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The road to Net Zero emissions

Advancing sustainable IT

Justin Cashman, Global Sales Director, Cisco Refresh Dr Colin Seward, Director, Sustainability Technology & Data BRKGRN-1008



Cisco Webex App

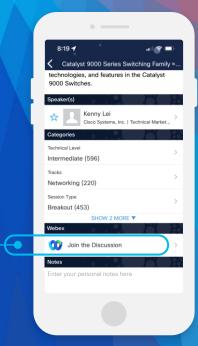
Questions?

Use Cisco Webex App to chat with the speaker after the session

How

- 1 Find this session in the Cisco Live Mobile App
- 2 Click "Join the Discussion"
- 3 Install the Webex App or go directly to the Webex space
- 4 Enter messages/questions in the Webex space

Webex spaces will be moderated by the speaker until June 9, 2023.



https://ciscolive.ciscoevents.com/ciscolivebot/#BRKGRN-1008



Agenda

- The Road to Net Zero
- The Circular Economy mindset
- Building our Sustainability Strategy for Cisco IT
- The role of Cisco Capital: Cisco Refresh & Cisco Green Pay
- Leveraging the Takeback and Reuse program
- Bringing it all Together
- Key Takeaways



The Road to Net Zero



Why now? What's changed?



Urgent global problem How can IT help?



Customer, investor & employee pressure



Legislation, reporting standards, scrutiny



Business efficiencies & new opportunities

"Transitioning to a net-zero world is one of the greatest challenges humankind has faced"

United Nations



148 countries with a Net Zero target²



Important purchasing factor for consumers³

67%

Hiring criteria for 69% of workers⁴

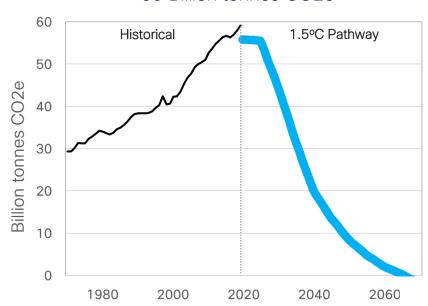




Putting IT in perspective

Total GHG emissions

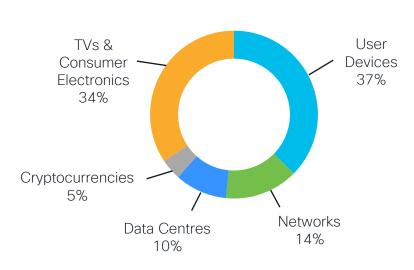
~60 Billion tonnes CO2e



Based on data from: EDGARv7.0, Crippa et al (2021, 2022), IIASA (AR6 Scenario database)

Digital GHG emissions

~1.4 Billion tonnes CO2e (2-4% Total)



Digital = ICT + Entertainment & Media

Source: Freitag (2021), Berners Lee (2020), Malmodin (2018, 2023)



Dual Responsibility

"Sustainability in IT"



- Renewable Energy
- Greener Data Centre



- Cloud Migration
- Energy Optimization
- Increased Asset Utilization
- Equipment Modernization

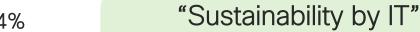


Extended Life



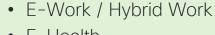
- Remanufactured Equipment
- Supplier Management

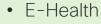


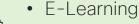
























Based on Exponential Roadmap 1.5.1 (2020) Smarter 2030 (GeSI 2015), Malmodin (2015)





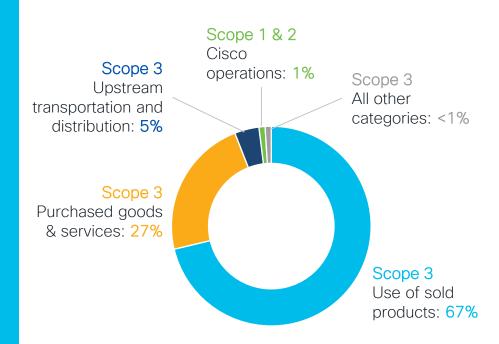
Cisco's Goal Net zero GHG emissions across our value chain by 2040

Our 2040 net-zero goals and near-term targets are approved by the Science Based Targets initiative (SBTi).



