Century Schools adhere to these basic principles:

- Align pedagogy, curriculum, and technology to fully engage students in a 21st century learning experience.
- Cultivate 21st century skills, including critical thinking, problem solving, collaboration, creativity, social responsibility, and global awareness.
- Provide authentic, student-centered learning.
- Use technology to enhance teaching and encourage collaboration and communication.
- Provide professional development to support great teaching.

During the past fiscal year, Cisco extended the 21st Century Schools blueprint outside Louisiana and Mississippi to include schools in California and New York.

### 21st Century Schools 2008 Highlights

The 21st Century Schools initiative posted a number of achievements in the past year:

- Jefferson Parish Public School System has committed to extending the 21st Century Schools framework to all 87 schools in the district within the next 18 to 24 months.
- 21st Century Schools partnered with the Smithsonian American Art Museum, NASA, and the Discovery Channel to bring rich media content and experts into classrooms, providing more than 1400 teachers with the professional development and skills needed to approach teaching in a new way using web 2.0-based resources.
- As part of the Mississippi Sustainability Initiative, Cisco presented customized sustainability reports to school districts with recommendations on organizing, planning, training, and integrating curriculum and technology. The reports help school districts align technology more closely with their pedagogical goals and get the highest educational return for their IT investments. Key recommendations include: centralizing responsibility for all technology management planning and purchasing in one organization to reduce costs; organizing a Technology Management Committee tasked with formulating technology initiatives; and developing technology literacy programs for administrators and staff to ensure professional progress and help teachers meet standards.

"We're a relatively poor district, but thanks to 21st Century Schools, we've got as good an infrastructure as anyone in the nation. I believe what Cisco has done for us, in providing both technical and human resources, has helped us create real learning communities."

– Dr. James Hutto  
Superintendent  
Petal School District,  
Mississippi

- Cisco TelePresence equipment is being installed in the district offices of three school districts in Louisiana and in the office of the State Superintendent of Education. The technology will enhance collaboration and reduce the need for travel, and it will also connect educators with universities and key teacher development partners.
- The initiative partnered with the Schlechty Center for Leadership in School Reform to help facilitate pedagogical evolution. Schools in Hattiesburg, Mississippi, completed their first year in the Schlechty Center Standard Bearer School District Network, while the Jefferson Parish system completed its second year. The Standard Bearer network connects schools across the nation that use a set of standards for developing and assessing their capacity to support building- and classroom-level educational change and realigning instruction to achieve better student outcomes. Many administrators and teachers attended Schlechty Center "Working on the Work" training.
- In March 2008, we partnered with NBA Cares, the National Basketball Association social responsibility initiative, to launch 30 Family and Community Resource Centers in the Recovery School District in New Orleans. Cisco provided program funding and IP telephony products that will help these centers achieve their goals of increasing parental involvement in schools and raising student achievement.
- To communicate useful information about the 21st Century Schools initiative, Cisco created a video and established an online wiki containing best practices, teachers' stories, and lessons learned.

#### **21st Century Schools Transformation Techniques in Action**

Jennifer Wilson, a teacher at W.L. Smith Elementary in Petal, Mississippi, was selected to attend Project Zero at the Harvard Graduate School of Education as part of the 21st Century Schools' focus on professional development. "The Project Zero teaching framework stresses in-depth learning, what they call 'teaching for understanding,'" she says. Now she applies the pedagogical blueprint from Project Zero back in her classroom. For a teaching unit on rain forests, for instance, she immerses her students in learning by using streaming video from an actual Ecuadorian forest projected onto an interactive whiteboard, as well as a variety of other technologies, all supplied by the 21st Century Schools initiative. "Most of these kids are visual learners," says Wilson. "They're used to looking at a viewing screen, whether it's a computer, TV, or video game. Why not teach them in the manner in which they learn best? I try to provide multiple experiences with one concept to better reach all my students. Technology allows me to do that."



## Cisco Networking Academy

Cisco Networking Academy is an innovative education initiative that provided practical communication technology information and skills to more than 700,000 students in more than 160 countries last year. Relying on public-private partnerships with a broad range of educational institutions and other organizations, the Networking Academy uses the global network as a delivery system to:

- Extend first-rate technology education to underserved areas
- Empower people so they can realize their potential and achieve greater personal prosperity
- Stimulate the development of the global knowledge-based economy
- Encourage long-term, sustainable economic growth in communities and countries

The Networking Academy has been preparing students to take advantage of IT opportunities since 1997. The academy harnesses the two great equalizers in today's world—education and the Internet—to teach IT skills to students from virtually every socioeconomic background and region. This helps narrow the skills gap between developed and developing countries and enables populations in disadvantaged areas to compete more successfully in the global marketplace.

The Networking Academy is supported by a robust infrastructure designed for volume and scalability. This network platform enables class and academy management, learning and assessment delivery, and educational community interaction and information dissemination. The system contains 2.5 terabytes of data and delivers nearly a million instructional assessments per month. The Academy Connection portal receives some 1.5 million hits each day.

### Student and Community Profiles

All academy students have the advantage of consistent, high-quality e-learning curricula, hands-on laboratories, and online assessment. As of July 31, 2008, more than 2.6 million students have participated in courses since the Networking Academy was established. Students' ages range from as young as 12 to almost 90. They come from many backgrounds and have a variety of aspirations: for instance, college students preparing for the job market, secondary-school students building digital literacy, workers wanting to improve their prospects with a new skill set or career, and business owners looking to become more competitive.

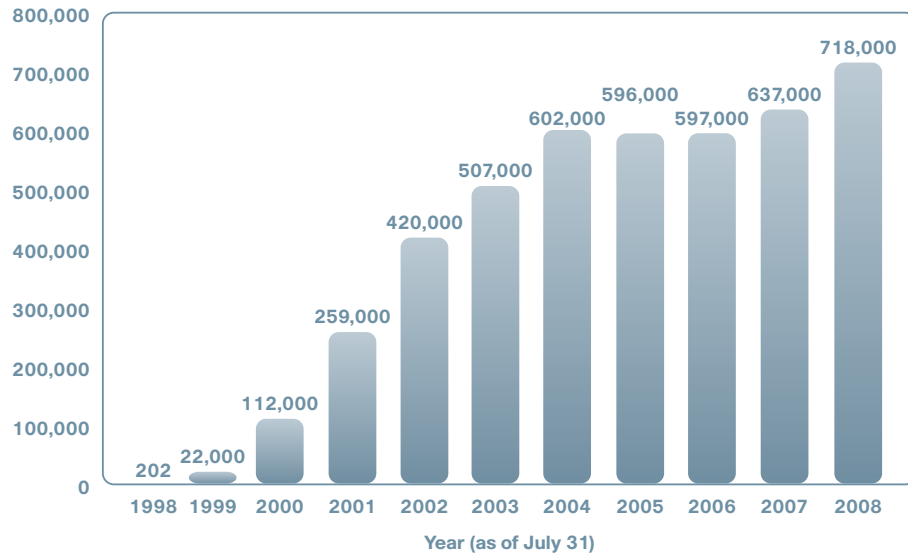
The table below gives a profile of Networking Academy students, with the data organized according to Cisco's major market regions or theaters: Asia-Pacific, Emerging Markets, European Markets, Japan, and United States and Canada. Sub-regions are also included.

Networking Academy Student Profile<sup>1</sup>

Market Regions	Countries <sup>2</sup>	Students		
		Total <sup>3</sup>	% of Worldwide	% Female
Global	167	716,987	100%	19%
Asia-Pacific	26	172,107	24%	27%
Emerging and Less Developed	20	126,243	18%	30%
Mature	6	45,883	6%	16%
Emerging Markets	114	271,994	38%	22%
Africa	40	36,712	5%	28%
Central and Eastern Europe	19	51,503	7%	12%
Latin America and the Caribbean	25	133,035	19%	23%
Middle East	19	41,355	6%	30%
Russia and Commonwealth of Independent States	11	9389	1%	15%
European Markets	22	156,091	22%	9%
Japan	1	9711	1%	18%
United States and Canada	4	107,209	15%	14%

<sup>1</sup> Data as of July 31, 2008.  
<sup>2</sup> Countries with at least one Networking Academy. For administrative purposes, we have defined some regions as countries that are not autonomous states or are not recognized as countries by international bodies such as the United Nations. Examples of these include American Samoa, French Polynesia, Hong Kong, and Puerto Rico.  
<sup>3</sup> Data refers to the total number of active students in the region or sub-region. Student counts represent unique students. However, students may be counted multiple times if they have been active at two academies located in different sub-regions, accounting for discrepancies between sub-region totals and the overall region total.

Number of Active\* Students in Cisco Networking Academy Courses, Year by Year



\*In FY08 the Networking Academy standardized on an "active" definition for calculating student, academy, instructor, and country metrics that uses a 12-month participation window. The data in this table, based on the new active definition, has changed compared to data reported in previous Cisco Corporate Social Responsibility Reports.

Adhering to the principle of public-private partnership, the academies are located in high schools, two-year colleges, technical schools, four-year colleges, universities, and community-based organizations in diverse communities and regions.

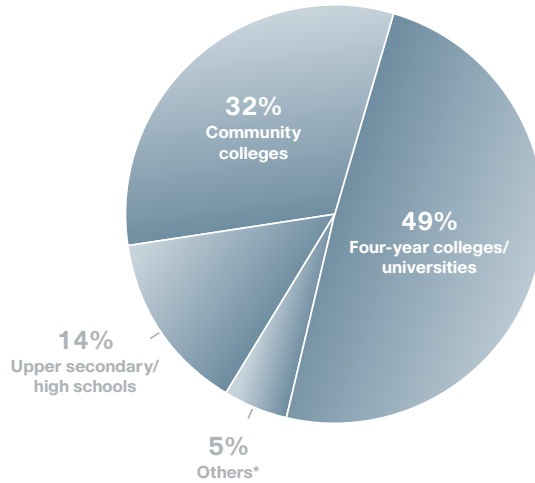
**Seizing the Opportunity for a Better Life**

Opportunities for advancement seemed limited for 37-year-old Francis Okethwengu, who had only attained a high-school-level education in Uganda. One day, while Okethwengu was cleaning the grounds at the Uganda Martyrs University, he learned about Cisco Networking Academy. He saw the program as an opportunity to build a better life for his wife and five children, while supporting the development of the local IT industry.

Despite the unfamiliar subject matter, Okethwengu excelled in his first semester. The flexible course schedule allowed him to work on a construction project near the university to help pay for his courses and support his family.

