

CSR and Governance

Corporate governance is a function of leadership, internal operations, organizational principles, and relationships with employees and other stakeholders, all of which must evolve in response to external forces that include shifting macroeconomic conditions. Like most aspects of business, effective governance can only be achieved through a continuous process of innovation, realignment, and refinement. Cisco has always aimed to align our operations and resources so we can respond quickly to changing market conditions, drive customer success, and seize emerging opportunities. Most recently, that has involved taking a leadership role in the industry by moving from a centralized command-and-control governance model to a more collaborative model based on a culture of shared goals, a structured planning process, and cross-functional councils, boards, and workgroups.

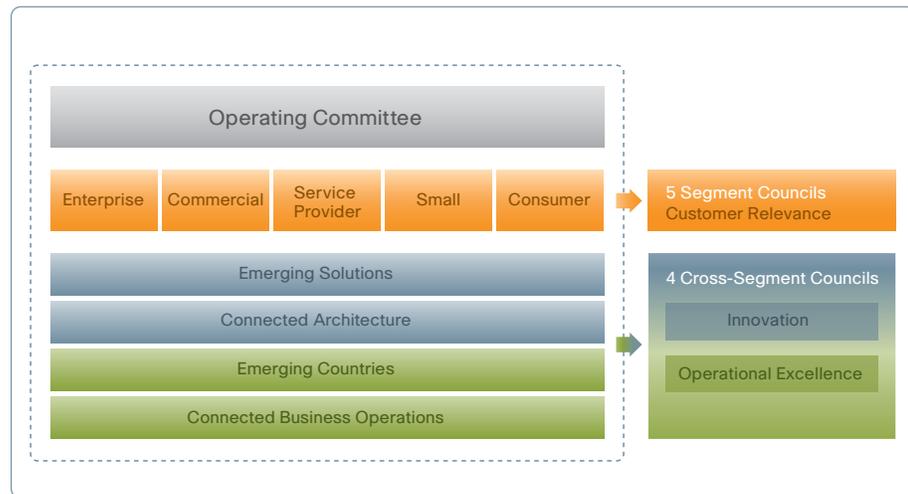
This collaborative business model also characterizes our corporate social responsibility (CSR) activities. We engage in productive conversations and interactions across our entire ecosystem of stakeholders: communities and educational institutions, customers, industry organizations, employees, government entities, shareholders, partners, the media, and an array of other external organizations and advocacy groups. In every one of these engagements, we strive to bring our CSR practices into holistic alignment with our business strategies and corporate values.

Now, as in the past, Cisco continues to refine our CSR initiatives and overall governance practices with an eye toward increasing long-term stakeholder value, business viability, and transparency, while reducing inefficiencies, exposure, and risk.

Cisco's Collaborative Management Model

Our Collaborative Management Model employs cross-functional collaboration to address the full range of the market adjacencies (new markets adjacent to our existing markets) that we have targeted. This model closely matches our business processes and enables us to deploy the diverse expertise that is one of our company's greatest strengths. The diagram below provides an overview of the model.

Collaborative Management Model



Cisco's most senior decision-making body is the Operating Committee, consisting of the CEO and other senior leaders. Corporate Councils are cross-functional decision-making teams that are formed by the Operating Committee to support major (\$10 billion) market opportunities or to undertake major transformational initiatives. Two or more executive vice presidents or senior vice presidents representing different corporate functions lead each council and report on progress to the Operating Committee. There are currently nine Corporate Councils.

Using the Collaborative Management Model, Councils and Boards drive the business objectives defined by the Operating Committee by promoting collaboration and decision making across functions and business units. The model also increases the management resources available to address the large number of business opportunities inherent in our business, focusing on the network as a platform. These opportunities emerge within complex, often interlocking worldwide markets that require highly integrated product and delivery strategies. Through proper execution, we look to bring our entire product portfolio to bear on the many market adjacencies we have identified.

Cisco's Collaborative Management Model provides senior executive-level strategic direction for an initiative or range of related initiatives. For example, the Emerging Countries Council focuses on economic growth and opportunities in regional and country markets such as Africa, China, India, Latin America, and the Levant by working across functions within the company and collaborating with stakeholders in the various regions and countries. One of the council's major initiatives involves building innovative and replicable business models in emerging countries, with particular attention given to those with fast-growing economies. The Emerging Countries Council's members include 12 senior leaders who represent the Corporate Affairs, Cisco Development Organization (engineering), Channels, Marketing, Operations, and Sales functions.

Executing the Corporate Councils' initiatives is the job of Boards. A Board reports directly to a Corporate Council and is dissolved once it has attained its goal. The Emerging Countries Council currently oversees four Boards, including one called China 3.0 whose sole focus is pursuing opportunities in that country. The Connected Business Operations Council (CBOC), whose charter is to bring about sustainable long-term process change at Cisco based on operational excellence and innovation, oversees five Boards, ranging from Global Policy to Business Model Enablement. Within each Board, temporary teams called Working Groups undertake specific projects. Members of these Working Groups may be organized into specific Task Forces.

Alternatively, an entity similar to a Corporate Council called a Corporate Board may be organized around a market opportunity in the \$1 billion range, or some other major initiative. Corporate Boards require committed leadership from two executives at the senior vice president or vice president level representing major corporate functions. The Cisco EcoBoard is an example of such a Corporate Board (see the sidebar).

Cisco EcoBoard: Advantages of Cross-Functional Governance

The Cisco EcoBoard offers a prime example of how a cross-functional approach to governance can help launch a successful CSR-oriented program by encouraging teamwork and enhancing collaboration across a large organization. Formed in FY07, the EcoBoard has succeeded in developing and rolling out an innovative strategy directed at reducing the company's carbon footprint and delivering ecologically sustainable solutions to customers.

The EcoBoard is chaired by Laura Ipsen, senior vice president, Global Policy and Government Affairs; John McCool, senior vice president, general manager of Data Center Switching and Services; and Ron Ricci, vice president, Corporate Positioning. The board also includes 11 other senior leaders from various functional areas within the company. By tapping the diverse expertise of these board members and their respective organizations, the EcoBoard has been able to avoid narrow compartmentalization and advance its goals across the company.

Cisco's environmental strategy is built around four capabilities, each of which is overseen by one or two EcoBoard members:

- **Market access:** Developing and defining environmental standards and operating in an environmentally sustainable manner, and removing impediments to markets and opportunities
- **Differentiation:** Offering products and solutions that help Cisco's customers meet their own "green" goals, while also distinguishing the company from competitors
- **Market enhancement:** Opening new markets for Cisco green solutions and technologies
- **Positioning:** Communicating our environmental point of view within and outside the marketplace

Working Groups organized around these capabilities carry out a set of initiatives directed at a common goal. The Working Group leaders compose the EcoBoard Green Task Force, which in turn organizes various specialized Task Forces.

For example, the Green Engineering Task Force focuses on all aspects of designing for the environment, from education for the engineering community to integrated-circuit design. The Corporate Sustainability Task Force concentrates on market access, working to establish policies and partnerships, and also to identify issues such as environmental regulations and standards that could impact Cisco's market positioning or competitive practices.

Key Governance Policies

Cisco maintains a [corporate governance page](#) on the Cisco website that includes key information about corporate governance initiatives, including Cisco's Corporate Governance Policies, the Cisco Code of Business Conduct, and charters for each of the committees of the Board of Directors.

Cisco has policies and practices that promote good corporate governance, many of which are designed to ensure compliance with the listing requirements of NASDAQ and the corporate governance requirements of the Sarbanes-Oxley Act of 2002, including:

- The Board of Directors has adopted clear corporate governance policies.
- The Board of Directors has adopted majority voting for uncontested elections of directors.
- A majority of the Board members are independent of Cisco and company management.
- All members of the Board's Audit Committee, Compensation and Management Development Committee, and Nomination and Governance Committee are independent.
- The independent members of the Board of Directors meet regularly without the presence of management.
- The charters of the Board committees clearly establish their respective roles and responsibilities.
- The company has adopted a compensation recoupment policy that applies to executive officers.
- Cisco's internal audit control function maintains critical oversight over the key areas of business and financial processes and controls, and reports directly to Cisco's Audit Committee.
- Cisco has established stock ownership guidelines for nonemployee directors and executive officers.
- The Ethics Office has a hotline available to all employees, and Cisco's Audit Committee has procedures in place for the anonymous submission of employee complaints on accounting, internal accounting controls, or auditing matters.
- Cisco has adopted a Code of Ethics that applies to the principal executive officer and all members of the finance department, including the principal financial officer and principal accounting officer.
- Cisco has a clear Code of Business Conduct that is monitored by the Ethics Office and is annually affirmed by employees.

CSR Business Process

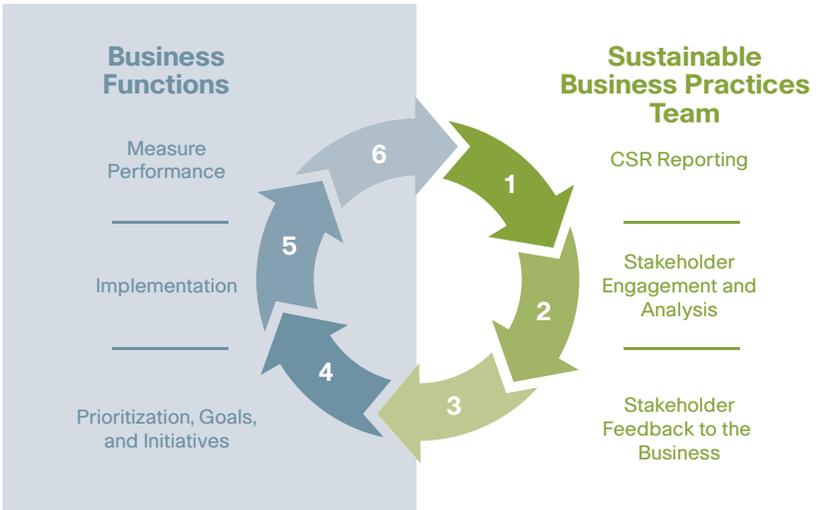
Cisco's CSR policies are designed with the goal of creating long-term, sustainable benefits for our business and the global community. Our commitment to responsible and ethical business practices extends to the Board of Directors, management, employees, shareholders, partners, suppliers, customers, and society. We invest considerable energy and resources to align our corporate governance activities with our values.