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

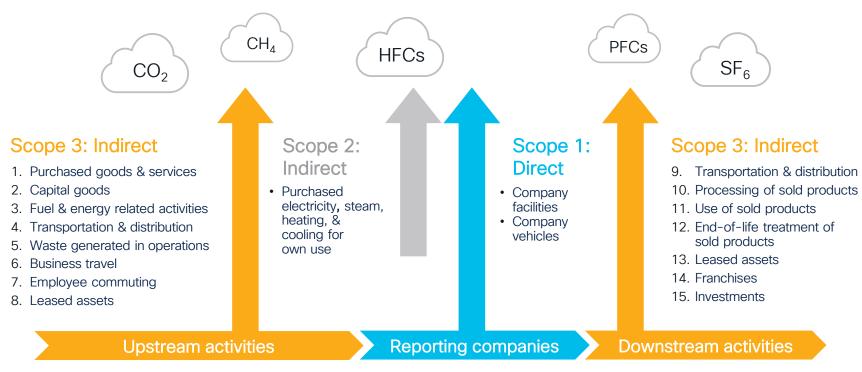
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Source: Cisco's Fiscal Year 2022 ("FY 22") Scope 1, 2, and 3 GHG emissions

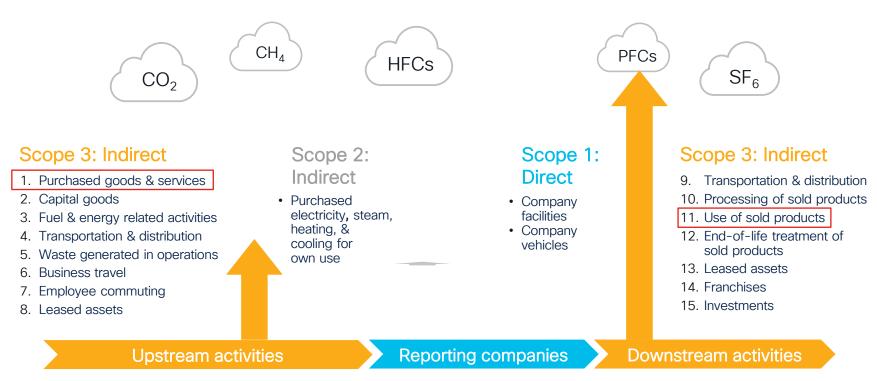


What are Scope 1, 2, & 3



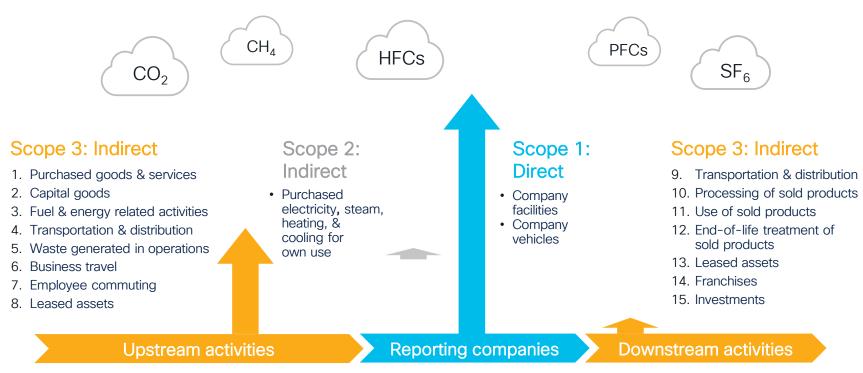


What are Scope 1, 2, & 3 | Cisco



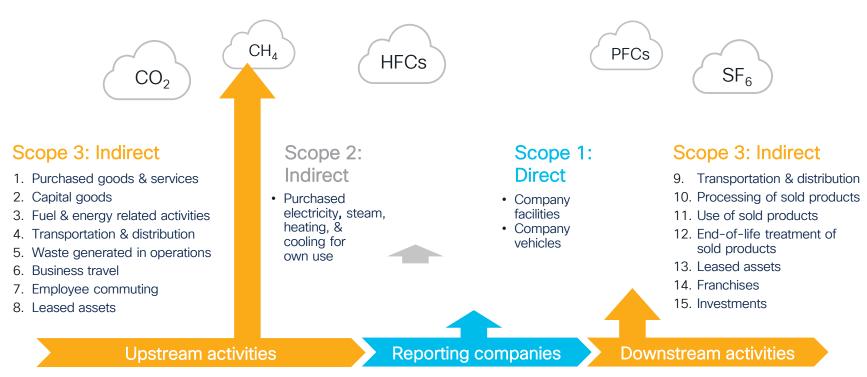


What are Scope 1, 2, & 3 | Transport Services



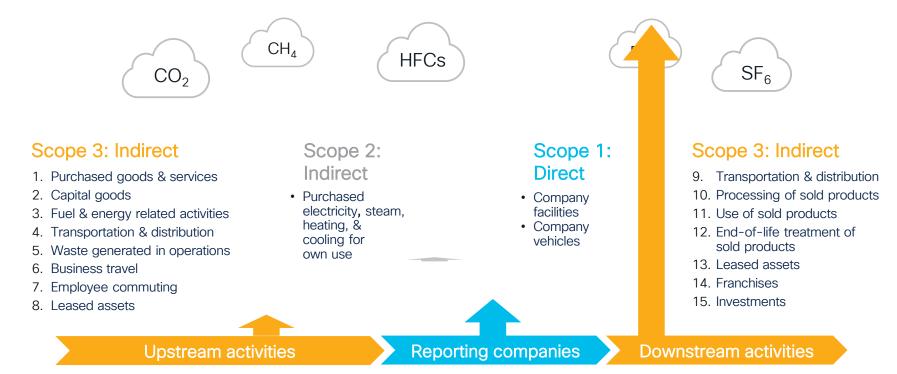