After completing the program, Okethwengu hopes to apply his skills at the university, plus set up networks at two secondary schools that his own children will eventually attend.

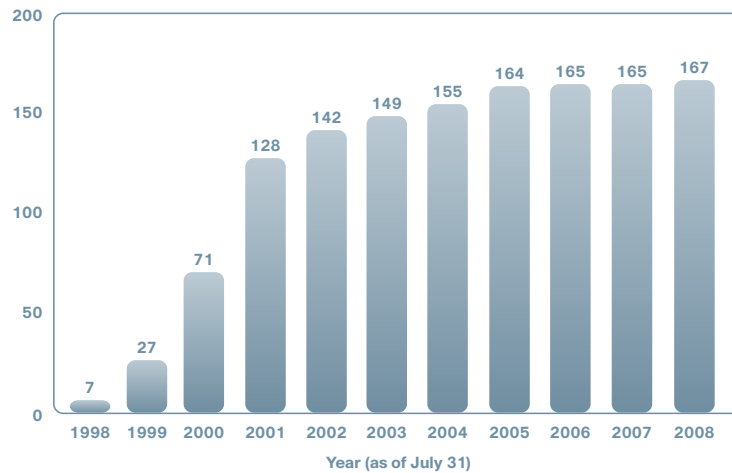
**Active Students by Education Level**



\*This includes community and nonacademic sites.

The Networking Academy is now active in more than 160 economically developing and developed countries worldwide. The table below shows how the number of countries has grown in the past 10 years.

**Number of Countries<sup>1</sup> with Active<sup>2</sup> Networking Academy Sites, by Year**



<sup>1</sup> For administrative purposes, we have defined some regions as countries that are not autonomous states or are not recognized as countries by international bodies such as the United Nations. Examples of these include American Samoa, French Polynesia, Hong Kong, and Puerto Rico.

<sup>2</sup> In FY08 the Networking Academy standardized on an "active" definition for calculating student, academy, instructor, and country metrics that uses a 12-month participation window. The data in this table, based on the new active definition, has changed compared to data reported in previous Cisco Corporate Social Responsibility Reports.

<sup>3</sup> Data as of July 31 of each year.

Cisco and Society

Read more about what's new at the Networking Academy:

- [Networking Academy: Evolving Curricula](#): Recent improvements to academy courses and content
- [Networking Academy: Partnerships Throughout the World](#): Least-Developed Countries, gender equality, and microfinance and entrepreneurship initiatives
- [Networking Academy home page](#)

**Resources on the Web**

The Networking Academy makes extensive use of the web to connect members of the academy community with each other and with employers.

[Academy Connection](#) is a learning management portal that delivers information and management tools to the Networking Academy community. Administrators use Academy Connection to manage and support their academies. Instructors use it to create classes, deliver curriculum, provide student assessments, and track student progress, as well as to receive training themselves and track their own professional development. Students can use the portal to view curriculum online, receive assessments, and get personalized feedback that helps them improve. Academy Connection also serves as a gateway to several secondary portal/sites: Alumni Connection, Career Connection, Forums and Chat, the Cisco Learning Institute's Teaching Resources, Curriculum Alignment Database, Academy Marketplace, CompTIA Voucher site, and the Academy Support Desk.

[Academy NetSpace](#), a website created for students, alumni, and instructors, serves an interactive community where students can showcase their talents and connect with others involved in the academy worldwide. Networking Academy students and alumni can sharpen their networking skills while competing for virtual prizes. Instructors can use Academy NetSpace as an additional tool for reinforcing the curriculum. The website went live in late 2006 and as of July 31, 2008, it had more than 42,800 registered users, of which approximately 80 percent were students.

[NetAcad Advantage](#) is a website for academy students and graduates in Europe, the Middle East, and Africa that offers job and career services. They can use this resource to look for employment opportunities in the areas where they live. The site also provides insights into the IT working world with interviews featuring employers, working academy graduates, other IT professionals, industry luminaries, and human resources and recruitment specialists. Approximately 30,000 jobs are promoted daily through collaboration with recruiters, sales channels and Cisco.

## Networking Academy: Evolving Curricula

The Networking Academy curricula are designed to give students an understanding of networking theory and principles, and to provide them with the skills and practical experience they need to pursue entry-level networking careers. Students learn to build and maintain networks, while also gaining the knowledge and skills necessary to eventually take and pass Cisco career certification examinations. The curricula consist of instructor-led e-learning courses that offer interactive exercises, network simulation software, hands-on laboratories, and virtual tools.

During the past year and half, Cisco revamped more than 70 percent of the curricula in an effort to improve student outcomes by tailoring courses to student learning styles, capabilities, and goals. A total of 13 new or revised courses were added to the Networking Academy portfolio. These enhancements underscore the academy's continuing efforts to provide students with the skills they need to pursue IT careers in industries ranging from technology and finance to medicine and entertainment.

The Networking Academy learning model is distinctive in that it offers online course delivery combined with classroom instruction. All students receive the same high-quality education, supported by online content and assessments, performance tracking, hands-on laboratories, and interactive learning tools.

The Cisco Certified Network Associate (CCNA) curriculum now consists of two tracks—CCNA Discovery and CCNA Exploration—that teach the same applied skills but present the information in different ways to appeal to different students based on their capabilities and goals. The revised IT Essentials: PC Hardware and Software course prepares students for all examinations associated with the CompTIA A+ certification and modules 1–3 of the EUCIP IT Administrator certification in Europe. In addition, IT Essentials provides an introduction to the IT industry, prepares students for entry-level IT positions, and includes virtual learning tools to help students become familiar with the components of desktop and laptop computers. The Cisco Certified Network Professional (CCNP) curriculum has also been updated to better teach the advanced skills required to manage end-to-end converged network infrastructures and to prepare students for the Cisco CCNP certification and eventual jobs in enterprise networking.

### **E-Learning Leads To E-Doing**

The Networking Academy places a strong emphasis on “e-doing,” an instructional design philosophy that applies the principle that people learn best by doing. The Networking Academy has always emphasized the hands-on, practical aspects of learning. Now, e-doing will bring that same practicality to the computer experience by promoting exploration and experimentation with electronic tools and network simulation. E-doing also enables instructors to engage students in meeting course objectives that are logically connected to each other and introduced in the context of students' lives and career opportunities.

Networking Academy experts have developed Packet Tracer, a comprehensive software application for teaching and learning about networks that provides powerful simulation, visualization, authoring, assessment, and collaboration capabilities. Packet Tracer allows students to perform a variety of virtual tasks just as if they were administering a real network. Instructors and students can create their own virtual “network worlds” for explanation, exploration, and experimentation. The software makes learning easier by offering a unique combination of realistic simulation and visualization experiences, complex assessment and activity-authoring capabilities, and opportunities for multiuser interaction.

Cisco and Society

**Improvement Through Feedback**

The Networking Academy takes a pragmatic, business-oriented approach to measuring success by collecting data and applying metrics to outcomes. Student feedback helps make the curricula more effective and relevant for students. Two important tools for improving the courses and enhancing instructor performance are the comprehensive Course Feedback Survey that every student must fill out at the close of a class, and the Student Outcome Survey that students are asked to complete several months after their last class.

Combining data from students' Course Feedback Surveys with data from follow-up surveys enables the Networking Academy to understand the relationships between students' opinions about their course experiences and the success they have later in furthering their education, applying their network expertise, and finding employment. We have found that students with more positive perceptions about their instructor and the materials provided in their courses are more likely to achieve success in all these future pursuits.

Relying on these and other metrics, the Networking Academy is able to continuously improve educational performance. Some of the data is shared with instructors and academies to help them monitor their success. Other metrics are being used to monitor the success of curriculum changes and improve resources and training for instructors.

**Reaching Out to More Students**

The Networking Academy continually seeks to make instructional offerings more inclusive. For example, the global translation strategy is focused on the six UN languages: Arabic, English, French, Russian, Simplified Chinese, and Spanish. These languages are spoken by more than 50 percent of the world's population. We have released 32 courses translated into UN languages for the CCNA Discovery, CCNA Exploration, and IT Essentials: PC Hardware and Software curricula.

Furthermore, to encompass more cultures and meet regional partner priorities, we have established a pilot program that enables partners and the academy community to translate courses. This pilot program includes the following 12 languages: Brazilian Portuguese, German, Greek, Hindi, Hungarian, Italian, Japanese, Korean, Polish, Romanian, Traditional Chinese, and Turkish. So far, the Networking Academy has released eight translated courses for these languages.

As of July 31, 2008, approximately 16,000 students had enrolled in one of the translated versions of the CCNA Discovery, CCNA Exploration, or IT Essentials: PC Hardware and Software curricula. We expect that number to grow considerably in the next year.

To further broaden student access, we have introduced accessible versions of our curricula for students with disabilities, including those with visual, auditory, and dexterity limitations. These versions of the curricula generally conform to the International Web Content Accessibility Guidelines v1.0 and to Section 508 of the U.S. Rehabilitation Act.

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**Positive Response to the New Curricula**

"The new CCNA Exploration curriculum provides an efficient and challenging learning experience. The text is demanding in its formulation and at the same time easy to understand for non-native speakers of English. The expressive graphics, interactive activities, and real-world laboratories are excellent and a great help for the learner."

– Dr. Gyula Feher  
Faculty of Informatics, Budapest Polytechnic Institution

"The new CCNA courses are valuable because they teach soft skills such as communication and how to work with people, along with practical skills such as troubleshooting. Course topics are up to date and reflect current networking trends and industry practices."

– Lewis Lightner  
Asheville-Buncombe Technical Community College, North Carolina

"CCNA Discovery prepares students very well for continuing education as well as for employability. So no matter what goal a student has, it will be met."

– Juan Carlos Spichiger  
Fundación Red de Academias Digitales, Chile

"With all the labs, games, and activities, the new CCNA curricula will stimulate students to explore further and deeper into networking technology."

– Ana Chupungco  
Philippine Science High School, Quezon City, Philippines

"Packet Tracer has become an integral part of my class and has transformed the way my students practice their labs and gain networking skills."

– Philip Houghton  
Kingston University, England

## Networking Academy: Partnerships Throughout the World

Partnerships are critical to 21st century educational advancement. The Networking Academy conducts its courses in close association with a variety of established institutions: secondary and post-secondary schools, universities, vocational schools, and training and rehabilitation programs sponsored by prisons and homeless shelters. The academy also partners with government agencies and nongovernmental organizations, and we are expanding our relationships to include employers, who apprise us of job requirements so we can design courses accordingly.

