Supply Chain Sustainability

Cisco's Policy on Sourcing of Minerals Originating in the Democratic Republic of the Congo or Adjoining Countries

Introduction to the Conflict Minerals Legislation

On August 22, 2012, the final rule regarding sourcing of conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was approved by the U.S. Securities and Exchange Commission ("SEC"). The rule imposes reporting requirements on publicly traded companies subject to the SEC to report annually the presence of conflict minerals originating in the Democratic Republic of the Congo (DRC) or adjoining countries in the products they manufacture or contract to manufacture whereby the conflict minerals are necessary to the functionality or production of a product. Cisco is committed to taking all steps to comply with the legislation and is implementing a comprehensive due-diligence process to meet our obligations. Further, Cisco is committed to sourcing components and materials from companies that share our values around human rights, ethics and environmental responsibility.

What is Cisco Doing?

Cisco has always supported an industry-wide approach to addressing social responsibility issues throughout the supply chain, mainly via its leadership role in the Responsible Business Alliance (RBA). RBA and GeSI (Global e-Sustainability Initiative) jointly developed the Responsible Minerals Initiative (RMI) and Responsible Minerals Assurance Process (RMAP) in 2008, which is one of the most utilized and respected resources and compliance protocol for companies addressing conflict minerals issues. Cisco adopted this widely acceptable industry approach which enables the management of conflict minerals issues strategically and holistically, and influencing of the social and environmental performance of the entire supply chain including the mining sector.

Tracing materials back to their mine of origin is a complex aspect of responsible sourcing in the electronics industry supply chain. The RMAP took an active role in pulling together stakeholders throughout their respective supply chains to discuss the challenges with tracing the chain of custody of conflict minerals. The RMAP addresses responsible sourcing through the development of the Conflict Free Sourcing (CFS) program aiming to enable companies to source conflict-free minerals with certified conflict free smelters.

In parallel to Cisco's activities with RMAP, we are surveying suppliers in our supply chain to understand what programs they have in place to track the source of minerals used in the products they manufacture. Due to the enormity of Cisco's and its suppliers' respective supply chains, it will take time for many suppliers to verify the origin of conflict minerals. Using our supply chain due diligence process, driving accountability within the supply chain through the RMAP CFS program, and continuing our partnership with RMAP will further augment our goal of conflict-free sourcing.

Cisco's Supply Chain Expectation

Cisco expects its suppliers to commit to the RBA Code of Conduct which includes a provision related to the responsible sourcing of minerals. Thus, suppliers must have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture are conflict free. Cisco expects suppliers to establish their own due diligence program to achieve conflict-free supply chains. Cisco also requires our suppliers to undertake reasonable due diligence to determine if the specified metals are being sourced from certified conflict-free smelters validated as compliant to the CFS protocol, using the CFS Compliant Smelter List and, if not, to make deliberate progress towards doing so. The CFS program is a global program where an independent third party evaluates a smelter's procurement activities and determines if the smelter demonstrated that materials they processed originated from conflict-free sources. Through this industry collaborative effort, smelters are audited globally. The list of compliant smelters and refiners is posted at www.responsiblemineralsinitiative.org .