What are Scope 1, 2, & 3 | Food & Beverage



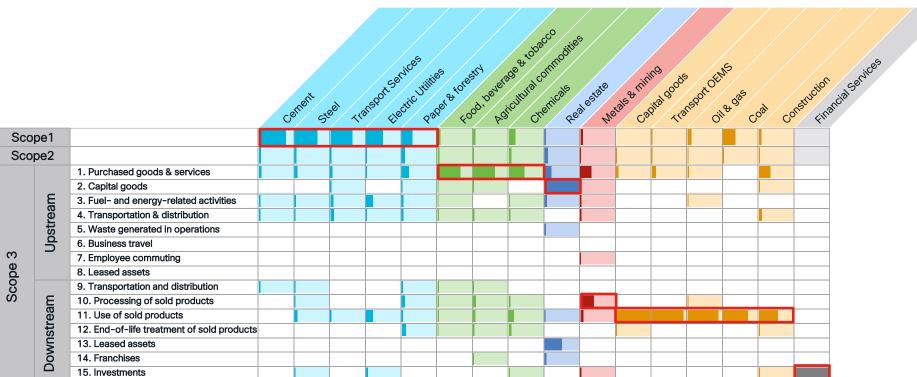


What are Scope 1, 2, & 3 | Oil & Gas





Scope Variation by Industry





Cisco's strategies to get to Net Zero

Increase the energy Accelerate the use efficiency of the technology of renewable energy that powers the internet **Net Zero** across our value chain by **2040 Invest** in innovative **Embrace** Hybrid Work carbon removal solutions **Embed** circular economy principles across our business