Among Cisco's international education engagements are the Least-Developed Countries Initiative, promotion of gender equality, and a number of microfinance initiatives that encourage entrepreneurship in developing countries. These efforts directly address [UN Millennium Development Goals](#) 1, 3, 7, and 8.

### **Least-Developed Countries Initiative**

The Least-Developed Countries (LDC) Initiative began in July 2000, when world leaders came together in Okinawa, Japan, for the G-8 Summit. Representatives from Cisco, the United States Agency for International Development (USAID), the United Nations Development Programme (UNDP), and the United Nations Volunteers (UNV) met to discuss how their organizations could collaborate to create a public-private partnership in an effort to help bridge the digital divide. Later in 2001, the International Telecommunication Union (ITU) joined the partnership.

Together, the LDC partners determined to bring Networking Academy classes to underserved populations by combining their development expertise, field presence, and contacts. In FY08 the LDC Initiative reached more than 40 least-developed countries around the world. The objective is to build technical skills in these areas to empower communities, accelerate progress, and integrate populations into the world economy.

To date, the LDC Initiative has enabled more than 70,000 students to obtain IT skills and knowledge. More than 18,000 students have graduated from the final course of the CCNA curriculum. Women make up 31 percent of these graduates. Among the more than 200 academies that have participated in the LDC Initiative are secondary schools and colleges, as well as local institutions such as orphanages, prisons, and community centers.

Cisco and the Cisco Learning Institute, along with partners UNDP, USAID, and ITU, sponsored two independent studies by Gartner Custom Research. The purpose of these studies was to examine the impact of the Networking Academy on least-developed countries, and to determine the effects of the program on individual stakeholders, former students, instructors, employers, and community leaders.

The first of the two studies, which was included in the *2007 Cisco Corporate Social Responsibility Report*, targeted Africa because that continent contains most of the world's LDCs, as defined by the United Nations. It included countries chosen to represent Africa's overall geographic, cultural, and economic profile: Cameroon, Kenya, Nigeria, Senegal, Uganda, and Zambia. More than 600 students, instructors, employers, and community leaders were surveyed. The second study, conducted in FY08, included four countries in the Middle East and Asia-Pacific: Afghanistan, Bangladesh, Cambodia, and Nepal. More than 450 students, instructors, employers, and community leaders were surveyed for this study.



“Where I was teaching formerly, I was barely earning enough to sustain me and my son. Life was difficult and I was dying to improve my academic qualifications. Then I learned that the Department of Women and Gender Studies at Makerere University was offering scholarships to the Networking Academy for female teachers like me. With the skills I acquired, I’m now earning 20 times more than before, which has helped me move into a better house and provide for my son.”

– Abigail Salome, a secondary school teacher in Uganda

The table below summarizes outcomes for students who responded to the two surveys.

**LDC Impact Assessment Outcomes**

	Africa	Middle East/Asia-Pacific
Number of student respondents	600+	450+
Number of countries evaluated	6	4
Percent of students who later found employment	62%	63%
Percent of students who later found employment that involved IT skills	59%	57%

Behind the numbers were some inspiring personal responses. One student, Hamid Hajar, was a refugee who fled the bloodshed and socioeconomic upheavals in Sudan. When asked about the value of the Networking Academy program, he said, “Before I began my studies, I had almost lost hope. The program was like a candle to light my way through life. I used to feel that my time was useless, but now I can’t bear to waste a minute of it. For the first time in my life, I can think about the future in a positive way.”

**Promoting Gender Equality**

Gender equality is integral to Cisco’s corporate culture. The Networking Academy seeks to develop career and education opportunities for women and girls, helping to bridge the digital divide between the sexes. Our efforts focus on four primary areas:

- **Access to the Internet:** Cisco helps provide Internet access for women and girls through partnerships with regional telecenters, community organizations, shelters, girls’ schools, and women’s colleges and universities. Cisco also donates networking equipment to NGOs that offer health, family, legal, and other services to women.
- **Connections to the IT pipeline:** Career programs connect Cisco volunteers and partners with community organizations to mentor and coach women who are interested in technology jobs. In Israel, for instance, the Networking Academy has instituted the Women’s Empowerment Program, an initiative that provides technical training, business education, and personal support for Jewish and Arab nonacademic women ages 20 to 34 who belong to disadvantaged groups.
- **Education and skills through technology:** Cisco promotes the Internet as an important way for all people to build skills and increase knowledge. The Networking Academy represents a major global resource for women who want to enter and benefit from the global economy.
- **Career development:** Cisco supports programs that offer career advice and enhancement for women in the IT industry. As an example, the Networking Academy helps organize career days where women can talk to IT professionals and job recruiters.

**Single Mom Finds Success in Networking**

At the age of 27, Rebecca Baca was a single, working mother who was struggling to make ends meet. After discussing her situation and career goals with a friend in the networking industry, she moved back home to attend the Cisco Networking Academy at Central New Mexico Community College. Baca received her Cisco CCNA certification two weeks after graduating from college. Less than a year later, she completed her Cisco CCNP certification.

After obtaining her certifications, Baca began working for INX, a Cisco Gold Certified Partner, as a consulting engineer. "The Networking Academy gave me the strongest background I could have hoped for," she says.

Baca is currently pursuing her Cisco CCIE certification, and is the technical lead for a large management solution project at INX that will be utilized at 19 sites across the United States.

As of July 31, 2008, women comprised 19 percent of the Cisco Networking Academy active student population worldwide. Certain parts of the world present particular challenges when it comes to attaining gender equality in a technical education setting. Cisco's Gender Initiative has made significant progress in many of these regions. The table below highlights selected countries with higher-than-average participation.

**Female Active Students in Networking Academy Courses, by Selected Country**

Country	Women as Percentage of Total Active Students*
Afghanistan	28%
Algeria	30%
Bhutan	34%
Egypt	36%
India	24%
Indonesia	30%
Jordan	39%
Laos	30%
Malaysia	42%
Oman	52%
Philippines	38%
Thailand	32%
United Arab Emirates	43%

\*As of July 31, 2008.

**Microfinance and Entrepreneurship Development**

Sometimes called "banking for the poor," microfinance uses small loans to help people escape poverty by starting, establishing, and expanding small businesses. From a business standpoint, Cisco wants to encourage IT entrepreneurship and innovation worldwide. This is especially vital in emerging markets where economic growth and job creation is most sorely needed. In a country such as India, for example, where there are estimated to be only 100 million employment opportunities for some 300 million young people, business formation at the grassroots level is critical.

The Cisco Foundation has provided grants to the Grameen Foundation to deploy and scale Mifos information management technology. Mifos is an industry-wide initiative that uses the open-source paradigm to create a new service model aimed at increasing access to technology for all microfinance institutions, enabling them to extend their reach to the world's poor.

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**In Bangladesh:** Cisco is partnering with Grameen Solutions to establish business centers in rural Bangladesh that serve as distribution points for a variety of services, such as birth and death certificates, healthcare, distance learning, and retail sales of such necessities as hybrid seeds. Grameen determines the mix of services and recruits qualified entrepreneurs to run the centers, while a Cisco grant supports a project team and helps establish test centers for a pilot. Because there are many thousands of rural communities in Bangladesh, this program has vast potential for improving livelihoods throughout the country.

**In India:** To promote economic development and help forge public-private partnerships for sustained growth, Cisco is partnering with Small Industries Development Bank of India (SIDBI), a government-sponsored financial institution promoting microfinance in the small-business sector, and TREC-STEP, an award-winning business incubator in southern India. As part of a pilot program, SIDBI will provide loan financing to small IT and IT-related businesses started by current and former Networking Academy students. TREC-STEP will provide mentoring and training to these entrepreneurs. Cisco will finance TREC-STEP's mentoring and training services, and will also co-pay the interest and guarantee fees on loans.

**In Lebanon:** Cisco is partnering with Relief International to implement the Cisco Rural Enterprise Development for Information Technology (CREDIT) program. This program extends small loans to entrepreneurs wanting to start new IT and Internet access-related businesses in rural areas of Lebanon. Networking Academy graduates in Lebanon will be eligible to engage in this entrepreneurial opportunity. Two local microfinance institutions have been selected and will be trained by Relief International to administer loans to the businesses. Networking Academy participants will receive training to enhance their marketing, financial, management, and business-planning skills, and will receive loans to cover 10 to 50 percent of their start-up capital. Examples of new enterprises that may be nurtured by the CREDIT program include network installers, network diagnostics providers, consumer networking installation/troubleshooting firms, community centers, and rural Internet service providers.

**Rwandan Girls Learn Networking Fundamentals**

In July 2008, 13 girls from several provinces in Rwanda received Cisco scholarships for training in IT Essentials through an initiative created in partnership with the Imbutu Foundation (Imbutu means "seed" in the local Bantu language). Most of the participants are orphans. The girls studied over a three-week period at Networking Academy, Tumba College, where they received free accommodations and meals. Imaculee Milenge, an Imbutu Foundation board member, noted that "what I saw the girls performing was a miracle, because they had never touched computers before." During the class the girls organized their own Umemero ("small seedling") Foundation, which will work with the Imbutu Foundation and Cisco to promote girls' education in Rwanda.

**New Hope for a Small-Business Owner**

After taking the Business Essentials course, Yehia El Zaeem, the owner of a small company that manufactures dry cleaning equipment, gained a new perspective on his business that caused him to cancel plans to leave Egypt.

El Zaeem realized that by improving his management and IT skills, he could make his operations more efficient and profitable. "Seeing the numerous benefits that can be added to my business by applying the different business strategies that I learned from the course gave me great hope," he says.

"The Egyptian Education Initiative is a tremendous opportunity to provide Egypt's greatest asset, its people, with the skills necessary for the 21st century."

– Suzanne Mubarak  
Office of the President of Egypt

"The Business Essentials curriculum we created has all of the components that need to be acquired by any startup company or SME."

– Yasser Kazem  
Director of Egypt's E-Learning Competence Center

## Egypt Education Initiative

With almost half of its fast-growing population under 20 years of age, Egypt faces a tremendous challenge in providing quality education and job opportunities to its citizens. In addition to limited economic resources and an underdeveloped infrastructure, the country also has had to overcome a lack of coordination among public- and private-sector educational institutions. Furthermore, the owners and managers of small companies, which make up 90 percent of Egypt's business community, do not generally have access to business education and training through the education system.

### A Model for Education Transformation

To improve education delivery through the use of IT and advanced technologies, and to assist the Egyptian government in achieving its vision of education as a driver for social and economic development, the Egypt Education Initiative (EEI) was launched by the government in partnership with the World Economic Forum in May 2006 as part of the Global Education Initiative. The EEI partnership now includes eight corporations, three international organizations, and approximately 30 local companies. Under the aegis of the Global Education Initiative, the EEI is moving beyond Egypt's borders by serving as a model for educational reform in other developing countries.