Cisco applies the principle of sustainability and a consistent business process to all aspects of CSR, including our environmental efforts, social programs, corporate governance, and employee programs. The [Brundtland Commission report *Our Common Future*](#) (1987) defined sustainability as meeting "the needs of the present without compromising the ability of future generations to meet their own needs." This philosophy is consistent with our long-term focus on delivering value and opportunity to our customers and other stakeholders.

Cisco's Sustainable Business Practices (SBP) team reviews emerging CSR issues and presents its findings to the Connected Business Operations Council (CBOC) and the Board of Directors, as appropriate. The Board of Directors oversees the implementation of CSR policies and initiatives through the SBP team, through CSR-related councils, boards, and working groups, and through embedded businesses processes. The SBP team works directly with Cisco executive leadership to improve practices and programs, and engages with [global stakeholders](#) to report and evaluate our CSR performance on an ongoing basis.

Cisco manages CSR initiatives using a cyclical process involving our stakeholders and the business. The steps in this process are shown in the diagram below.

CSR Business Process



CSR: Sustainable Business Practices

As part of Cisco's broader efforts to conduct and continuously improve upon sustainable business practices, we make CSR an integral part of our business environment. The *CSR Report* summarizes the CSR activities that take place during the fiscal year, and includes metrics that show impact and trends over multiple years. On an ongoing basis, the SBP team seeks better methodologies for collecting and presenting data, but also tries to keep the reporting uniform from one year to the next to show multiyear trends. Because stakeholder requests for information about our CSR efforts have increased in both number and complexity, we continue to evolve and scale the process we use to gather information and respond to these queries.

CSR Reporting

The annual CSR business process begins with Cisco's *CSR Report*, a document that is published in conjunction with the *Cisco Annual Report*. Disseminated to a diverse audience on web pages and in a comprehensive downloadable format, the *CSR Report* covers activities and associated impacts that occur during the fiscal year. The report also reflects our current efforts to incorporate stakeholder feedback and align our CSR efforts with our business objectives.

Although the *CSR Report* is an important milestone, it is only one of our reporting tools. We answer several questionnaires and surveys each month by gathering information from subject matter experts across the company. These surveys come from socially responsible research firms, investors, academics, industry groups, and customers. In addition to answering their questions, we establish ongoing relationships with these stakeholders through meetings, teleconferences, individual communications, and participation in both industrywide and CSR-focused conferences. We use the feedback that we derive from these engagements to enhance our CSR efforts and improve the results.

Stakeholder Engagement and Analysis

Cisco defines our stakeholders in very broad terms (see [Stakeholder Categories](#) below). Our stakeholder engagements include trending the importance of various CSR issues, identifying the partners and stakeholders most relevant to Cisco's business, and assessing the business value of each CSR initiative on an ongoing basis. We listen to CSR advocacy groups and diligently analyze CSR benchmarking and perceptions of our CSR performance.

Stakeholder Feedback to the Business

Throughout the year, but particularly at the beginning of the fiscal fourth quarter, we formally review the stakeholder feedback and integrate it with other key CSR criteria and business goals when we set objectives and plan CSR activities for the next fiscal year. The formal feedback and response cycle continues year round based on internal budgeting and reporting schedules. Stakeholder feedback that involves requests for greater detail, changes in priorities, or other alterations to what and how we report our activities are carefully considered and may be accommodated in the following year's *CSR Report*.

We collect feedback at several levels:

- Collaboration with business partners occurs throughout our fiscal year, in meetings and through data sharing in response to stakeholder inquiries. These inquiries include formal surveys from analysts and customers as well as questions from a variety of sources. They are an excellent indicator of the relative importance and range of CSR topics. This information is analyzed by the SBP team and shared with company organizations that may include human resources, workplace resources, compliance, sustainable development, manufacturing and value chain, engineering, the Ethics Program Office, and others.
- Feedback is presented to the company's boards or their constituent working groups or task forces. For example, feedback on environmental topics is reviewed with the EcoBoard and the Green Engineering Task Force.
- Feedback is also presented to Connected Business Operations Council, which consists of the chief financial officer (CFO) and senior operational executives for the engineering, IT, manufacturing, marketing, sales, and service groups. The CBOC review seeks to align our CSR efforts and performance with other business priorities.
- Cisco products and solutions offer substantial opportunities to address environmental issues such as climate change and social needs such as education and healthcare. Developing these opportunities and aligning them with our CSR goals and objectives is part of Cisco's regular market assessment and product development processes.
- Based on emerging trends and information, certain CSR topics receive additional support and resources. For instance, human rights as they relate to the Internet is an important issue. We continue to research new developments in this area. (See [Human Rights](#) below.)

CSR: Business Functions

Many business functions within Cisco not only contribute to CSR reporting, but also integrate CSR into their priorities, goals, initiatives, and other activities. In so doing, these functions provide additional value to the company and to all our stakeholders.

Prioritization, Goals, and Initiatives

Based on stakeholder feedback received by business functions and internal subject matter experts through formal reviews and informal dialogue, Cisco's business functions establish CSR-related goals and initiatives as part of their own business planning cycle. A review of CSR governance at Cisco over the past three years shows progress toward two strategic goals: (1) increase integration of CSR into functional business processes, and (2) improve and scale reporting while increasing transparency in the areas of employees and the environment.

Implementation

The implementation step in the CSR business process focuses on executing programs and projects to meet established goals. The SBP team collaborates with various internal groups that are implementing CSR programs and initiatives, representing the perspectives of CSR stakeholders and the goals set for CSR reporting. A Cisco best practice for this implementation is the Green Engineering Task Force process that includes a robust governance model. For more information about the Green Engineering Task Force, see the [CSR and the Environment](#) section.

Measuring Performance

In response to stakeholder feedback requesting enhanced metrics, Cisco includes a separate step in the CSR Business Process for measuring performance. Performance measurement includes objective (quantitative) metrics, year-to-year trending, and quality assurance. In the environmental area, Cisco believes our climate change performance measurement is a best practice. An initiative on systems and tools in FY10 is intended to improve metrics in additional areas of stakeholder interest, such as water management. Selected metrics are provided in the Key Performance Indicators table at the end of this section, and other sections of this report provide additional metrics. Cisco will continue to refine the definition and execution of our CSR business process and reporting.

CSR Awards and Recognition

Our work in the CSR sphere has been validated by a range of organizations and publications. Cisco received the following awards and other recognition during FY09:

Barron's, World's Most Respected Companies 2009

Ranked #10 (up from #13 in 2008) among the world's 100 largest public companies as measured by total market value on December 31, 2008

China Ministry of Commerce (MOFCOM) Award

"For Contribution to Relief and Reconstruction after the May 12, 2008 Sichuan Earthquake"

China Philanthropy Award from China's Ministry of Civil Affairs

For Cisco's Sichuan Province earthquake relief efforts

CRO (Corporate Responsibility Officer), 100 Best Corporate Citizens 2009

Ranked #6 (up from #14 in 2008)

Fortune, World's Most Admired Companies 2009

Ranked #31 among the top 50 most admired companies in a survey of businesspeople; ranked #1 in the Network Communications sector

Ethisphere Magazine's Most Ethical Companies

Great Place to Work Institute

50 Best Large Workplaces in Europe (Belgium, Denmark, Germany, Netherlands, and Spain): ranked #3

Best Workplaces in Austria (50 to 250 employees): ranked #1

Best Workplaces in Belgium (10 to 500 employees): ranked #3

Best Workplaces in Denmark: ranked #6

Best Workplaces in Finland (small organizations): ranked #2

Best Workplaces in France (Silver Award): ranked #12

Best Workplaces in Germany (501 to 5000 employees): ranked #2

Best Workplaces in Ireland (employers): Top 50

Best Workplaces in Netherlands: ranked #6

Best Workplaces in Norway (medium-size companies): ranked #5

Best Workplaces in Portugal: ranked #2

Best Workplaces in Spain (250 to 500 employees): ranked #1

Best Workplaces in Sweden: ranked #8

Best Workplaces in Switzerland: ranked #2

Hewitt Survey, Best Employers 2009

30 Best Employers in Asia
Best Employers in India: ranked #4
Best Employers in Turkey: ranked #5

Business Week: Best Places to Launch a Career: ranked #31 (up from #77 in 2008)

Working Mother Magazine: among the top 100 companies for working mothers

Institutional Investor Magazine

America's Best CEOs 2009: John Chambers ranked #1 in the Telecommunications-Data Networking & Wireline Equipment sector

Sell-Side and Buy-Side: ranked #1 in the sector

America's Most Shareholder-Friendly Companies 2009: ranked #1 in the sector

First Team: The magazine's U.S. Investor Relations Market Report named Cisco "First Team" in the Telecommunications/Data Networking & Wireline Equipment sector for both buy-side and sell-side Best Practices in Investor Relations

National Association for Female Executives (NAFE)

Top 50 Companies for Executive Women

DiversityBusiness, Div50

Ranked #6 among Top 50 Organizations for Diversity

IR Global Rankings 2008

List of Best Ranked Companies, Corporate Governance
Best Corporate Social Responsibility

Dow Jones Sustainability World and North American Indexes

Carbon Disclosure Project Leadership Index: 96% score in the Technology, Media, and Telecoms sector

Fast Company's 50 Most Innovative Companies: ranked #5

FTSE KLD Global Sustainability Index

A current list of CSR awards is maintained on the Cisco website [here](#).

Stakeholder Engagement

As companies expand the definition of stakeholder, they are also changing the nature of company-stakeholder relationships. Besides monitoring stakeholder comments and reactions, Cisco is reaching out to the stakeholder community in ways that are more collaborative, interactive, and proactive. Furthermore, we are making these conversations an integral part of our ongoing business assessments and strategy development.

Stakeholder engagements give us the information we need to align business practices more closely with market and societal needs. For example, a brand and marketing intelligence team at Cisco analyzes external CSR benchmark and survey findings and makes specific recommendations to senior executives based on those findings. This intelligence is used in strategic business decisions and is ultimately disseminated across Cisco's marketing groups by means of brand and management training programs.

