CISCO

2021

ANNUAL REPORT

The Future of Work

About Cisco

Cisco (Nasdaq: CSCO) is the worldwide leader in technology that powers the internet.

Discover more at **thenetwork.cisco.com** and follow us on Twitter at **@Cisco**.

Our purpose

To Power an Inclusive Future for All

We are committed to leading the way, to inspiring change, to seeing the world through the eyes of others, and to stepping up to the challenges of inequity to create new possibilities for tomorrow.

Our strategy

To help our customers connect, secure, and automate in order to accelerate their digital agility in a cloud-first world

To execute on our strategy and address our customer priorities, we are focusing on the following six strategic pillars: Secure, Agile Networks; Hybrid Work; Optimized Application Experiences; End-to-End Security; Internet for the Future; and Capabilities at the Edge.

Our commitment

To drive the most trusted customer experience in the industry with our extraordinary people and great technologies

Our employees bring talent and ingenuity to everything we do, from designing products and solutions and protecting sensitive data to helping us Power an Inclusive Future for All.

Technology for building bridges

The solutions we use to get you where you need to go:

- Networking
- Collaboration
- Security
- Cloud and compute

Why Cisco?

- Trusted partner
- Continuous innovation
- Technology leadership
- Global scale and reach
- Driven by purpose
- Flexible Consumption

CISCO

Introduction to summary report

This section provides an overview of Cisco. It does not contain all of the information you should consider. Please review our latest Annual Report on Form 10-K and online versions of the Annual Report on the **website**. Please also review our Proxy Statement for our 2021 Annual Meeting of Stockholders, and our reports related to corporate social responsibility (CSR), available on **www.cisco.com**.

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Forward-looking statements

This Summary Report and our Annual Report on Form 10-K ("Annual Report") included herein contain projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward- looking statements. See Cisco's filings with the Securities and Exchange Commission, including its most recent filing on Form 10-K, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

Letter to stockholders

To our stockholders,

Fiscal 2021 was a truly transformative year, and one like no other. Our fiscal year began last July with tremendous global uncertainty, as the COVID-19 pandemic continued to reshape how businesses operated, and how all of us lived and worked. In addition, the racial and social injustices that came to light shortly before the start of the fiscal year made it clear that we are all facing a time of incredible change, and throughout the year, the unfolding reality of climate change created even more urgency to build a more sustainable economy.

Despite the complexity of navigating these challenges, it has been a year of hope and optimism as a recovery has started to take shape. At Cisco, we are incredibly proud of how our teams have supported our customers, partners, communities, and one another through this time, giving us all a renewed sense of purpose.

This past year has also made it undeniably clear that a focused, agile, and resilient business, guided by its purpose and values, and anchored in its strategy, can emerge stronger and better from challenging times. While the world looks and feels different today, Cisco's core purpose to power an inclusive future for all continues to guide us as we look forward to enabling a reimagined future with tremendous opportunity ahead.

Building momentum

While fiscal 2021 certainly carried uncertainties, we ended it with exceptional momentum and positive revenue growth. We believe that our performance demonstrates strong execution against our strategy, robust customer adoption, trust in our innovative solutions, and accelerating adoption of our software and subscription offerings. In the fourth quarter, we experienced the strongest product order year-over-year growth rate in over a decade, driven in part by our customers' urgency to modernize their infrastructure, digitize their businesses, and adapt to the future of work.

As we continue the successful transformation of our business model that we have been investing in and executing on to drive higher subscription revenue, we have seen more predictability in our business model and greater visibility into our future. Our solid performance, combined with the strength of our transformation, only reinforces my confidence about our future.

In fiscal 2021, our software revenue was $15 billion of our total revenue of $49.8 billion, up 7% year over year, making us one of the largest software companies in the world. We also achieved software subscription revenue growth of 15% year over year. We believe our investments are paying off, as our offerings delivered a strong recurring stream of revenues and are one of the key reasons why we finished the year with strong remaining performance obligations. Our consistent performance allowed us to close out the year with a strong balance sheet and solid cash flows, enabling us to continue to invest in our growth.

However, we are also seeing similar supply issues for key components that nearly every company in the industry is experiencing. We believe our world-class supply chain team will help us navigate this complex situation, enable us to optimize our access to key components (including semiconductors), and help us to take care of our customers by fulfilling demand as quickly as possible.

Power of our portfolio— Leading with innovation

As businesses slowly reopen, we see a tremendous opportunity ahead as nearly every company in every industry accelerates its digital agility in a cloud-first world. Our customers are looking for solutions that provide speed, agility, and simplicity, and Cisco is the right company to deliver on each of these areas with our continued innovation.

We believe that we are at a pivotal moment as we have a massive opportunity to transform what has been the traditional office and define the future of hybrid work. As our customers look to create safer hybrid workplaces and collaborative, engaging experiences for their customers and

> " We are committed to providing our customers the technologies they need to successfully navigate highly dynamic environments at an incredibly rapid pace, and we're continuing to see strong customer reception for our accelerated investments in software and subscriptions. "

employees, we believe they are becoming increasingly reliant on Cisco technologies to help them achieve those goals.

Over the last fiscal year, we have introduced a number of new capabilities across our entire portfolio, while also investing in more flexible consumption models including our core networking capabilities as a service, highlighted by the recent launch of Cisco Plus.

Our new Cisco Plus solutions will deliver cross-portfolio technologies to help solve our customers' biggest needs with faster time to value. Our initial "network-as-a-service" offering delivers hybrid cloud technologies and will later expand to a broader catalog of services built and delivered with our partner ecosystem. While still in the early days of its launch, Cisco Plus directly aligns with our transformation goals around driving more subscription-based revenue.

In collaboration, we continue to invest in and accelerate Webex, through both acquisitions and delivering new innovations, including the introduction of more than 1,000 new features and devices since last year. These innovations include the all-new Webex Suite, with a new look and feel that support hybrid work collaboration.

We acquired several software-based companies within the collaboration space, including Slido and Socio Labs, which we are integrating into our Webex platform to provide a comprehensive event management solution. We also acquired IMImobile, a cloud communications software and services company, and Involvio, a leading student experience platform.

In security, we are focused on proactively protecting our customers from threats and remediating against them in an ever-increasing cyberthreat environment. We are increasingly deploying our zero-trust and secure access service edge (SASE) architectures, along with automation, authentication, and analytics capabilities. Additionally, we have delivered several new innovations, including passwordless authentication, cloud-based malware detection, and enhancements to SecureX. To complement these innovations, we acquired assets like Kenna Security, to drive even greater security efficacy.

