

Cisco's Goal to Positively Impact 1B People by 2025: Reporting Criteria Document for External Assurance

January 2022

1. Introduction

Cisco Systems, Inc. (Cisco) made a commitment in 2016 to positively impact 1 billion people by 2025 through our social impact grants and signature programs in the focus areas of crisis response, economic empowerment, and education. This includes initiatives funded by Cisco and the Cisco Foundation.

This document sets out the basis by which we prepare our reporting of the progress made on Cisco's commitment to positively impact 1 billion people by 2025, 'Reporting Criteria'.

This Reporting Criteria document is based on our internal reporting objectives and processes. To date, a uniform industry standard for social impact assurance with agreed upon measurement criteria across multiple types of social impact intervention programs has not yet been established. There are a range of acceptable social impact reporting techniques that may potentially result in materially different reporting outcomes, and that may affect benchmarking. It is therefore important to read and understand the definitions and data preparation methodologies used by Cisco. Our definitions and preparation methodologies are set out in the following sections.

It is the responsibility of Cisco management to ensure that appropriate procedures are in place to prepare and report upon the progress made towards positively impacting 1 billion people in line with, in all material respects, the methodologies set out in the following sections of this document. We endeavor to ensure that:

- the reported information reflects our performance;
- the data is meaningful and is consistent with the stated definitions, scope and boundaries;
- any specific exclusions are stated clearly and explained;
- we describe openly any material assumptions we make and our accounting and calculation methods;
- we aim for sufficient transparency to enable users to have confidence in the integrity of our reporting.

2. Scope of reporting

The scope of this Reporting Criteria document addresses the number of people positively impacted through our social impact grants and signature programs between August 2015 and July 2021 (FY'16-FY'21), specifically:

- A. Social Impact Grants**
Global Impact Cash Grants (GIG)
- B. Signature Program**
Cisco Networking Academy

The following programs are excluded from the reported metric as they are focused either on product

grants, non-profits partners who are unable to count people reached, or newer signature programs where we are building out impact measurement frameworks:

- People reached only via Cisco product/technology donations
- Most disaster relief cash grants or GIG programs where the grantee cannot count unique people and/or an estimation formula cannot be applied. For disaster response, this may include disaster response (natural disasters, health pandemics, etc.) grants for specific disasters that are made through a separate disaster response program with different criteria than our GIG program.
- People reached via other Cisco supported programs including Skills for All, GPS the Series, University Research grants, GPS Challenge, and India cash grant program

3. Data Sources

Our aim is to gather reliable data and every effort has been made to capture all relevant data, but it is not feasible or practical to capture everything. Where we have made estimates to cover such occasions, we make this clear in the criteria and where we deviate from this, we provide a further explanation in the relevant sections of our reporting. We are committed to provide transparency on the quality of the data where we consider there are matters which are material to users of the information. The reported information is subject to internal review processes.

3.1 Annual performance measure

Number of people positively impacted during the current fiscal year's past 12 months via Cisco's signature programs and social impact partnering organizations.*

3.2 Cumulative performance measure

Number of people positively impacted between August 2015 and July 2021 (FY'16-FY'21) via Cisco's signature programs and social impact partnering organizations.*

If any adjustments to the cumulative number are required in future years based on materiality of 5 percent or more, those changes will be clearly documented, and rationale will be shared in our external reporting to explain the change. Any such material adjustments will be verified with grantee partners and clearly documented with rationale internally.

**Note that some of our social impact grantees receive funding from other organizations.*

4. Positively impacted – general approach

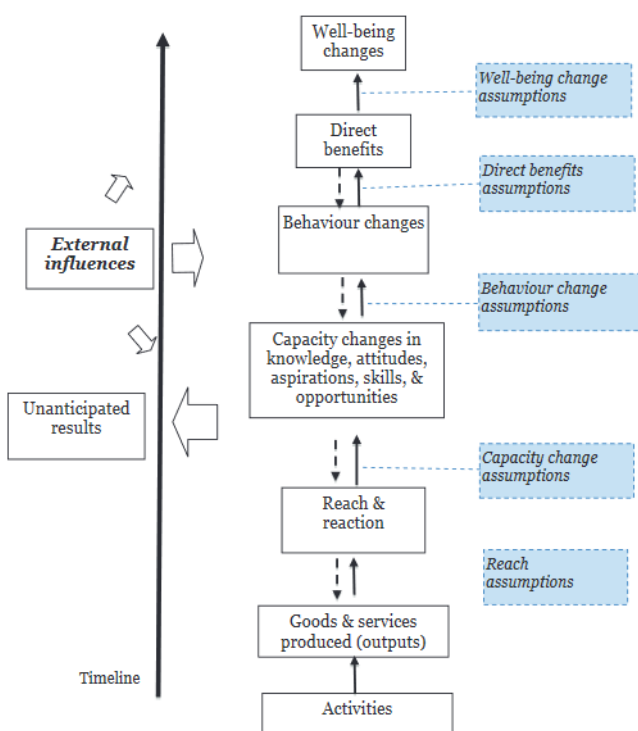
A positive impact is the outcome that is achieved as a result of a single or multiple interventions through a non-profit partner or signature program, Networking Academy. The interventions can be a variety of things such as providing access to technology tools or education courses which create a positive impact for that individual through a 'theory of change'.