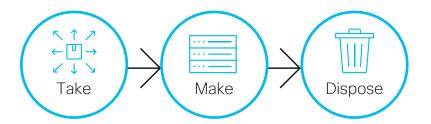


The Circular Economy mindset

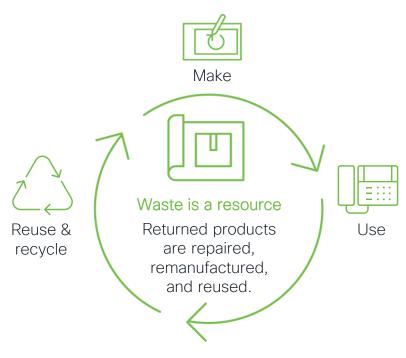


How we define Circular Economy

Linear Economy



Circular economy





Make: Cisco's Circular Design Strategy







Packaging and accessories



Smart energy consumption



Disassembly, repair and reuse



of new Cisco products and packaging to incorporate circular design principles by 2025



Make: Circularity in our Products and Packaging

"No Paint" project

Eliminating oil-based wet paint on Catalyst 9K switches in 2019 has enabled the elimination of 1200 metric tonne of CO2e to date and approximately 82 metric tonne of hazardous VOCs (volatile organic compounds) per year



Rethinking plastic

The majority of accessories for Cisco Meraki products are shipped in paper-based packaging, which is made of 70% recycled content.



Design for reuse, repair & recycling

UCS-X servers are engineered to be quickly assembled and disassembled. The latest generation uses recycled plastic parts, recycled foam packaging, no wet paint, and has a 62% reduction in powder coat compared to the prior generation.



Fiber-based packaging

The packaging for the Catalyst IR8140 Heavy Duty Router is the first at Cisco to use a fiber-flute material in place of the foam cushioning typically required for heavier products





Use: Innovative Power Efficiency



Silicon One

The 8201 router with Silicon One consumes 96% less energy per year, while supplying 35% more bandwidth compared to the previous router without Silicon One

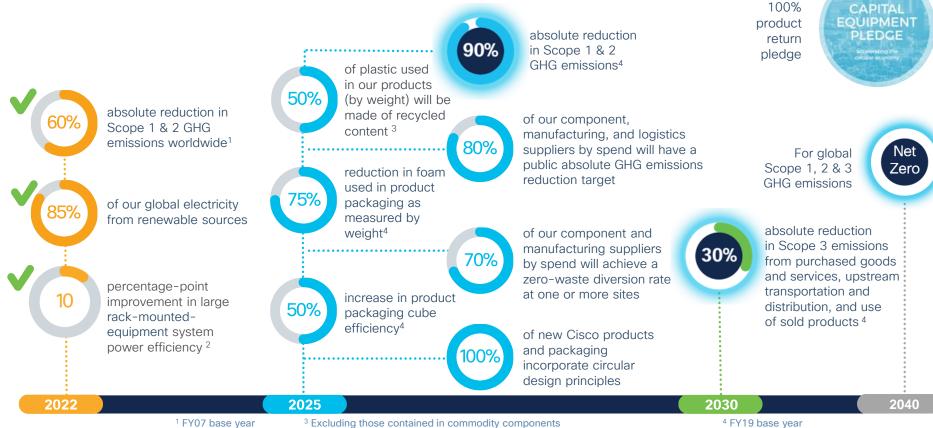


IR1101 router

In our modular IR1101 router, idle power was reduced by 45% from the previous generation.



Cisco's public sustainability goals



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² FY16 base year

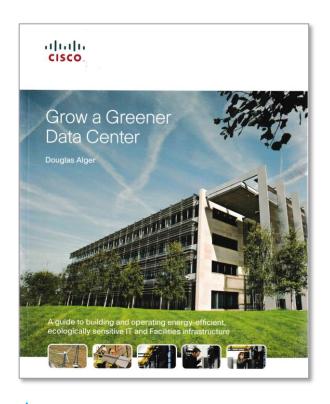
³ Excluding those contained in commodity components sourced from suppliers (e.g., plastic screws, fans, and cables)



So, what about IT? Where do you start?



