

An aerial photograph of a mountain range. The foreground shows a large, calm lake reflecting the sky. The middle ground is dominated by rolling hills and mountains covered in dense green forests, with thick white clouds or mist filling the valleys. The background features more rugged mountain peaks under a clear sky.

# Net Zero at Cisco

Dr Colin Seward  
Senior Director, Sustainability Technology & Data

2<sup>nd</sup> October 2023



“

Delivering on important environmental, social, and governance (ESG) goals is not just critical for society, but also for our business.

- Chuck Robbins, Cisco Chairman & CEO  
*2021 Cisco Purpose Report*



The Plan for Possible

# Our plan to connect a regenerative future

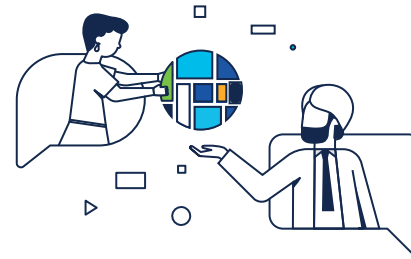
## Clean Energy Transitions

Accelerate clean energy adoption and global Net Zero ambitions



## Circular Transformation

Evolve to a regenerative, circular model



## Resilient Ecosystems

Scale efforts to foster an inclusive future and a healthy planet



## Enhanced Governance

Embed sustainability into the way we operate to manage risk prudently, enhance trust, uphold brand integrity & inspire



# Learn more: ESG Reporting Hub & Purpose Report

Cisco ESG Reporting Hub

2022 Cisco Purpose Report | GRI | SASB | TCFD | Archive | Index of tables

Strategy and governance | Integrity and trust | Our people | Our global communities | Supply chain | Environment

## Welcome to the Cisco ESG Reporting Hub

Here, you will find relevant information and data related to many aspects of our environmental, social, and governance (ESG) initiatives, performance, and policies.

Cisco has a purpose to Power an Inclusive Future for All. Our 2022 Purpose Report summarizes how we have brought this purpose to life. The report describes our commitments, goals, progress, and impact for the ESG topics that are significant to achieving Cisco's purpose and are important for our stakeholders. This ESG Reporting Hub includes in-depth information on all reporting topics.

[Purpose Report \(PDF\)](#)

**Purpose Personified**  
2022 Cisco Purpose Report

[Visit: cisco.com/go/esg-hub](https://cisco.com/go/esg-hub)



# Cisco's goal

## Net zero across our value chain by 2040

*Our 2040 net-zero goal is approved by the Science Based Targets initiative (SBTi).*



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Our carbon footprint

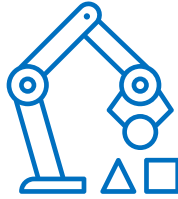
## Product Use



The use of the products we sell produces emissions accounted for in Scope 3. This includes emissions from the energy our products consume during customer use.

67%

## Product Manufacturing and Procurement



Manufacturing and warehousing of Cisco components, products, and services produce upstream emissions that are accounted for in Scope 3.

27%

## Logistics



Transportation and distribution of our products in the value chain produce emissions that are accounted for in Scope 3.

