


**Business Impacts of
Climate Change**
Risks and Opportunities



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Sustainable Business Practices
Cisco Systems
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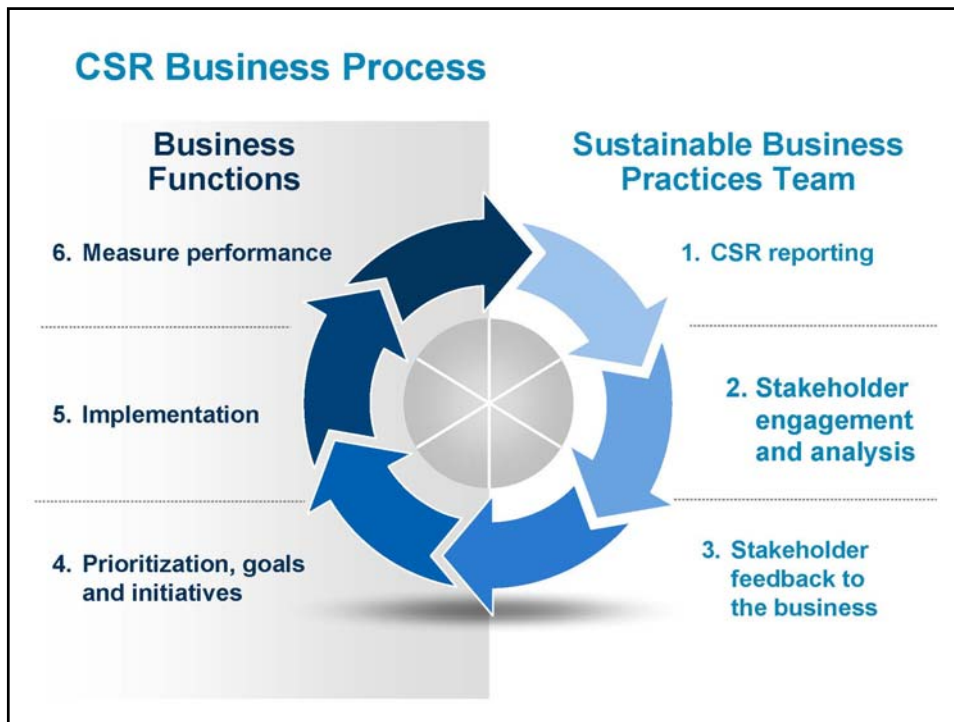
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Cisco Corporate Social Responsibility

Terminology

- Corporate Social Responsibility (CSR)
 - Building sustainable business practices into the business functions
- Sustainability at Cisco includes “ESG”
 - Employees
 - Environmental
 - Social
 - Corporate Governance/Financial Performance

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CSR Reporting

Annual Report and Stakeholder Inquiries

<ul style="list-style-type: none"> ▪ Customers <ul style="list-style-type: none"> Proposals Account teams Executive briefings Legal External mailers ▪ Analysts — industry, SRI, financial <ul style="list-style-type: none"> Direct (SRI) AR/IR Mailer (citizenship) ▪ Shareholders <ul style="list-style-type: none"> IR 	<ul style="list-style-type: none"> ▪ National labs, industry groups ▪ Employees, CEC, media <ul style="list-style-type: none"> Comms (CEC/PR) Direct Online forum ▪ Public, universities, students <ul style="list-style-type: none"> External mailers (citizenship) ▪ NGOs, community groups <ul style="list-style-type: none"> Direct External mailers (citizenship)
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Sustainable Company Operations

- Energy
 - Using technology to reduce our overall GHG emissions
 - Reducing business air travel
 - Labs, data centers and office buildings
 - Renewable energy
- Water
- Waste
- Employee awareness



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Cisco GHG Performance

Indicators	FY06	FY07	FY08	FY09
GHG EMISSIONS				
Total gross* GHG emissions: Scope 1 (metric tonne CO ₂ e)	27586***	52,498	52,084	53,216
Total gross* GHG emissions: Scope 2 (metric tonne CO ₂ e)	317,666***	467,478	550,312	579,183
Total contractual* GHG emissions: Scope 2 (metric tonne CO ₂ e)	316,893***	403,188	310,961	226,733
Total air travel GHG emissions: Scope 3 (metric tonne CO ₂ e)	190,940	205,797	197,872	115,995
Change in air travel GHG emissions from FY06 (CGI global goal: 10% absolute reduction against FY06 baseline)		+8%	+4%	-39% (goal met)
Total contractual* GHG emissions: Scope 1, 2, and 3 metric tonne CO ₂ e	535,419***	661,483	560,917	395,944
Change in Scope 1, 2, and 3 from FY07 EPA global goal: 25% absolute reduction against CY07 baseline**			-15%	-40% (goal year is 2012)

Revenue ↑ 27% (FY2006 → 2009)

Source: 2009 CSR Report, p. C32

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Cisco TelePresence Deployment



Cumulative, as of end of fiscal year	Total number of TelePresence rooms	Total number of cities	Total number of countries
2007 (general use units)	72	50	20
2008 (general use units)	179	109	37
2009 (general use units)	369	156	44
2007 (private or EBC units)*	26	6	3
2008 (private or EBC units)	53	12	7
2009 (private or EBC units)	179	47	21

*EBC stands for Executive Briefing Centers, regional meeting facilities that Cisco uses for presentations to customers.

