



CDP Reporting: Supplier Overview

May 2021



Supply Chain Sustainability

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Mission: Focus investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring and understanding their environmental impact

01

Disclosure Process
Improves
Performance

02

Benchmarking
Accelerates Learning

03

Data Informs Investment
and Procurement
Analysis and Engagement

CDP Standardized Disclosure Platform



Investor Members



US \$96 trillion in assets
Climate Change: 525 investors
8,400+ companies disclosed data



Supply Chain Members



US \$3.3 trillion in purchasing power
125 CDP supply chain members
13,000+ suppliers shared data

Investor Authority

Customer Authority

1 response per company shared with all relevant stakeholders

Cisco Reporting Requirements

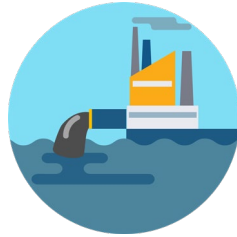
CDP Environmental Reporting Programs*

By reporting to CDP, you can gain competitive advantage by getting ahead of regulatory and policy changes, identifying and tackling growing risks and finding the new opportunities for action being demanded by your investors and customers across the world



Climate Change

Cisco component, manufacturing, and logistics suppliers, calling for corporate-wide reporting



Water Security

Cisco component and manufacturing suppliers, with an increased focus on water stressed regions



Deforestation

Not required for Cisco suppliers

**Suppliers will be requested directly via CDP on Cisco's behalf if you are required to report your information to one or more of these programs*

Cisco's CDP Supply Chain Program Summary

CDP is the only global disclosure system for companies, cities, states and regions to manage their environmental impacts and for investors or purchasers to access environmental information for use in financial decisions

- Cisco has asked suppliers to report to CDP Supply Chain program since 2009
- 70% of S&P 500 companies report; investment authority represents US \$96 trillion in assets

What it means to suppliers

- **Industry standard:** One response per company shared with all relevant stakeholders. Reduces reporting burden
- **Cisco business:** CDP responses are used to inform GSM and GML teams via the partner and supplier scorecards
- **Opportunity:** Increased awareness can lead to new opportunities for cost reduction, increased quality and customer satisfaction
- **Risk:** CDP disclosure can expose climate change and water risks to your business and help prepare

Suppliers Action Items

- Next Reporting Period: **April – Jul. 28th 2021**
- Review [Cisco's CDP communications](#)
- **Account Management Team:**
 - Understand Cisco's requirements for your company
 - Provide your intent to respond and raise challenges promptly
 - Ensure communications are received by the subject matter experts within your team(s)
- **Environmental Reporting Team(s):**
 - Review Cisco's detailed expectations for climate change and water security reporting (see slides to follow)
 - Prepare account teams for business review meetings