Through stakeholder engagements, we also gain perspective and insight about how the company is performing. Specifically we:

- Learn about how Cisco's CSR efforts are perceived and where we could be more transparent or effective
- Gain insight from stakeholders with particular expertise or knowledge into our products, solutions, and market adjacencies
- Give Cisco leaders an opportunity to hear different perspectives and build ongoing relationships with key influencers

We conduct information-gathering sessions with key external stakeholders before and after the annual *CSR Report* is published to identify our strengths and pinpoint gaps and areas for improvement. We also analyze media coverage regularly to determine the impact of our messages and how the coverage compares with that of our competitors, peers, and CSR leaders.

In January 2009, the SBP team conducted a comprehensive benchmark against current environmental, social, and governance issues. Working with [Business for Social Responsibility](#) (BSR), we reviewed CSR reporting in relation to our competitors, IT peer companies, and CSR leaders. We also incorporated feedback from socially responsible investment and advocacy groups as well as major customers. The results, based on publicly available information, showed that Cisco scores highest in the areas of social and employee programs. From this benchmarking exercise we also learned that we need to improve reporting in some areas of environmental sustainability, including hazardous substances and water.

The feedback and scores we receive from CSR-related organizations indicate that we are continuing to make progress in several CSR categories. In overall terms, *Barron's* has ranked us number 10 on its list of the World's Most Respected Companies in 2009 (among the 100 largest companies by total market value), and CRO (Corporate Responsibility Officer) rated us number 6 among its 100 Best Corporate Citizens for 2009. In the past few years, we have moved to "prime status" in Oekom Research's sustainability ratings, and we have maintained our standing on the World and North American Dow Jones Sustainability Indexes, as well as on KLD Research & Analytics' global sustainability index. Cisco ranked second, with a score of 96 percent, in the Technology, Media and Telecoms sector of the Carbon Disclosure Project's Leadership Index.

Stakeholder Categories

Corporate social investments can help sow the seeds of prosperity anywhere in the world, but especially in those places where the needs are greatest. People prosper when their basic needs have been met and they are free to reach their full potential, increasing their own well-being and that of their family and community. Food, shelter, and health are essential to human life. But knowledge is the key to prosperity in the modern world, and the catalyst for acquiring that knowledge is education.

Cisco takes a results-oriented approach to CSR by compiling a strong portfolio of social investments and continually assessing how well they perform. Our investment model focuses on education as a catalyst for social progress, but we also invest in programs that offer sustenance and support to people in need. We look for CSR investments that offer a good return by having a measurable impact on lives and society, and that promise to grow and sustain themselves over time through community involvement.

Innovation is central to Cisco's business approach, whether in product development, supply chain management, sales and marketing, or corporate social responsibility. We are always looking for new and better ways to apply our core competencies to build healthier, more productive, and more sustainable communities, enabling them to play a stronger role in promoting prosperity throughout the global community.

- Partnerships are invaluable for social goals as well as business goals. Cisco has gained a global reputation for seamlessly integrating supply chain partners into our business, and we have applied this talent for successful partnering to the CSR arena. Using public-private partnerships, Cisco has succeeded in bringing innovative ideas and practiced expertise together to address global challenges and, as a result, improve outcomes for individuals and communities.
- We apply the same original thinking and collaborative spirit that goes into our products and business processes to the challenges that our social investments are working to address. In collaboration with established institutions and agencies, we look to develop breakthrough approaches based on 21st century technologies and techniques.
- We not only invest, we engage. Our employees bring their own intelligence, business acumen, and socially responsible attitudes to the programs that we initiate and incubate. They work side by side with our partners to brainstorm, coach, and then apply their world-class competencies to local initiatives.

Cisco's commitment to stakeholders is as diverse as the stakeholder groups themselves. These groups are not mutually exclusive; our engagements often cross stakeholder boundaries. Cisco's stakeholders include:

- Communities and institutions
- Customers and consumers
- Industry organizations and analysts
- Cisco employees
- Government entities
- Cisco shareholders and potential investors
- Business partners and suppliers
- CSR organizations, advocates, and media

Our engagements with stakeholders are discussed briefly below. Further information can be found throughout this report and on the Cisco website.

Communities and Institutions

Our social initiatives generally take the form of public-private partnerships organized to make the most of Cisco's technology, expertise, and unique perspective, as well as human and financial capital. Our operations and corporate and employee contributions serve to enhance the quality of life across global communities. We address important social issues through initiatives that can scale in size and scope, can be replicated in other environments, and can move toward self-sustainability. This brings an entrepreneurial, results-based focus to community engagement, improvement, and economic growth.

We engage with stakeholders from institutions that include universities, schools, social and educational research organizations, and laboratories. Cisco focuses considerable attention and resources on education. The future growth and stability of our global economy depends on the ability of education systems to prepare students for career opportunities and help them attain higher levels of achievement. Cisco has long believed that the Internet and education are the two great equalizers in life. We are at the forefront of the movement to make sure education systems are prepared to meet the challenges of the 21st century. Cisco is working with educators and some of the world's leading experts to develop, scale, and replicate successful models that promote global education transformation. For more information, see [Education: Catalyst for Prosperity](#) in the CSR and Society section of this report.

Feedback Mechanisms

Cisco engages with communities directly through our various public-private initiatives and, at a higher level, through a number of CSR-oriented organizations and other influencers. (See the [Appendix](#) for a list of organizations.) Our SBP team is responsible for managing collaboration and feedback between CSR stakeholders and the company. The team gathers information through online exchanges, face-to-face and virtual meetings, surveys, customer requests for proposals, participation in industry groups, benchmarking and research reports, and communications with our regional and field offices. We have also been successful in making use of Web 2.0 technology such as [Facebook](#), [Twitter](#), [Flickr](#), and various [blogs](#), and we are a leader in implementing leading-edge collaborative technologies such as Cisco TelePresence™ and Cisco WebEx®. In addition, Cisco Networking Academy® conducts its own surveys of students and instructors, and conducts analyses to determine the effectiveness of the academy's curricula worldwide.

For more information on Cisco's education programs and other social initiatives, see the [CSR and Society](#) section.

Customers and Consumers

We strive to treat our customers and consumers fairly and honestly, maintain product quality and integrity, engage in responsible marketing and consumer information practices, and address social and health issues related to our products. Part of our commitment to this group of stakeholders is to make sure that our business partners and suppliers uphold the ethical standards that we set for our own employees.

Product sustainability is a major concern for today's consumers and a key element in our environmental responsibility efforts. We work to decrease the toxicity of the materials used in our products' manufacture, the energy consumed during the products' useful lives, and the waste they produce when they reach end of life. For more information, see the [CSR and the Environment](#) section and the [CSR and Our Value Chain](#) section.

Feedback Mechanisms

Cisco invites feedback from customers in a number of ways:

- Customers can access the online Cisco Customer Satisfaction Survey at any time. More than 80,000 customers participated last year.
- A semi-annual global brand tracking survey targets key customer segments in Cisco's principal and emerging markets. Another brand survey is directed at key segments in the United States.
- Information from our customers' chief information officers (CIOs) provides valuable feedback about Cisco technologies and business relationships.
- Attendees at Cisco's annual CIO/CEO Summit meetings are asked to offer their insights and opinions, both before and after the event.

For more information about our responsibilities to customers and consumers, see [Governance and Ethics](#) below.

Industry Organizations and Analysts

As a member or interested party, Cisco engages with information and communications technology (ICT) organizations that range from industry-funded trade and standards-setting groups to government commissions and nongovernmental organizations focusing on specific ICT issues. We also engage in dialogues with industry analysts who do market research and issue reports that describe market conditions and trends, model industry activity, and provide forecasts. An important CSR consideration is how well the company communicates to the analyst community and how we are perceived in relation to our industry peers.

Feedback Mechanisms

We monitor all major [industry analysts](#) and assess their coverage of Cisco's technologies, business, and policies on a quarterly basis. We also conduct a semiannual industry-relations benchmark study to measure the effectiveness of our interactions with analysts.

Cisco is an active participant in a number of industry trade organizations. A list of these and related business and government organizations with which we interact can be found [here](#) on the Cisco website.

Cisco Employees

As the working world continues to evolve, so do the needs and aspirations of the global workforce. At Cisco, we recognize that innovations in our employee relations and engagements are just as important to our success as the technical innovations we bring to networking.

We constantly evaluate our employee programs and work environments to make sure they meet the needs of our employees, who vary widely in their job descriptions, ages, working styles, cultural backgrounds, career aspirations, and personal lives. We have found new and innovative ways to cultivate inclusiveness, develop leadership abilities, nurture career growth, and engage our employees in our strategies and objectives. We adjust our policies with a view to helping employees stay healthy and keep their work and home lives in balance. In addition, we have taken a leadership role in creating workplaces that are safe and professional, and that promote teamwork, diversity, personal development, and trust.

Feedback Mechanisms

Once a year, we conduct a comprehensive survey of all employees called the Cisco Pulse Survey. We also conduct surveys of a cross-section of the employee population on a quarterly basis, and we use various other techniques to gather opinions and suggestions from individual employees, such as meetings, focus groups, performance reviews, and coaching. Survey results are described in detail in the [CSR and Our Employees](#) section.

Government Entities

We are committed to conducting business in compliance with the letter and spirit of the law, regulatory requirements, and other accepted standards of business conduct. Because regulations differ depending on the country and jurisdiction, we have established regional legal teams and work with legislators and government officials. We also establish close public-private partnerships with government entities at the national, regional, and local levels to carry out our CSR initiatives.

Feedback Mechanisms

Cisco hosts a [blog](#) on our blog site The Platform titled "High Tech Policy: Thoughts and Opinions on Government Affairs." Government entities join the conversation by posting comments.

In addition, Cisco's Global Policy and Government Affairs (GPGA) team develops and influences pro-technology public policies and regulations. Working collaboratively with industry stakeholders, association partners, and government leaders, the team builds relationships with constituencies aimed at influencing policies that affect Cisco's business and the ICT industry in general. In this way, Cisco helps shape policy decisions at a global, national, and local level. The GPGA team includes former elected officials, legislators, parliamentarians, regulators, senior U.S. government officials, and government affairs professionals.