The broad and accelerating adoption of multicloud and modern application environments is changing how the world's largest networks are built, operated, and secured, and we believe Cisco is at the center of this transition. We are building the internet for the future by creating breakthrough innovation with our routing, optical, and automation technologies to deliver significant economic benefits. We launched a new routed optical networking solution integrating our scalable, high-performance routers and Acacia's pluggable optics, which offers significant cost savings. We are also significantly expanding our footprint with our webscale customers as they begin their 400G upgrade cycles.

Going forward, we will continue to increase our investments in key growth areas and technology shifts to help our customers succeed. Our focus areas will include hybrid cloud, hybrid work, 5G, Wi-Fi 6, edge, security, and cloud-native architectures. I firmly believe increased investments in these areas will extend our technology leadership position and help our customers identify solutions that drive speed, agility, and simplicity.

Powering an inclusive future for all— Creating positive impact

Whether it's our deep focus on delivering the best results for our customers, partners, and employees, or our commitment to making a difference in communities across the world, Cisco remains committed to our purpose: to power an inclusive future for all.

One key focus area is our commitment to creating sustainable solutions to address environmental issues that face communities around the world. For example, we've taken several actions to protect the planet and address the global climate change crisis. In September, we announced our commitments to be net zero across all scopes of greenhouse gas (GHG) emissions by 2040, which includes our product use, operations, and supply chain, and net zero across all global Scope 1 and Scope 2 GHG emissions by 2025. We have already achieved 100% renewable energy in the U.S. and in many countries across Europe and will continue to take additional steps to reduce our carbon footprint going forward. In addition, in April, the Cisco Foundation committed $100 million over 10 years to fund nonprofit grants and impact investing in climate solutions.

We also continue to remain focused on the critical need to address racial equality and social justice. This past May, we announced our commitment to invest $150 million in historically black colleges and universities by providing networking, security, and collaboration technologies, as well as IT support services, to address their cybersecurity and digital infrastructure needs.

Confidence in our future

As we look to fiscal 2022, we are excited to build on our strong momentum from this past fiscal year, with continued focus on growth, execution, and innovation. As the global recovery takes shape, we are executing on our vision of rebuilding a better world—one that is digital, sustainable, inclusive, and highly secure.

We are committed to providing our customers the technologies they need to successfully navigate highly dynamic environments at an incredibly rapid pace, and we're continuing to see strong customer appreciation of our accelerated investments in software and subscriptions. I'm more confident than ever in our position as the worldwide leader in technology that powers the internet, the digital enterprise, and the future of work, and I'm excited for the opportunities ahead.

Thank you for your continued support, and we hope you stay healthy and safe.

Chuck Robbins

Chuck Robbins
Chair and Chief Executive Officer
October 21, 2021

2021 key milestones

Achieved over 53% of subscription revenue from software and services in FY21.

Cisco is one of the top software companies in the world, with $15 billion in software revenue in FY21.

Launched our new as-a-service portfolio, Cisco Plus, and our first offer, Cisco Plus hybrid cloud.

Cisco is committing to reach net zero across all scopes of greenhouse gas (GHG) emissions by 2040.
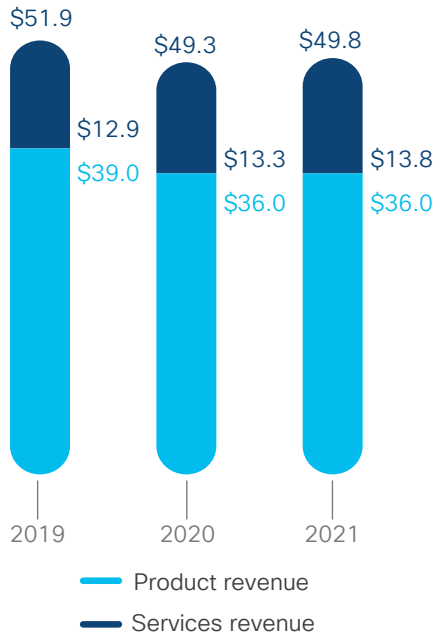
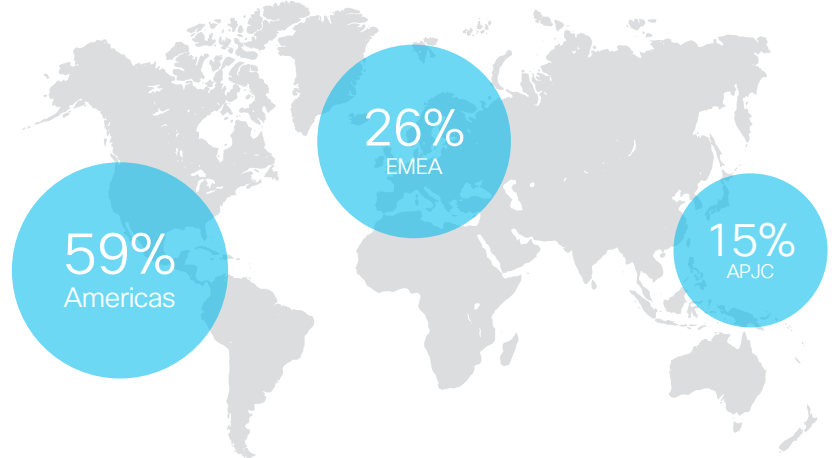Ranked #1 Best Place to Work in the World for the past 2 years by Great Place to Work®.

Financial highlights for fiscal 2021
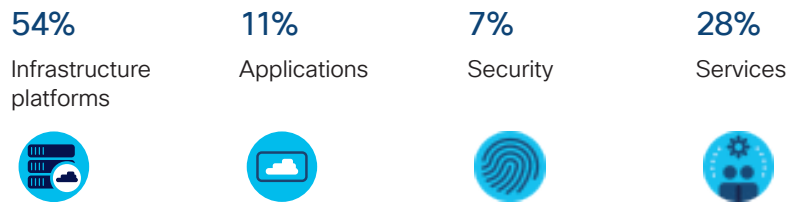
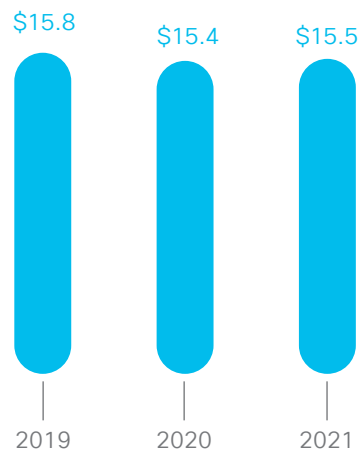All amounts on an annual basis.