5%

## Direct Operations



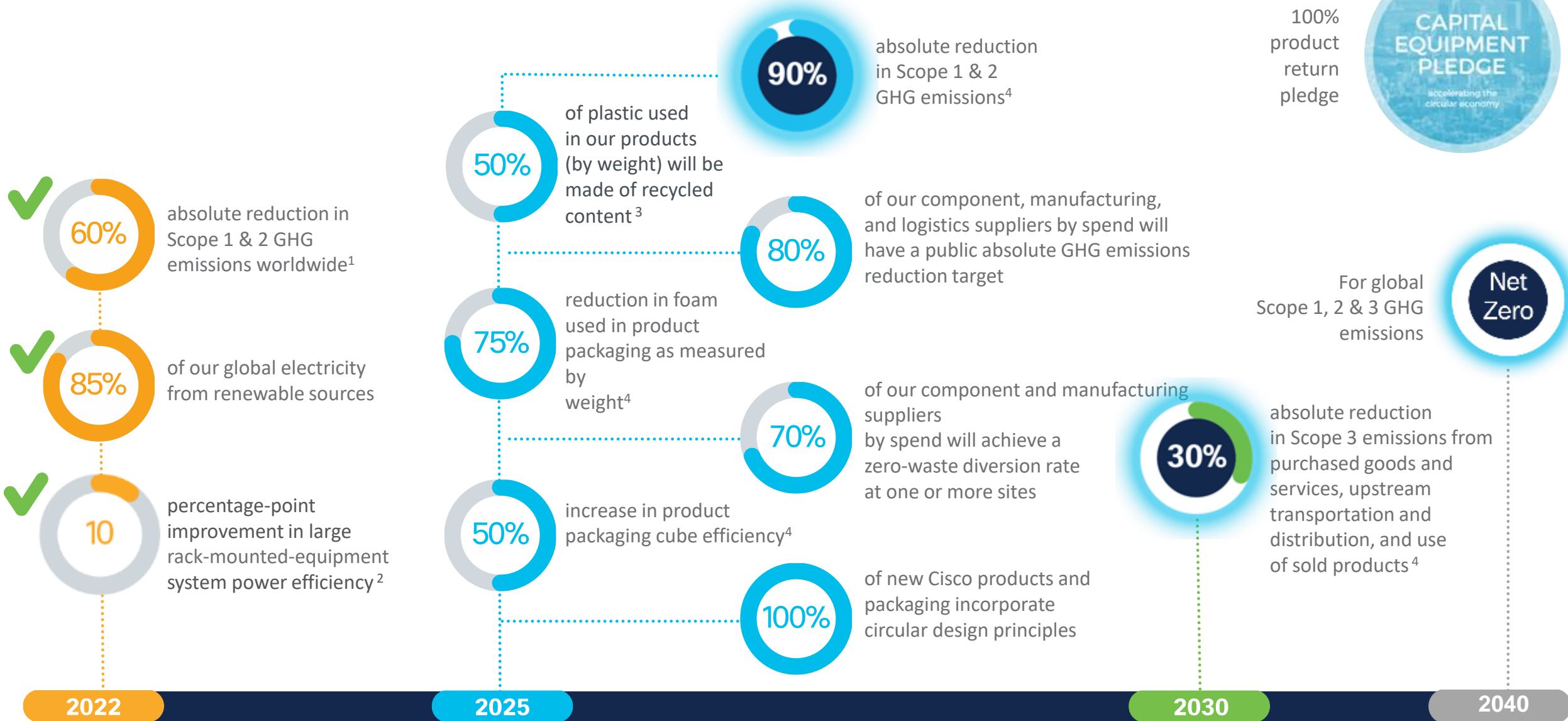
Emissions from the operation of Cisco facilities (electricity, fuel for heating and cooling, etc.) are accounted for in Scope 1 & 2.