.... haven't we all been doing this for years?



"Grow a Greener Data Center" by Doug Alger, Cisco Press, 2009

- Explores how to green your DC project
- Offers green strategies for DC technologies
- Presents IT and facilities design strategies that can save \$'s
- Reveals financial incentive programs to help pay for green Data Center initiatives
- Outlines Data Center efficiency metrics
- Highlights the lessons of dozens of case studies
- Addresses broader green business practices



Building our IT Sustainability Strategy







Researching Industry, viewpoints and standards

- ✓ Books, videos, scientific papers, specialist training & certification
- ✓ Supplier briefings, peer discussions, analyst reviews
- ✓ UN SDG, IPCC, ITU, GeSI, SBTi, GSMA, CDP, GRI, SASB, TCFD

Understanding our company emissions

- ✓ What goals did we have? Where did we report?
- ✓ Who completed the report?

 How did they do calculations?
- ✓ What best practices existed? Who can we partner with?

Building our IT Strategy & setting goals

- ✓ What was our IT footprint? Where was the opportunity?
- ✓ Drafted framework & objectives Reviewed with service owners
- Calculated a baseline, set goals, started to measure progress



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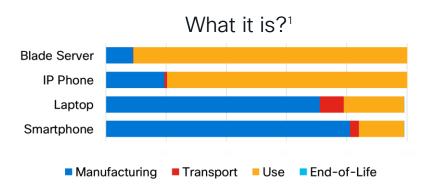
Internal Resources

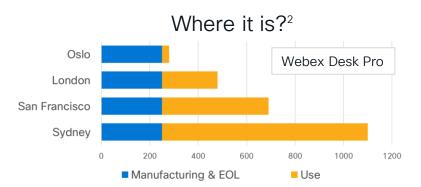
- ESG Team / Reporting
- Circular Economy Team
- Supply Chain
- Reverse Logistics / Cisco Refresh
- Procurement
- Global Energy Management
- Product Engineering / Product Compliance
- Country Digital Acceleration / Sales & Marketing

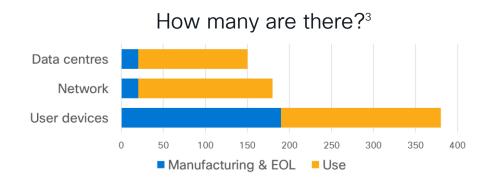


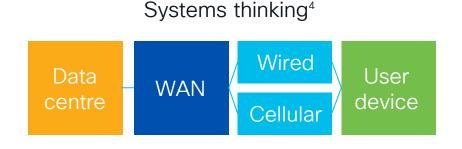


Carbon Footprint





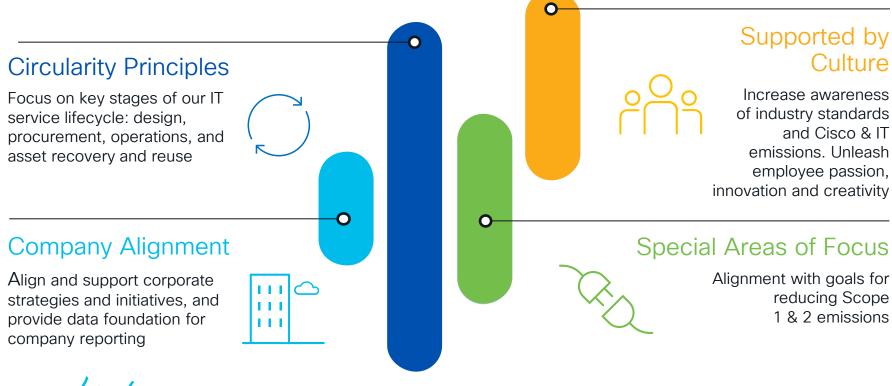






Data Sources: ¹Cisco(2020) & Apple (2022), ²Cisco (2021), ³Malmodin (2018), ⁴Carbon Trust (2021)

What did we include in our IT sustainability framework?