Revenue trend
($B)

2019	2020	2021
$51.9	$49.3	$49.8
$12.9	$13.3	$13.8
$39.0	$36.0	$36.0

— Product revenue
— Services revenue

Revenue
by geographical segment

26% EMEA

59% Americas

15% APJC

by product category and services*

54%
Infrastructure platforms

11%
Applications

7%
Security

28%
Services

Operating cash flow
($B)

2019	2020	2021
$15.8	$15.4	$15.5

Margins
(%)

2019	2020	2021
62.9%	64.3%	64.0%
27.4%	27.6%	25.8%

— Gross margin
— Operating margin
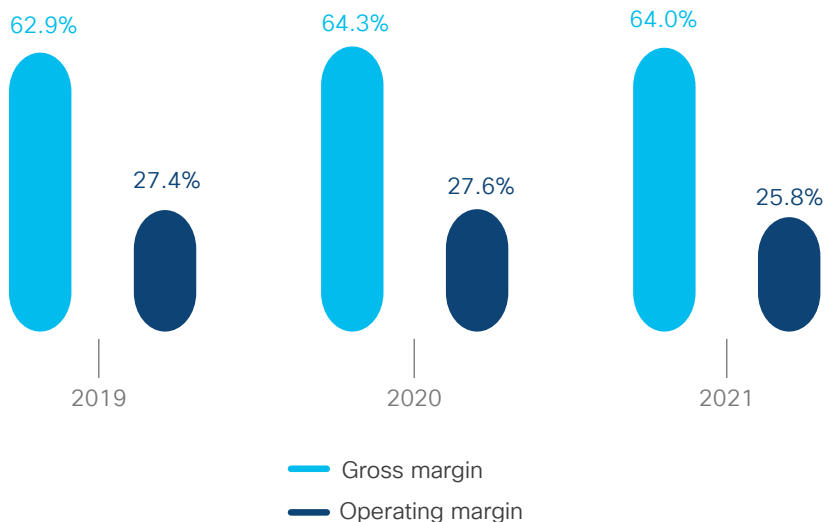
*Percentages may not equal 100% due to rounding

Capital allocation

Dividends paid per share ($)

- $1.36 — 2019
- $1.42 — 2020
- $1.46 — 2021

— Dividends paid per share
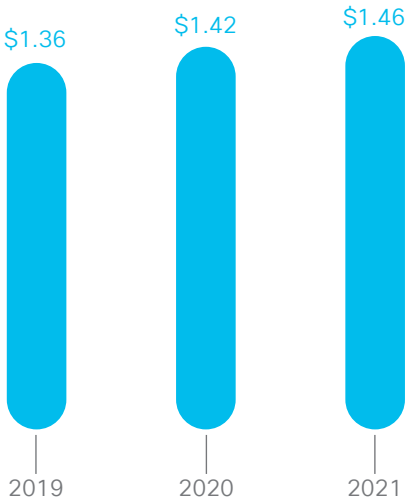
Share repurchases and diluted share count (Millions)

- 418 — 2019
- 59 — 2020
- 64 — 2021
- 4,453 — 2019
- 4,254 — 2020
- 4,236 — 2021
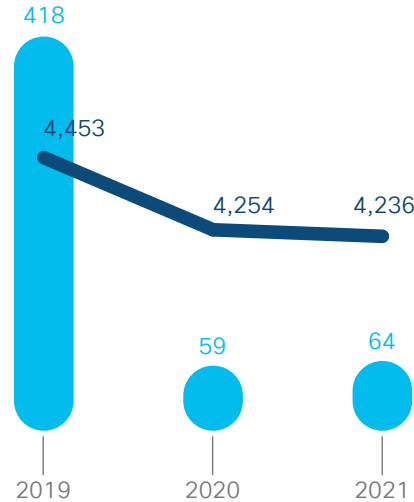
— Absolute number of shares repurchased

— Diluted share count

Primary uses of cash in FY21

15%
Repayment of debt

31%
Dividends

15%
Share repurchases

3%
Capital expenditures

36%
Acquisitions, net
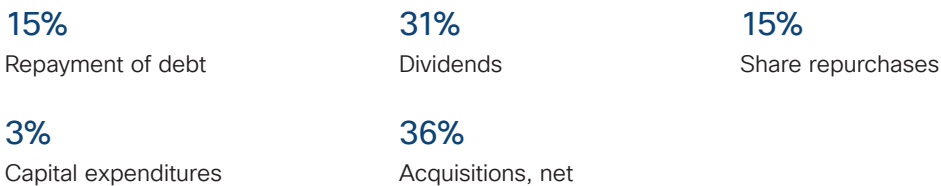
Total stockholder return

This graph shows a 5-year comparison of the cumulative total stockholder return on Cisco common stock with the cumulative total returns of the S&P 500 Index and the S&P Information Technology Index. The graph tracks the performance of a $100 investment in Cisco's common stock and in each of the indexes (with the reinvestment of all dividends). Stockholder returns over the indicated period are based on historical data and should not be considered indicative of future stockholder returns.

Comparison of 5-year cumulative total return*
among Cisco Systems, Inc., the S&P 500 Index, and the S&P Information Technology Index

- July 2016
- July 2017
- July 2018
- July 2019
- July 2020
- July 2021

— Cisco Systems, Inc.
— S&P 500 Index
— S&P Information Technology Index

* $100 invested on 7/30/16 in stock or index, including reinvestment of dividends. Fiscal year ending July 31, 2021.

R. Scott Herren
EVP and Chief Financial Officer

" We delivered a solid fiscal year with strong operational execution and growth in our portfolio of software and services. Software subscriptions were 79% of our software revenue and we now have over $30 billion in remaining performance obligations. Our results reflect the returns on the investments we're making in innovation and a continued shift to more software and subscriptions, driving more recurring revenue delivering growth and shareholder value. "

Cisco strategy

As our customers add billions of new connections to their enterprises, and as more applications move to a multicloud environment, the network becomes even more critical. Our customers are navigating change at an unprecedented pace. Our mission is to shape the future of the internet by inspiring new possibilities for them by helping transform their infrastructure, expand applications and analytics, address their security needs, and empower their teams.

We believe that our customers are looking for outcomes that are data-driven and provide meaningful business value through automation, security, and analytics across private, hybrid, and multicloud environments. We are focusing on four customer priorities: Reimagine Applications, Power Hybrid Work, Transform Infrastructure, and Secure the Enterprise. We are also accelerating our efforts to enable the delivery of network functionality as a service, as our customers increasingly want to consume our technologies in flexible ways. We have made the initial step with our new as-a-service portfolio, Cisco Plus, and our first offer, Cisco Plus hybrid cloud, which combines our data

center compute, networking, and storage portfolio. Cisco Plus includes our plans to deliver networking as a service, which is designed to unify networking, security, and observability across access, wide area network (WAN), and cloud domains.