1%

Scope 3

Scope 1 & 2

# Cisco's public sustainability goals



<sup>1</sup> FY07 base year

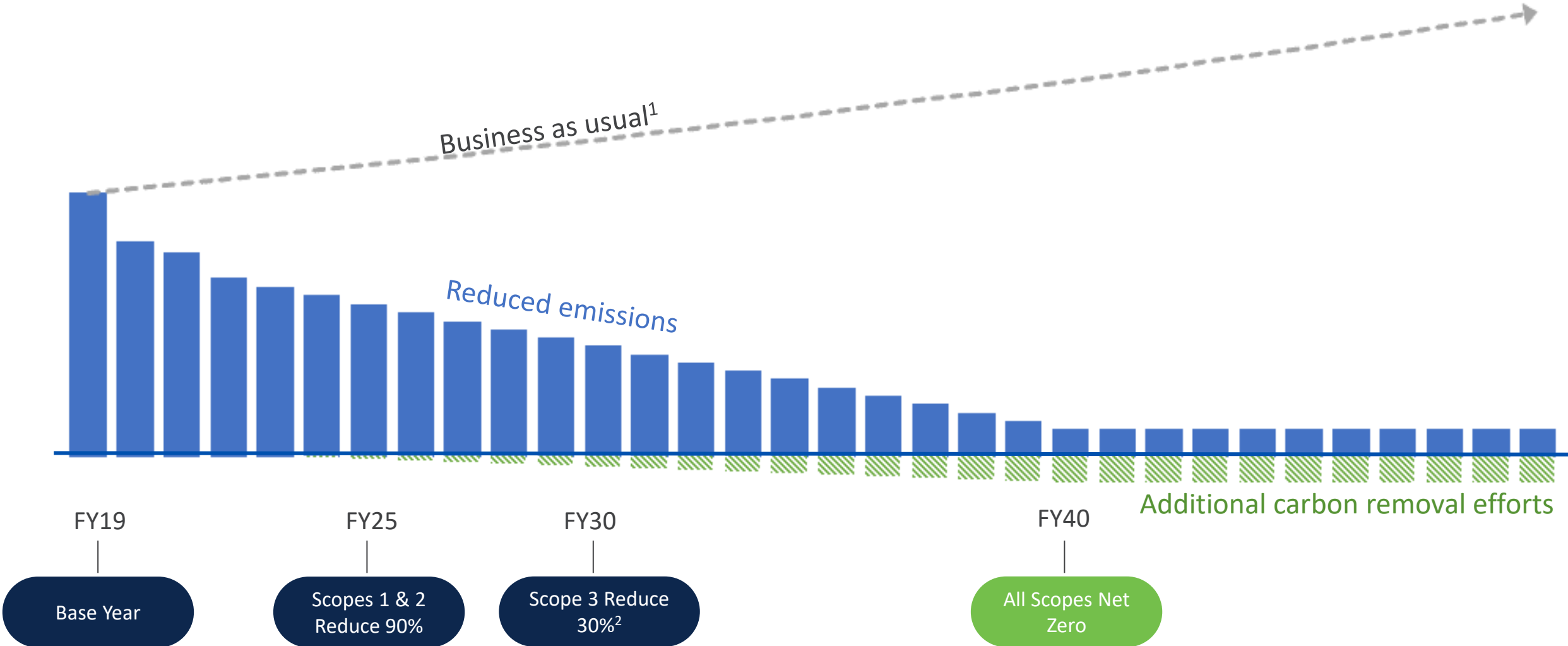
<sup>2</sup> FY16 base year

<sup>3</sup> Excluding those contained in commodity components sourced from suppliers (e.g., plastic screws, fans, and cables)

<sup>4</sup> FY19 base year



# Net Zero Emissions Roadmap



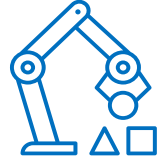
<sup>1</sup>This chart is for illustrative purposes only. BAU assumes a 1.7% annual growth across all scopes of emissions, based on 2022 European Commission data showing the average yearly percentage growth of CO2 emissions between 1990 and 2021

<sup>2</sup>From purchased goods and services, upstream transportation and distribution, and use of sold products

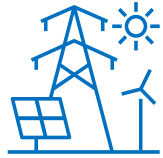




# Product Manufacturing and Procurement | Scope 3

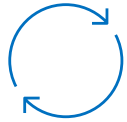


27%



## Renewables and Energy Efficiency in our Supply Chain

- Work with suppliers to perform energy audits to understand opportunities to reduce energy consumption, and encourage them to adopt low-carbon fuel alternatives, such as biofuels and hydrogen
- Help suppliers procure and adopt renewable electricity through power purchase agreements (PPAs) and onsite renewable generation



## Circular Business Transformation

- Continue to incorporate circular design principles into our practices and utilize low-carbon and recycled materials for both design and packaging
- Expand our robust Product Takeback and Reuse program to reduce waste from Cisco products
- Broaden Cisco's library of product carbon footprints (PCFs) to better understand the impact of our portfolio



