





Cisco's Commitment to Environmental Sustainability

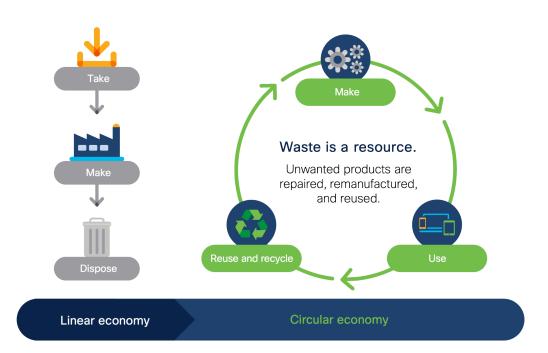
Cisco's commitment to environmental sustainability starts at the very top. Our CEO, Chuck Robbins, has pledged 100% product return and ambitious Net Zero GHG emissions goals.

We are committed to moving from a linear economy, where products are used and thrown away, to a circular economy that makes better use of our limited natural resources.

Through our programs like **"take back and reuse,"** we make sure anything that comes from a customer's network can be shipped back to Cisco so it can be responsibility reused, recycled or purposed.

Much of the product that comes back to Cisco is refurbished and resold through Cisco's refresh program.

While we are proud of the progress that we have made together, we know that we can do more; in partnership with all of you. We are asking you to take the sustainability pledge with Cisco.



Cisco takes the pledge

Sustainability is becoming increasingly important.

Embracing a sustainability practice is no longer a nice to have, it's a must have.

With an estimated \$2B worth of used hardware sitting in warehouses, basements and closets around the world, Cisco made a commitment to take back 100% of used hardware at no cost to our customers to reduce e-waste in landfills.

Earlier in 2022, the European Union committed to carbon neutrality by 2050, with milestones and economic sanctions beginning in 2023.

Closely following that announcement, Cisco made its own commitment to hit net zero carbon emissions by 2040.

As a result of these initiatives and overall increasing environmental concerns, businesses around the world are taking a more serious look at what they can do to make a difference.



2018 Chuck Robbins Hardware Takeback Pledge (Free takeback of all used hardware)



EU mandate for carbon neutrality by 2050 (sanctions being imposed starting 2023)



2021 Cisco Carbon Neutrality Pledge (net zero by 2040)



Increasing global environmental concerns and sustainability requirements

In 2018, <u>Cisco CFO Chuck Robbins signed a Capital Equipment Pledge</u> through the Platform for Accelerating Circular Economy (PACE). In just a few short years, we have made tremendous progress towards our goal of accelerating the circular economy.

Customers expect corporate responsibility in managing natural resources

Customers are asking for more sustainable IT solutions, and global governments are imposing tighter eco-restrictions on companies.

Differentiate yourself by offering environmentally friendly solutions, moving customers to more sustainable equipment, and driving reuse and responsible recycling of their old gear.

To help guide you on this journey, we are introducing the **Environmental Sustainability Specialization** and **Takeback Incentive**; our first steps in recognizing your efforts to implement sustainable business practices.

This business specialization can help create new opportunities with customers and counts towards the Select program level within the Cisco Partner Program.



Environmental Sustainability
Specialized





The Environmental Sustainability Specialization

This business specialization is focused on your sustainability practice and emphasizes taking the pledge with Cisco to work together for a sustainable future.

- · Open to all Registered partners
- Counts toward Select program level within the Cisco Partner Program, which unlocks more discounts and incentives
- Get rewarded with exclusive access to incremental product discounts through the Takeback Incentive in participating countries
- Use the free digital marketing assets to tell the world about your commitment to sustainable business practices

Get specialization details

Get recognized for your commitment to the circular economy



Available April 12, 2022 Specialization Eligibility
Open to all
registered partners

Takeback Eligibility*
Environmental Sustainability
Specialization required

^{*}Takeback Incentive available in participating countries

More reasons to get specialized

Sustainability is the single biggest customer door- opener we've ever had. If we mention sustainability, we generally always get a meeting in a customer that we've been finding it hard to break into.

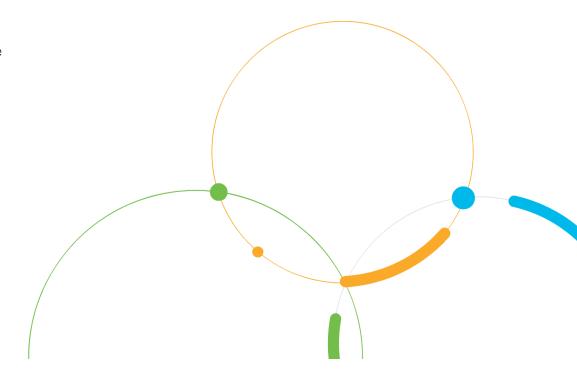
Business Development Manager, EMEAR

You can also create more differentiation in market, generate more customer opportunities, and be recognized and rewarded for your commitment to the circular economy.