The initiative focuses on four areas: pre-university education, higher education, lifelong learning, and developing the e-learning industry in Egypt. To date, EEI has completed about 70 percent of its infrastructure objectives, including delivering more than 39,000 PCs to schools, connecting 1 120 schools to broadband, installing learning laboratories in 18 universities, and training more than 109,000 teachers and administrators in IT fundamentals.

### How Cisco Is Making a Difference

Approximately 13,000 students have taken Cisco CCNA courses since the first Cisco Networking Academy in Egypt opened its doors to students in 2001. In 2007 the Egyptian Ministry of Higher Education & Scientific Research began integrating academy courses into all engineering and computer science colleges and technology institutes across the country. As of July 31, 2008, there were 409 active Networking Academy sites in Egypt with more than 10,000 students enrolled, a 306-percent year-over-year growth rate. Thirty-six percent of these students were women. In addition, 10 Engineering and Computer Sciences Universities have completed their CCNA Instructors' Training.

Cisco has contributed Networking Academy curriculum and course materials for iExec Business Essentials, a leadership and management workshop that helps small and midsize enterprises (SMEs) become more competitive and innovative in their operations. The iExec Business Essentials course covers the fundamentals of IT and teaches students how to develop strategies for an effective IT business deployment. At the end of the class, each student creates an IT business case or proposal for use in the student's business.

Working with Egypt's E-Learning Competence Center and the Accenture Development Partnership, Cisco translated the Business Essentials training into Arabic and localized the program so the Egyptian audience would find it more relevant and compelling. Cisco enhanced the curriculum by increasing interactivity, incorporating local case studies, and piquing student interest by weaving a narrative through the curriculum. EEI's goal is to enroll 3000 business owners in the course in 2008, and 10,000 before the end of 2009.

“Through the Cisco Networking Academy, students of nonprofit education institutions in Rajasthan receive the benefit of Internet and networking education. This will not only help students tap opportunities, but also help Rajasthan in its efforts to build a sustainable pool of talent equipped with critical IT skills—in particular, the knowledge to design, build, and maintain computer networks—to meet the challenges posed by the knowledge-based economy.”

– G. S. Sandhu  
Former State Principal  
Secretary of Technical  
Education

“The Rajasthan Education Initiative has demonstrated the power and potential of collaborative public-private partnerships to catalyze education reform. Cisco components of the initiative include a top-quality curriculum, teacher training, and an Internet-based delivery model that allows premium education to be imparted at District Computer Education Centres throughout Rajasthan.”

– Mrs. Shubhra Singh  
REI Project Director

## Rajasthan Education Initiative

As a developing nation, India struggles to extend universal education to underserved areas and to keep the children who are presently in school from dropping out. Literacy has traditionally lagged in rural areas, where a shortage of teachers, resources, and funds keep students from attending and staying in school. The lack of an educated workforce has retarded economic growth in those areas.

India has undertaken an extensive literacy campaign, with the goal of raising the sustainable threshold literacy rate to 75 percent in the first decade of the 21st century. In 2001, the year of the most recent census, less than 40 percent of the 330 million Indian women who were then seven years of age or older were literate.

### Toward Universal Access to Education

The Rajasthan Education Initiative (REI) seeks to improve social and economic conditions in Rajasthan, India’s largest state, by providing access to schools for all children, to fill teacher vacancies, and to increase expenditures for education. Launched in 2005, the initiative is part of the Global Education Initiative, an effort to reduce the gap between developed and developing countries in partnership with the World Economic Forum and business leaders. According to the Indian government, REI has generated impressive results in enhancing the reach and quality of education by focusing on improving the delivery and management of education services in Rajasthan.

REI’s chief goal is to provide universal access to primary education by 2010 and to secondary education by 2020. REI also aims at boosting school retention levels, increasing access for girls, enhancing the quality of learning in core subjects such as mathematics, science, and English, and expanding the curriculum to provide students with the IT skills they need to participate in the global knowledge-based economy. To help promote inclusiveness, REI uses strategies such as alternative schools, evening schools, bridge courses, and mobile schools.

### How Cisco Is Making a Difference

Cisco has helped establish five District Computer Education Centres to date, each equipped with 30 to 40 desktop computers. A total of 312 students have graduated from the Networking Academy IT Essentials course, 118 of them girls. Currently 135 students (28 girls) are enrolled in courses at the centers.

July 2008 saw the rollout of Lifelines in the Udaipur district of Rajasthan. Lifelines is a telephone-based information service initially introduced to rural farmers in partnership with British Telecom and the NGO One World that now supports teachers with advice on curriculum, pedagogy, policy, and administration. The teachers call into a voicemail system with their questions and receive a recorded response when they call back later. The service currently reaches some 11,000 teachers at 4651 schools.

## New Partnership for Africa's Development e-Schools Initiative

The digital divide in education refers to the chasm that separates students with access to computing and networking technology from those with little or no access. Digital literacy represents what Henry Jenkins, co-director of the MIT Comparative Media Studies Program, calls the "hidden curriculum": skills and knowledge derived from Internet technology that give children an added advantage by enabling them to do better in school, converse with more ease and authority, navigate diverse social networks, and favorably impress college admissions officials and potential employers.

### **E-Schools for Socioeconomic Advances in Africa**

The New Partnership for Africa's Development (NEPAD) includes an e-schools initiative developed to help bridge the digital divide by delivering IT skills and knowledge to primary and secondary school students, paving the way for better access to opportunities in local and global economies.

Cisco's direct investment in NEPAD, which began in March 2005, includes Cisco people and cash amounting to approximately \$3.5 million over three years. More than 30,000 students were provided with first-time access to computers and Internet connectivity, and the number continues to grow as new students enter the e-schools each year. Cisco is leading NEPAD implementations in 19 secondary schools in Algeria, Ghana, Mauritius, Rwanda, Senegal, and South Africa, and we will also provide equipment to 39 additional schools in nine other countries. Cisco also deployed a website for NEPAD teachers, school administrators and support staff at [www.cisconepadeschools.com](http://www.cisconepadeschools.com).

A survey of 55 teachers conducted in November 2007 indicated a marked shift in learner behavior:

- 94 percent of survey respondents thought that learners were more motivated.
- 83 percent reported that learners asked more questions.
- 75 percent felt that students were more self-confident.
- 86 percent observed that there was evidence of better peer collaboration.
- 85 percent felt that their students were more engaged in their work.
- 74 percent felt that learners were doing homework more frequently.

Watch a video about NEPAD at:

<http://www.cisco.com/web/about/citizenship/socio-economic/NEPAD.html>

"Through MYTecC we are leveling the playing field, enabling kids from underserved communities in the different countries to become citizens of the world—so when they grow up and become business leaders they will have people in the region they trust with whom they can do business."

– Zika Abzuk  
Public Benefit Investment  
Manager for Cisco in  
Europe and Emerging  
Markets

"I've already seen the impact of MYTecC on my students. Ali dares to speak his mind in a clear and loud voice. Hajar no longer fears asking questions. She describes MYTecC as the best thing that has ever happened to her. Merriam found friends with whom she could share her dream of forming a dance band that cares about Mediterranean folklore. I believe there is nothing better than lighting a young spirit's path to the future and helping to raise a free-thinking citizen."

– Nadia, a MYTecC instructor  
in Morocco

## Mediterranean Youth Technology Club

The high rate of unemployment among the fast-growing cohort of young people in the Middle East-North Africa (MENA) region threatens both economic and political progress. The Middle East Youth Initiative estimates that unemployment among youths (ages 15 to 24) in the Middle East is as high as 25 percent.

The brain drain from MENA is of particular concern: a 2003 Arab Human Development Report found that 450,000 graduates of universities in Arab countries had left the region and were living and working in Europe. Moreover, many youths do not have the knowledge and skills required to land a steady job. Illiteracy rates remain high in several areas, especially among girls. A 2007 report by the Population Reference Bureau estimated the number of illiterate youths in the region at 10 million, two-thirds of them female.

### Education, Collaboration, Understanding

In early 2007 the Mediterranean Youth Technology Club (MYTecC) educational initiative was formed as a partnership among Cisco, ICT for Development in the Arab Region (ICTDAR), and Teachers Without Borders. MYTecC is aimed at providing 9th and 10th grade (ages 15 to 18) students in the MENA region with the skills they need to become self-supporting members of their communities, and eventually take their places as future business and government leaders. Cisco has initially committed \$500,000 to the effort.

MYTecC is geared toward alleviating the digital divide in the Mediterranean part of the MENA region, preparing students for jobs in the knowledge-based economy, and creating a spirit of tolerance and understanding. The program, now in its second year, incorporates Cisco Networking Academy curricula together with useful nontechnology content, such as English language, leadership, and basic business skills. It is based on the successful Net@ program in Israel that currently involves more than 2000 students in 24 towns. The long-term vision for MYTecC is to create a lasting virtual community in the Mediterranean and some adjoining countries by encouraging personal ties that cross national, religious, and socioeconomic boundaries, eventually helping to bring greater prosperity and peace to the region.

As members of MYTecC, young people use web 2.0 technology to communicate, share ideas, and gain an understanding of each other, at the same time acquiring valuable job skills. Upon completion of the program, students receive a professional certification that gives them a valuable entrée into the job market or leads to more advanced study in designing, building, and maintaining networks.

### Progress So Far

Thirty instructors have been recruited from Cyprus, Egypt, Israel, Jordan, Morocco, the Palestinian territories, Portugal, Turkey, and Yemen. Each of them will train 10 more instructors, who will join them in teaching a second round of classes beginning in September 2009. The instructors have developed a web 2.0-based platform modeled on the Teachers Without Borders tool, and will transfer the knowledge they gain to other instructors and, eventually, to students as well. The goal is to make the program completely sustainable so other countries can work with local NGOs to develop their own social networking sites. Approximately 320 students are attending courses in Egypt, Israel, Morocco, the Palestine territories, Portugal, Turkey, and Yemen. Students in Jordan will start classes in October 2008.

See a video about [Teachers Without Borders](#)

## Transition Training Academy

Many of the United States military men and women who have sustained serious combat-related injuries in Iraq and Afghanistan want to invest some of their recuperation time in gaining new technical skills to help support themselves and their families. Some will use these technical skills to secure new roles in the military, while others need technical skills to effectively transition to jobs or further educational programs in civilian life. Due to the demands placed on them by their medical treatment and other responsibilities, it is often difficult for these veterans to attend traditional classes or vocational training programs. Needed: a flexible technical skills and career planning program implemented at low cost in multiple military hospital facilities across the United States and, potentially, around the world.

