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## Anti-Corruption and Bribery Policy

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## 1. Purpose

This policy establishes Cisco's global standards regarding the prevention of corruption. If local laws or regulations have stricter requirements, those laws supersede the requirements stated in this policy.

## 2. Overview

Cisco Systems, Inc. and its affiliated entities worldwide (Cisco) are committed to doing business with integrity and the highest anti-corruption standards. All Cisco employees, partners and suppliers are expected to conduct themselves with honesty, fairness and high ethical standards, as well as abide by all anti-corruption/anti-bribery laws and avoid even the perception of impropriety.

As a global enterprise, Cisco must comply with all applicable laws, including the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and other similar anti-corruption laws around the world. These laws set prohibitions on giving bribes to government officials, books and records requirements, and criminal and civil penalties for violations. Some laws apply strict liability standards, expand the scope to include giving and receiving bribes, and even apply to private sector individuals as a form of commercial bribery.

## 3. Scope

The policy applies to the entire Cisco workforce, operations, subsidiaries and affiliates, in terms of all dealings and transactions in all countries where Cisco operates. The entire Cisco workforce, including others acting on behalf of Cisco, are required to read, understand, and abide by this policy. In addition, Cisco managers are required to enforce the policy and ensure that people and entities for which they are responsible understand and adhere to this policy.

## 4. Policy Statement(s)

In alignment with laws around the world, we at Cisco do not promise, offer, give or authorize, directly or indirectly, a bribe or anything of value to anyone – including any government official/employee, representative of a government, including state-owned enterprises and/or state-controlled entities, private (non-government) officials, or employees of any business – to attempt to improperly influence any act or decision to obtain or retain business, or to secure any improper advantage for Cisco.

Corruption violates the public's trust, threatens economic and social development, and hurts fair trade. To combat corruption, most countries have enacted anti-corruption/anti-bribery laws and regulations. These laws make it a crime to give, pay or promise "anything of value" (bribes) to:

- influence an act or a decision to obtain, retain and/or direct business, or
- secure an improper advantage of any kind.

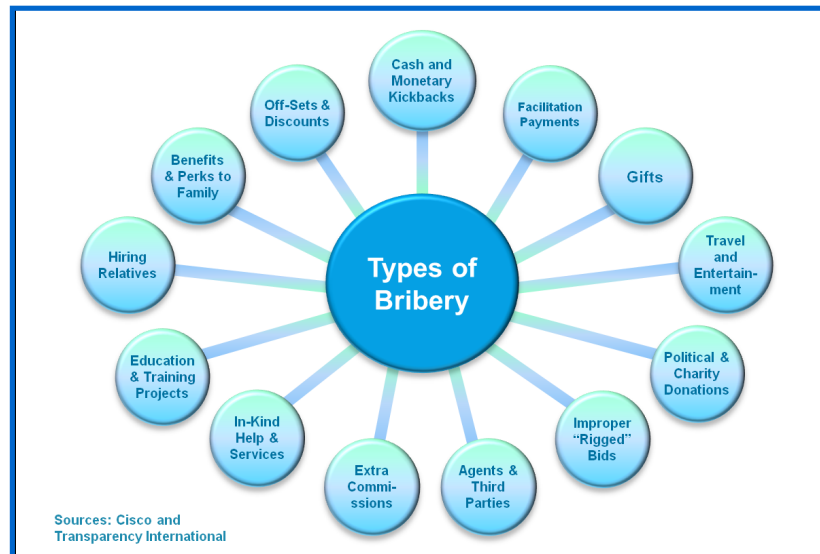
It is also a crime to accept "anything of value" (bribes) in these circumstances.

### What is a Bribe?

A bribe is not just cash in an envelope passed under a table. International laws and Cisco policy

define a bribe as “anything of value” such as: gift cards, home repairs, tickets to a theater or sporting event, guest passes to a private club, a no-bid contract, a summer job for a teenage family member, free limo/courtesy car service rides, and more, where given to obtain an improper advantage.

Just offering a bribe is a violation, even if the transfer does not occur.