Cisco Shareholders and Potential Investors

We strive for transparency and reliability in our financial reporting. Making sure that Cisco's financial results fairly reflect the results of our operations is of paramount importance to the company and our investors. At Cisco, we have always been diligent in maintaining compliance with generally accepted accounting principles (GAAP). We are also committed to reporting our results with objectivity and the highest degree of integrity, and to providing financial information that is timely, complete, relevant, and accurate.

Cisco disseminates information to shareholders and prospective investors on a comprehensive [website](#), and we offer CSR information through other sources such as Dow Jones Sustainability Indexes, [TheCRO.com](#), and the [Global Reporting Initiative](#) to assess the overall health and sustainability of the company. During FY09, the investor relations team conducted a third-party perception study through the research firm Rivel Research. We welcome feedback from shareholders at our Annual Meeting of Shareholders and maintain open communication with our investors on a regular basis.

For more information on Cisco shareholder engagement, see the [Cisco Annual Report](#) or visit our [Investor Relations](#) website.

Business Partners and Suppliers

We work to establish and maintain productive relationships with our business partners and suppliers. Our go-to-market approach fosters vigorous but fair competition. Cisco has become a market leader while complying with all applicable laws protecting competition and the integrity of the marketplace.

To familiarize our suppliers with our values and what they need to do to fulfill our commitments to our other stakeholders, we require them to subscribe to a code of conduct. All Cisco employees are expected to conduct themselves with the highest standards of honesty, fairness, and personal integrity, and we expect the same from our business partners and their employees. With respect to our value chain, Cisco's Supplier Code of Conduct applies globally to Cisco suppliers and pertains to any entity that seeks to sell goods or services to Cisco, including a supplier's employees, agents, and other representatives.

For more information, see [Ethical Value Chain](#) below.

Feedback Mechanisms

- A segment of the online Cisco Customer Satisfaction Survey measures satisfaction with Cisco channel partners.
- A new Partner Pulse Survey asked global partners to provide feedback about tactical areas of the business. This survey will be conducted quarterly in FY10.
- We receive feedback from suppliers through primary research and benchmarking activities, as well as through in-person supplier business reviews, annual preferred supplier appreciation events, supplier councils, and annual surveys.

For more information on policies regarding our business partners and value chain, see [Governance and Ethics](#) below and the [CSR and Our Value Chain](#) section.

CSR Organizations, Advocates, and Media

Cisco engages with a wide array of organizations and advocacy groups devoted to the many issues relating to corporate social responsibility, including environmental sustainability, economic development, ethics, and human rights. We also cultivate relationships with a number of media organizations.

Cisco was an early member of the [Electronic Industry Citizenship Coalition \(EICC\)](#), a group of companies whose mission is to create a comprehensive set of tools and methods that support credible implementation of a code of conduct throughout the electronics and ICT value chain. Cisco sits on the board of directors and has helped guide the organization's expansion. Cisco representatives are also involved in various EICC workgroups. Through the EICC, Cisco has actively contributed to the development of standardized methodologies, tools, and processes for assessing and monitoring value chain social responsibility across our industry sector.

In addition, Cisco is a long-time board member of the [Global e-Sustainability Initiative \(GeSI\)](#), a consortium of companies formed in 2001 in support of the United Nations Millennium Development Goals. Through our involvement in GeSI, Cisco is working with other ICT companies to further sustainable development in the ICT sector, with particular focus on product responsibility, value chain management, and climate change. Workgroups dedicated to these specific issues provide advice to companies, policymakers, and consumers.

Because a healthy environment is crucial to human society and life in general, we regard our environmental sustainability initiatives as an essential part of our CSR efforts. We engage with organizations and environmental advocates to help measure our efforts against our goals and the activities of comparable companies. Several of these engagements are discussed in the [CSR and the Environment](#) section and the [CSR and Our Value Chain](#) section.

The sustainability vision we seek to convey to stakeholders is that ICT will play a key role in transforming the way the world responds to environmental challenges. Cisco develops networking initiatives and solutions such as [Cisco Connected Urban Development](#), [Cisco TelePresence](#), [Cisco WebEx](#), and [Cisco Connected Real Estate](#) that benefit the environment by improving service delivery and transportation in urban areas, reducing the need for business travel through virtual collaboration, and making buildings more manageable and energy efficient.

Cisco can assure stakeholders that we practice product stewardship that starts with product design and continues all the way to the end of the product's useful lifespan and disposition.

Feedback Mechanisms

Cisco solicits feedback from CSR organizations through formal surveys and informal one-on-one conversations. Feedback about our environmental efforts comes from many sources, both external and internal. For a detailed description of our environmental initiatives, certifications, and associated metrics, see the [CSR and the Environment](#) section and the [CSR and Our Value Chain](#) section.

For a list of CSR-related organizations with which Cisco engages, see the [Appendix](#).

Human Rights

Cisco strives to treat employees, customers, partners, suppliers, and other stakeholders, as well as the communities we serve, with respect and dignity. As a supporter of the [Universal Declaration of Human Rights](#) and the [United Nations Global Compact](#), Cisco has incorporated applicable laws and widely accepted ethical principles into the company's codes of conduct, employee policies, and business guidelines. In addition, we have implemented various policies, practices, and procedures relating to human rights around the world. We are continually evaluating and addressing human rights issues in our business operations and in the communities where we operate.

The Cisco Board of Directors as a whole reviews human rights issues relevant to Cisco. Our management invests significant time and resources to ensure that our activities and policies promote, and are consistent with, our goals and initiatives regarding the improvement of human rights worldwide. Through the measures we currently have in place, we believe that the Board of Directors is able to effectively oversee the global impact Cisco's policies and activities have on human rights.

Commitment to Human Rights

Cisco's commitment to human rights is summarized in this excerpt from the Cisco Code of Business Conduct:

Cisco strives to treat employees, and the communities in which we serve, with respect and dignity. A supporter of the United Nations Universal Declaration of Human Rights and Global Compact, Cisco's codes of conduct, employee policies and guidelines substantially incorporate laws and ethical principles, including those pertaining to freedom of association, nondiscrimination, privacy, compulsory and child labor, immigration, and wages and hours. Consistent with Cisco's culture and applicable laws, employees are encouraged to:

- *Promote a safe, healthy, and supportive work environment where employees can contribute their skills*
- *Participate with local stakeholders in addressing community well-being, social and economic development, and environmental preservation*

Employees shall respect the human rights and dignity of others as outlined in the Code of Business Conduct, employee policies, and guidelines or local laws applying and abiding within the scope of their individual roles and responsibilities to whichever sets higher standards.

The [Cisco Code of Business Conduct](#) is a collection of Cisco policies and practices that outlines the ethical principles which guide our expectations of business conduct in the workplace and are integral to the way we conduct business globally. All employees are required to certify each year that they have reviewed, understand, and agree to abide by the policies and guidelines in the Cisco Code of Business Conduct, and confirm their commitment to ethics at Cisco. There are clearly defined procedures in place to manage, monitor, and escalate any violations of these policies. For more information, see [Governance and Ethics](#) below.

One essential component of human rights is workplace rights, which are integral to our employee policies and also inform our choice of partners and suppliers. We fully support our employees'

right to freedom of association as defined in international and United States law, and we believe employees should make decisions about such associations in an atmosphere free of interference or coercion.

Regarding human rights in our value chain, Cisco is a member of the [Electronics Industry Citizenship Coalition \(EICC\)](#) and provides leadership to the organization with board membership and active participation on various working groups. Like other member companies, Cisco uses the [EICC Code of Conduct](#) as a guideline for performance and compliance with critical CSR policies. The EICC code includes tools to audit compliance and helps us report on progress. Cisco provides all of our suppliers with the [Cisco Supplier Code of Conduct](#), which conforms to the EICC code with regard to compliance and performance expectations across five areas of social responsibility: labor, health and safety, environment, management systems, and ethics. The EICC's focus on human rights is evident in the breadth and depth of the labor standards covered by the code, including freely chosen employment, child labor, working hours, wages and benefits, humane treatment, non-discrimination, and freedom of association. For more information, see [Supplier Code of Conduct and Ethics Policy](#) below.

In addition to a human rights focus on our employees and value chain, Cisco has a strict requirement of compliance with United States government policies regarding the export and use of products, policies that are designed in part to address human rights concerns.

Cisco's Position on Internet Freedom

Cisco has developed business practices that are designed to promote, among other things, freedom of expression, privacy, and other fundamental personal freedoms. These practices, combined with our networking technology, support free and open Internet access throughout the world.

Cisco sells the same equipment worldwide. We do not customize or develop specialized or unique filtering capabilities in order to enable different regimes to block access to information. While Cisco is not a network operator we believe the network operation principles adopted by the [Global Network Initiative \(GNI\)](#) are appropriate, and if we were to operate a network, it would be our intentions to act in accordance with those principles.

With regard to Internet surveillance, Cisco does not have influence over our customers' implementations. While our products can perform a range of functions, our customers determine the specific use of those capabilities. Our products are built to global standards, and we do not customize them in any manner in order to facilitate repression or infringement of rights.

We believe that the threat to Internet freedom today does not reside in standardized equipment, but rather in efforts to force suppliers to adopt special protocols or standards that deviate from global norms and enable special censorship or filtering systems. We have worked in opposition to such efforts, and will continue to do so.

"Our standing as an ethical company, just like our reputation as a leader in communications and IT, is a critical asset and as important as the technology we create. We are all responsible for protecting it. I expect this of myself, my leadership team, and every one of you."

— John Chambers, Cisco
Chairman and CEO
From the letter to
employees in the Cisco
Code of Business
Conduct

Governance and Ethics

Cisco is committed to conducting business ethically, honestly, and in accordance with our values and the Cisco Code of Business Conduct, in full compliance with all applicable laws and regulations.

There are several advantages to maintaining high ethical standards:

- Our customers and partners prefer to do business with a company that has a reputation for honesty, fairness, and responsible operations.
- Ethical companies attract dedicated employees who take pride in where they work.
- Individual, institutional, and sovereign (governmental) investors are increasingly taking social and environmental issues into account when deciding where their funds should be invested.
- A reputation for good governance increases our stature among competitors and bolsters our leadership role in the industry.
- A company that can demonstrate a track record for ethical behavior is viewed in a positive light by regulators, government leaders, and community groups.