### Career Training for Recovering Veterans

Working with the U.S. Department of Labor, Cisco led the development of a 12-week pilot program devoted to preparing recovering veterans for entry-level jobs in the information technology industry. The Transition Training Academy program consists of 18 hours of classroom instruction and 18 to 24 hours of web-based instruction in networking, computers, and desktop applications, along with career planning and assistance. Principal partners include Cisco, Wounded Warriors, Teachers Without Borders, Naval Medical Center San Diego (NMCS D) Career Transition Center and the U.S. Department of Labor's Veterans' Employment and Training Service. Cisco has invested \$500,000 in the program since it began in 2006.

### Progress to Date

Of the 15 students who completed the pilot program at NMCS D in August 2007, six received job offers immediately. The program is currently offered at NMCS D and also at Brooke Army Medical Center in San Antonio, Texas. A second class of 15 students graduated from the program in February 2008, and the third class of 51 students graduated in July. Two-thirds of the students have found employment following separation from the service, have returned to the service in an IT-related military occupation specialty, or are pursuing further education. The remaining students are continuing their recovery programs. The majority of the graduates who completed rehabilitation and actively sought employment in the civilian sector are now employed.

#### Turning a Negative into a Positive

While Gorman Penn was rehabilitating from serious head and spinal injuries that he sustained while unloading a truck during a windstorm in Iraq, he was devastated to learn of his impending medical discharge from the U.S. Navy. "It was like they were taking my life away," he recalls. Besides having to leave his military career, the heavy equipment operator would not be able to work at a similar civilian job because of his injuries. But after building his IT skills in the Transition Training Academy program, he benefited from a Cisco effort that matches available talent to Cisco channel partners looking for qualified employees. "I've taken a negative and turned it into a positive," Penn says. "My company wants to make me an engineer. The sky is the limit."



"Cisco believes data-driven solutions for students, educators, and parents, especially Internet-based applications, are critical to building an equitable society in which all children have the best possible opportunity to succeed. NCLD's RTI Action Network represents an important step towards ensuring that schools are up to the challenge of educating our nation's children."

– Michael Yutzenka  
Executive Director, Cisco  
Foundation

"RTI holds the promise of providing students who struggle to learn the support they need as soon as they need it, instead of waiting until they fail."

– James H. Wendorf  
Executive Director, NCLD

## National Center for Learning Disabilities

When a student has difficulty learning, especially if that student is part of an economically disadvantaged community, it is often assumed that some innate disorder is to blame. This assumption does not take into account other variables that may be hindering the child's academic progress, such as a lack of language proficiency, interruptions in school attendance, cultural differences, or an unconventional learning style.

Response to Intervention (RTI) is a systematic educational approach based on a collaborative effort among general education and special education educators as well as parents that provides supplementary aid to struggling students. The RTI model calls for accurately screening and diagnosing learning problems, then prescribing proven instructional interventions at different levels of intensity that address each individual's particular needs, and that can be monitored and adjusted over time.

### Raising Expectations for All Children

In December 2007 the National Center for Learning Disabilities (NCLD), a nonprofit organization dedicated to ensuring that people with learning disabilities have every opportunity to succeed in school and life, launched a new initiative called the Response To Intervention Action Network with the support of more than \$2.2 million in grants from the Cisco Foundation and \$400,000 worth of donated Cisco equipment over a two-year period. A multiyear effort aimed at facilitating and supporting the development, replication, scalability, and sustainability of the RTI model, the RTI Action Network promises to help transform public education in the United States by improving outcomes for all students—including those who are at risk of falling by the wayside because of unaddressed learning deficiencies that could be remedied by timely instructional interventions.

The RTI Action Network takes advantage of cross-disciplinary partnerships with leading national organizations and stakeholders that include principals, classroom teachers, special education teachers, school psychologists, speech therapists, reading specialists, and parents. A key component of the RTI Action Network is an interactive website that gives front-line educators and families access to the resources they need to implement the essential components of RTI, and offers opportunities to network with peers and with the nation's leading RTI experts.

### Progress So Far

To date, more than 53,000 teachers and families have visited the RTI Action Network website since it went live in April 2008. In June approximately 1380 stakeholders attended the first RTI Action Network online forum to discuss "Are You Ready for RTI? What Do You Need to Know, and What Do You Need to Do?"

"MIND's approach to algebra is simple, logical, and thorough. Concepts unfold in a natural, easy-to-follow way, and the games complement each lesson. Many of my students are taking a liking to math for the first time, and I have never enjoyed teaching it more."

– Paul Devoto  
Middle School Teacher,  
Jonas Salk High-Tech  
Academy, San Juan

## MIND Research Institute

Numeracy and literacy go hand in hand. In an increasingly technology-driven and statistically mediated world, the ability to work with numbers and mathematical concepts is a prerequisite for success in a broad range of occupations. Yet many students struggle in conventional mathematics programs that have not kept pace with the latest advances in learning research and interactive, computer-aided instruction. Changing the way these students learn can make all the difference in ensuring that they have the numeric skills they need to prosper in the 21st century economy.

### **Mathematics Courseware That Engages As It Teaches**

Following a multiyear engagement, the Cisco Foundation in November 2007 awarded a \$500,000 cash grant to MIND Research Institute, a nonprofit organization dedicated to transforming brain and learning research into applied education programs for elementary and secondary school students. This was in addition to a grant of Cisco equipment worth \$518,000 in August 2007. MIND uses a distinctive spatial/temporal (ST) approach to teaching mathematics concepts and building problem-solving skills that has proven effective in building a solid mathematics foundation for students at all levels of academic achievement.

Based on more than 30 years of neuroscience and education research at the University of California, MIND's ST Math courseware uses a programmed sequence of games and visual cues to engage the students' interest and develop and strengthen their reasoning abilities, enabling them to understand and solve multistep problems. The ST Math courseware is now being used by more than 55,000 students in over 280 schools in 15 states.

Before a sampling of schools in California started the ST Math program, 31 percent of their students scored at the Proficient or Advanced levels on the mathematics part of the California Standards Test that all students in the state must take. After participating in the MIND program, 46 percent of the students in these schools scored at those levels in 2006, and the performance climbed to 51 percent in 2007.

MIND has extended its courseware offerings to include an e-learning tool for middle school and high school students called Algebra Readiness that the educational journal *Multimedia & Internet@ Schools* said "will definitely help to close the achievement gap for our struggling math learners."

### **How Cisco Is Making a Difference**

Cisco's grant will assist MIND in further expanding its programs. Specifically, MIND has converted its programs to a web-based platform, which should dramatically increase the number of students and teachers who are able to take advantage of the curriculum. MIND also intends to integrate more collaborative technologies into the software, including message boards, video guides, and professional development materials. A beta release of new courseware is expected to be ready for the 2008–2009 school year.

Cisco and Society



For a society to prosper, people must be able to satisfy their needs for food, water, shelter, sanitation, personal safety, social interaction, and self-actualization. Cisco directs a significant portion of our social investments toward meeting these fundamental human needs. What's more, our employees are personally involved in a range of efforts that contribute to the well-being of their fellow citizens and the communities in which they live.

Our overall strategy is to support programs that can grow to serve an increasingly larger segment of the population, that can be replicated to serve additional populations, and that can sustain themselves once they are established and underway. Because we believe networking can be a powerful force for improving life in impoverished and underserved communities, Cisco focuses on partnering with nongovernment organizations (NGOs) and other organizations that take advantage of the Internet. We prefer to invest early in the innovation cycle, and then go on to direct our investments to other projects when the initiative matures and becomes self-supporting.

Read more about how Cisco and our employees help meet human needs worldwide:

- [Partnership for Lebanon](#): Assisting Lebanon's reconstruction and development
- [Digital Cities](#): Bringing Jewish and Arab municipalities together through technology
- [Cisco's Clinton Global Initiative Sub-Saharan Africa Commitment](#): Helping to alleviate poverty in underserved communities
- [Community Voice Mail](#): Free voicemail services for people in crisis
- [Disaster Relief](#): Help for victims of natural disasters worldwide
- [Cisco China Public-Private Partnership](#): A multiyear rebuilding effort after the earthquake in Sichuan Province
- [Cisco Citizens](#): Individual employees find innovative ways to aid people in their communities
- [Cisco Civic Councils](#): Employees join together in volunteer projects and partnerships with NGOs
- [Cisco Leadership Fellows](#): Cisco leaders who share their expertise with NGOs

## Partnership for Lebanon

Sometimes called the Switzerland of the Middle East because of its concentration of financial institutions, its diverse population, and its reputation as a popular resort destination, Lebanon is using public-private partnerships to help fuel a new surge of prosperity and serve as a model for economic recovery in the region. Public-private partnerships enlist the help of the private sector to supply infrastructure assets and services that have traditionally been the sole responsibility of the government. According to the International Monetary Fund, "An infusion of private capital and management can ease fiscal constraints on infrastructure investment and increase efficiency. Reflecting these advantages, public-private partnerships are taking off around the world."

### **Socioeconomic Revival for the Lebanese People**

The Partnership for Lebanon was launched by U.S. business leaders in September 2006 to provide critically needed resources for reconstruction efforts in Lebanon and to help build a better future for the Lebanese people. The partnership is led by five companies: Cisco, GHAFARI, Intel, Microsoft, and Occidental Petroleum.

Working through public-private partnerships and with the Lebanese people, the partnership is focused on expanding the reach of education and workforce training, creating jobs, building technology infrastructure, and using technology to connect communities with the services and resources they require.

The Partnership for Lebanon concentrates on five key areas:

- **Connected communities:** Working to enable full-service online community access points across the country by giving citizens local portals for access to job training, healthcare, education, and other resources.
- **Workforce training and education:** Placing qualified Lebanese interns in top businesses in the United States and Lebanon to improve their prospects and plant the seeds of economic growth among Lebanese youth. Furthermore, since the initiative began, Cisco has increased the number Cisco Networking Academies from 22 to 46.
- **Job creation/private sector revival:** Creating jobs and careers within Lebanon to help halt the country's brain drain, particularly in the small and midsize business sector.
- **IT infrastructure:** Helping Lebanon modernize its network infrastructure by improving the speed and efficiency of Internet traffic and by providing an economical foundation for better communications and e-commerce.
- **Relief and response:** Contributing funds and working with several NGOs to rebuild homes, rehabilitate schools, and expand workforce training programs.