## Supplier Reporting and Goal Setting

- Work with suppliers to report their energy consumption and GHG emissions through public disclosures
- Help suppliers set sustainability goals, including absolute GHG emissions reduction targets, and ensure that they are publicly reporting their annual progress toward these goals
- Set expectations with suppliers to collect component data, including material content or technical specifications, which can be used to better inform Cisco's product carbon footprints (PCFs) process

# Supply Chain GHG reporting

- We don't ask our suppliers to do anything we aren't doing; lead by example
- We require Tier 1 and Tier 2 suppliers to disclose corporatewide GHG emissions annually through the CDP supply chain program. This includes:
  1. Providing a complete and accurate inventory of corporatewide Scope 1 and 2 GHG emissions
  2. Making the response publicly available via the option provided by CDP
  3. Demonstrating verification (third-party review) of reported GHG emissions
  4. Setting a public absolute GHG emissions reduction goal and publicly report annual progress against that goal
  5. Requesting that suppliers and business partners also report to CDP using the same process as above
- Tier 1 suppliers are also required to publish information in their annual reporting on the environmental impact of their operations and those of their suppliers, with the intent to continuously improve.
- We have a goal that 80 percent of Cisco component, manufacturing, and logistics suppliers by spend put in place a public, absolute GHG emissions reduction target by FY25. (current: 78%)

How we'll do it

# Direct Operations | Scope 1 and 2



1%



## Renewable energy

- Increase renewable energy procurement for Cisco's operations, focusing on long-term renewable energy contracts and investments. We plan to source renewable electricity for the vast majority of our global electricity use by FY25



## Energy management

- Continue to perform energy audits to identify and execute projects that reduce Cisco's total energy consumption
- Expand efforts to reduce waste in operations through recycling and compost programs
- Prioritize hybrid work to decrease emissions associated with commuting, and explore opportunities to further reduce Scope 3 emissions associated with our employees, such as ride share opportunities and greening business travel



## Electrification

- Further reduce Cisco's dependency on natural gas by electrifying our building heating systems
- Expand our electric fleet of company cars in Europe to reduce vehicle emissions

# Renewable energy strategy

89% of our global electricity comes from renewable sources

## On-site solar

Installations at our sites in the U.S. and India produce about 1.4M kilowatt hours of electricity/year

## Long-term offsite projects

Offsite projects support development of new renewable energy systems in locations where we operate

## Renewable energy certificates

A flexible way to source the environmental attributes of renewable energy when other options are not available