We use theory of change models to understand and evaluate how the activities undertaken by an intervention (such as a project, program or policy) contribute to a chain of results that lead to the intended or observed positive impacts. Sometimes these models are referred to as impact pathways or logic models. Theories of change are used to design interventions and include activities that lead to outputs, outcomes, and the ultimate impact a program is aiming to achieve.

Measures can be documented and obtained at each step of the intervention that lead to the ultimate goal and impact. We stress-test and discuss these assumptions and measures with the relevant organizations who receive our support through the grant application and approval process. Each potential grantee must submit a theory of change and impact framework that is reviewed and approved through a number of individuals including the Impact Grant committee, Cisco Foundation Executive Director, Director of Reporting and Assurance. The outcome of these discussions informs our decision to support the proposed initiative and determine the reporting required.

An example of theory of change models is provided below¹:

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¹ Canadian Evaluation Society

5. Global Impact Cash Grants (GIG)

Measure: The number of people positively impacted through our global impact grant program between August 2015- July 2021 (FY'16-FY'21).

The number of people positively impacted is determined by calculating the number of individuals through our non-profit partner organizations Global Impact Cash Grant (GIG) program who have met the requirements for positive social impact through use of theories of change and other research studies to demonstrate impact, in the following portfolio focus areas: crisis response, education and economic empowerment.

Each year, we provide a number of cash grants to non-profit (NPOs) and non-governmental organizations (NGOs) with programs/solutions that are intended to address a significant social problem within our portfolios. GIGs have been distributed to approximately 75 eligible organizations during this timeframe of FY'16-FY'21 (e.g. Mercy Corps, MIND Research Institute, Opportunity International, etc.).

5.1 Positively impact - GIG

Positive social impact is defined based on the focus area of the grant - an example for each type is provided below:

- a. Crisis response – increased access to critical resources such as water quality solutions, housing, food, and humanitarian relief
- b. Education – improvements in access to quality education resources for teacher capacity building and student outcomes in Science, Technology, Engineering and Math (STEM)
- c. Economic empowerment – equitable access to mobile financial services, skills training for career development, and capital and resources for entrepreneurs

Any eligible* organization can apply year-round through our website (<https://www.cisco.com/c/en/us/about/csr/community/nonprofits.html>).

**Eligibility requirements and details on the application process can be found here: <https://www.cisco.com/c/en/us/about/csr/community/nonprofits/global-impact-cash-grants.html>*

To receive a Global Impact Cash grant, the eligible organization must demonstrate their intent to target underserved populations through the grant ** and uses technology to improve the reach, efficiency, and/or impact of services either directly or through partner organizations.

*** Underserved definition: Cisco defines underserved as at least 65% of the target population being economically underserved or under-represented. This can include low income, under-represented minority and/or vulnerable populations (e.g., women/girls, youth, racial/ethnic minority, refugee/IDP, etc.).*

5.2 Reach - GIG

Reach is defined as the number of individuals receiving support through our grantees and/or their partners as identified by each grantee. For some grantees, 'Reach' is calculated by applying a multiplier to the number of people reached directly through the initiative or program. For example, in the case of a financial inclusion program that provides loans to individual beneficiaries, the application of a household multiplier may be used by some grantees and is based on previous

evidence which demonstrates the positive impact of a loan on both the beneficiary and the average number of individuals in their household. In cases where multipliers are used, these are based on and validated against government census data or other international data (e.g., United Nations, etc.)

The number reported represents the total number of individuals who received support or a service through a grantee's solution attributable to Cisco's support. Some of the people reached are via direct interventions from our grantees and some are reached via their partner organizations.

5.3 Measurement - GIG

Reach numbers are submitted by GIG grantees via Cybergrants, the external vendor platform Cisco uses to support grant applications and impact reporting.

On an annual basis, GIG grantees submit Annual Impact Reports in which they report the number of people reached during the reporting period. Relevant teams at Cisco (portfolio manager/team, reporting and assurance team, Cisco Foundation Executive Director, etc.) and our external Social Impact Evaluation consultant review each report submitted by grantees to confirm the number reached and that the positive impact criteria have been met. This review may entail examination of theory of change models, impact frameworks, third party impact evaluation/research studies, etc. An additional validation process occurs in which the annual numbers submitted by each GIG grantee are reviewed and verified directly with grantees and adjusted as needed. Any adjustments are reviewed and approved by a team that includes the portfolio manager, Director of Reporting and Assurance, and Cisco Foundation Executive Director.

In addition to Annual Impact Reports, grantees submit quarterly impact reports in which they report on progress against grant activities and deliverables. At the end of the grant period, grantees submit final impact reports which detail results and outcomes during the grant period, and a final budget reconciliation.

Grantees provide their theory of change and impact evaluation and measurement studies. We also created impact frameworks for grantees whose reach number makes up 5% or more of the total reach number to demonstrate the link between the programs/solutions and positive impact to individuals reached. Relevant teams at Cisco have quarterly meetings with grantees to validate their grant progress, results, and outcomes. This is reviewed and approved annually by a team including portfolio managers, Social Impact Evaluation consultant, Director of Reporting and Assurance, and Cisco Foundation Executive Director.