Our strategy is to help our customers connect, secure, and automate in order to accelerate their digital agility in a cloud-first world. To execute on our strategy and address our customer priorities, we are focusing on the following six strategic pillars: Secure, Agile Networks; Hybrid Work; Optimized Application Experiences; End-to-End Security; Internet for the Future; and Capabilities at the Edge.

Secure, Agile Networks

Build networking solutions with built-in simplicity, security, agility, and automation that can be consumed as-a-service.

Hybrid Work

Deliver highly secure access, a safer workplace, and collaboration experiences for the hybrid workforce.

Optimized Application Experiences

Enable greater speed, agility, and scale of cloud-native applications.

End-to-End Security

Build simple, integrated, and high-efficacy end-to-end security solutions, delivered on-premises or in the cloud.

Internet for the Future

Transform connectivity by efficiently meeting the ever-growing demand for low latency and higher speeds.
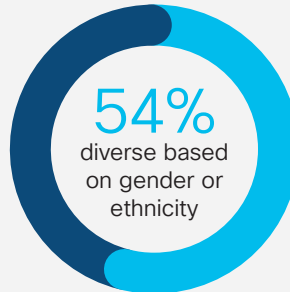
Capabilities at the Edge

Develop new capabilities for a distributed world while enhancing the developer experience and extending enterprise and carrier networks.

Leadership

Cisco's executive leadership team

54%
diverse based on gender or ethnicity

Chuck Robbins
Chair and Chief Executive Officer

Liz Centoni
EVP, Chief Strategy Officer, and General Manager, Applications

Eyal Dagan
EVP, Common Hardware Group

Jonathan Davidson
EVP and General Manager, Cisco Mass-Scale Infrastructure

Gerri Elliott
EVP and Chief Customer and Partner Officer

R. Scott Herren
EVP and Chief Financial Officer

Francine Katsoudas
EVP and Chief People, Policy & Purpose Officer

Maria Martinez
EVP and Chief Operating Officer

Todd Nightingale
EVP and General Manager, Enterprise Networking & Cloud

Jeetu Patel
EVP and General Manager, Security & Collaboration

Mark Patterson
SVP, Chief of Staff to the Chair and CEO

Maria Poveromo
SVP and Chief Communications Officer

Dev Stahlkopf
EVP and Chief Legal Officer

Diverse leadership

At Cisco, diversity, inclusion, and collaboration are fundamental to who we are, how we create the best teams, and how we drive success. A diverse workplace creates a vibrant culture where everyone is welcomed, respected, valued, and heard.

Cisco has signed the CEO Action for Diversity and Inclusion™ Pledge. We are delivering on this pledge by accelerating full-spectrum diversity— including gender, age, race, ethnicity, orientation, ability, nationality, religion, veteran status, background, culture, experience, strengths, and perspectives. It starts at the top in that 46% of our executive leadership team (ELT) are women and 54% are diverse in terms of gender or ethnicity, making Cisco an industry leader in ELT diversity.

Leadership@Cisco

Learn more about Cisco's executive leadership team at **https://newsroom.cisco. com/ exec-bios**.

Governance and responsibility

Cisco is committed to stockholder-friendly corporate governance, and the Board of Directors has adopted clear corporate policies that promote excellence in corporate governance.

Stockholder engagement

At Cisco, we recognize the importance of regular and transparent communication with our stockholders. Each year, we continually engage with a significant portion of stockholders that include our top institutional investors.

~27%
Stockholder engagement
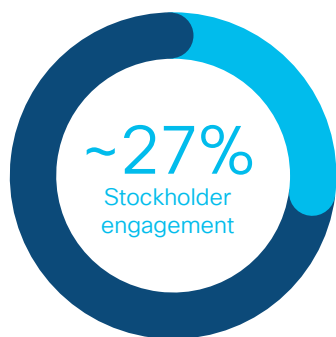
In fiscal 2021, our Chair of the Board and Chief Executive Officer, Secretary, and Investor Relations team held meetings, conference calls and/or corresponded with investors representing approximately 27% of our outstanding shares, including 65% of our top 30 stockholders.

We engaged with these stockholders on a variety of topics, including our business and long-term strategy, corporate governance and risk management practices, board leadership and refreshment, diversity, corporate social responsibility initiatives (including environmental, social, and governance matters), executive compensation program, and other matters of stockholder interest.

Consistent with feedback we received from stockholders, for fiscal 2021, we considered each executive's progress toward Cisco's ESG-related initiatives in the individual performance factors (IPF) in our Executive Incentive Plan, namely our executives' progress during the COVID-19 pandemic in promoting Cisco's Conscious Culture, an inclusive, safe, and healthy work environment in which our employees can thrive.

Risk management approach

We believe that risk is inherent in innovation and the pursuit of long-term growth opportunities. Cisco's management is responsible for day-to-day risk management activities. The Board of Directors, acting directly and through its committees, is responsible for the oversight of Cisco's risk management. With the oversight of the Board of Directors, Cisco has implemented practices, processes, and programs designed to help manage the risks to which we are exposed in our business and to align risk-taking with our efforts to increase stockholder value.

Policies and practices

We have adopted these policies and practices consistent with our commitment to transparency and best-in-class practices, as well as to ensure compliance with the rules and regulations of the SEC, the listing requirements of Nasdaq, and applicable corporate governance requirements.

- Stockholder proxy access
- Annual election of all directors (since IPO)
- Majority voting (since 2007)
- Robust Lead Independent Director role
- Stockholder right to call a special meeting (since IPO)
- No poison pill
- Recoupment/clawback policy
- Stock ownership guidelines for directors and executive officers
- Stockholder recommendations for director candidate to the Board
- Stockholder right to act by written consent (since IPO)

Board of Directors

The Board of Directors regularly discusses many core subjects with executive management, including strategy, operations, information systems, finance, and legal and public policy matters, in which risk oversight is an inherent element.

Audit Committee

The Audit Committee, which oversees financial and risk management policies, including data protection (comprising both privacy and security), receives regular reports on enterprise risk management (ERM) from the chair of the ERM operating committee and regular reports on cybersecurity from Cisco's Chief Security and Trust Officer multiple times a year.

Other committees

Other board committees oversee specific categories of risk associated with their respective areas of responsibility.