### Third Parties May Not Bribe for Cisco

Third parties (also called “intermediaries”) cannot be used to try to hide bribery. Suppliers, agents, consultants, distributors, and business partners cannot offer or receive a bribe related to working for Cisco or on Cisco’s behalf. A Cisco employee’s awareness of, inducing, facilitating or causing a third party to do an act that would violate this policy (if done directly by the Cisco employee) is a violation of this policy.

Further information is available on the [Anti-Corruption and Bribery Jive website](#), including guidance on third-party engagement, additional considerations before making or authorizing any payment or benefit that might trigger bribery concerns, and other warning signs, as follows:

- Frequently Asked Questions (Appendix A)
- Cisco’s Anti-Corruption Checklist and FAQ’s (Appendix B)
- Cisco’s Third Party Due Diligence Process (Appendix C)
- Warning Signs of Bribery (Appendix D)

If you have any questions, you should contact your manager or [ethics@cisco.com](mailto:ethics@cisco.com).

## 4.1 Gifts and Entertainment

Cisco recognizes that, when conducted appropriately, informal interactions and exchange of gifts or other offerings with our business associates may be an important part of building goodwill and developing relationships with customers, partners and suppliers and, in many countries, may be an accepted and appropriate business protocol and custom. However, if conducted inappropriately, gifts, travel, entertainment and other offerings, may violate applicable laws or Cisco or third-party policies or principles.

The [Code of Business Conduct \(COBC\)](#) and the [Gifts, Travel and Entertainment Policy \(GTE\) Policy](#) set out the requirements for an acceptable gift or other offering, with disclosure and pre-approval guidelines. As a general rule, all gifts and other offerings must be done transparently and in the right way so that it does not create even a perception of impropriety. As set out in further detail in the GTE Policy, the giving or receiving of gifts and other offerings must be **appropriate** (not cash, gift cards, or other prohibited types, not an attempt to unduly influence a business outcome, and otherwise in compliance with all laws, regulations and policies), **reasonable value** (the GTE Policy sets out established thresholds), and may need to be disclosed and **pre-approved**.

### 4.1.1 Travel and Lodging

From time to time, guests are invited to visit Cisco's facilities or events sponsored by Cisco. Cisco permits the payment of certain travel and accommodation expenses for business guests in accordance with travel, expense and public sector policies if:

- It is for legitimate business purposes
- It is reasonable given the guest's level or seniority
- Attendance at business activities is mandatory
- No friends or family members of the invitee are traveling at Cisco's expense
- No unreasonable or non-business related side-trips are taken. (Side trips would be non-business related for example, when the trip requires extensive travel away from the legitimate site of the business trip, or involves excessive expenses.)
- No per diem cash is provided

If a third party, such as an agent, partner, supplier or consultant pays for travel and lodging on behalf of Cisco, the above policies still apply. A Cisco employee's awareness of, inducing, facilitating or causing a third party to do an act that would violate this policy (if done directly by the Cisco employee) is a violation of this policy.

For further information, including disclosure and approval obligations, please refer to the [Global Travel Policy](#), the [GTE Policy](#), and the [Global Meetings and Events Policy](#).

### 4.1.2. Approval and Disclosure Required

The Global Compliance Enablement team provides online tools to disclose and obtain approval for any business expenses (such as gift, travel, hospitality or entertainment) provided to (1) government officials including employees of partially or fully state-owned enterprises or state-controlled entities, such as, for instance, telecommunications or health care organizations that may be organized similarly to or compete with private enterprises, or (2) other parties even if private sector, based on the requirements and thresholds set out in the GTE Policy. Inappropriate or excessive gifts, travel or entertainment can cause legal liability and damage to Cisco's reputation.

Use the [GTE Disclosure Tool](#) for disclosure and approval when *giving* GTE items  
Use the [Receipt of Gifts Disclosure Tool](#) for disclosure and approval when *receiving* GTE items

You can also contact [ethics@cisco.com](mailto:ethics@cisco.com) with any questions or concerns about gifts, travel and entertainment.

## 4.2 Facilitation Payments

### What is a Facilitation Payment?

A "facilitation payment" is a payment to a government official designed to secure or speed up a routine government action to which the applicant is entitled, such as: processing a visa, scheduling an inspection, securing mail pick-up or delivery, or getting utilities connected. This is sometimes described as "*greasing the wheels*" or "*grease payments*."