## Progress This Year

### IT Infrastructure

- On January 11, 2008, Cisco experts presented the National Broadband Strategy to the Lebanese Minister of Telecommunications, the Telecom Regulatory Authority, and the public.
- On April 1, 2008, an Internet exchange point (IXP) was established that connects seven Internet service providers in the country. The IXP functions as an on-ramp to the Internet and a point for carriers to exchange traffic.

### Connected Communities

- Cisco and partners completed Phase 1 of a pilot project to connect five Lebanese communities affected by the recent conflict. All five Connected Community Centers were able to implement relevant and useful projects using IT as a medium, including a toolkit for small-to-midsize businesses, a popular portal for teenagers called Lebteen, a portal for government information and frequently requested forms, and Cisco Networking Academy IT Essentials programs.

### Workforce Training and Education

- Sixteen interns completed their internships at Cisco in October 2007, and 58 interns are in the process of finishing internships in Lebanon and the United States.
- Cisco opened 16 new Networking Academy sites in Lebanon, bringing the total to 46 as of July 31, 2008.

### Private Sector Revival

- Cisco invested \$500,000 in Berytech Fund SAL, an entrepreneurial start-up committed to providing incubation, support, and hosting opportunities for promising Lebanese enterprises in the fields of technology, multimedia, and health in exchange for an equity investment.
- In June 2008 the company launched the Cisco Rural Enterprise Development for Information Technology (CREDIT) program, a \$1 million micro-credit fund for IT investments in rural Lebanon. Working through a local Lebanese microfinance institution that serves the IT sector, CREDIT will disburse loans from \$1500 to \$7500 and offer training in business and entrepreneurship skills to 300 beneficiaries. Candidates for the loans include recent Cisco Networking Academy graduates and graduates of other institutes who want to start rural IT businesses. Relief International, a global NGO, will manage the project.
- The Partnership for Lebanon also launched an Executive Mentorship pilot program that pairs promising CEOs of small and midsize Lebanese businesses with Cisco and other industry executives for guidance and knowledge transfer. The first Lebanese CEO has been identified and will be mentored by two Cisco executives.

### Crisis Relief

- According to Land Mine Monitor, Lebanon is contaminated with an unknown number of antipersonnel and antivehicle mines, as well as cluster submunitions and other unexploded ordnance. These weapons pose a serious threat to local populations and to economic growth. In partnership with the Marshall Legacy Institute, Cisco is sponsoring two dogs trained to detect mines and similar devices.

[Watch videos about Partnership for Lebanon.](#)

Cisco and Society

**Praise for Partnership for Lebanon**

"Having a chance to come to the United States and work side by side with professionals in top companies is just an unbelievable opportunity. When we head home, we'll take the skills we need to help transform our country into a better place to live and raise a family."

– Karim Kattouf, Partnership for Lebanon intern

"The partnership's support for Lebanon has been greatly appreciated by local communities in South Lebanon. The establishment of the 10 IT centers enables our NGO partners and their beneficiaries to envision a brighter future in which they can maximize the benefits of education; qualify for challenging, well-paid employment; and join the world community through the Internet."

– Rob Mosrie

American Near East Refugee Aid, Lebanon country director

"This initiative provides a special opportunity for a country that is emerging from a turbulent period. The public-private sector partnership approach has been adopted by the government in many areas. This initiative aligns with a national e-strategy developed by multiple stakeholders to address the need to move Lebanon's economy and society toward a knowledge-based society as quickly as possible."

– Hala Makarem

Partnership for Lebanon program coordinator in the Office of the Prime Minister

"Good will is contagious. By helping 20 interns, the partnership has not only changed our lives forever, it has also helped change the lives of 20 families and countless other friends and colleagues, who in turn can reach out to help their network of acquaintances."

– Ingrid Salloum, Partnership for Lebanon intern

## Digital Cities

A comparative study of Internet use in Israeli households revealed that the Arab segment of the population in Israel has the lowest household use of PCs and online services compared to the rest of the country. Moreover, Arab students exhibit the lowest proficiency in mathematics, science, and English language. Studies have established that children with limited or no access to computers and the Internet are less likely to do well in school and prosper in a world where PCs have become indispensable for social and economic advancement.

Israel President Shimon Peres approached Cisco with an idea for bridging the digital divide in his country by providing Internet access in two Galilean cities: Jewish Upper Nazareth and Arab Nazareth. Cisco is investing \$2 million over two years to create these “twin digital cities,” half of the grant in products and half in cash. Launched during a visit to Israel by Cisco Chairman and CEO John Chambers in January 2008, the Digital Cities initiative aims to enhance relations between the two populations, while also promoting tourism and improving healthcare and education. In addition, the initiative helps train residents in the use of Internet technologies.

### Progress So Far

- Twenty Arab women are now participating in the Women’s Empowerment Program (WEP) and 20 Jewish women will soon enter the program. WEP helps unemployed women in Arab Nazareth and Jewish Upper Nazareth to enter the workforce for the first time or to make a career change. The women learn technology skills based on the Cisco Networking Academy’s IT Essentials courses, as well as “soft skills” such as writing resumes, searching for jobs online, creating presentations, and interviewing for a job. WEP is a partnership among the two municipalities, the JOINT organization, and the Israeli Employment Service.
- Forty-four youths from the two cities participate in the [Mediterranean Youth Technology Club](#) (MYTecC), a regional educational initiative aimed at providing students aged 15 to 18 with job skills and a virtual community.
- A tourism portal was launched to serve tourists before and during their visit. Tourist information kiosks were also erected in Nazareth.
- A computer environment for the blind was established in a library in Nazareth.
- English as a second language is now taught in Nazareth primary schools.
- In collaboration with the Israeli Ministry of Education, 40 interactive whiteboards will be installed in 11 elementary schools. Two schools will be selected as model schools for demonstrating a fully interactive classroom environment.
- In collaboration with the Israeli Ministry of Education, 20 Jewish and 20 Arab teachers were selected to form a focus group for special empowerment training. They will lead collaborative efforts to enrich the curriculum using the interactive whiteboards and other web 2.0 tools.
- The Israeli Ministry of Education, the Nazareth municipality, and Cisco collaborated with the Snunit Internet-based learning organization at the Hebrew University of Jerusalem to implement an online environment to support English teaching and education.

### Looking to the Future

- Cisco voice, video, and data technology will be implemented in six schools in Arab Nazareth and another six schools in Jewish Upper Nazareth. Teachers will be trained in new educational methods and parents will be connected to the schools and educational resources.
- A hospital research center using digital video conference technology will be established to serve the three hospitals in Nazareth.

Cisco and Society

- Cisco will donate the network design and infrastructure for Tzofen, the first Israeli-Arab high-tech and R&D outsource center intended to promote equal opportunity and minimize inequality faced by the Arab citizens of Israel.
- Cisco will install free wireless access in Nazareth along an avenue of shops and restaurants frequented by tourists and residents.
- A Community Knowledge Center will open an Internet café in both towns.
- As part of a partnership with One Global Economy (OGE), the initiative will launch the Nazareth Beehive, a citizenship resources portal, and train local citizens to take advantage of the portal using OGE's Digital Connectors program.

"We learn about things we never knew about before, everything about the Internet. It's really interesting. Before this program, I had no contact with my Jewish neighbors. Now I have Jewish friends. It will affect my future. We need to live together, without wars and all that. We all get on well together here."

– Sha'ed Bishara, an East Jerusalem 9th grader in the Digital Cities program  
Quoted in the *San Francisco Chronicle*, August 13, 2008



## Cisco's Clinton Global Initiative Sub-Saharan Africa Commitment

In September 2007, Cisco made a four-year, \$10 million commitment to the Clinton Global Initiative to alleviate poverty in five Sub-Saharan African countries: Cameroon, Ethiopia, Kenya, Nigeria, and Rwanda. Cisco and our NGO partners Habitat for Humanity, Inveneo, One Global Economy, and Teachers Without Borders have focused on providing affordable housing, community connectivity, online content and tools, and hands-on training.

Habitat for Humanity plans to serve 278 low-income families by providing them with decent shelter, basic homeowner education, and community leadership training over the next four years. As of July 2008, home construction had begun in Cameroon, Ethiopia, Kenya, and Nigeria.

Inveneo will provide low-cost, end-user computing and networking solutions through its Inveneo Certified ICT Partners (ICIPs) model with the objective of increasing network access and promoting local employment in rural communities. To date, 22 ICIPs have been trained and six ICIPs have implemented or assisted with nine projects that have impacted 22 communities. Some 30,000 people will be able to benefit from improved education, healthcare, relief, microfinance, and other critical services.

One Global Economy will extend its [Beehive](#) portal to provide low-income people with accessible and easy-to-understand tools and information on a wide variety of topics, including money, health, education, jobs and careers, family, and starting a business. Project blueprints for the Ethiopia and Rwanda Beehives are to be completed by the end of 2008.

Teachers Without Borders will concentrate on supporting the professional development and practice of teacher leaders in Sub-Saharan Africa through online tools, courses, certifications, conferences, and teaching and learning centers. As of July 2008, the organization has achieved a number of milestones, including the revamping of its courseware and enabling partner access and real-time translation of content. Eighty teachers have been trained in Nigeria as part of the Millennium Development Initiative, a Teachers Without Borders program that brings together a global alliance of local educators and institutions dedicated to realizing the United Nations Millennium Development Goals.

See a video about [Inveneo](#)

See a video about [Teachers Without Borders](#)

**An Award-Winning Partnership**

CVM was nominated by Cisco and received the prestigious Committee Encouraging Corporate Philanthropy (CECP) Directors Nonprofit Award for 2008. CECP honored CVM for creating a meaningful solution to an often-overlooked fundamental obstacle for the poor and homeless. The award noted that Cisco has had a transformative impact on the success and scope of this critical service organization.

"CVM is a practical tool that makes the difference between a job lead and a job interview, knowledge of free vaccinations for children and missed appointments, escaping domestic violence with support or simply landing on the street, isolated."

– U. S. Senator Patty Murray,  
State of Washington

## Community Voice Mail

Most of us take the phone for granted. In fact, we take it wherever we go. It is hard to imagine not being able to receive a call from an employer or a friend, or to make a call to your health provider or your family. But for the homeless, the destitute, runaway youths, migrant workers, victims of domestic violence, recently released prisoners, and other people in crisis or in transition, access to phone service can mean the difference between being engaged in society or becoming socially invisible.

