

Cisco at a Glance



- Worldwide leader in networking for the Internet
- Headquartered in San Jose, CA
- More than 67,000 employees in 75 Countries
- \$36.1B FY'09 revenue

Broad range of products and solutions:

- Networking Systems
- Data Center
- Collaboration, Voice and Video
- Mobility/Wireless
- Security

Customer Value Chain Management: A Global Presence

A world map with a dark blue background and light blue landmasses. Numerous orange circular markers with a white center are placed across the map, indicating global locations. The markers are concentrated in North America, Europe, and Asia, with a few scattered in Africa and Australia.

Mission

Provide an unrivaled, end-to-end experience to our customers

Team

- ~8,000 employees*
- 90+ locations / 32 countries
- 9 functional groups

By the Numbers

- >1,000 suppliers
- 4 contract manufacturing partners
- 95% of manufacturing is outsourced

*includes Scientific Atlanta and Linksys

Cisco's Complex Value Chain



Hybrid
Production
Model
(95%
Outsourced)



Wide Range
of Products



Most
Products
Are
Configured
to Order



Breadth of
Customers



Acquisition
Integration
(133 to date)

Sustainable Value Chain Management: Action Plan

Design & Evolve Products

- Power Efficiency in Design
- Transition to/Design with Lead-Free Solder

Source & Manufacture

- Materials Management: Controlled Substances Specification
- Ozone Depleting Substances Program
- Comprehensive Worldwide Battery Specification

Package & Transport

- Recyclable Packaging Materials
- Packaging Design Efficiency
- Volume/Weight ↓ = ↓ Transport = ↓ Carbon Emissions


Reverse Logistics

- Accessory Election = ↓ duplication = ↑ Cust. Sat.
- Waste ↓ via reuse & refurbishment

Collaborating on Sustainability: Optics Module Packaging Innovation

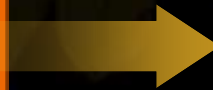


Collaboration on Sustainability: Responding to Customer Feedback

Goal	Volume Reduction & Customer Satisfaction
	Target Packaging at the Design Stage!
Plan for Success	<ul style="list-style-type: none">Phase I: ↓ size of anti-static & doc. bags & boxes; green bag material Note: to date with 1 family of products
Savings	<ul style="list-style-type: none">Phase 1: 2-2.5M/yearPlastic cut 50% (56k lbs); 33,429 lbs. of ESD bag waste → recyclable materialChargeable weight reduced ~ 60% (→ transport savings)

Collaboration on Sustainability: Responding to Customer Feedback


Before



After



Sustainable Packaging Design: Improving Efficiency

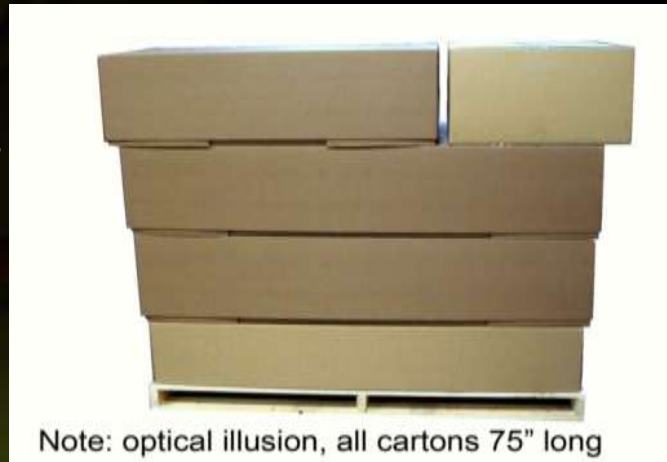
Goal	Volume Reduction & Transport Efficiency
	Reconfiguring Product Packing
Plan for Success	<ul style="list-style-type: none">▪ Maximize carton capacity e.g.: Use of multi-packs Innovative pre-installation of components
Savings	<ul style="list-style-type: none">▪ \$1.82 M/year▪ 31,260 lbs. carton material eliminated▪ Equivalent of 32 transport containers eliminated

TelePresence CTS-3000 Example



New Design:

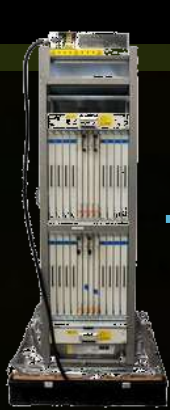
- 9 containers vs. 83 cartons
- Stackable
- 9 per truck vs. 2 per truck