Cisco IT Sustainability Framework

Align & Support Company Sustainability Goals & Initiatives

Sustainable by Design



- Design principles / Best practices
- Life Cycle & System Thinking
- Review design impact with stakeholders

Responsible Procurement



- Analyze IT spend
- Prioritize focus areas
- Supplier scorecard / goal tracking
- Supplier Code of Conduct

Optimization of Operations



- Holistic service view
- Extend life / Improve performance
- Asset utilization / Remove excess
- Automation to scale

Asset Lifecycle Management



- Consider at design phase
- Process assets to next-best use
- Leverage supplier best practices
- Asset traceability

Energy Management

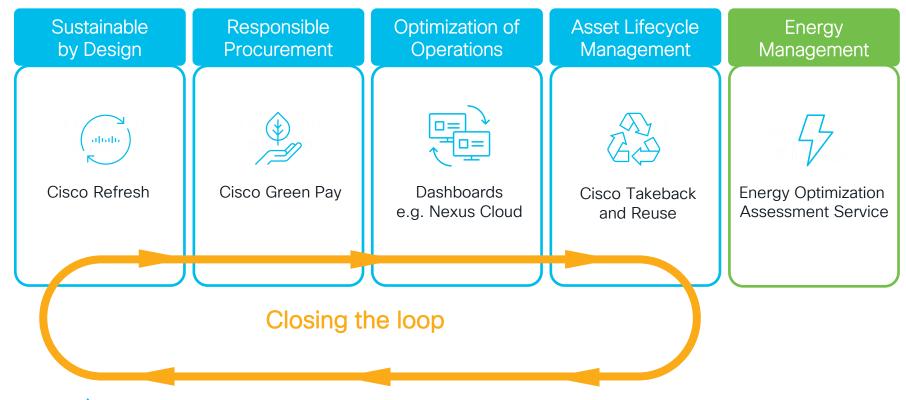


- Source renewables
- Measure & monitor use / energy visibility
- Improve power efficiency
- Optimize energy consumption

Employee Culture



Closing the Loop: Suppliers + Customers



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The Role of Remanufactured Equipment



R

What is Cisco Refresh?

Cisco Refresh is Cisco's pre-owned equipment business. Buying remanufactured products can be a valuable option when — due to budget, timing, sustainability priorities, or other challenges — you need a more flexible alternative.

Cisco Refresh offers certified equipment (current and end of sale) to meet the needs of both current and legacy environments.









Cisco Certified

Channel-friendly

All required engineering upgrades

Same as new Cisco warranty

Same as new Cisco security

SMARTnet eligible

Switching

Routing

Data Center

UCS

Optical

Wireless

Security



Remanufactured V Refurbished

A **remanufactured** part is a used OEM part that has been stripped down and restored to like-new quality not only in its appearance, but in its performance, and parts are almost always rebuilt or replaced.

- Highest level of screening, testing and repairing
- Shipped with a valid software license and comes with the same warranty as the equivalent new equipment
- Fully certified and compliant with manufacturers standards

A **refurbished** product is a defective product that has been lightly or never used, returned and then subsequently restored by the manufacturer or a third-party company that specializes in refurbishing.

- Fully functional but may include down version hardware and/or cosmetic imperfections
- No software or license attached
- Excess used product inventory that has a useful life



Discover the benefits of Cisco Refresh

Peace of Mind:

Same Cisco quality, performance, and support as for new products

Maximize IT Spending Budget/Low Total Cost of Ownership:

Extremely competitive pricing allows you to get the most from even a very limited technology budget

Optimum Performance: Latest hardware and software upgrades help ensure maximum performance, reliability, compatibility and future scalability

Low Risk:

Same-as-new warranty



Cisco Refresh (Certified Remanufactured)