Cisco has established a strong ethics program, overseen by Cisco's Ethics Office, that raises ethics awareness among our employees, partners, and suppliers by delivering information and training through a variety of conduits. The Ethics Office and its many resources (see [Ethics Resources for Employees](#) below) are available to any employee, customer, partner, other stakeholder, or anyone else who wants to notify Cisco of possible noncompliance with a Cisco policy.

The ethics team works with a variety of internal partners, such as legal, employee relations, human resources, sales finance, customer advocacy, and brand protection. The ethics team is also a member of the Cisco Corporate Compliance Work Group, a cross-functional organization comprising several Cisco groups with policy, governance, and compliance responsibilities.

There are several ways that employees can voice a concern about an issue that might constitute a violation of the Code of Business Conduct or some other Cisco policy. Employees can begin by talking to a manager or a human resources representative, both of whom have a responsibility to listen and to help. Cisco managers also have a duty to promote an open and honest environment where members of their teams feel comfortable voicing their concerns without fear of retaliation.

Another option is for employees to contact the Ethics Office directly. They can do this using EthicsLine, a global, third-party reporting service provided by The Network. Employees can call the EthicsLine service at any time and speak with an interview specialist (through an interpreter, if necessary), who generates a report for Cisco management. This call may be made anonymously in countries that allow such anonymity. Employees can also contact the Ethics Office by email, or by using a web form. If employees have a question about a legal or accounting matter, they can get in touch with the legal department or the audit committee, respectively. All ethical concerns are promptly addressed by the appropriate resource.

“Cisco has proven to be one of the world leaders in upholding high ethical standards, making it a true standout in its industry, especially as unethical business actions and decisions grab headlines each day. The competition for this year’s World’s Most Ethical Companies was very strong and we applaud Cisco for rising to the top for the second year in a row. Cisco recognizes that being ethical is not only the right thing to do, it is also good business practice and leads to more successful and profitable operations.”

— Alex Brigham, Executive Director, Ethisphere Institute

Ethisphere Awards and Certifications

Cisco was named one of the [World’s Most Ethical Companies](#) for a second year running by the Ethisphere Institute, a leading policy organization dedicated to researching, creating, and promoting best practices in ethics, compliance, corporate governance, and citizenship. We earned a place on Ethisphere’s 2009 list by going beyond legal minimum requirements, introducing innovative ideas to benefit the public, and inducing competitors to follow suit by exhibiting ethical leadership in the marketplace.

Using a rigorous, multistep evaluation process, Ethisphere’s researchers and analysts reviewed more than 10,000 companies to determine the 99 finalists. The methodology for the World’s Most Ethical Companies ranking includes:

- Examining the company’s code of ethics
- Reviewing litigation and regulatory infraction histories
- Evaluating investments in innovative and sustainable business practices
- Assessing activities directed at improving corporate citizenship
- Taking into account nominations from senior executives, industry peers, suppliers, and customers
- Asking consumer action groups for feedback

The Ethisphere methodology committee, composed of leading attorneys, government officials, professors, and organization leaders, was consulted early in the process and had the opportunity to review and comment on the methods used to rate this year’s nominees. Ethisphere researchers further analyzed the information provided by the nominated companies.

In addition, Cisco received the Ethisphere Institute’s [Ethics Inside](#) certification that extends through 2010. Ethics Inside certification is granted to organizations that have an employee and leadership culture that does a superior job of promoting ethical business practices. As part of this culture, the organization must have systems and programs in place to prevent compliance failures and ethics breakdowns. Analysts evaluate more than 50 separate criteria in determining whether or not an organization qualifies for certification.

Ethical Employees

Cisco defines employee engagement as the connection that our employees feel to [Cisco's vision](#), strategies, and business execution, together with their commitment to helping realize the company's objectives over time. We have found that employee engagement is closely related to productivity and job satisfaction. An important aspect of employee engagement at Cisco is our employees' connection to the company's values of trust, fairness, and integrity.

Creating and maintaining an ethical workplace is critical to Cisco's business sustainability and long-term success. We believe that each employee at Cisco is individually empowered and responsible for maintaining the highest standards of ethical behavior. We strive to ensure that employees have access to all the information, resources, and guidelines they need to support their own good judgment in evaluating problematic situations and making ethical decisions. Violation of a Cisco policy, guideline, or practice could result in disciplinary action, up to and including termination of employment.

Cisco Code of Business Conduct

Each fiscal year, we ask all Cisco employees to renew their commitment to the company's ethical guidelines by reviewing and certifying the [Cisco Code of Business Conduct](#). Our code received the highest grade in an Ethisphere Institute benchmark of corporate codes of ethics in 2008. It reinforces Cisco's core values and provides employees with information about our policies and procedures, as well as offering suggestions for ethical decision making based on what-if scenarios that reflect actual situations. Administered by the Cisco Ethics Office, the Cisco Code of Business Conduct is a living document that is revised periodically to improve comprehension, currency, and usefulness.

Cisco's Code of Business Conduct has been designed to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest that arise from personal and professional relationships
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that Cisco files with, or submits to, government agencies and in other public communications
- Protection of Cisco's confidential and proprietary information, and that of our customers and vendors
- Compliance with applicable governmental laws, rules, and regulations
- Full adherence to the Code of Business Conduct and prompt internal reporting of violations

Cisco provides various means for employees to report ethical concerns, including email, a confidential (anonymous) web form, and a globally available hotline. Our Audit Committee has procedures for the anonymous submission of employee complaints on accounting, internal controls, and auditing matters.

How a Typical Ethics Case Unfolds

Following is an example of how Cisco deals with a possible ethics infraction within the company.

A Cisco employee called the EthicsLine hotline anonymously to report a potential ethics violation by a fellow manager. The EthicsLine service is maintained for Cisco by a third-party reporting agency service, The Network. The Network's report stated that the coworker in question hired a company owned by his brother to perform contract work for Cisco. He did not disclose the family connection, as required by the Code of Business Conduct, and he did not disclose that he was on the vendor company's board of directors and received a yearly stipend.

The case was assigned to an internal investigator based in the region where the suspected infraction took place. The investigator interviewed the reporting employee through The Network to maintain that person's anonymity. Other knowledgeable parties were also interviewed, and then the investigator talked with the manager in question and officials at the vendor company to get their point of view. Cisco Human Resources kept track of the case as it progressed.

The investigation found that the manager's relationship with his family-owned business did indeed present an ethics dilemma. However, since the vendor company had not started work for Cisco, a conflict of interest violation under the Code of Business Conduct had not as yet occurred. To avoid its occurrence, the vendor selection process was restarted without the involvement of the manager. In addition, the family-owned business was removed from Cisco's vendor list for its failure to abide by the Cisco Supplier Code of Conduct. The manager continued his employment with Cisco, but was required to resign from the vendor's board of directors. He was also briefed again on Cisco's conflict of interest policy by Human Resources. In addition, the case was reported to Cisco's Audit Committee.

Ethics Resources for Employees

To help employees fulfill their commitment to ethical practices, Cisco maintains a variety of ethics resources. They include:

- **Ethics Resource Center:** A comprehensive internal website that features training modules, related articles, an Ethics Discussion Forum, and links to other ethics and compliance policies
- **Ethics Decision Tree:** A tool that takes the employee through a series of steps to help determine what to do about an ethics issue
- **Ethics Idol:** An interactive web tool based on the popular *American Idol* TV show that presents various ethical dilemmas and asks the user to vote on the best resolution (see the sidebar)
- **Management Central:** Resources that support managers as ethics advocates, such as communication tools for talking about ethics to employees and guidance on how to handle ethical disclosures presented to them by employees; an ethics decision-making course, intended for new managers, is now under development
- **Ethics Booth at FY09 Global Sales Meeting:** Offered Cisco's global sales team guidance and support toward the goal that each business transaction is conducted ethically, responsibly, and in compliance with local laws and Cisco's policies
- **Ethics Connect:** An online application that certifies that employees have signed and agreed to the Code of Business Conduct, and allows them and any manager in the reporting hierarchy to view their certification status; in FY09, 100 percent of eligible employees completed the certification within a 10 week period

Ethics and Compliance Training

Besides the ethics resources described above, Cisco also offers ethics and compliance training courses designed for specific employee groups. For instance, an ethics course directed at newly hired employees is delivered every quarter via Cisco WebEx or Cisco TelePresence to audiences worldwide. To see a video created for new hires in which Cisco senior managers talk about Cisco's commitment to ethical business practices, click [here](#).

Another ethics class is tailored for members of the Cisco Sales Associate Program, a graduate recruitment initiative that cultivates product knowledge and teaches sales, business, and finance skills to sales account managers and systems engineers. A pilot program launched in the United States and Canada in FY09 focuses on ethics for human resources professionals.

Periodically, the Ethics Office addresses interdepartmental ethics issues by participating in web broadcasts and other information events. For example, in December 2008 the Ethics Office manager was featured in a broadcast on how employees should approach the problem of offering and accepting gifts and gratuities while staying within the rules promulgated by the Code of Business Conduct.

Cisco also requires that employees who engage in public-sector sales or who interact with government customers and guests complete Cisco's online anticorruption training annually, which includes a short assessment. Cisco employees who support our business with the United States Government or U.S. state and local governments must review and sign a supplemental public-sector code of conduct and take related online training every year.

Hitting the Ethics High Notes

An ethical dilemma may not ordinarily inspire people to burst into song, but one employee resource at Cisco takes a light-hearted musical approach to what can be a rather dry subject. *Ethics Idol*, developed for Cisco by The Network, puts a lively spin on ethics training with an award-winning parody of the *American Idol* talent show. The "show" is accessible to all employees over the Cisco intranet and can also be used in a classroom setting.

Ethics Idol features four animated cartoon contestants who each perform a song that describes an ethical problem. Three quirky judges offer their opinions of each performance, and then employees are asked to vote on which judge provides the best solution to the dilemma. Using polling technology, employees can instantly see how their vote compares to their peers' decisions. After voting, employees receive a detailed explanation about the Cisco policy pertaining to the ethics scenario they have just watched.

The scenarios are framed in such a way that the proper course of action is not obvious. "*Ethics Idol* helps raise awareness among Cisco employees that an ethical dilemma is not always cut and dried," says the manager of the Ethics Office. The Cisco Code of Business Conduct that employees refer to for guidance presents ethics issues in the same problem-solving context that *Ethics Idol* uses.