Management

Cisco's management has implemented an ERM program, managed by Cisco's internal audit function, that is designed to work across the business to identify, assess, govern, and manage risks and Cisco's response to those risks.

Cisco's internal audit function performs an annual risk assessment that is used by the ERM program. The structure of the ERM program includes both an ERM operating committee that focuses on risk management-related topics and an ERM executive committee consisting of members of executive management.

The ERM operating committee conducts global risk reviews and provides regular updates to the ERM executive committee.
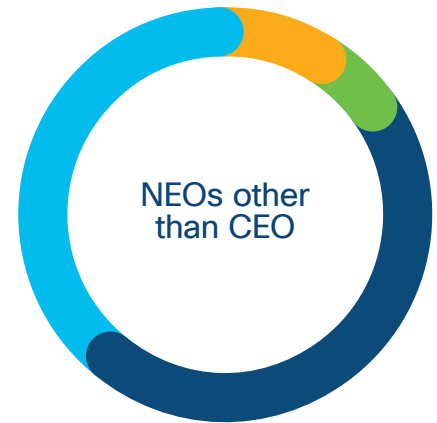
Executive compensation

Our pay practices align with our pay-for-performance philosophy and underscore our commitment to sound compensation and governance practices.

These charts summarize the major elements of target total direct compensation for our CEO and our other named executive officers (NEOs[1]) as a group for fiscal 2021 and demonstrate our continued pay-for-performance philosophy.

[1] As defined in our Proxy Statement for our 2021 Annual Meeting of Stockholders

CEO

- **15%** Variable cash incentive awards (performance-based)
- **6%** Base salary
- **48%** Performance-based equity incentive awards
- **32%** Time-based equity incentive awards

NEOs other than CEO

- **9%** Variable cash incentive awards (performance-based)
- **6%** Base salary
- **46%** Performance-based equity incentive awards
- **39%** Time-based equity incentive awards

Percentages may not total 100% due to rounding.

Our executive compensation program rewards performance

- Compensation philosophy is designed to attract and retain, motivate performance, and reward achievement
- Performance measures are aligned with stockholder interests
- Majority of annual total direct compensation is performance-based
- No dividends are paid on unvested awards
- ESG performance goals are included in the variable cash incentive program

We apply leading executive compensation practices

- Independent compensation committee
- Independent compensation consultant
- Comprehensive annual compensation program risk assessment
- Caps on incentive compensation
- No employment, severance, or change in control agreements for our executive officers
- Stock ownership guidelines
- Recoupment/clawback policy

- Limited perquisites
- No single-trigger vesting of equity award grants
- No stock option repricing or cash-out of underwater equity awards
- No supplemental executive retirement plan or executive-defined benefit pension plan
- No golden parachute tax gross-ups
- Broad anti-pledging and anti-hedging policies

Board of Directors

Cisco's Board of Directors believes strongly in the value of an independent board of directors. Independent board members have consistently comprised over 75% of the members of Cisco's Board of Directors. All members of the key board committees—the Audit Committee, the Compensation and Management Development Committee, and the Nomination and Governance Committee—are independent.

M. Michele Burns
63

Independent Director
Former Chair and CEO,
Mercer LLC
Director since: 2003

Skills: 🎖 💳 🌐 ✋ 👥

Committees: **AU** | **F** CHAIR

Wesley G. Bush
60

Independent Director
Former Chair and CEO,
Northrop Grumman Corporation
Director since: 2019

Skills: 🎖 💳 🌐 💻 👥 📢

Committees: **C** | **F**

Michael D. Capellas
67

Lead Independent Director
Founder and CEO,
Capellas Strategic Partners
Director since: 2006

Skills: 🎖 💳 🌐 💻 👥 📢

Committees: **N** CHAIR | **AQ** CHAIR

Mark Garrett
63

Independent Director
Former CFO,
Adobe Systems Incorporated
Director since: 2018

Skills: 🎖 💳 🌐 💻 👥

Committees: **AU** CHAIR | **N**

John D. Harris II
60

Independent Director
Former Vice President of
Business Development,
Raytheon Company
Director since: 2021

Skills: 🎖 🌐 ✋ 👥 💻 📢 💳

Committees: **F**

Dr. Kristina M. Johnson
64

Independent Director
President,
The Ohio State University
Director since: 2012

Skills: 🎖 💳 ✋ 👥 💻 🎓

Committees: **C** | **F**

Roderick C. McGeary
71

Independent Director
Former Vice Chair,
Consulting KPMG LLP
Director since: 2003

Skills: 🎖 💳 🌐 💻 👥

Committees: **AU** | **C** CHAIR | **N**

Charles H. Robbins
55

Chair and Chief Executive Officer
Director since: 2015
Chair since: 2017

Skills: 🎖 🌐 👥 💻 📢

Brenton L. Saunders
51

Independent Director
Executive Chair,
The Beauty Health Company
Director since: 2017

Skills: 🎖 💳 🌐 👥 📢

Committees: **C** | **AQ**

Dr. Lisa T. Su
51

Independent Director
President and CEO,
Advanced Micro Devices, Inc.
Director since: 2020

Skills: 🎖 🌐 ✋ 👥 💻 📢

Committees: **AQ**

Marianna Tessel
53

Independent Director
Executive Vice President and
Chief Technology Officer, Intuit Inc.
Director since: 2021

Skills: 🎖 🌐 ✋ 💻

Committees: **AQ**

Key to committees

AU Audit Committee

AQ Acquisition Committee

N Nomination and Governance Committee

F Finance Committee

C Compensation and Management Development Committee

The role of the Board of Directors in strategy

One of the Board's key responsibilities is overseeing management's formulation and execution of Cisco's strategy. Throughout the year, our CEO, the executive leadership team, and other leaders from across the company provide detailed business and strategy updates to the Board. During these reviews, the Board engages with the executive leadership team and other business leaders regarding various topics, including business strategy and initiatives, capital allocation, portfolio updates, the competitive landscape, talent and culture including inclusion and diversity, ESG concerns including human rights implications of Cisco product development and sales, our environmental impact, and regulatory developments. Additionally, on an annual basis, the Board reviews and approves Cisco's financial plan. The Lead Independent Director also chairs regularly scheduled executive sessions of the independent directors, without Cisco management present, during which Cisco's strategy is reviewed and other topics are discussed.