Community Voice Mail (CVM) is an organization that empowers people by providing free, personalized telecommunications to those who need it. CVM has a measurable impact on people's ability to emerge from sometimes desperate situations by providing a critical link to human services and other human beings. Clients use their voicemail numbers as a reliable and confidential way to communicate with prospective employers, landlords, doctors and dentists, case managers, social service staff, and family members. After using CVM for an average of seven months, nearly 70 percent of clients achieve at least one of their goals of finding a job, housing, or healthcare.

### How Cisco Is Making a Difference

Since the partnership began in 2003, more than 165,000 individuals have benefited from CVM services, and more than 2100 nonprofit agencies have distributed CVM contact numbers to their clients.

The partnership between Cisco and CVM involves one of the most significant investments of corporate resources (people, products, and cash) ever extended by Cisco to a nonprofit organization. Cisco has donated more than \$8.5 million in hardware, software, and licensing fees to CVM, helping the organization create an enterprise-level server network with a current capacity of 30,000 simultaneous subscribers.

The first Cisco Foundation cash grant, \$2.5 million over five years beginning in 2003, helped CVM enhance service capabilities, centralize the voicemail system, and reduce operational costs. The centralized voicemail system, which registered 3 million voicemail messages in 2007, has yielded operational efficiencies that have resulted in a 22-percent savings in administrative and technical costs, or approximately \$500,000 annually. The time necessary to install new sites has been cut in half.

With a new Cisco Foundation three-year grant of \$1.95 million awarded in April 2008, CVM will be able to significantly expand. The organization has established sites in eight U.S. cities since the Cisco partnership began, with new sites in Ft. Lauderdale, Florida, and Albuquerque, New Mexico, launched in August 2008. The program inspired a similar service at *The Big Issue* in Melbourne, Australia, sponsored directly by Cisco employees. (*The Big Issue* produces an entertainment and current affairs magazine, which is written by professional journalists and sold on the streets by homeless people.) There has been additional interest from Cisco employees in France and Scotland.

“Within the first weeks of having my CVM number, I made every appointment I had. The number has opened the door for so many things in my life. Thank you for helping me start my life all over.”  
– Tyra, a CVM client

Cisco donates office space to the 10-person CVM national staff located in Seattle, Washington, allowing CVM to direct more funds to program-related activities. On average, 40 Cisco volunteers devote time and expertise each year toward product development and implementation of new technologies, as well as administrative, management, and strategic planning tasks.

Using broadcast messaging, email integration, and the auto reply features of Cisco telephony technology, CVM has educated clients in several U.S. cities about the availability of free tax preparation services, as well as Earned Income Tax Credit eligibility. Seattle experienced a 32-percent response rate from clients seeking tax assistance. This represents more than 3 percent of the total tax returns that were prepared in Seattle and adjoining King County in the 2007 tax season.

**How CVM Works**

A CVM provider gives the client an instruction card and a touch-tone phone, so they can call into the system and enroll. Enrollment takes only about three minutes. The client simply dials in, records a simple greeting, and creates a secure password.

Once the new phone number is active, anyone can call it and leave a message. Clients can retrieve their messages from anywhere that works for them, whether from a pay phone, a social service agency phone, or the home phone or cell phone of a friend or family member. To callers the CVM number looks like any other phone number, creating an impression of stability and credibility.

CVM phone numbers are distributed based on demonstrated financial need, lack of reliable phone service, or pursuit of a specific goal such as work, housing, healthcare, or safety from violence. After the goal has been achieved, the number is recycled to another client, thereby conserving numbers and voicemail resources.

"We have been deeply moved by the unwavering courage and resilience of the Sichuan people, as well as the leadership demonstrated by national, provincial, and local governments in the face of this tragic natural disaster. Cisco has always had a strong culture of social responsibility, and we believe it is our duty to assist in the redevelopment efforts."

– John Chambers  
Cisco Chairman and CEO

## Disaster Relief

When natural disasters strike anywhere in the world, Cisco and our employees have been quick to respond with support for relief and recovery efforts.

- **Snowstorms in China:** Massive storms hit 19 eastern and southern provinces in China in January 2008, killing 80 people, destroying more than 300,000 homes, and resulting in direct economic losses of about 80 billion yuan (\$11 billion). The Cisco Foundation matched Cisco employee contributions for a combined total of \$700,000 yuan (approximately \$100,000) to rebuild medical stations in the area. The funds went to the Red Cross Society of China and the China Foundation for Poverty Alleviation.
- **Cyclone in Myanmar:** On May 2–3, 2008, Cyclone Nargin caused catastrophic destruction in the heartland of Myanmar (Burma). At least 84,500 people were killed, more than 53,800 are still missing, and about 2.4 million were severely affected. Damage has been estimated at \$4 billion, with 450,000 homes destroyed. Cisco created a customized campaign, with an aggregate match allowance of \$1 million, involving six disaster response partners: ARC International Disaster Relief Fund, CARE, Doctors Without Borders, Friends of the World Food Program, Save the Children, and UNICEF. A total of \$323,619 has been pledged by Cisco employees, the Cisco Foundation, and Morgridge/Tosa Foundation matches as of July 31, 2008.
- **Earthquake in China:** On May 12, 2008, a magnitude 8.0 earthquake struck Sichuan Province, China, causing major damage and loss of life. As of July 2008, more than 69,000 fatalities have been recorded, approximately 18,000 people are still missing, and over 374,000 have been injured. Millions of people were made homeless. Cisco, Cisco Foundation, and Cisco employees have contributed more than \$2.6 million to relief efforts as of July 31, 2008. Cisco is contributing additional funds through the [Cisco China Public-Private Partnership](#).
- **Wildfires in Southern California:** Fires raged across the region in October 2007, killing 20 people, destroying more than 2400 homes and buildings, and burning more than 600,000 acres of land. In November 2007 the Cisco Foundation gave \$250,000 to Save the Children to help in the psychological recovery of underserved children affected by the disaster. Cisco also deployed a Network Emergency Response Vehicle to the area, providing first responders with wired and wireless voice and data, outbound fax, video teleconferencing, streaming national news to the desktop, and interoperable police and fire radios.

## Cisco China Public-Private Partnership

Cisco first established operations in China in 1994 and now employs more than 3000 staff in sales, customer support and service, research and development, business process outsourcing, IT outsourcing, Cisco Capital programs, and manufacturing. The company has 12 offices in China, a major R&D facility in Shanghai, Scientific Atlanta R&D and manufacturing facilities, and several development centers supporting the Cisco WebEx collaboration product.

### **Redevelopment for Sichuan Province**

In July 2008 Cisco announced that it will provide \$45 million over three years to support the rebuilding efforts in China's earthquake-devastated Sichuan Province. Partnering with the Chinese government and with select NGO and private-sector partners, the Cisco China Public-Private Partnership will provide technology and expertise to aid in rebuilding and creating 21st century sustainable economic development, with a focus on education and healthcare. Cisco and Chinese business, government, and NGO leaders have identified several key areas where Cisco will direct collaborative networking solutions, expertise, and resources to help revive the area and bridge the digital gap between urban and rural areas using 21st century connectivity.

Cisco's education initiatives will support students and teachers to increase their competitiveness in the global marketplace, with an emphasis on the collaborative environment provided by 21st century education models. The effort will also focus on teacher training and skills development, including teamwork, problem solving, and communication. Cisco's healthcare initiatives will build on Sichuan's Health 2020 vision to develop a network of connected hospitals and other facilities. When these facilities are completed, healthcare providers across the province will be able to collaborate and access patient records and other medical resources online.

## Cisco Citizens

When it comes to local community involvement, Cisco employees are generous with their time and money as individuals and as members of taskforces and councils.

Cisco Citizens are employees who donate money or volunteer their time to nonprofit organizations, community projects, and various charities. The Cisco Foundation provides up to \$1000 per employee each calendar year in general gift-matching funds, and it matches funds raised during team volunteer events over and above that amount. The Cisco Foundation also matches Cisco Citizens' volunteer hours at eligible organizations up to \$1000 (\$10 per volunteer hour). This contribution is in addition to the matching funds for team volunteer events.

This year Cisco Citizens supported a broad range of causes through more than 200 separate team fundraising campaigns. From August 2007 to July 2008, Cisco Citizens helped administer more than 35 team match campaigns. On average, 45 to 50 active fund-raising campaigns are underway at any given time.

During FY08:

- Team match campaigns raised \$1,140,000 in employee donations, which were matched by \$1,059,000 in Cisco Foundation donations.
- As of September 28, 2008, employees had logged more than 91,000 hours during which they volunteered in FY08.
- In the United States alone, 481 employees reported serving on nonprofit boards.
- Cisco integrated Civic Leadership/Volunteer service as part of the employee development plan in our annual review process for FY09.
- Cisco partnered with Universal Giving to add 39 international NGOs to iGive, the employee online giving tool, including nine green NGOs.

### Many Ways To Give

Here are some examples of the many ways Cisco Citizens worked to benefit their communities during the year:

- More than 100 Cisco employees from eight countries volunteered at the Eden Handicap Service Center in Penang, Malaysia, working alongside adults and children who rely on the center for social activities, transportation, and learning skills.
- Cisco Citizens collected \$6000 for care packages for U.S. soldiers overseas and sent 556 telephone calling cards.
- Sixty Cisco Australia employees participated in the Community Links program, which contacts isolated or marginalized elderly clients on a daily basis for a five-minute chat to ensure their mental and physical well-being.
- Cisco Netherlands employees created a "viral video" to be used in fundraising for War Child International, an international organization that helps children affected by war. Every time the video was forwarded, Cisco Netherlands donated 1 euro; a total of €28,493 (\$38,737) was donated.

**Cisco and Society**

- During the Ramadan holiday, Cisco Gulf and its employees donated over-the-counter medications to the Red Crescent aid organization and collected back-to-school items for the Al Manar Al Imam school in Al Ain, United Arab Emirates (UAE), which serves more than 2500 orphans and underprivileged children. In addition, the Gulf Marketing Team visited the Rashid Pediatric Therapy Centre in Dubai, UAE, where they donated laptop computers, monitors, printers, and educational software, and spent the morning playing with the children.
- Cisco employees in Saudi Arabia raised funds to sponsor an “Orphans’ Day Out” at a local amusement center in Riyadh. The initiative, organized in cooperation with the Orphanage Home in Olaisha, hosted 150 children for a day of fun and activities to raise the children’s morale and encourage solidarity between Cisco staff and the community.