- New customer conversation opportunities: Educate customers about the
 positive impact they can have on the environment by migrating to cloudenabled solutions and updating older technologies.
- It can help ensure you meet RfX (such request for proposal)
 requirements: Some customers will only source from responsible partners/
 suppliers and are increasing their expectations of supplier sustainability.
- It will help differentiate you from the competition: Leverage Cisco as a circular economy leader and your Environmental Sustainability Specialization to stand out...plus, you get free product return services.
- And it can help to expand your services offerings: Like offering services for responsible disposal of unused customer hardware.

We are seeing more and more RfP's with sustainability questions and requirements. On one of our recent contracts, 40% of the score was based on sustainability indicators.

Cisco Partner, EMEAR



What are the specialization requirements?



This business specialization requires a modest investment of your time.

- Less than 15 hours of training and exams on product takeback and reuse, Cisco Refresh and the circular economy
- Two preparatory courses are offered free of charge
- The two online exams cost \$80 each
- Sign the pledge to support sustainability in your company's practices





Introducing the Takeback Incentive

Get access to the Takeback Incentive discount when you commit to returning customers' used hardware to Cisco so it can be responsibly reused and recycled. Let's work together for a sustainable future.

What do you get?

- Qualify for up to 7% additional discounts on new products with base and accelerator discounts—see eligible PIDs
- Stackable with hunting, teaming, and Global Virtual Demand Center pricing
- Maximum discount is automatically applied to registered takeback deals
- Free takeback services for all displaced customer hardware*
- Both Cisco and Competitive hardware is eligible for return
- · Available April 12, 2022

What's required?

You must meet the following to qualify for the incentive:

- · Environmental Sustainability Specialized
- Must reside in one of the <u>participating</u> countries
- Have a minimum of one Takeback Incentive deal booked within each Cisco fiscal year beginning FY23 (starts July 31, 2022)
- Must meet minimum average return rate (80%) of all promised trade-in hardware, calculated quarterly

As a reminder, the Takeback Incentive replaces the Migration Incentive discount, which retired on April 9, 2022. Make sure you get specialized and enrolled as soon as possible to regain access to the discounts. Also, please note that all approved Migration deal discounts will be honored through the end FY22 but must be booked by July 30, 2022.

View complete terms and rules

Get details about the specialization

Bookmark the Takeback Incentive

^{*} Certain restrictions apply - see terms and rules

Simplified discount structure provides more predictability

Takeback Incentive								
Base discount	Core PIDs	4%						
	Compute PIDs	2%						
Accelerator* (incremental discount)	Services	2%						
	Products	3%						

Discounts stack with hunting, teaming, and Global Virtual Demand Center pricing

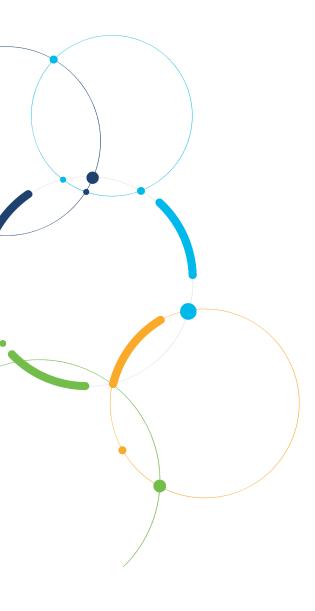
Use the discounts to improve your profitability or pass along to your customer to provide value for the trade-in products—your choice.

- Standard Base discount structure of 4% for Core and 2% for Compute PIDs
- Accelerator discounts are available on approved Takeback Incentive deals for eligible hardware and services
- All service PIDs receive a 2% discount, and accelerators are offered at a flat 3% for specified products—see eligible PIDs
- System intelligence applies the maximum entitled discount to your deal—including hunting, teaming and Global Virtual Demand Center pricing

Environmental Sustainability Partners have exclusive access to a 2% incremental discount on all Not For Resale Hardware and Software when Takeback Incentive is selected and return PIDS are entered. <u>Learn more about NFR</u>.

^{*}Accelerator incremental discounts apply on approved Takeback Incentive deals for eligible hardware and services.

How is performance measured?



What are the requirements?

To maintain access to the Takeback Incentive, you must meet the following performance requirements:

- Book at least one Takeback deal per fiscal year
- Meet minimum average return rate of 80% promised trade-in hardware, calculated quarterly
- Minimum return score is based on average return performance across ALL Takeback deals for the fiscal year
- Performance is evaluated at the end of the fiscal year (starting FY23)
- Starting Q2FY23, we will provide a quarterly communication detailing all Year-to-Date completed and expired RMA returns performance, indicating whether you are in good standing or at risk of losing the discount at the end of the fiscal year (July)

What if you don't meet the performance requirements?