Board snapshot

Gender diversity
36% Women
64% Men

Race/ethnicity diversity
82% White
9% African American or Black and Native American
9% Asian

Sexual orientation diversity
18% LGBTQ+

Director tenure
7 Director 0-7 years
1 Director 8-14 years
3 Director 15+ years

Board governance structure
10 Independent
1 Non-independent

Board skills and attributes

Skill	Count
Leadership	11
Sales and marketing	6
Academia	1
Technology	9
Gender/ethnic/racial/sexual orientation diversity	5
Financial experience	8
Public company board experience	10
Global business	10

Corporate social responsibility

Technology has the potential to create opportunities—or deepen inequalities. Cisco believes that technology, when thoughtfully and strategically applied, can help address inequities; bring positive, lasting change to people's lives and communities; and benefit the planet. We have a purpose to Power an Inclusive Future for All. We announced this purpose in 2020 and developed a framework for how we can fulfill this purpose through our technology, actions, and intentions. Throughout our upcoming fiscal 2021 Purpose Report, which is expected to be published in December 2021, we share how Cisco has helped to bring this purpose to life. Our corporate social responsibility (CSR) reporting describes our commitments, goals, progress, and impact for the environmental, social, and governance (ESG) topics that are significant to Cisco and our stakeholders.

CSR governance and management

Cisco Corporate Affairs leads our social investment programs and champions our commitment to CSR performance and transparency. This team engages with internal and external stakeholders, leads our ESG materiality assessment,[1] and stewards CSR reporting activities, which are aligned with standards set by the Global Reporting Initiative (GRI). Additionally, to improve ease of use and comparability with peers, Cisco plans to index its 2021 Purpose Report against frameworks from GRI, the Value Reporting Foundation (SASB Standards), the Task Force on Climate-related Financial Disclosures, and the UN Sustainable Development Goals, where applicable. The Corporate Affairs team also works cross-functionally to help determine CSR priorities and drives the process for CSR governance across business functions. The Nomination and Governance Committee of the Board reviews Cisco's policies and programs concerning corporate social responsibility, including ESG matters. This structure is designed to ensure that we prioritize the right ESG issues as a company, and that we stay on track with our commitments.

Board of Directors

Nomination and Governance Committee

Reviews Cisco's policies and programs concerning corporate social responsibility, including environmental, social, and governance matters.

Other board committees

- Acquisition
- Audit
- Finance
- Compensation and Management Development

Corporate CSR

Champion Cisco's company-wide commitment to CSR performance and transparency

Business functions and cross-functional groups

Conduct due diligence and implement policies and programs for specific CSR focus areas

Governance, Risk, and Controls

Champion enterprise risk management (ERM) efforts across the business to identify, assess, and manage risks

CSR focus areas*

- Climate change and GHGs
- Inclusion and diversity
- Corporate governance
- Human rights and working conditions in the supply chain
- Business ethics
- Data security and privacy
- Innovation and responsible technology
- Employee health and safety and labor rights
- Circular design and lifecycle management
- Operational waste
- Environmental protection
- Water
- Talent
- Employee well-being
- Community impact
- Digital Inclusion
- Critical human needs and disaster relief
- Economic empowerment

* These CSR focus areas are the topics identified in our FY21 ESG materiality assessment.[1]

1 ESG materiality, as used in this report, and our ESG materiality assessment process is different than when used in the context of Securities and Exchange Commission (SEC) disclosure obligations. Issues deemed material for purposes of this report and for purposes of determining our ESG strategy may not be considered material for SEC reporting purposes, nor does inclusion of information in this report indicate that the topic or information is material to Cisco's financial condition or results of operations.

Cisco's efforts to deliver on our stated purpose to Power an Inclusive Future for All are organized into several ESG topics. From the technology that helps securely power the world's connectivity (Power), to driving fairness, inclusion, and equitable opportunity (Inclusive), and helping to ensure a sustainable and regenerative planet (Future).

Power

Over 85% of the world's web traffic travels securely across Cisco connections. Our software and solutions protect the data of millions of users within public sector organizations and businesses of all sizes, including 98% of the Fortune 500.

At Cisco, we hold ourselves to the highest standards of business conduct. This requires applying leading security and privacy practices and global principles of human rights to the design, sourcing, manufacturing, and sale of our solutions and working to integrate a human rights perspective across Cisco's global business. Cisco earns trust by striving to operate with transparency, fairness, accountability, and integrity in every aspect of our business. The pandemic has intensified the importance of all these issues. Digital, cloud-first, and remote/hybrid work are now the default for many organizations, and advanced networks are essential for business resiliency and reliability.

Earning and upholding stakeholder trust goes beyond the integrity of solutions and networks. It also speaks to our financial transparency and high standards of ethical conduct. Cisco has forged trusted relationships among global stakeholders.

Cisco works to ensure that our products are made responsibly, consistent with Cisco's values. We expect our manufacturing partners and suppliers to uphold Cisco's standards for labor, health and safety, environment, and ethics. We are a founding member of the Responsible Business Alliance (RBA) and have long adopted the RBA Code of Conduct as our Supplier Code of Conduct. We maintain high expectations of our global network of suppliers, engaging closely with them to protect human rights, promote health and well-being, and extend economic opportunity. We assess our suppliers' conformance to our policies through risk assessments, audits, and targeted engagements. If suppliers do not meet our standards, we work with them to improve and hold them accountable to achieve that improvement. We also implement targeted initiatives to address identified areas of risk or opportunities to deliver benefit. This work in our supply chain is a core element of our commitment to corporate social responsibility.

Inclusive

We power inclusivity through our Conscious Culture and social impact initiatives. Our Conscious Culture informs all aspects of the Cisco employee experience—from how we support employees across the full spectrum of diversity to how we engage teams and give back to communities. It is a set of expectations, principles, and measures that we believe best define Cisco's values, beliefs, and ethos. Our values and expectations are laid out in our Code of Business Conduct. Every employee must certify compliance with the code each year to help ensure integrity in the workplace and the ethical use of data and resources, and to help prevent conflicts of interest. Living a Conscious Culture requires us to act with dignity, respect, fairness, and equity in each of our interactions with one another, building a culture that allows us to become a catalyst for social change.

INCLUSIVE
Selected goals

7%
increase in representation for Black/AA in the non-executive space

25%
increase in representation for Black/AA for Director/VP

1 billion
people positively impacted through our social impact grants and signature programs by 2025

For more information see our CSR website at **csr.cisco.com**.

Diversity, equity and inclusion, and talent and culture highlights

Global employees (based on FY2020 data)

27% Women

73% Men
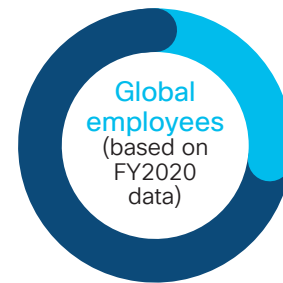
- At Cisco, it starts at the top: 46% of our ELT are women and 54% are diverse in terms of gender or ethnicity. With respect to our Board of Directors, 36% are women, 64% are men, 9% are Asian, 9% are African American or Black, and Native American, 82% are White, and 18% are diverse in terms of sexual orientation.