Ethics Idol received a 2008 Stevie Award for Interactive Multimedia in the Professional Education category from [The American Business Awards](#).

Ethical Business Partners

Cisco's business partners include resellers, systems integrators, distributors, sales agents, and consultants who support sales. A substantial portion of Cisco's revenue is generated through these partner companies, which are also referred to as sales channel partners. Every company is evaluated before it is invited to become a partner, a vetting process that includes background investigations of the company and its executives or principals, and a review of the company's current and prior business dealings. After a business becomes a Cisco partner, it is also required to periodically renew its partner status. This renewal requires the partner to complete an appropriate level of additional background investigation and ethics training, and also requires a contractual agreement to act in a manner consistent with Cisco's [Global Anti-Corruption Policy](#).

As a practical matter, Cisco focuses most ethics compliance efforts on our primary channel partners, which number well over 2000 companies worldwide. Partners have the responsibility to ensure that the subcontractors, agents, and other third parties they employ also act ethically and with integrity.

We set the same basic standards for honesty, fairness, and integrity for our partners that we set for our employees. We require partners to agree to policies regarding compliance with those standards, which are summarized in "Promoting Successful Business Relationships: Cisco's Expectations of Its Business Partners." Cisco's expectations for business partners include restrictions and prohibitions regarding:

- Payments and gifts to employees
- Conflicts of interest for employees
- Unfair or unethical business practices
- Corruption as defined by the Cisco Global Anti-Corruption Policy, which conforms to U.S. federal law as embodied in the Foreign Corrupt Practices Act of 1977 and other statutes
- Political contributions, donations, and lobbying efforts on behalf of Cisco
- Insider or nonpublic information regarding Cisco
- Sales order procedures
- Cisco brand protection and product counterfeiting
- Export laws and regulations

Cisco partners may receive online training in Cisco's policies and procedures, as well as support by Cisco's legal team and Human Resources staff.

To promote compliance with Cisco policies, the Cisco Distribution Review Board reviews and approves all distribution partner contracts at the time of initial signing and each time the contract is renewed. The board consists of the Cisco vice president in Worldwide Channels Distribution who is responsible for the relevant sales channel, company legal advisors, representatives of our Brand Protection team, and members of our finance organization. Cisco field managers engage with business partners locally and help screen them through background checks and other research.

If Cisco policies conflict with local laws or social customs, the company's channel organization follows up with partners at the executive level to resolve these issues. Cisco assesses countries and communities on an ongoing basis to help identify special circumstances that may have a bearing on partner engagements, and to help manage the associated risks.

One example of how Cisco is adapting partner engagement to a specific region is a pilot project currently aimed at Latin American partners. Because gift giving is often a part of the sales process in this region, Cisco's channel organization has drafted a letter to partners that clarifies which practices are permissible and which are not within the context of cultural norms. Examples illustrate various situations and the policies that govern them. We will assess the outcome of this approach with the expectation of extending it to other regions.

Ethical Value Chain

Creating responsible products from both a social and an environmental perspective is an important part of Cisco's CSR efforts. We work to disseminate our values across our value chain, and we engage with organizations dedicated to developing and proliferating best practices in the manufacture and distribution of ICT technology and equipment, such as the [Electronic Industry Citizenship Coalition](#). We recognize that we share responsibility with our value chain partners for how manufacturing activities are carried out.

Supplier Code of Conduct and Ethics Policy

Cisco's [Supplier Code of Conduct](#), which outlines our performance and compliance expectations, conforms to the [Electronic Industry Citizenship Code of Conduct](#). The Cisco Supplier Code of Conduct sets forth requirements in five areas of corporate social responsibility:

- **Labor:** We expect our suppliers to uphold the human rights of workers and to treat them with dignity and respect. Standards such as the Universal Declaration of Human Rights, Social Accountability International, and the Ethical Trading Initiative were used as references in preparing the Cisco code.
- **Health and safety:** Suppliers must provide a safe and healthy work environment. Management systems such as OHSAS 18001 and International Labor Organization Guidelines on Occupational Safety and Health were used as references.
- **Environment:** We require suppliers to minimize adverse effects on the environment and natural resources during the manufacturing process, and to take steps to safeguard the health and safety of the public where they operate. Management systems such as ISO 14001, the Eco Management and Audit System, and the Kyoto Environmental Standard were used as references.
- **Management system:** Suppliers must adopt or establish a management system designed to promote compliance with applicable laws and regulations, conformance with the Cisco code, and identification and mitigation of operational risks related to the code. The system should also facilitate continual improvement.
- **Ethics:** Suppliers must observe ethical standards concerning corruption, privacy, fairness, intellectual property protection, and similar matters.

To enforce the Supplier Code of Conduct, Cisco requires that all suppliers sign the Cisco [Supplier Ethics Policy](#) as part of the Cisco Supplier Qualification Package. The policy applies to all businesses, companies, corporations, and individuals that sell or seek to sell any goods or services to Cisco, and covers all the supplier's employees, agents, and other representatives.

For information on diversity initiatives and other CSR activities in the Cisco value chain, see the [CSR and Our Value Chain](#) section.

Ethical Business Communications

Marketing communications that do not conform to generally accepted ethical or cultural standards, or are deemed inappropriate, can damage a company's reputation and pose financial and legal risks. Marketing communications are regulated by national and international law, and are also subject to voluntary codes such as the International Chamber of Commerce's [International Code of Advertising Practice](#) and the Organisation for Economic Cooperation and Development's [Guidelines for Multinational Enterprises](#).

Cisco's marketing communications are governed by our Code of Business Conduct and by additional guidelines and best practices. These include the following:

- Cisco's advertising agency of record has agreed to abide by our ethical standards.
- Our marketing vendors are required to take a brand training course that includes ethics guidelines.
- Cisco's corporate editing team is trained in ethical marketing communications principles. This team reviews all marketing content intended for audiences outside the company and routes any questionable messaging to subject matter experts for validation or verification.
- When gathering market intelligence and other competitive information, we follow the guidelines published by the [Society of Competitive Intelligence Professionals](#).
- Our Green Marketing and Communications guidelines are promoted and distributed to global marketing and communications teams. These guidelines state that Cisco employees must comply with local and national guidelines, such as the U.S. Federal Trade Commission's [Guidelines for the Use of Environmental Marketing Claims](#) and the [European Advertising Standards Alliance](#).
- Cisco is working to "dematerialize" our global marketing efforts to reduce environmental impacts and lower costs. For instance, the direct marketing team seeks to reduce paper use by employing electronic media whenever possible.
- For employees who host events such as product launches and conventions, we offer an online training course called "Creating and Managing a Green Event."

Enterprise Risk Management

Assessing and dealing with risk is an important aspect of doing business as a global company. To maintain our business resiliency, Cisco works to anticipate and prepare for major disruptive events that might threaten our ability to conduct business. From deploying backup communications systems to maintaining the safety of Cisco employees to dealing with natural disasters to evaluating new legislation and geopolitical changes, Cisco seeks to ensure business continuity across the company. Balancing risk and opportunity is necessary in an uncertain world, but risk management experts can help make sure that the balance is well understood and that the company is adequately prepared.

Comprehensive risk management is not only necessary for our internal operations, it is also required by many of our customers who themselves seek to minimize risks by making sure their suppliers have anticipated and prepared for possible problems by implementing business continuity plans. Our risk assessment activities extend to our customers, partners, suppliers, service providers, governmental health and safety organizations, and other stakeholders.

We identify our top corporate risks by category, by frequency, by severity, and by management effectiveness. We also identify interdependencies within and among risks. Part of this process requires the development of "risk maps" that measure the likelihood and severity of an adverse event based on interviews with the risk owners within the company. These maps identify the portfolio of assets that are at risk, the level of risk, what considerations need to be built into the business model to address the risks, and how the risks should factor into a group or business unit's decision-making process. Factors used in relative risk ranking and mapping include geopolitical and financial events, pandemics, and governmental stability.

In FY09, we continued to improve our governance structure by researching and incorporating best practices and the latest ideas in the field. We strengthened our risk management posture by:

- Completing the first phase of a common risk and compliance framework so we can perform predictive modeling on multiple strategic and operational levels
- Developing a model to help us simulate emerging market risk
- Setting up standard metrics across the company to measure the effectiveness of our risk management program
- Measuring the effectiveness of the program through external benchmarking and research
- Promoting risk education and awareness across the company through various workshops
- Employing Cisco WebEx collaboration technology to bring the Cisco risk community closer together

Teams throughout Cisco look at and plan for possible adverse events that could affect Cisco's business sustainability and employee safety. Some of these teams look at companywide risks, while others focus on specific functions, regions, or circumstances. In all cases, the risk management groups strive to make sure their programs are complementary and that risk processes are integrated into the company's daily operations and business model.

The Enterprise Risk Management (ERM) team reports regularly to the ERM sponsors (which include the chief financial officer, chief globalization officer, and head of operations) and the Board of Directors' audit committee. The team is responsible for assessing and developing response plans for companywide risks. The basic questions that this team asks include:

- What is the nature of the risk?
- What is the company's tolerance for this particular risk?
- What impact could the risk have on Cisco's business?
- Is the risk level being accurately monitored and, if possible, controlled?
- How can we take a more informed or disciplined approach to this and similar risks?

The ERM team periodically develops a global assessment of the principal risks facing the company and how well they are being managed. During the assessment, Cisco executives, customers, partners, and investor analysts are asked to identify major risk factors within their purviews. The risks are analyzed and prioritized based on potential strategic, operational, financial, and compliance impacts. The ERM team works closely with the business teams that "own" the particular risk, developing risk action plans, acting as a strategic advisor, and ensuring that the company's risk profile is closely aligned with corporate business strategy.

The Risk Review Group has been formed to help increase risk education, awareness, and information sharing across the company. In addition to risk management specialists, the group's members represent a broad cross-section of company functions: sales, quality control, legal, branding, value chain, human resources, IT, auditing, and others.