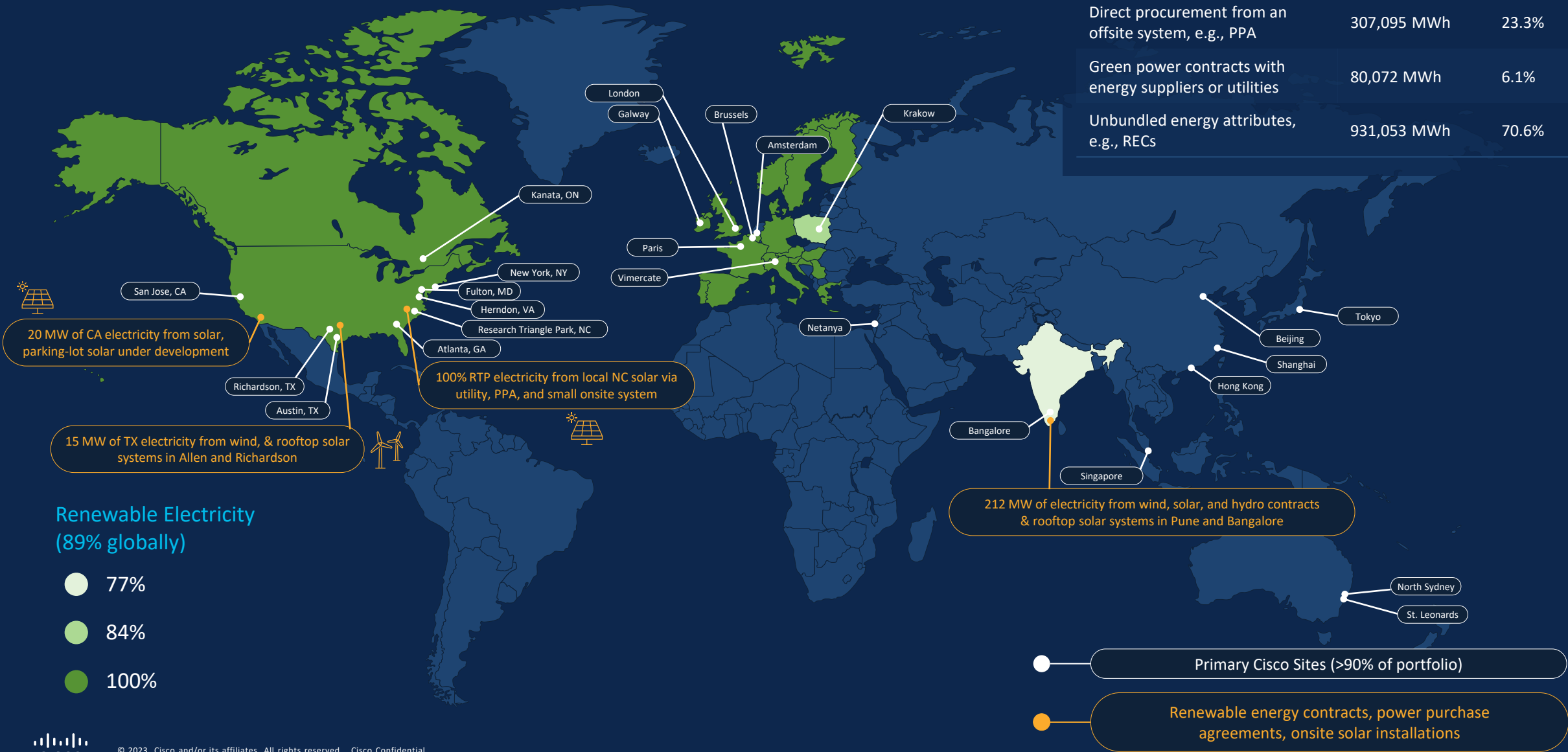
## Utility green power contracts

We work with local utilities to source renewable energy for our operations

# Global Cisco renewable energy use

## FY22 sources of renewable electricity

Onsite solar	1385 MWh	0.1%
Direct procurement from an offsite system, e.g., PPA	307,095 MWh	23.3%
Green power contracts with energy suppliers or utilities	80,072 MWh	6.1%
Unbundled energy attributes, e.g., RECs	931,053 MWh	70.6%



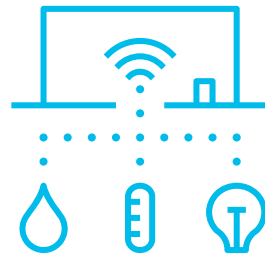
# Enabling effect of products



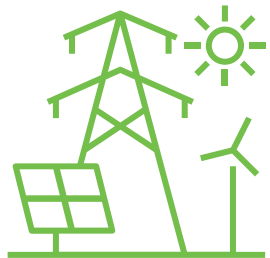
Sustainable data centers



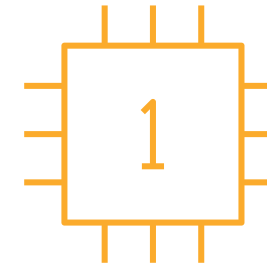
Smart buildings



Energy management



Industry solutions



Internet for the Future

# Transparent Reporting



#3



#1

Green Supply Chain Corporate Information Transparency Index (CITI), in IT sector for 2021 and 2022



#5



AA Rating



A List



Gold Class



World Index & North America Index



The bridge to possible