- TelePresence deployment — **doubled** last two years



Source: 2009 CSR Report, p. C36

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Cisco Web Conferencing Usage

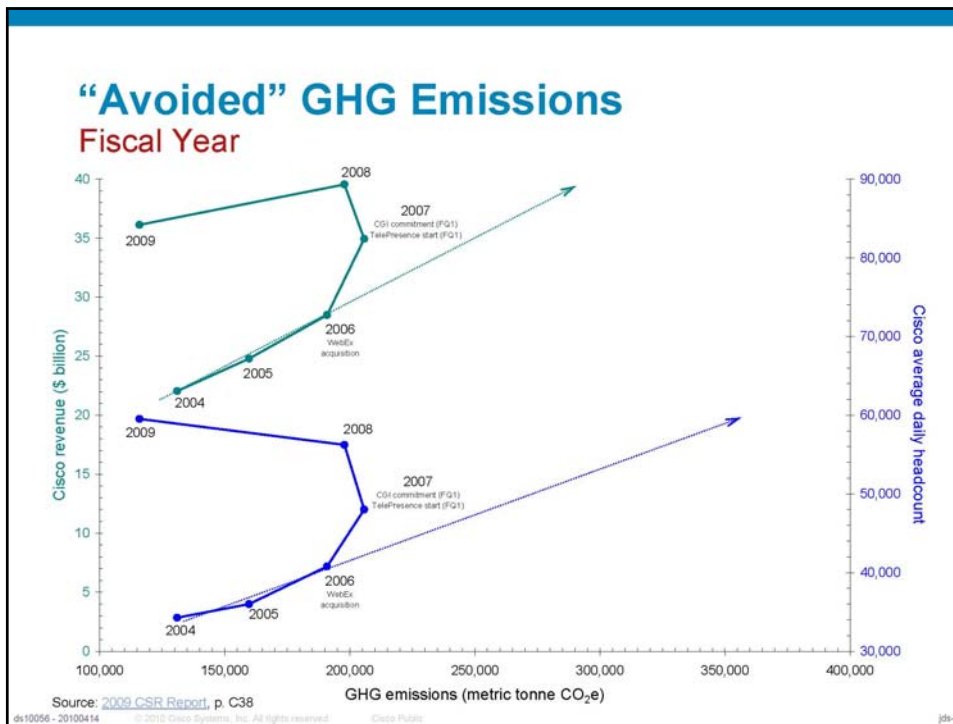
Year	Total web conferencing (millions of people-hours)
FY07	3.7
FY08	7.2
FY09	15.0

▪ TelePresence deployment — **doubled** last two years


▪ Web conferencing — **doubled** last two years

WebEx and MeetingPlace


Source: 2009 CSR Report, p. C36



Cisco Virtual Office (CVO) Installations



Calendar Year	Total users
2005	1,467
2006	5,006
2007	8,234
2008	13,052
2009 (through October)	16,890

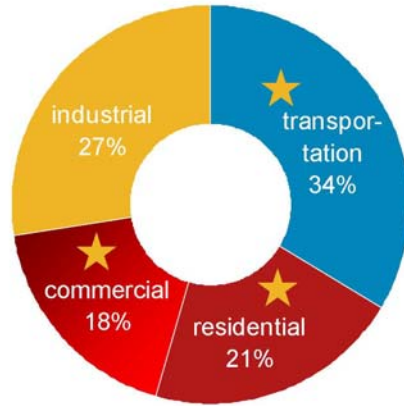


- TelePresence deployment — **doubled** last two years
- Web conferencing use — **doubled** last two years
- CVO installations — **on average doubled** last 4 years

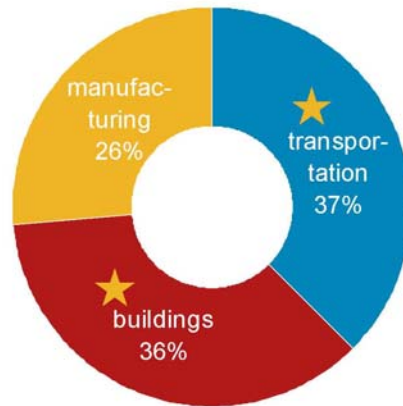
Source: 2009 CSR Report, p. C36

Sustainability

Greenhouse Gas Sources (energy-related)



Source: U.S. Energy Information Agency (EIA)
Emissions of Greenhouse Gases Report
Table 6 (U.S., 2007, preliminary)



Source: International Energy Agency (IEA)
Energy Use in the New Millennium
Figure 2.3 and p. 24 description (IEA14, 2004)

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Reporting Challenge...

Cisco Solution	Buildings	Transportation
Cisco TelePresence		✓
Cisco WebEx		✓
Cisco Virtual Office		✓
Data Center Virtualization	✓	✓
Cisco EnergyWise	✓	
SmartGrid	✓	✓
Cisco Connected Workplace	✓	
Smart Connected Buildings	✓	
Smart+Connected Communities	✓	✓
Planetary Skin	✓	✓
Connected Urban Development (CUD)	✓	✓

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Checklist

Assessing/Disclosing Climate Change Business Impacts

- Who is responsible for the process?
- How are potential disclosures evaluated?
- What have your disclosures looked like?
- What timeframe is utilized?
- What are your views on the new guidance?
Do you anticipate changing your practices?
- What do you believe your stakeholders expect?

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