In selected cases (e.g., multi-year grants, grants made via Cisco donor advised funds, etc.), grantees may report outside the Cybergrants platform. This is done via written quarterly reports submitted either directly to Cisco or via our donor advised fund. Quarterly Business Review (QBR) and Annual Business Review (ABR) meetings are held with these grantees to further validate the outcomes and reach achieved. Reach numbers and impact outcomes are reviewed and approved annually by a team including the portfolio manager, Director of Reporting and Assurance, and Cisco Foundation Executive Director.

Where we have helped fund a grantee program/solution in a given year, we will continue to count and report unique individuals reached for the current year and the following three years. This is because our investment strategy is to provide funding for early-stage technology-enabled ideas and solutions, where beneficiary impact continues beyond the original year of funding when the solution is created and/or launched. This timeframe is based on evidence from impact evaluations. (e.g., United Way, 1996 & Mickel and Golberg, 2019)

In some instances, where we have identified grantees that cannot report on unique individuals reached over time (i.e. there is a risk of double counting individuals by the same grantee across multiple years), Cisco has developed an appropriate data-driven discount factor or model to estimate this number and remove the duplication from the reported GIG number.

The Cisco team consolidates the data annually and calculates the total cumulative number of people positively impacted from FY'16-FY'21. This is reviewed and approved annually by a team that includes the portfolio manager, external Social Impact Evaluation consultant, Director of Cisco Reporting and Assurance, and Cisco Foundation Executive Director.

6. Cisco Networking Academy

Students participate in courses all over the world in over 180 countries through Cisco Networking Academy's university, community college and high school partners. The majority of students take courses directly in class through their University, community college or equivalent or high school using our LMS (Learning Management System) platform.

Instructors teach all over the world in over 180 countries through Cisco Networking Academy's university, community college and high school partners.

Packet Tracer users: are individuals around the world who have used the Networking Academy's Packet Tracer tool (version 7.1 and higher).

Measure: The number of unique people who were positively impacted by our signature program, Cisco Networking Academy between August 2015 and July 2021 (FY'16-FY'21).

This is made up of:

- The number of unique students who completed a course between August 2015 and July 2021 (FY'16-FY'21).
- The number of unique instructors who started one or more classes in Cisco's signature program, Networking Academy between August 2015 and July 2021 (FY'16-FY'21) who were not also identified as students in the above. Instructors who started a Networking Academy class must have a minimum of three student participants in order to be counted in the reach figure.
- The number of unique Packet Tracer Authenticated Users between July 2017 - July 2021 (FY'21) who were not also identified in the above. Individuals needed to have logged in at least 3 times to the Networking Academy's Packet Tracer tool (version 7.1 and higher) within a single Cisco fiscal quarter in order to be counted in the reach figure.

6.1 Positively impact and reach – Networking Academy

The number of students who participated in a Networking Academy courses during this timeframe (FY'16 - FY'21) as defined by those who have logged into our "LMS" platform and have **completed** a course between FY'16 - FY'21. The completion of a course is defined by taking the final exam and/or an end of course survey, and/or receiving a "Pass" from an instructor. Students are not counted if they only register or participate in a course as defined. Each individual is only counted once even if they take multiple courses or take courses in subsequent years during this timeframe.

The number of instructors who taught a Networking Academy course during this timeframe (FY'16-FY'21). An instructor outcome survey demonstrates instructors report receiving positive impact from teaching Networking Academy courses, such as starting their career, improving their financial situation, and becoming a better educator. The instructor number excludes instructors that are included in the above student completions count (e.g. the instructor completed a course as a Student in an Instructor Training course).

The number of individuals using the Networking Academy's "Packet Tracer" tool during the July 2017 - July 2021 (FY'21) timeframe, defined as follows: any user who used Packet Tracer (version 7.1 and higher) 3 or more times in a single Cisco fiscal quarter. The individuals using the Packet Tracer tool number excludes users that are included in the above student completions count during the FY'16-FY'21 timeframe.

6.2 Measurement – Cisco Networking Academy

Networking Academy users have a unique identifier in Networking Academy’s LMS platform, and we use this identifier to determine the number of unique students participating during this timeframe FY’16-FY’21, using a “distinct count” algorithm.

Networking Academy users have a unique identifier in Networking Academy’s LMS platform, and we use this identifier to determine the number of unique instructors starting a class across this timeframe FY’16-FY’21, using a “distinct count” algorithm. This same unique identifier is used to exclude instructors starting a class during this timeframe who have also been student participants during the same timeframe.

The number of unique Packet Tracer Authenticated Users in July 2017 - FY’21. This includes any user who used Packet Tracer (version 7.1 and higher) three or more times in a single Cisco fiscal quarter who were not already counted as student completions as identified through a unique identifier.

Data is checked and verified using our internal dashboards and summed for students, instructors and packet tracer users to include in the cumulative number. This data and calculations are verified and checked for accuracy through our CSR Impact measurement team.