Note: optical illusion, all cartons 75" long



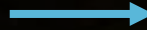
CRS Ship Configured: \$2M savings



Build & Test



Depopulate Cards



OLD MODEL



Package All Cards



Containerize Packaged Cards

NEW MODEL



Build & Test



Depopulate Cards



Package All Cards



Eliminate
1 bulk container
with packages



Sustainable Package Design: Minimizing Documentation

Goal

Waste Reduction & Manufacturing Efficiency



Meet regulatory disclosure requirements while reducing environmental impact to the greatest extent possible

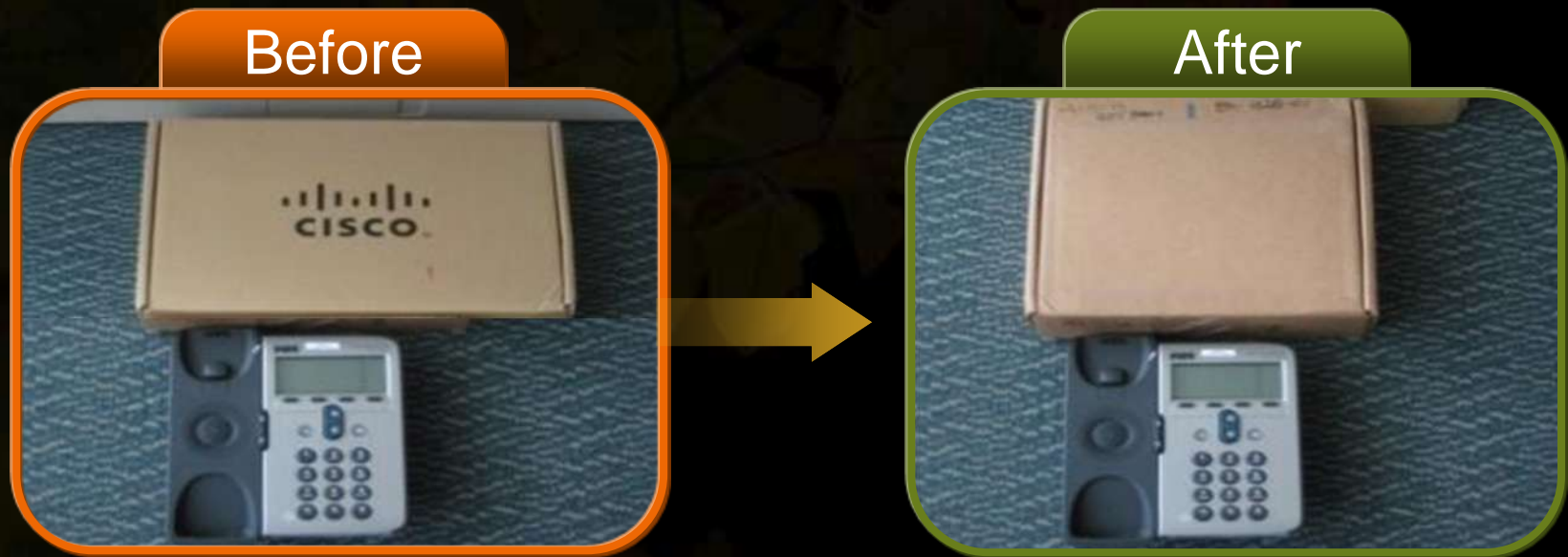
Plan for Success

- Migrate from paper to CD – Spring 2007
- Optically reduce size of all documents 65% or more 8.5X11 becomes 5.X7.55 – Fall 2008
- Move to “pointer docs” – January 2009

Savings


- FY09 Savings
 - 1.8 billion sheets of paper
 - 53 million lbs. CO₂ eliminated
 - 200 million gallons waste water eliminated
 - 17 million lbs. solid waste eliminated

Sustainable Package Design: Minimizing Documentation



Coordinated Carton & Document reduction!

Sustainable Packaging Design: End Cap Materials

Goal	Volume Reduction & Materials Management
	Replace Virgin Foam (petroleum based) with previously used, 100% recycled plastic
Plan for Success	<ul style="list-style-type: none">▪ Introduced on 8xx series product▪ Other Products to follow
Savings	<ul style="list-style-type: none">▪ Change @ 3 sites saves 50 cubic meters/mo. per site▪ Annualized savings = \$765k (transport cost)

Sustainable Packaging Design: End Cap Materials