Climate Change Requirements

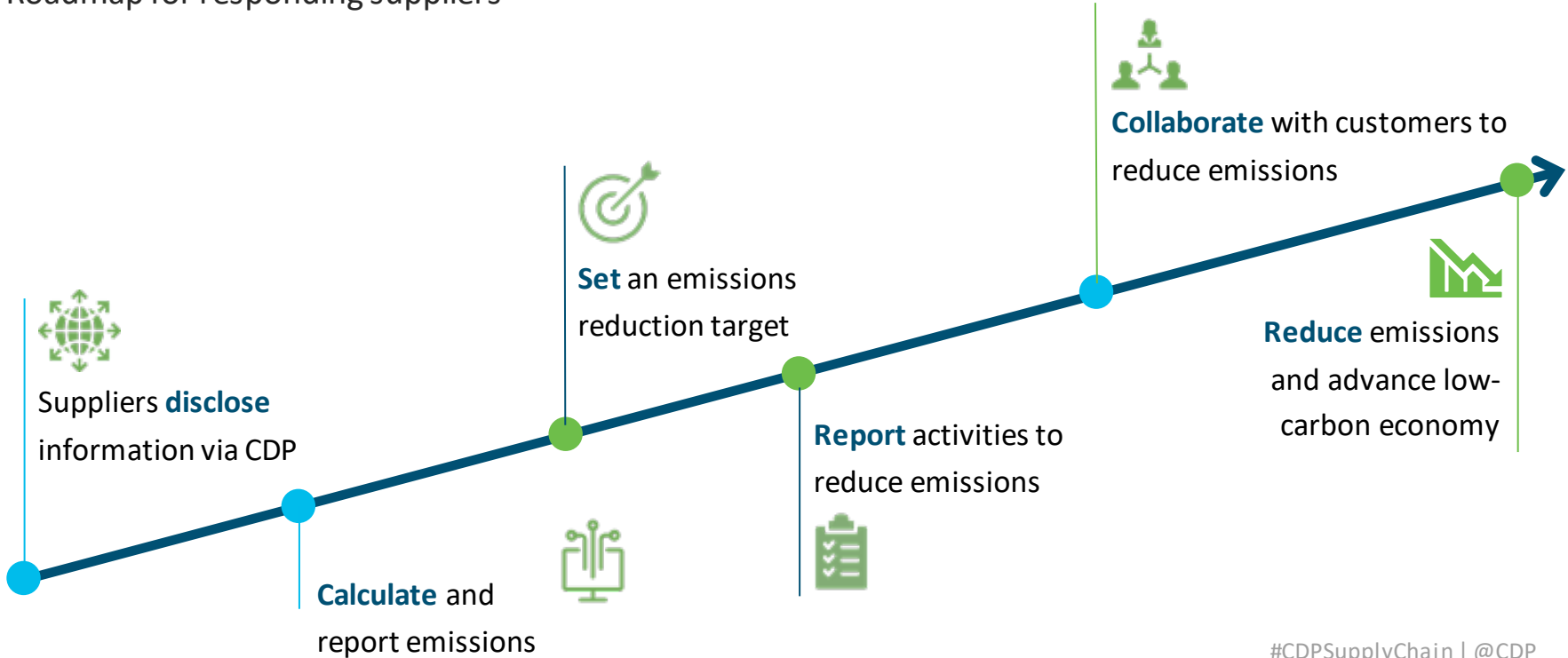


Report GHG emissions and energy consumption to CDP on an annual basis:

1. Provide a corporate level response for all facilities worldwide
2. Make the response publicly available via the option provided by CDP
3. Demonstrate verification (third-party review) of your GHG emissions
4. Set an absolute GHG emissions reduction goal and report annual progress against your goal
5. Request that your suppliers and business partners also report to CDP using the same process as above