- Based on our annual fiscal 2020 data, our global employee base was comprised of 27% women and 73% men, and our U.S. employee base was comprised of the following ethnicities: 51.8% White/Caucasian, 36.5% Asian, 5.8% Hispanic/Latinx, 4.1% African American/Black, 1.4% two or more races (not Hispanic or Latinx), and 0.4% additional groups (including American Indian, Alaska Native, and Native Hawaiian or other Pacific Islander).

- Cisco has signed the CEO Action for Diversity and Inclusion Pledge.

- We announced our Social Justice Beliefs, which includes a set of actions including our response to systemic racism and a commitment to be antiracist in all forms.

- We continued to offer employees "A Day for Me," which were paid days off that allowed for each individual to recharge and rest.

- Approximately 2 million Team Space Check-Ins by our employees in fiscal 2021, reflecting 85% of employees submitting Team Space Check-Ins.

When people are respected for who they are and encouraged to seek balance between work and personal life, we believe they are more productive and successful in their jobs and able to give their best to their families and communities. In fiscal 2017, we set a goal to achieve 80% employee participation in community impact by 2020. We achieved that goal last year and sustained it through fiscal 2021. We were honored to be ranked number 1 on the Great Place to Work® list of the World's Best Workplaces in 2020, with 93% of employees surveyed saying Cisco is a great place to work.

This year, we continued our momentum and growth in the diversity of our workforce. We have continued to make significant gains in diverse talent even while we continue to navigate the challenges and impacts of the pandemic. Of special note is the accelerated progress Cisco is making in attracting African American/Black talent at both the non-executive and Director/VP levels.

Since we announced our Social Justice Beliefs in September 2020, we have launched 12 subsequent actions in support of and solidarity with the Black community. Our Social Justice Beliefs provide a blueprint for how we respond to injustice and address inequity, not just now, but in the future, when we see injustice and systemic inequality happening for any community across the full spectrum of diversity. This year, we launched the Inclusive Future Action Office to accelerate Cisco's priorities in this area. Our Inclusive Future Action Office will help us be relentless in our progress and will support teams in expanding their impact.

Cisco has always been committed to compensating our employees fairly and equitably. We are a founding signer of the White House Equal Pay Pledge and the Parity.org pledge, and we are leading the charge to make fair pay a reality for all employees through the Employers for Pay Equity Consortium. We have also introduced an innovative and inclusive framework that provides us powerful analytics to evaluate our complex compensation system. For example, by using these powerful analytics, we are able to test for pay parity on a regular basis, and when gaps are found, we strive to correct them.

At its core, to Power an Inclusive Future for All means helping the underserved and most vulnerable. Cisco believes that technology can be used to help solve our greatest social challenges, such as addressing critical human needs and disaster relief, economic inequality, digital inclusion, and education, including training in digital skills. Cisco set a goal in 2016 to positively impact one billion people by 2025 through our social impact grants and signature CSR programs.[2] We cannot create this future on our own, so we engage with nonprofit partners to invest in early-stage solutions and form long-term partnerships that allow organizations to put technology to its highest and best use.

Cisco has a proud legacy of leading the private sector in responding to humanitarian challenges. In fiscal 2021, we merged two existing functions within Cisco—the Critical Human Needs portfolio team and the Tactical Operations (TacOps) team—to form Cisco Crisis Response (CCR). CCR brings together our Critical Human Needs investment portfolio, which provides cash and product grants to organizations responding to humanitarian crises and natural disasters, with our Cisco TacOps team, which, since 2005, has responded to more than 60 worldwide incidents, from natural disasters to forced mass migration, providing free crisis communication networks to support recovery.

We are also teaching IT skills to millions of students every year through the Cisco Networking Academy. In fiscal 2021, three million people participated in Cisco Networking Academy courses in 180 countries, bringing the total to 15 million students since inception. We also expanded the Cisco Networking Academy by launching Skills for All, a mobile-first platform offering learners a personalized pathway to entry-level technology jobs.

Future

Environmental sustainability is foundational to creating a more inclusive world. Since 2006, Cisco has been driving meaningful change by reducing emissions associated with our operations, product use, and supply chain. We are also helping to ensure sustainable use of resources by continuing to apply circular economy principles to the entire lifecycle of our products, and by being responsible stewards of the natural resources we all share, like water and air.

Addressing climate change

In early fiscal 2022, we committed to reach net zero for greenhouse gas (GHG) emissions across all scopes by 2040, 10 years ahead of when climate scientists say the planet must reach net zero to avoid the worst impacts of climate change.

FUTURE
Selected goals

Net zero
for GHG emissions by 2040 and for all global Scope 1 and Scope 2 GHG emissions by 2025

30%
absolute reduction in Cisco's supply chain Scope 3 GHG emissions by FY30 (FY19 baseline)

77% to 87%
improvement in large rack-mounted equipment system power efficiency by FY22 (FY16 baseline)

[2]   Some of our social impact grantees receive funding from other organizations. Recently Cisco completed an external limited assurance review of our progress toward this goal. For more information see the **criteria** document and **assurance report** available at **csr.cisco.com**.

Cisco's net zero goal will be supported by near-term targets, including to reach net zero for all global Scope 1 and Scope 2 emissions by 2025.

Strategies Cisco has adopted to get to net zero include:

- Continuing to increase the energy efficiency of our products
- Accelerating our use of renewable energy
- Embracing hybrid work
- Investing in carbon removal solutions
- Further embedding sustainability and circular economy principles across our business

Cisco has been setting and achieving emissions reduction goals since 2006 and is currently working toward targets to reduce emissions from our operations, products, and supply chain. Our fiscal 2022 targets covering Scope 1 and 2 emissions are approved by the Science Based Targets initiative (SBTi) and are consistent with reductions required to keep global warming to well below 2°C. We met these targets one year early and will now turn our attention to our 2025 Scope 1 and 2 targets.

Measuring and managing environmental performance extends to Cisco's global supply chain operations. Active engagement with suppliers is helping us make progress toward our goals to have suppliers set their own absolute GHG emissions reduction targets and reduce Cisco's absolute supply chain-related Scope 3 GHG emissions.