## Cisco and Our Employees

**Introduce Yourself to Some Cisco Citizens****Meet Dean McCully**

Dean McCully is one very busy and dedicated Cisco Citizen. When the Cisco Citizen effort first began, McCully volunteered to create and maintain the nonprofit nomination page that enables employees to have their favorite charities nominated for the Cisco iGive donations system. This year McCully was also busy planning for the Fourth Annual Shared Adventures & EAA1 19 Day in the Sky Event, held in Watsonville, California, on April 19. At this event, hundreds of special-needs children got the opportunity to fly in a small plane, thanks to volunteer private pilots.

**Meet Scott Brown and Lori Volpe**

For the last two years, Scott Brown, vice president of Worldwide Sales Enablement, and his executive assistant, Lori Volpe, have been the executive sponsor and the campaign captain, respectively, for the Juvenile Diabetes Research Foundation (JDRF) Cisco team in the Research Triangle Park (RTP) area of North Carolina. Cisco's RTP office has been a supporter of the Triangle Walk to Cure Diabetes for the past six years and has raised more than \$467,000 for JDRF during that time. This year the team had 288 walkers and raised more than \$167,000, which represented 13 percent of the total contributions. Brown, Volpe, and their team of sales managers also use the Triangle Walk as a tool to teach sales associates about competition, setting goals, forecasting, and other professional skills.

**Meet Joni Blakeslee**

When Joni Blakeslee isn't on the road for her job as manager of business development for Cisco Digital Media Systems, you might find her volunteering for Inspiring Girls Now In Technology Evolution (IGNITE), an innovative program that connects high-school girls with professional women in technology. Blakeslee got involved during the inception of IGNITE eight years ago and quickly became an enthusiastic proponent. "We talk to students about how we got interested in technology, and then show them the many different options that are available as career paths," she says. "We get them to think about preparation through math and science courses and to ask real-world questions, such as: 'What kind of career do I need in order to purchase a home in the city I want to live in?'"

**Meet Martin Raines**

Martin Raines, a software engineer at Cisco U.K., has a passion for keeping children safe—specifically, Internet safe. Raines has teamed with local primary schools and Childnet International to give regular volunteer presentations and lessons on safe Internet use. Childnet International is an NGO working with others to make the Internet a great and safe place for children. Raines has been doing this valuable work for nearly three years, making presentations to hundreds of children throughout Berkshire and Hampshire. Jessie Taylor, one of the teachers at Birch Copse primary school, says, "As a teacher, I was shocked by the large proportion of my class that had unrestricted access to the Internet and regularly used chat rooms online. Without a doubt, the session clearly highlighted the dangers of the Internet to children and also informed them on how to stay safe online."

**Meet Daud Yamin**

Every two years, U.S. resident Daud Yamin goes back to his native Pakistan to visit family and contribute his time to two projects started by a small group of family and friends. The SAYA Free Medical Center provides healthcare to those who cannot afford it. The SAYA Technical Vocational Training Institute, founded this year, provides vocational training to high school graduates or near-graduates who are unable to go to college. Yamin taught five students basic computer skills such as word processing and spreadsheets, and also developed a computer networking curriculum. He is now working on a web development curriculum.

**Meet Sunny Dong**

Sunny Dong, who oversees university recruiting for Cisco in China, combines her day job with corporate social responsibility. For the past two years, she has led a "Girls in Technology Career Go" workshop for Peking University technology students. This year 13 Cisco volunteers, using a structured interactive workshop model from NGO Junior Achievement China, worked with 40 women students in small groups, sharing their personal work experiences and teaching them about career planning and interviewing skills through role playing. "All the students asked a lot of questions and said they were better prepared to look for jobs as a result of this workshop," Dong says. Two girls from last year's project are now working at Cisco. The workshops have been such a success that they will be held annually and hosted in three cities: Beijing, Shanghai, and Guangzhou. "I was very impressed with how quickly Cisco employees wanted to participate in this project," says Dong. "I had no problem getting the necessary number of workshop facilitators," Dong also helps facilitate the "China Job Shadow" day program, which enables a group of students from Beijing to accompany or "shadow" Cisco employees to learn about their duties and work environments.



## Cisco Civic Councils

Employees in Cisco Civic Councils worldwide plan local volunteer projects, develop partnerships with NGOs, identify opportunities for product and cash grants, and solicit feedback from Cisco nonprofit partners to monitor the effectiveness of social programs.

Here are some examples of Cisco Civic Councils at work in China, India, Ireland, and the United Kingdom:

- Eight years ago, Cisco employees donated time and money, matched by Cisco Foundation funding, to build classrooms, playgrounds, and other facilities for the students of rural Huachangyu in Hebei Province in northeastern China. Since then, employees have helped build five elementary schools in rural China with direct involvement, cash contributions, and Cisco Foundation funds. In FY08, 580 students ages 5 to 12 attended the four schools that have been completed.
- Last September, as part of a pilot program to encourage employees in emerging countries to contribute, Cisco lowered the level at which Cisco matches employee donations in India from \$50 to \$12. As a result, donations rose from 12 in the interval between 2005 and October 2007 to 1268 donations between November 2007 and January 2008, a hundredfold increase. This year, \$151,000 in employee donations were matched by \$141,000 from the Cisco Foundation and \$129,000 from the Morgridge/Tosa Foundation. The \$421,000 total went to the Akshaya Patra Foundation to provide a midday meal every day for one year to 10,700 children within a 10-kilometer radius of Cisco's Bangalore campus.
- During an Ashwini Charitable Trust community service day, the India Civic Council donated and installed a library system and computer network. It also held a Kids Teach Kids day in April 2008, during which children of Cisco employees taught first-generation learners at Ashwini how to use the Internet. In addition, a video essay contest invited these children to learn digital technology and create videos that were posted on YouTube.
- About 100 Civic Council volunteers in the United Kingdom and Ireland engaged in a variety of activities with over 300 school children, including mentoring, training in basic IT skills, engaging in Cisco TelePresence sessions with students in the United States, and organizing Enterprise/Business Days when students come to Cisco to learn about our company, engage in business tasks, and give presentations. More than 20 Cisco U.K. volunteers helped organize a variety of events for Sport Relief 2008, one of the biggest fundraising events in the U.K. More than 1000 employees participated in these events, raising £38,500 (\$66,714).

Cisco and Society

**Activities in Silicon Valley**

Cisco Citizens in the Silicon Valley Civic Council were also active on many fronts:

- Cisco Citizens partnered with Second Harvest Food Bank in a “Share Your Lunch” program that provided more than 26,000 meals to low-income children during the summer months when they do not receive government subsidized meals at school.
- Silicon Valley Civic Council received a commendation by the City of San Jose for Project Homeless Connect, an event that brings together residents without permanent housing and local service providers under one roof. Cisco employees provided hands-on services to homeless clients, such as helping them to fill out forms, to take care of their medical and dental needs, and to renew identification cards. The employees also provided networking infrastructure support for the program.
- Cisco Citizens partnered with Habitat for Humanity to coordinate a “Cisco build day” and our first campus “2”x4” Campaign,” in which Cisco employees from the San Jose campus purchased lumber and used it to build homes for needy families. The employees were invited to write well-wishes on the boards they purchased.
- Cisco Citizens helped sponsor the American Diabetes Association’s Tour de Cure bicycle ride, which contributed to \$100,000 in donations, an increase of almost 500 percent over last year’s campaign.
- The Council received a “Corporate Citizen of the Year” award from the City of Milpitas. The city cited the Family Giving Trees annual campaigns, specifically the Backpack Drive, in which employees cover the cost of students’ backpacks and supplies to prepare them for the school year, and the Holiday Drive, in which employees contribute gifts to children, seniors, and homeless in the area.

## Cisco Leadership Fellows

Since 2003 the Cisco Leadership Fellows program has exemplified how Cisco people and technology come together to make a difference and help create prosperity in the community. The Leadership Fellows program supports Cisco employees in local and global community organizations, where they work to provide strategic guidance, promote best practices, and build capacities that help these organizations have a greater impact.

For their part, Leadership Fellows learn to adapt, negotiate, collaborate, and consult in new ways, which serves them well in advancing social goals and their careers at Cisco. Leadership Fellows generally work on community projects that complement Cisco's social and business plans for the particular region or country.

Following are profiles of some Cisco Leadership Fellows.

### **Ed Carney**

Ed Carney, vice president and general manager of Cisco's Government Systems business unit, has engaged with the Microelectronics Center of North Carolina to promote scientific research and education in the area, and to encourage development of electronic and information technologies. The organization is building an advanced educational network and a sustainable business model for North Carolina to support all research and education needs at the kindergarten through community college levels. Carney also helped the state legislature secure funding to complete the core network infrastructure. The state network rollout is running ahead of plan, with more than 75 districts online, and an additional allocation has been approved by the state government based on results already achieved.

### **Valerie Vorres**

A manager of Regulatory Affairs in Cisco's Global Export Trade organization, Valerie Vorres works with Teachers Without Borders (TWB), an NGO dedicated to improving education in areas such as Africa, India, and the Middle East through teacher professional development and learning centers. Vorres' responsibilities are to develop strategy for TWB and attract a long-term income stream. A partner in Cisco's initiative for transforming education in the 21st century, TWB uses web 2.0 technology and educational software (open courseware) to reach and connect teachers worldwide, and to deliver leadership training that results in a Certificate of Teaching Mastery.

### **Si White**

Si White, director of finance for Cisco's Global Tax and Customs group, began working with Grameen Foundation, a prominent microfinance organization, to help develop its strategic plan and improve productivity through the use of technology. When the chief financial officer resigned a month into the fellowship, White assumed the CFO responsibilities on an interim basis, taking on a broad leadership role and helping to develop new leaders for the organization. His much-expanded duties give White an opportunity to have a major impact in fulfilling Grameen Foundation's mission: "To enable the poor, especially the poorest, to create a world without poverty."

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**Sima Yazdani**

An IT manager in Cisco's Customer Engagement group, Sima Yazdani helped Teachers Without Borders define and execute a strategic roadmap for its educational toolset. The toolset leverages web 2.0 technology and offers an integrated platform for social networking, collaborative content management, open courseware, and learning services. Content and functionality can be localized, adapted, and deployed to many local or virtual learning and community centers with diverse cultures and languages around the world. (For example, the toolset is used for the Mediterranean Youth Technology Club portal.) Yazdani led a significant transformation at TWB in the areas of strategic planning, innovative resource development, and process-based IT operating models and release metrics. She was also able to hone her leadership skills and experience what it is like to run a small company.

See a video about the [Cisco Leadership Fellows program](#).

See a video about one beneficiary of the Leadership Fellows program, [Teachers Without Borders](#).