DISCLOSURE WORKS

Roadmap for responding suppliers



#CDPSupplyChain | @CDP

Phase 1: Establish foundation

Phase 2: Build Capacity

Phase 3: Improve performance

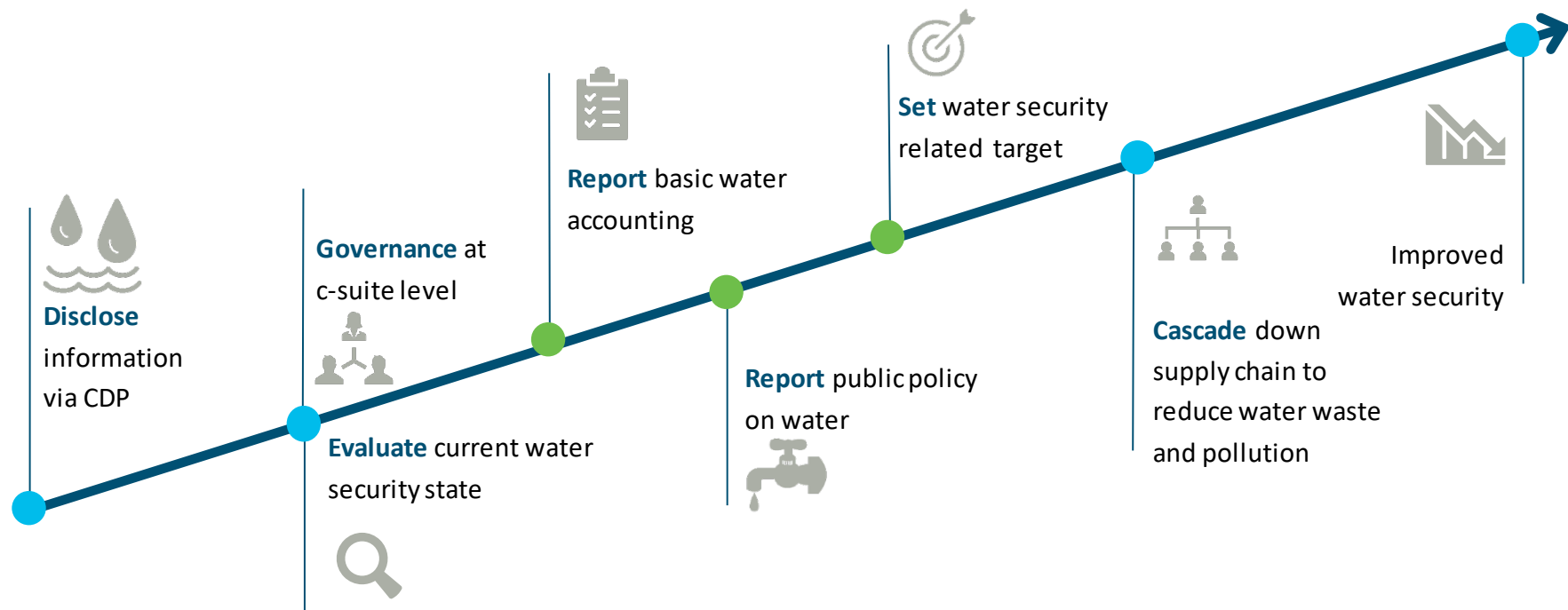
Water Security Requirements



Report water use and dependencies to CDP on an annual basis:

1. Provide a corporate level response for all facilities worldwide
2. Make the response publicly available via the option provided by CDP
3. Set a water-saving goal and report annual progress against your goal
4. Report facility-level data to Cisco as requested

The Journey Towards Water Security



#CDPSupplyChain | @CDP

Phase 1: Understand state

Phase 2: Evaluate impact and risk

Phase 3: Improve performance

Supplier Resources

CDP Supply Chain Program – Supplier Timeline



CDP Climate Change & Water Security Survey:
Investor Request > made to large public companies
Supply Chain Request > made to suppliers within large supply chains

- Supplier Action
- Cisco Action
- CDP Action



CDP Disclosure Info: <https://www.cdp.net/en/companies-discloser/disclosure-info>

Supplier Communications

RBA CoC - Environmental Section (C.7, C.8)

- <http://www.responsiblebusiness.org/code-of-conduct/>

IT Group - CDP Supplier Expectations Letter

- https://www.cisco.com/c/dam/en_us/about/supplier/cdp-supplier-disclosure-letter.pdf

Cisco - Supplier Sustainability Guidebook

- https://www.cisco.com/c/dam/en_us/about/supplier/suppliers-guide-e-book.pdf



We hope you are doing well. We are writing to you to emphasize the importance of reporting your environmental information to CDP.

Measuring and managing your environmental performance is an increasing priority for companies in the ICT industry. Our industry recognizes that environmental excellence is a requirement for long-term success. To this end, our industry has undertaken a range of ambitious environmental actions, from setting science-based targets to making renewable energy commitments and investments.

We ask that our suppliers demonstrate the same principles of proactive environmental management that we prioritize. As such, this year your organization is receiving a request to disclose your environmental performance through CDP.

CDP is a global environmental nonprofit that runs the world's largest, only comprehensive disclosure system for companies to disclose their environmental performance to their investors and customers. CDP's questionnaires are the gold standard in environmental disclosure and management.

There is broad alignment in the ICT industry to leverage CDP's disclosure platform to collect key information on emissions performance, business strategy, energy use, targets, and water management. This information enables us to understand our supply chain ("scope 3") footprints, set and track progress against water and climate targets, and evaluate the individual performance of suppliers in line with our business objectives.