- You will lose access to the discount for six months if you do not meet the required 80% return rate by the end of FY23 (and each fiscal year-end thereafter)
- · You may re-enroll after six months, following a Cisco review
- If you lose access a second time, you will not be allowed to re-enroll for the life of the Takeback Incentive

More details available in **Takeback Incentive terms and rules**

How is average return score calculated?

- Each RMA includes an itemized list of all promised PIDs that were entered into CCW for your Takeback deal
- When your customer's returned products arrive at our collection sites, the return PIDs listed on the RMA are reconciled with the items physically received
- 3. Each item received against your RMA list of PIDs counts toward your total items due
- A Percent Return Score is assigned for each completed RMA based on the % of received PIDs vs. promised PIDs (i.e. 24 PIDs on RMA vs. 18 PIDs received = 75% return score)
- 5. Only items listed as return PIDs on your RMA count toward your performance score
- 6. Your average return score is calculated based on YTD returns for each fiscal year
- 7. Your Total Year Average Return Score will be used at the end of each fiscal to determine Takeback eligibility

Example of Takeback Returns performance measurement

Takeback returns performance score as of July 30, 2023							
RMA	RMA date	Expiration date	Number of PIDS to be returned	Actual return date	Number of PIDS returned	Return score	RMA status
566856	8/31/2022	2/27/2023	24	11/25/2022	23	96%	Closed
697896	9/25/2022	3/24/2023	21	RMA expired	0	0%	Expired
726655	11/15/2022	5/14/2023	35	2/1/2022	32	91%	Closed
865662	1/3/2023	7/2/2023	125	3/5/2022	125	100%	Closed
869989	2/28/2023	8/27/2023	17				Open
956563	3/18/2023	9/14/2023	42				Open
Total YTD return	performance score		205		180	88%	

We simplified the deal registration process

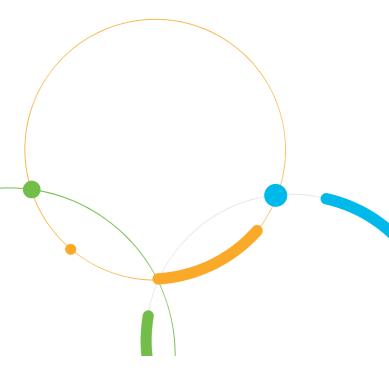
We're making it easier to register and receive deal approval. This new streamlined process includes:

- Clearly labeled fields within the <u>Cisco Customer Workbench (CCW)</u> application to help guide you through the registration process
- More time to enter the return PIDs they're not required until right before the deal is booked
- Simplified competitor trade-in entry, just enter the manufacturer and product category and we take care
 of the rest
- All competitor products on the Cisco Global Price List (except Meraki*) are eligible for return as part of the Takeback Incentive
- · <u>Customer Agreement template</u> to document commitment to return product

*Meraki products must be returned through a separate process. You can request a no cost pickup for their return here

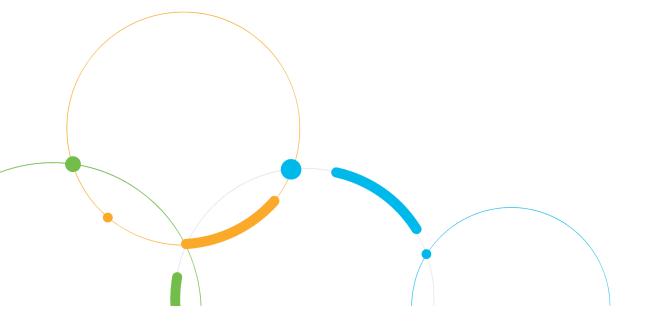
What are the steps to register a Takeback Incentive Deal?

Get the <u>step-by-step guide</u> for registering a Takeback Incentive deal



Cisco's free Takeback services easier than ever

- As a reminder, you're required to return the displaced hardware back to Cisco for each registered
 Takeback Incentive Deal
- To make it as easy as possible, we're offering free takeback services for all Cisco and competitor hardware
- Make sure to review the country-specific return instructions for details on how to return product
- Make sure to explore and bookmark the <u>Trade-in Product Returns page</u> for the latest process details, packaging instructions, and links to tools



<u>Participating Countries</u> fall into three categories:

- 1. **Cisco Exporter of Record:** In these countries, Cisco can act as the Export of Record and can manage all required paperwork and logistics of the return process for the customer.
- 2. Customer Exporter of Record: In certain countries, strict import/export laws limit what Cisco can manage on behalf of the customer. In these countries, the customer may need to work with a broker to ensure required legal paperwork is completed. As a result, the customer may incur some costs that Cisco cannot cover.
- 3. **Recycling Only:** In some countries, due to extremely strict country laws, returned products must be recycled locally to comply with import/export laws.