Among the other groups engaged in risk management activities at Cisco are:

- **Global Risk Management:** This team within the treasury group examines how the company can use contract terms or insurance to either mitigate or avoid financial risks, which can range from accident liability to theft of physical or intellectual property.
- **IT Global Risk Management:** This group focuses on catastrophic risks to Cisco's information technology by identifying the business processes, applications, and services that are most important to the company's operations and ensuring that these can continue even during a major disaster. These precautions are necessary not only to protect internal operations, but also to protect customers who rely on Cisco's IT services for their own operations, such as our Software as a Service customers. Our plans for recovering critical business processes and IT are based on what is known as recovery time objective prioritization triage, which includes both process and functional business plans as well as the IT infrastructure and application plans supporting critical processes.
- **Worldwide Brand Protection:** This group works to minimize damage to Cisco and our partners from unauthorized channel sales activity, and to mitigate risk within the channel. The Brand Protection group engages with other business units across the company, including legal, finance, internal audit, and the worldwide channels organization. Strategies include preventing the counterfeiting and unauthorized channel sales of Cisco products; assessment, measurement, and improvement of risk management in channels; and promoting measures to protect intellectual property rights.

Dealing with Possible Business Disruption

Business resiliency is an element of risk management that is concerned with mitigating the risk of a business interruption and preparing for a quick recovery. It has two components: business continuity management and crisis management. The Global Safety, Security, and Business Resiliency team at Cisco is responsible for providing a framework, including the necessary tools, for groups within the company to develop business continuity management capabilities.

Cisco's business resiliency team consults with business units on putting programs and operations in place to support Cisco's business continuity strategy. Business continuity management involves assessing and reducing risks, maintaining organizational stability, planning for the resumption of key business processes after an interruption, and testing those plans on a regular basis. Business interruptions could be caused by a natural disaster, an act of terrorism, a utilities failure, a security breach, civil unrest, a pandemic, or other events of various durations. Managing these risks reduces possible financial or asset loss, protects shareholder value, provides for employee safety, and minimizes damage that might be done to the company's reputation or relationships.

Cisco's business continuity strategy prioritizes key processes and functions using business impact analysis techniques. Workaround and technology plans have been formulated to restore functionality based on business-driven priorities. Cisco's Business Continuity Management Framework is a phased plan that promulgates the business continuity management concept across the company and establishes a cross-functional continuity program. It also helps satisfy the requirements of finance institutions and service providers with regard to resiliency audits and test results.

The other component of business resilience, crisis management, focuses on responding immediately to crisis situations and ensuring that Cisco employees and other stakeholders remain safe and secure, and that shareholder value is protected. Cisco has a global, multitiered crisis management structure made up of teams at the executive, corporate, regional, and local levels, and it interacts with functional crisis teams as needed.

Preparing for a Pandemic

One example of a major threat to business resiliency is a pandemic: the sustained outbreak of a disease that spreads across a wide area and sickens a relatively large percentage of the population. In a worst-case scenario, a severe pandemic may cause significant economic and social disruptions in particular localities, regions, or even globally.

The Cisco Global Safety, Security, and Business Resiliency team formed a Pandemic Influenza Global Planning Committee in 2006 to deal with such a threat. The committee, which includes members from a variety of business functions, updated its original avian influenza plan in FY09 to address the H1N1, or swine flu, virus. As of June 2009, the World Health Organization (WHO) rated the overall severity of the H1N1 outbreak as moderate. However, this situation could change rapidly and other pandemic threats may emerge at any time. For that reason, Cisco has deployed a centralized strategy aimed at providing a consistent global response that can be tailored to local circumstances.

The Pandemic Influenza Global Planning Committee works continuously to:

- Develop enterprise-level and business-function response plans based on guidance from the WHO, the U.S. Centers for Disease Control, and other key organizations
- Prioritize these plans based on business needs and align them with benchmarks and plans developed by peer organizations
- Test and evaluate Cisco's preparedness and response, and make adjustments as needed
- Keep employees and other stakeholders informed about developments
- Establish a healthy workplace for employees and other onsite workers
- Protect employees' privacy and confidentiality

In April 2009, the committee was called upon to support the activation of Cisco's Corporate Crisis Management team to monitor and potentially respond to the H1N1 influenza threat. As part of this effort, a multilanguage internal website for employees was implemented featuring updates on the H1N1 situation and information on business travel restrictions, office closures, and teleworking, as well as a Q&A forum and an informational video from the Corporate Medical Director. With the global resources of Cisco's Crisis Communication team, communications about the pandemic can be localized, can take cultural sensitivities into account, and can take place around the clock.

Since the initial H1N1 outbreak, the company has taken additional steps to provide a safe and healthy workplace. These include installing hand sanitizers, providing information about flu-related personal hygiene, and updating Cisco's global pandemic plans. Cisco is now in an advanced state of preparedness and can act quickly if necessary to deal with a flu or other pandemic.

Managing Risk in the Value Chain

Within Cisco's value chain, manufacturing suppliers represent the greatest risk to business continuity. Cisco has one of the most complex manufacturing value chains in the ICT industry, with approximately 225 hardware product families that require more than 35,000 component parts. Our suppliers provide electronic manufacturing, testing, design, transportation, logistics, and other services. With such an extensive, globally dispersed supply network, managing risk is a demanding and ongoing process.

Potential disruptions in the value chain, including events at key manufacturing and commodity supplier sites as well as business-critical infrastructure sites, such as airports, are monitored by the Supply Chain Risk Management team using a worldwide alert service. The team also determines site-specific risks to buildings and equipment. For example, one location may introduce a greater geopolitical risk but present fewer natural-hazard risks.

Cisco works closely with manufacturing and component suppliers as well as logistics partners to instill quality and reliability in our value chain, and we conduct regular performance reviews with them to proactively identify areas for continual improvement. Each year, suppliers are asked to respond to a Business Continuity Planning Assessment questionnaire that helps us assess suppliers' ability to maintain business continuity.

The Supply Chain Risk Management organization helps to develop analytics to assess and predict risk scenarios and then works directly with the manufacturing and supplier entities to help identify, assess, and avoid risks. Site assessments are undertaken directly, or a third-party assessor is employed to do the inspection. Risk assessors use actuarial data to look at factors such as the potential for a natural disaster at the site.

To support sound business resiliency decisions throughout our relationships with our suppliers, we meet regularly with the contract manufacturers and key component suppliers who build or add value to our products. We discuss the risks we face and what actions those risks require. In the process, we seek to develop long-term, mutually beneficial relationships with our suppliers.

In FY08, the Emerging Countries Supply Chain team updated and improved upon the emerging economies analytical processes originally developed in FY07. The bifurcated model takes into consideration the operating environment as well as the sales environment to identify the transformations required to improve Cisco's value chain performance and customer satisfaction, based on the unique aspects of each country.

CSR Reporting Frameworks

Cisco's CSR practices improve our accountability, business sustainability, and employee well-being, and contribute to environmentally conscious operations and products. We consult with a diverse pool of stakeholders concerning existing and emerging issues relevant to our industry. We report on a broad range of CSR criteria and, where possible, we quantify the results of our efforts and assess our progress.

Cisco uses the following voluntary reporting frameworks as guidelines:

- United Nations Global Compact
- CSR Key Performance Indicators
- Global Reporting Initiative Indicators

United Nations Global Compact

Cisco has a commitment to the 10 principles of the [United Nations Global Compact](#), integrating them into our codes of conduct, our human resources policies, our environmental programs, and our various social-advancement initiatives. The UN Global Compact is the world's largest corporate citizenship and sustainability initiative. Since its launch in 2000, the initiative has grown to more than 6700 participants, including over 5200 businesses in 130 countries. It is a network-based initiative with the Global Compact Office and six UN agencies at its core. The Global Compact involves all relevant social entities: companies, governments, labor, civil social organizations, and the UN as convener and facilitator.

Ten Principles of the UN Global Compact

Human Rights

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and
- [Principle 2](#): make sure that they are not complicit in human rights abuses.

Labor Standards

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): the elimination of all forms of forced and compulsory labor;
- [Principle 5](#): the effective abolition of child labor; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation.

Environment

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

CSR Key Performance Indicators

The table below lists key performance indicators for activities relevant to Cisco CSR over the past year. Additional details can be found throughout this report.

	Indicators	FY05	FY06	FY07	FY08	FY09
WORKPLACE						
Employee satisfaction	Percentage of employees who agreed with seven statements about Cisco as a place to work (average)	81%	85%	86%	87%	90%
Voluntary employee attrition	Total voluntary attrition as percentage of ending headcount	4.59%	5.45%	4.52% ¹	5.01%	3.22%
Health and safety (U.S. and Canada operations only)	Number of nonfatal injuries and illnesses	129	107	93	137	145
DIVERSITY						
Women	Women as percentage of total global employees	21.8%	22.1%	23%	23.5%	23.4%
	Women in VP positions or above as percentage of global VP and above employees	13.2%	14.0%	12.7%	15.5%	15.5%
Ethnic minorities (U.S. only)	Ethnic minorities as percentage of total U.S. employees	42.3%	42.8%	43.7%	44.7%	45.6%
	Ethnic minorities in VP positions and above as percentage of total U.S. VP and above employees	17.6%	17.5%	15.6%	22.2%	20.8%

	Indicators	FY05	FY06	FY07	FY08	FY09
SOCIAL IMPACT						
Social investment	Total corporatewide and foundation cash and in-kind contributions	\$65 million	\$115.5 million	\$116.8 million	\$92 million	\$128.6 million
Employee volunteerism	Number of hours volunteered by employees	235,000 ⁴	160,000	130,000	88,870	78,000
Cisco Networking Academy	Number of active students in Cisco Networking Academy courses ⁵	596,840	597,085	637,304	716,936 ⁵	810,000
Leadership Fellows	Cisco leaders who share their expertise with nonprofit organizations	5	8	17	20	13
Social and economic investment	Number of countries or regions where Cisco currently invests or manages programs ⁶	160	160+	160+	160+	165+
Strategic partners	Significant collaborations with corporate partners, nonprofits, and NGOs	31	36	34	41	58

¹ FY07 percentage adjusted for acquisitions.

² FY05 Scope 3 emissions could not be upgraded like air travel emissions for FY06–FY08, so the reported value is the same as previously reported and should not be trended with or compared to later years.

³ Recycled equipment represents material sent to Cisco's recycling vendors. Cisco collects equipment from customer and service returns as well as Cisco internal return and eScrap efforts. A portion of returned equipment is repaired if needed and repurposed, with the balance sent to a Cisco recycling vendor.