Except as described below, Cisco does not permit the payment of facilitation payments anywhere in the world. Facilitation payments are also expressly prohibited, and treated as bribes, by certain anticorruption laws (UK, Canada, Brazil, etc.) and many other countries and multi-country anti-corruption conventions (such as the Organization for Economic Cooperation and Development (OECD Convention)).

#### 4.2.1 Limited Exceptions

A facilitation payment must only be paid as a final resort and with approval by Cisco Legal (and with approval within your management chain at the level of Director or above, and disclosure to your Finance support lead) if:

- there is no alternative and the expected delay will have a significant impact on the business
- it is in a country or situations in which such payments are customary and not expressly prohibited by law which is enforced in comparable cases
- the amount is modest given the facts and circumstances of the situation

If personal safety, security or freedom of movement is at risk, a facilitation payment may be made and then reported to Cisco Legal after the fact.

Any facilitation payments must be accurately described and documented in the appropriate accounting books and records as “facilitation payments.”

### 4.3 Charitable and Political Contributions

While donations to charitable organizations ordinarily are regarded as good corporate citizenship, those made to organizations in which government officials possess a role, such as trustee, cause concerns under international anti-corruption laws. Similarly, the FCPA and the U.S. authorities have taken the position that a donation made to a charity associated with a government official is considered a benefit for that official. Any donation made to a charity associated with a government official must be in accordance with the [Charitable Donations Policy](#). Donations to charity may also be considered a gift under the [GTE Policy](#) (requiring disclosure and approval, as referenced above).

Political parties and candidates are considered government officials. Therefore, no political contributions can be offered or made on behalf of Cisco, unless pre-approved by Cisco Government Affairs. Political contributions can come in any form, including:

- monetary items
- non-monetary items (such as loaned or donated equipment, free technology services, or a donation of an employee’s time)
- use of corporate resources (such as: facilities, email, stationery, personnel time)

Accordingly, no assets, including time at work, use of Cisco premises or equipment, or direct monetary payments, may be contributed to a political candidate, political action committee, or to support or oppose a ballot measure without the written permission of Cisco Government Affairs.

Employees may participate in political activities on an individual basis, with their own money and on their own time. Cisco will not reimburse any personal political contributions. Note: Under U.S. election laws, some employees (currently including Board of Directors, Executive Officers, and certain personnel involved in State-level customer sales relationships in New York, Illinois, and Connecticut) may be required to obtain pre-approval via Cisco’s [U.S. Political Contribution Tool](#) before making certain kinds of campaign contributions. See Cisco’s [U.S. Public Sector Ethics Code](#) for more information.

### 4.4 Books and Records

To prevent attempts to hide bribery by incomplete or false documentation, many anti-corruption laws have criteria for books, records and internal financial controls. Cisco is required to keep books and records that accurately and completely reflect the company’s transactions, assets and financial position. The requirement includes forms required for processing payments, attachments and backup used to justify payment requests, and authorizations and classifications of payments by accounting codes.

In addition, undisclosed or unrecorded company funds, or “off-book funds”, are any funds inappropriately established or retained in a non-Cisco account (including a partner, agent,

supplier or consultant) where the use of the funds continues to be directed by Cisco employees without proper transparency, authorization, documented terms and conditions, and appropriate accounting treatment on Cisco's books and records in accordance with the company's policies. Off-book funds can be created in any number of ways with customers, partners, and marketing or other vendors, including, but not limited to: non-standard discounting, unrecovered rebates or credits, misuse of sales/marketing incentive funds, excess vendor payments (including prepayments), or any other efforts to control the company's funds outside of the company's established financial record keeping processes. The establishment, retention or use of off-book funds (and any attempt to circumvent or manipulate processes, systems or data associated with off-book funds), whether intentional or inadvertent, and even if ultimately used for an appropriate business expense or purpose, would be a serious violation of Cisco's Code of Business Conduct, and this Anti-Corruption and Bribery Policy, and can result in severe disciplinary action(s).

For information on proper record retention, refer to [Cisco's Record Management Process](#).