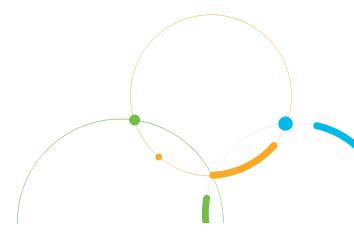
Market your specialization

Spread the word

The Environmental Sustainability Specialization Digital Marketing Kit is your guide to creating announcements that promote your expertise as a sustainable business partner. With these assets, our joint-customers and prospects will learn about the value of your achievements and how they enable you to achieve their sustainability goals.

- Specialization logo and certificate: Use the <u>Cisco logo and certificate builder tool</u> to create custom partnership logos and certificates
- · Copy blocks: Create attention-grabbing announcements to promote achievement of the specialization
- Social media posts: Customizable conversation starters for use on social networks to amplify your achievement
- Press release template: Customizable PR template to amplify your commitment to environmental sustainability
- **Email signature banner:** Capture the customer's attention immediately with a compelling headline and image that includes your company and Cisco partnership logos





Plant a tree campaign

We want to encourage everyone to embrace sustainability and take the pledge with Cisco—you, your company, and your employees. We're excited to share our global Plant A Tree campaign, which runs through July 30, 2022. We'll plant a tree in honor of every employee that completes both Environmental Sustainability training courses in SalesConnect as long as your company is specialized by July 30, 2022.

Let's see how many trees we can plant, together.

Who's eligible?

· All Cisco partner employees worldwide

What's required?

 Individuals must complete BOTH Environmental Sustainability training courses and your company must become Environmental Sustainability Specialized by July 30, 2022

How does it work?

- In Q4FY22, our authorized vendors will contact eligible individuals with details
- $\boldsymbol{\cdot}$ You get to choose where to plant your tree from a set of designated locations



AMER/APJC Sustainability Challenge: Seller Rewards

Earn up to 1,000 Seller Rewards tickets when you embrace sustainability and complete the training courses.

Who's eligible?

· All partner employees in AMER and APJC who are enrolled in Seller Rewards (AMs, SEs, Sales/SE Leaders)

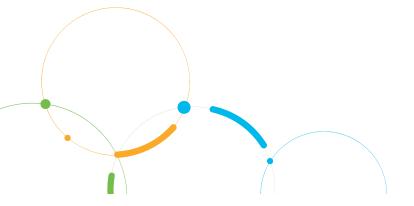
What's required?

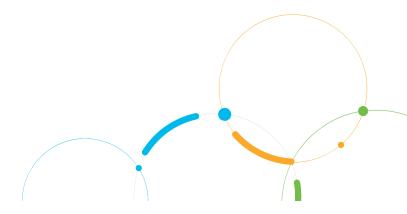
· You must complete one or both Environmental Sustainability Specialization training courses by end of FY23

How does it work?

- · You'll earn 500 tickets for each of the two eligible courses completed in SalesConnect
- Exchange the tickets for entries into monthly and quarterly prize drawings!

Explore Seller Rewards









How do you get started?

1 Get specialized

Complete training courses and take exam

Apply in PMA

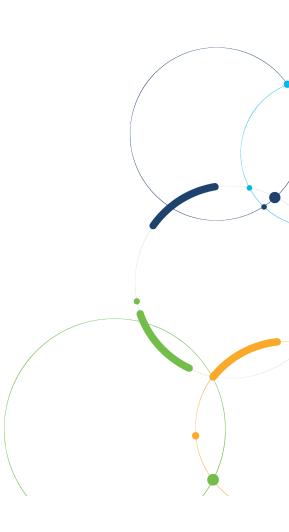
Specialization approval email includes invitation to enroll in Takeback Incentive in PPE

2 Enroll in Takeback Incentive

Enroll in PPE

Start registering deals in <u>CCW</u>

Use the Quick Start Guide and customer agreement templates to guide your conversations and ensure you meet product return performance requirements



Where can you find information?

Environmental Sustainability Specialization

Takeback Incentive

Digital Marketing Kit

Takeback Incentive Quick Start Guide

Trade-in Gear Customer Agreement Template

Trade-in Product Returns

RFX Solution Document

Takeback Incentive FAQ

Environmental Sustainability Specialization FAQ

Circular Economy page



Thank you for reading

Environmental
Sustainability
Specialization and
Takeback Incentive Ebook