⁴ In FY05 volunteerism increased significantly as part of that year's 20 Years of Service campaign.

⁵ Data refers to the total number of active students in the region or subregion. Student counts represent unique students. However, students may be counted multiple times if they have been active at two academies located in different subregions, accounting for discrepancies between subregion totals and the overall region total.

⁶ For administrative purposes, we have defined some regions as countries that are not autonomous states or are not recognized as countries by international bodies such as the United Nations. Examples of these include American Samoa, Hong Kong, and Puerto Rico.

Global Reporting Initiative Indicators

The [Global Reporting Initiative](#) (GRI) is an independent, nonprofit organization that has developed the [Sustainability Reporting Guidelines](#) (SRGs), which form the cornerstone of one of the world's most widely used sustainability reporting frameworks. Cisco uses this framework to help measure our own performance in the areas covered by the initiative.

The GRI is committed to the continuous improvement and worldwide application of its reporting guidelines, and, through the SRGs, it sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. Cisco shares GRI's commitment to corporate transparency, accountability, reporting, and sustainability, and employs these guidelines to measure our own performance in these areas.

GRI information will be available in late November.

Appendix: CSR-Related Organizations

This appendix gives a list of organizations with which Cisco engages to develop our CSR policies and initiatives, and to help us measure our performance in various CSR areas.

- **Alliance for Telecommunications Solutions (ATIS) Protection-Telecommunications Energy Efficiency (NIPP-TEE) Subcommittee:** ATIS develops and promotes technical and operations standards for communications and related technologies worldwide; the NIPP-TEE subcommittee is devoted to developing standards for measuring and stating energy efficiency of telecommunications and network equipment
- **Carbon Disclosure Project (CDP):** An independent, not-for-profit organization that holds the largest database of corporate climate change information in the world; CDP is the standard for carbon disclosure methodology and process, providing primary climate change data to the global marketplace
- **Catholic Agency for Overseas Development:** The official overseas development and relief agency of the Roman Catholic Church in England and Wales
- **Center for Reflection and Action on Labor Rights:** An NGO providing legal assistance, labor rights training, and organizational support for workers' groups in Mexico
- **Centre for Research on Multinational Corporations:** A Dutch research and advisory bureau that investigates the consequences of multinational enterprises' policies and the internationalization of business worldwide
- **Ceres:** A national network of investors, environmental organizations, and other public interest groups working with companies and investors to address sustainability challenges such as global climate change
- **Churchill Club:** Silicon Valley's premier business and technology forum; the 6000-member, nonprofit organization offers programs featuring Silicon Valley CEOs, up-and-coming executives, and national business leaders
- **Clinton Global Initiative (CGI):** Established as a project of the nonpartisan William J. Clinton Foundation, CGI convenes global leaders to devise and implement innovative solutions to some of the world's most pressing challenges; CGI members have made more than 1300 commitments valued at \$46 billion
- **Committee of Sponsoring Organizations of the Treadway Commission (COSO):** A voluntary private-sector organization established in the U.S., dedicated to providing guidance to executives and governance entities on critical aspects of organizational governance, business ethics, internal control, risk management, fraud, and financial reporting
- **Continental Automated Building Association:** A not-for-profit industry association dedicated to the advancement of intelligent home and intelligent building technologies in North America; member companies are involved in the design, manufacture, installation, and retailing of products
- **Critical Facilities Roundtable:** A group dedicated to the discussion and resolution of industry issues regarding mission-critical facilities, their engineering and design, and their maintenance
- **DIGITALEUROPE Environmental Policy Group (EPG):** DIGITALEUROPE combines 39 national digital technology associations from 28 European countries with over 61 direct company members
- **Dow Jones Sustainability Indexes (DJSI):** The first global indexes tracking the financial performance of leading sustainability-driven companies worldwide; based on the cooperation of Dow Jones Indexes, STOXX Limited, and Sustainable Asset Management (SAM), DJSI provides asset managers with reliable and objective benchmarks to manage sustainability portfolios
- **Electronic Industry Citizenship Coalition:** A group of companies working together to create a comprehensive set of tools and methods to support an Electronic Industry Code of Conduct consisting of best practices adopted and implemented throughout the ICT supply chain
- **ENERGY STAR:** A joint program of the United States Environmental Protection Agency and the United States Department of Energy, ENERGY STAR is devoted to establishing standards for

energy-efficient products and practices; outside the U.S., the program has been adopted by Australia, Canada, Japan, New Zealand, Taiwan, and the European Union

- **Environmental Protection Agency (EPA) Climate Leaders:** The EPA leads the U.S.'s environmental science, research, education, and assessment efforts; Climate Leaders is an EPA industry-government partnership that works with companies to develop comprehensive climate change strategies; partner companies commit to reducing their impact on the global environment by completing a corporate-wide inventory of their greenhouse gas emissions, setting aggressive goals, and reporting their progress annually
- **Ethical Investment Research Services (EIRIS):** A leading global provider of independent research into the social, environmental, and ethical performance of companies
- **Ethics and Compliance Officer Association (ECO):** An association for individuals who are responsible for their organization's ethics, compliance, and business conduct programs; it is the largest group of business ethics and compliance practitioners in the world
- **Ethisphere Institute:** A leading international think tank dedicated to the creation, advancement, and sharing of best practices in business ethics, CSR, anti-corruption, and sustainability; the Ethisphere Council is a forum for business ethics that includes over 200 leading corporations, universities, and institutions
- **European Metalworkers' Federation:** A body that represents the interests of workers in the European metal industry
- **European Telecommunications Standards Institute:** This body produces global standards for ICT products, including fixed, mobile, radio, converged, broadcast, and Internet technologies
- **Global e-Sustainability Initiative (GeSI):** In 2000, 189 countries subscribed to Millennium Development Goals that outline action on climate change, poverty elevation, and other matters; GeSI furthers the goal of sustainable development in the ICT sector
- **Global Reporting Initiative (GRI):** An independent, nonprofit organization that develops the Sustainability Reporting Guidelines (SRGs) that provide guidance for organizations when reporting sustainability performance; the guidelines are developed through a process of consensus-seeking with a large network of individuals from more than 60 countries representing diverse stakeholder groups and institutions
- **Good Electronics:** An organization dedicated to promoting sustainable production and human rights in the electronics industry
- **Green Power Partnership:** A voluntary EPA program that supports organizations in their procurement of green power by offering expert advice, technical support, tools, and resources
- **GridWise Alliance:** A U.S.-based public-private forum that brings together a diverse set of industry stakeholders and resources to deploy, demonstrate, and quantify new technologies, approaches, and business models that cut across traditional industry segments and market boundaries
- **HIP Investor:** A socially responsible investing firm that consults with companies to help them realize "Human Impact + Profit" by innovating products and markets and implementing sustainable practices
- **Information Technology Industry Council (ITI):** ITI is widely recognized as the industry's most effective lobbying organization in the U.S., other countries, and the World Trade Organization; the ITI's Energy and Environment Program focuses on product sustainability and energy efficiency
- **Interfaith Center on Corporate Responsibility:** An association of 275 faith-based institutional investors — including national denominations, religious communities, pension funds, foundations, hospital corporations, economic development funds, asset management companies, colleges, and unions — that presses companies to be socially and environmentally responsible

- **International Electronics Manufacturing Initiative (iNEMI):** iNEMI is an ICT industry consortium devoted to anticipating future technology and business needs, and effectively developing collaborative courses of action; iNEMI Environmentally Conscious Electronics initiatives address several sustainability issues, including lead-free and halogen-free alternatives
- **International Metalworkers' Federation:** A federation of national metalworkers' unions in 100 countries
- **International Telecommunication Union:** A nonprofit organization dedicated to providing access to telecommunications technology on a global scale, to improving lives, and to safeguarding human rights; the ITU's Focus Group on ICTs and Climate Change was established to identify the direct and indirect impacts of ICT products on climate change, and facilitate the monitoring of relevant climate parameters
- **IW Financial:** A leading provider of environmental, social, and governance research, consulting, and portfolio management solutions for asset management firms, managed accounts sponsors, institutional investors, plan sponsors, and investment advisors
- **Japan Ministry of Economic Trade and Industry (METI) Top Runner:** METI (formerly MITI) established Top Runner as a best-practices approach to implementing policies that lower carbon dioxide emissions as required by Japan's Law Concerning the Rational Use of Energy
- **KLD Research & Analytics:** An independent investment research firm providing management tools to professionals integrating environmental, social, and governance factors into their investment decisions
- **Laurence Berkeley National Laboratory:** A member of the national laboratory system supported by the U.S. Department of Energy through its Office of Science and managed by the University of California; the laboratory conducts unclassified research across a wide range of scientific disciplines
- **Oekom Research:** A leading rating agency that provides socially responsible investment information in the area of sustainability, placing a strong emphasis on quality, independence, and transparency
- **Silicon Valley Leadership Group:** An organization that seeks to ensure the economic health and quality of life in Silicon Valley in California by advocating for a sustainable environment, as well as for affordable housing, comprehensive regional transportation, reliable energy, and a quality education system
- **Social Venture Technology Group:** Provides management tools and investment advice to help organizations attain a high social and environmental impact per dollar
- **Sustainable Asset Management (SAM):** Partners with Dow Jones Indexes and STOXX Limited for the publication and licensing of the Dow Jones Sustainability Indexes (DJSI); SAM has compiled one of the world's largest sustainability databases and analyzes over 1000 listed companies annually
- **The Climate Group:** A coalition of governments and enterprises committed to tackling climate change and helping government and business to set the world economy on the path to a low-carbon future
- **The Green Grid:** A global consortium that helps advance energy efficiency in data centers and business computing systems
- **United Nations Solving the E-waste Problem Program (StEP):** A group of UN organizations that work together with industry, governments, international organizations, NGOs, and the science sector to initiate and facilitate approaches toward the sustainable handling of electronic waste

- **Vigeo Group:** A company that assesses the performance of companies and organizations and their level of CSR management, including their environmental, social, and corporate governance objectives
- **World Business Council for Sustainable Development:** A CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development
- **World Economic Forum:** An independent international organization striving toward a world-class corporate governance system and committed to improving the state of the world by engaging leaders in partnerships to shape global, regional, and industry agendas