By region, segment, industry and technology

	Region		Segment					
Americas	APJC	EMEAR	Enterprise	Commercial	Public Sector	Service Provider	Small	
✓	✓	✓	✓	√	√	√	√	

	Consumer			Ind	ustrial	Public Sector				
Technology	Financial Services	Retail	Sports and Entertainment	Energy	Manufacturing	Cities and Communities	Education	Government	Healthcare	Transportation
Networking	√	✓	✓	✓	√	√	✓	√	✓	√
Data Center	✓	✓	√	✓	√	✓	✓	✓	✓	√
Mobility and Wireless	√	√	✓	√	✓	✓	√	√	√	✓
Collaboration	✓	✓	√	✓	√	√	✓	✓	✓	√
Security*	✓	✓	√	✓	√	√	✓	✓	✓	√
IoT*	√	√	√	√	√	√	✓	√	√	√
Cloud*	√	✓	√	√	√	√	√	√	✓	√
Software**	√	√	√	√	√	√	√	√	√	√

^{*} Cisco Refresh supports the hardware elements of Security, IoT and Cloud, and of which new software can be sold

^{**}Cisco Refresh sells software and licensing as "new", not as -RF





Cisco pledge statement

100% Product return

- Offer comprehensive warranty, replacement, service, and repair for all products to extend useful product lifetime and minimize obsolescence
- Provide product return pickup and transport at no cost for any customer worldwide upon request
- Repurpose returned product, subsystems, components, and commodities, including closed loop return to new product manufacturing
- Establish alternative commercial models that promote product return including: Purchase trade-in, banked credit, leasing, and product-as-a-service



Leveraging Takeback and Reuse



Reuse: Product Takeback & Reuse Program

Simple, secure, and sustainable



Free removal and transport of equipment at customer end-of-use. Returned equipment is stored in a secure location and data is cleared from returned hard drives to protect data security. We reuse and recycle nearly 100% of products that are returned to us.

Watch Video



Cisco Returns Program

Available in 100+ countries



Send IT Back Mobile App

Available in EU, UK and US



Work with your Cisco Partner

Many are certified through our Environmental Sustainability Specialization



Customer Recycling Solutions

Available globally; for equipment that cannot be powered on



Cisco Green Pay



Cisco Green Pay

Helps you

Move beyond product ownership, support circularity, and reduce waste

1

Access Cisco's sustainable technologies

2

Eliminate up-front hardware acquisition costs

3

Streamline total project costs into a fixed and predictable payment

4

Return equipment at no cost

5

Cisco Green Pay is a flexible IT payment solution that enables customers to support circularity and helps them address their sustainability initiatives.



up to 5% sustainability incentive from the outset

Product recovered
by Cisco
Free of charge
To be reused or recycled

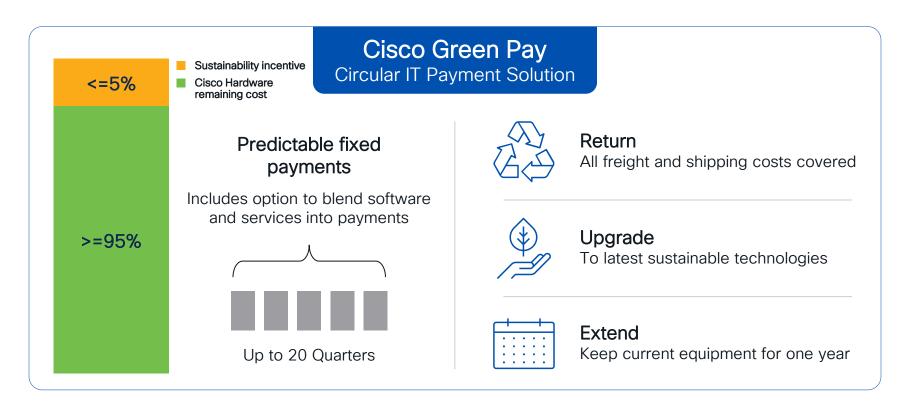


Available in select countries in the Americas, EMEA and APJC





How does it work?