The largest portion of Cisco's carbon footprint is from the operation of our products by our customers. Cisco has set a goal to improve large rack-mounted equipment system power efficiency by 77% to 87% by fiscal 2022 (fiscal 2016 baseline). This improvement will help reduce our customers' operating expense and Cisco's carbon footprint. As we have done over the course of many years, we will continue to invest in key engineering initiatives to help drive progress in this area.

Additionally, Cisco is helping innovators and communities around the world explore solutions and respond to the consequences of a changing climate. In April 2021, the Cisco Foundation announced a 10-year, $100 million commitment to fund nonprofit grants and impact investing in climate solutions. This new funding portfolio will support strong initiatives to spur community engagement and innovative solutions that

are designed to draw down the carbon already in the atmosphere or regenerate depleted ecosystems. Also in fiscal 2021, we offered the first ever Greenhouse Gas Solutions Prize in our annual Cisco Global Problem Solver Challenge. Through this program, Cisco awards cash prizes to early-stage startups using technology to address environmental and social challenges.

Circular economy

Making the world a better place with technology begins with how that technology is designed, made, used, and reused. For decades, the global economy has been based on a "take-make-dispose" model, where products are manufactured from virgin materials, purchased, and then discarded. This linear model is not sustainable. It depletes scarce natural resources, creates too much waste, and produces carbon emissions that contribute to climate change.

Cisco has been working and continues to work to integrate circular economy principles across our business. In addition to making our products more energy efficient, we are designing them to reduce the environmental impacts of their manufacture and to better facilitate repair and remanufacturing—with the goal to maximize reuse of products and materials. We continue to make progress on our Platform for Accelerating the Circular Economy (PACE) Capital Equipment Pledge, signed by CEO Chuck Robbins in 2018, committing to 100% product return upon request, at no cost to our customers. This builds on almost two decades of programs to facilitate product returns for reuse and recycling, offer comprehensive service and repair, and remanufacture used equipment for sale through Cisco Refresh. We continue to work to improve the customer experience to drive increased product returns at end of use, and expand business and as-a-service models to facilitate return and reuse.

Cisco's technology and solutions also enable customers to derive value from a circular model and achieve their own environmental sustainability goals. The physical mechanics of the circular economy—for example, remanufacturing and recirculating products or improving infrastructure in cities to minimize resource use and waste—are enabled by digital technology. Collaborating with our customers and other stakeholders is essential to achieving a circular economy.
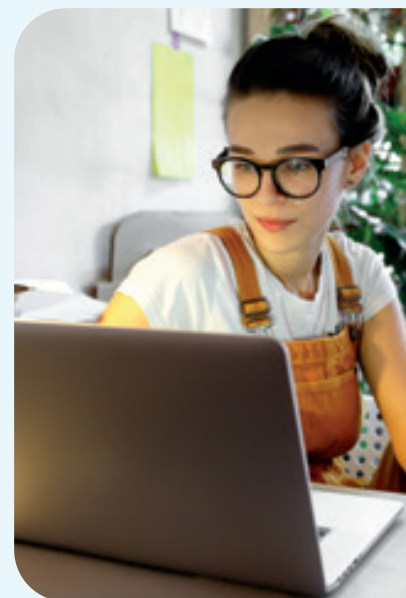
Stakeholder engagement

At Cisco, we believe that by offering an attractive value proposition to customers and partners, by creating diverse and inclusive workplaces and a conscious culture for employees, and by engaging regularly with stockholders and communities, we can create and maximize long-term value. The following chart presents a summary of our key stakeholder groups and some examples of how we engage with them.

Customers and partners

- Global Customer Advisory Board
- Cisco Live/Cisco Connect events
- Customer satisfaction surveys
- Partner Summit
- Partner Education Connection
- Online community forums

Stockholders

- Annual Stockholder Meeting
- Conferences
- Roadshows
- Investor meetings
- Company briefings
- Tech-Talks

Long-term value creation

Employees

- Regular "Check-In" company meetings
- Team Space for weekly updates to leaders
- Functional/regional "all-hands" meetings
- Leadership Quarterly and Leader Day
- "We Are Cisco" online community
- 29 Inclusive Communities comprised of 11 employee resource organizations and 18 employee networks

Communities, governments and regulators, NGOs/nonprofits, industry leaders

- Cisco Foundation
- Cisco Networking Academy
- Industry working groups, trade associations, and standards bodies
- World Economic Forum
- High-tech policy blog
- Advocacy
- Social media channels

Stockholder information and forward-looking statements

Executive officers

Charles H. Robbins
Chair and Chief Executive Officer

Gerri Elliott
Executive Vice President and
Chief Customer and Partner Officer

R. Scott Herren
Executive Vice President and
Chief Financial Officer

Maria Martinez
Executive Vice President and
Chief Operating Officer

Deborah L. Stahlkopf
Executive Vice President and
Chief Legal Officer

Principal accounting officer

Prat S. Bhatt
Senior Vice President and
Chief Accounting Officer

Resources

For more information about Cisco, to view the Annual Report online, or to obtain other financial information without charge, contact:

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San Jose, CA 95134-1706
1 (408) 227-2726
investor.cisco.com

Cisco's stock trades on the Nasdaq Global Select Market under the ticker symbol CSCO.

Independent registered public accounting firm
PricewaterhouseCoopers LLP
San Jose, CA

Transfer agent and registrar
Computershare Investor Services
P.O. Box 505000
Louisville, KY 40233-5000
www-us.computershare.com/ investor

Toll-free: 1 (800) 254-5194
International: 1 (781) 575-2879

Notice of annual meeting
Date: December 13, 2021
Time: 8:00 a.m. Pacific time

Virtual stockholder meeting
www.virtualshareholdermeeting.com/ CSCO2021

Forward-looking statements

This Summary Report and our Annual Report included herein, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" discussed therein, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "momentum," "seeks," "estimates," "continues," "endeavors," "strives," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to (1) projections of our future financial performance; (2) our anticipated growth and trends in our businesses; (3) future responses to and effects of the COVID-19 pandemic; (4) our Environmental, Social and Governance (ESG) goals, commitments and programs; (5) the scope and impact of our corporate responsibility risks and opportunities, and the related standards and expectations of third parties; and (6) other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified in the attached Form 10-K, under "Item 1A. Risk Factors," and elsewhere therein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

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Singapore

Europe Headquarters
Amsterdam, The Netherlands

Cisco has approximately 400 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco website at **www.cisco.com/go/offices**.

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The papers used in the production of this Annual Report are all certified for Forest Stewardship Council (FSC®) standards, which promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests. This Annual Report was printed by a facility in North America that uses exclusively vegetable-based inks and 100% renewable wind energy and releases zero VOCs into the environment.

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