## 4.5 Employees are Responsible

### 4.5.1 Training

The online [Global Anti-Corruption training](#) is required for Cisco employees working in certain functions such as Sales, Marketing, Services, Legal and Finance. However, all employees are encouraged to take this training.

### 4.5.2 Penalties

Violations of anti-corruption laws can cause criminal, civil and regulatory penalties including fines and/or jail, and even the perception of impropriety can damage the reputation of Cisco and its employees. If an employee violates anti-corruption laws or this policy, it may result in disciplinary action, including termination of employment.

### 4.5.3 Questions, Concerns or Reporting Potential Violations

Employees who see something suspicious are required to say something, even if it is their manager or other superior who may be violating the policy. Please see [Appendix D – Warning Signs of Bribery](#) to help identify potential suspicious activities. When employees are contacted by Legal or the Ethics Office, they have an obligation to cooperate with investigations into ethical misconduct. Failure to cooperate and provide honest, truthful information may result in disciplinary action, including termination of employment.

Cisco will not tolerate retaliation against anyone who, in good faith, reports a concern or cooperates with a compliance investigation. Managers or other employees who retaliate against any other employee will be subject to disciplinary action, up to and including



termination. Any suspected retaliation should be reported immediately.

You can contact the Ethics Office at [ethics@cisco.com](mailto:ethics@cisco.com), or there are other ways to voice concerns or report violations (including anonymous and confidential reporting). See the "[Voice Your Concerns](#)" web page for further information.

## 5. Policy Compliance

Policy compliance requirements are as follows:

### 5.1 Compliance Effective Date

This Anti-Corruption and Bribery policy is effective on the 'Last Revision Date' as indicated on the title page hereof.

### 5.2 Compliance Measurement

Compliance with all Cisco policies is required. Compliance with this policy is verified through various methods, including but not limited to, active monitoring of the expense reimbursement and gift tracking systems, reports from available business tools, internal and external audits, self-assessment, reports of potential violations and/or other feedback to the policy owner.

### 5.3 Compliance Exceptions

Any exceptions to the Anti-Corruption and Bribery policy must be approved by Cisco Legal and the Ethics Office.

### 5.4 Non-Compliance

Deviations or non-compliance with this policy, including attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the process, system, or data, may result in disciplinary action, up to and including termination, as allowed by local laws.

## 6. Related Policies and Processes

- [Code of Business Conduct](#)
- [Gifts, Travel, and Entertainment Policy](#)
- [U.S. Public Sector Ethics Code](#)
  - [Public Sector Gifts and Hospitality Guidelines](#)
- [Global Travel Policy](#)
- [Charitable Donations Policy](#)
- [Global Expense Policy](#)
- [Global Meetings and Events Policy](#)
- [GTE Disclosure Tool](#) for disclosure and approval when *giving* GTE Items
- [Receipt of Gifts Disclosure Tool](#) for disclosure and approval when *receiving* GTE Items

## 7. Supporting Documents

- The appendices listed below can be found on the [Anti-Corruption and Bribery Jive website](#):
  - Frequently Asked Questions (Appendix A)
  - Cisco's Anti-Corruption Checklist and FAQ's (Appendix B)
  - Cisco's Third Party Due Diligence Process (Appendix C)
  - Warning Signs of Bribery (Appendix D)

## 8. Definitions

The following terms and definitions are used in this document:

|                          |  |
|--------------------------|--|
| <b>Anything of Value</b> | <p>Any form of benefit, which includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Cash or cash equivalents, loans, gifts or prizes</li> <li>• Employment offers or promises of future employment (to an individual or any of his/her relatives)</li> <li>• Favorable terms on a product or service or product discounts</li> <li>• Entertainment/hospitality (payment of travel, hotel, meals, living expenses, or costs of trips or resort stays)</li> <li>• Use of vehicles or vacation homes</li> <li>• Discounted or free tickets to events</li> <li>• Services, personal favors, or home improvements</li> <li>• Political or charitable donations</li> <li>• Opportunity to buy direct shares ("friends and family shares") in a company with a connection to Cisco</li> </ul> |
| <b>Bribe/Bribery</b>     | <p>Directly or indirectly giving or receiving (or even offering) anything of value for the purpose of obtaining or retaining business, to win a business advantage, or to influence a decision regarding Cisco.</p> <p>This includes bribes related to: obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or custom fees, or blocking a competitor from bidding on business.</p>   |
| <b>Government</b>        | <ul style="list-style-type: none"> <li>• any national, provincial, regional or local legislative, administrative, or judicial body</li> <li>• state funded organizations such as non-commercial organizations established by the special laws, schools, universities, healthcare facilities, police agencies, military entities, issuers of government permits, approvals or licenses, etc.</li> <li>• any state-owned enterprises (defined below) and/or state instrumentalities (an entity for which there is control by the government and the entity is performing a governmental function) and/or state-controlled entities (defined below)</li> </ul>  |