Bringing it all Together



Cisco IT Data Center Summary of Whitepaper Findings

Align & Support Company Sustainability Goals & Initiatives

• 90% absolute reduction in Scope 1 & 2 GHG emissions

Sustainable by Design

- Global design standards
- 312% more VM (virtual machines) per blade
- 27% reduction in power (watts) per VM

Responsible Procurement

 Main DC suppliers sent surveys on carbon emission data

Optimization of Operations

- 38% fewer data centers from 26 sites to 16
- 23% reduction in data center facility OPEX costs
- ACI everywhere

Increase Asset Recovery & Reuse

- 43 tons of cabling infrastructure and equipment reused
- 1,813 Cisco UCS servers sold for reuse

Energy Management

- 100% of US DC power and 72% DC power globally from renewables
- Reduced average DC monthly power capacity by 40%.

Employee Culture

• 90% of patch cables recertified



Cisco IT Data Center

Reuse & Energy Management



Reuse

- 90% of patch cables recertified
- 1,813 Cisco UCS servers sent to Cisco Refresh for reuse in 2021/22



Clean Energy

- On-site solar panels (~1.8MW)
- Air side economizers reduce energy consumption +50% of time



Cooling Optimization

- Hot air containment
- CRAH hoods, Samurai tiles
- Infrared audits
- Blanking & rack gap panels, tile cut foam
- Monitoring systems



Cisco Penn 1, New York













- One Penn Plaza, New York City
- 5,000 square meters; opened April 2022
- Technology was the 4th utility (along with water, gas, and power)
- Outcome driven
 - ✓ Improved user experience
 - Safety & compliance
 - ✓ Real estate utilization
 - ✓ Automation & optimization
- Cisco Smart Building Framework
 - √ 100% collaboration enabled
 - ✓ Catalyst 9300 and 9400 Series Switches
 - ✓ POE devices (lights, shades, desks, cameras)
 - DNA Center & Cisco Spaces
 - Environment sensors, energy metering



ESG Reporting Hub & Purpose Report



Visit: cisco.com/go/esg-hub



Key Takeaways



Decade of Action



Three steps

- Research viewpoints & standards
- Understand your company goals
- Build your IT strategy



Some concepts to include

- · Dual responsibilities of IT
- Circularity / Systems Thinking
- Energy efficiency / Asset utilization
- Suppliers / Procurement
- Data collection / Reporting



Cisco offerings that may help

- · New products / solutions
- · Cisco Refresh, Cisco Green Pay, **Product Takeback Programs**
- Energy Optimization Assessment Service



Share what you learn





Fill out your session surveys!



Attendees who fill out a minimum of four session surveys and the overall event survey will get **Cisco Live-branded socks** (while supplies last)!



Attendees will also earn 100 points in the **Cisco Live Challenge** for every survey completed.



These points help you get on the leaderboard and increase your chances of winning daily and grand prizes



Continue Your Sustainability Education

Visit the Sustainability Zone for in-depth demos on solutions and programs

Attend Sustainability-Focused Sessions

Visit the On-Demand Library for more sessions at www.CiscoLive.com/on-demand

Review our Sustainability Solutions eBook for more information





Thank you





Cisco Live Challenge

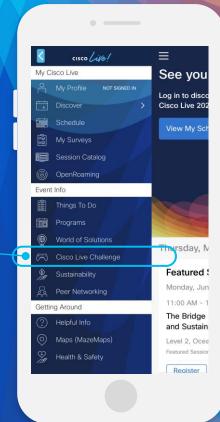
Gamify your Cisco Live experience! Get points for attending this session!

How:

- Open the Cisco Events App.
- 2 Click on 'Cisco Live Challenge' in the side menu.
- 3 Click on View Your Badges at the top.
- A Click the + at the bottom of the screen and scan the QR code:







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