|                                      |   |
|--------------------------------------|---|
|                                      | <ul style="list-style-type: none"> <li>public (quasi-governmental) international organizations (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee, African Union, etc.)</li> </ul>   |
| <b>Government Official</b>           | <ul style="list-style-type: none"> <li>an officer or employee (regardless of rank) of the government, including officials from state-funded organizations, state-owned enterprises, or state-controlled entities</li> <li>a political candidate, party or any officer or employee of a political party</li> <li>any private person acting in an official capacity for, or on behalf of, any government or public international organization (such as an official advisor to the government or a consultant responsible for making procurement recommendations to a government)</li> <li>members of royal family</li> </ul>  |
| <b>State-Owned Enterprises (SOE)</b> | <p>Includes companies, in which <u>30% and more</u> is directly owned by a federal, regional or municipal body, <u>and</u> where one of the following criteria is met:</p> <ul style="list-style-type: none"> <li>the government has the ability to hire and fire the company's principals</li> <li>the company's profits, if any, go directly into a government treasury</li> <li>such SOE performs a function the government treats as its own, including whether the entity has a monopoly over the function it carries out</li> <li>the government subsidizes the costs associated with the entity providing services</li> <li>the public and the government of the country generally perceive the entity to be performing a governmental function.</li> </ul> <p>For assistance in determining whether an entity is a government official or state-owned enterprise or state-controlled entity, please see the <a href="#">State Owned/State Controlled Entities Jive site</a>, or contact <a href="mailto:confirmstateowned@cisco.com">confirmstateowned@cisco.com</a>.</p> |
| <b>State-Controlled Entities</b>     | <p>Includes companies in which 30% and more is directly owned by a SOE, and, in which the state also owns 50% or more shares. For purposes of this policy, if you have any question as to whether an entity is a state-controlled entities, you should consult with the Global Compliance Enablement at <a href="mailto:confirmstateowned@cisco.com">confirmstateowned@cisco.com</a>.</p>   |

## 9. Approvals

| Organization                 | Name or User ID and Title |
|------------------------------|---------------------------|
| Legal Services               | Mark Chandler             |
| Global Compliance Enablement | James Hackett             |

The record of approval is located at the following link:

<https://docs.cisco.com/share/page/site/nextgen-edcs/workflowHistory?nodeRef=workspace%3A%2F%2FSpacesStore%2Fccf0882c-3533-4eb2-9ab5-5fe79317d31e>

## 10. Revision History

The information below reflects the revision history of the policy (also referred to as “Version History” in Doc Central).

NOTE: Policy administrators are required to manually populate this section of the policy. To locate the revision history, click the EDCS/ Doc Central link below. Then, select “Version History” to display the revision history.

<https://docs.cisco.com/share/page/site/nextgen-edcs/document-details?nodeRef=workspace://SpacesStore/ccf0882c-3533-4eb2-9ab5-5fe79317d31e> (e.g., Doc Central File Info Link).

| Rev | Date     | Name or User ID and Title | Comment  |
|-----|----------|---------------------------|--|
|     | 07.17.17 | James Hackett (jhackett)  | Policy review and update                           |
|     | 06-12-16 | Sri Daita (srdaita)       | Revised the owner of this policy:<br>James Hackett |
|     | 12-15-15 | Sri Daita (srdaita)       | Definitions and related policy notes are updated   |

## 11. Appendix

This section intentionally left blank.