We strongly encourage you to use CDP to demonstrate your individual environmental management, transparency, and action to combat climate change by reporting on the following five main priorities identified by our industry:

- ▶ Public reporting of Climate Change and Water Security responses
- ▶ Current corporate-wide greenhouse gas (GHG) emissions reduction goal(s)
- ▶ Complete and accurate reporting of corporate-wide Scopes 1 & 2 GHG inventory
- ▶ Third-party emissions verification
- ▶ Complete and accurate reporting of corporate-wide water withdrawal

Your customers in the ICT industry and beyond will increasingly prioritize strong environmental action in the years to come. Disclosing to CDP is a crucial component to making positive change. For more information about CDP and how this is relevant to your ICT customer, please watch [this recorded webinar](#), hosted on behalf of the companies listed below.

We appreciate your partnership as we work together to meet the challenge of climate change and environmental stewardship.

Sincerely,



Opportunities & Resources for Improvement

	CDP Supply Chain Program	CDP Reporter Services	3 rd party verification	CDP Action Exchange	CDP capacity-building webinars
Best for suppliers who...	Want more visibility & assistance in Scope 3 and Supply Chain Emissions	Want to be recognized as a top-tier company in emissions transparency	Want to use emissions data to set goals or make key decisions	Want ideas of how to reduce emissions and realize cost-savings	Are new to reporting & want to learn about CDP disclosure
Example end goal	Reporting Scope 3 Emissions from Purchased Goods & Services	Achieving leadership status on CDP Climate Change Questionnaire	Publicizing a 20% emissions reduction goal	Implementing an energy savings activity, such as upgraded HVAC system	Providing transparency to stakeholders on greenhouse gas footprint and goals
Increase confidence in data	✓	✓	✓		
Capture additional information	✓	✓		✓	✓
Attend events & training	✓	✓		✓	✓
Cost to supplier	✓	✓	✓	FREE	FREE

Supplier Resources

Organizational guide for environmental action

CDP's questionnaires, guidance and scoring methodology provide a guide towards best practices in environmental management for companies. The CDP roadmap provides a snapshot of actions companies are taking at each stage of this journey towards environmental excellence

- [CDP - Environmental Action Guidance \(English\)](#)
- [CDP - Environmental Action Guidance \(Chinese\)](#)

CDP reporting guidance & training webinars:

- <https://www.cdp.net/en/guidance/guidance-for-companies>
- [2021 CDP Bite-Sized Climate Guidance](#)
- [2021 CDP Bite-Sized Water Guidance](#)

CDP Scoring Methodology:

Included to provide industry best practices.

Cisco's supplier scorecard is only impacted by the questions highlighted in the annotated questionnaire above.

- [Scoring Introduction 2021](#)

Supplier Resources: Climate Change

CDP 2021 Climate Change Questionnaire & Reporting Guidance:

The questions requiring a Cisco response have been summarized in 1st page in this version of the document

- [Climate Change - Cisco's Min Response \(English\)](#)
- [Climate Change - Cisco's Min Response \(Chinese\)](#)

CDP Verification Guidance

- <https://www.cdp.net/verification>

Rocky Mountain Institute (RMI)

- <https://rmi.org/our-work/>

Renewable Energy Buyers Alliance (REBA)

Membership based platform focused

- <https://rebuyers.org/about/vision/>

RMI & REBA Business Renewables Center

- <https://rmi.org/our-work/electricity/brc-business-renewables-center/>

Supplier Resources: Water Security

CDP 2021 Water Security Questionnaire:

The questions requiring a Cisco response have been summarized in 1st page in this version of the document

- [Water Security - Cisco's Min Response \(English\)](#)
- [Water Security - Cisco's Min Response \(Chinese\)](#)

CDP Technical Note on Water Accounting

- http://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.r81.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/001/561/original/CDP-technical-note-water-accounting-definitions.pdf?1523617481

Alliance for Water Stewardship (AWS)

The AWS International Water Stewardship Standard, version 2.0:

Requires registration (free) before you can download

- <https://a4ws.org/the-aws-standard-2-0/>
- <https://a4ws.org/the-aws-standard-2-0/download-the-aws-standard-2-0/> (need to complete survey before downloading)

AWS Online training course:

Requires registration (free) before you take the webinar training

- <https://tools.a4ws.org/modules/introduction-to-aws-standard-system-mandarin/>
- <https://tools.a4ws.org/modules/an-introduction-to-the-alliance-for-water-stewardship-standard-standard-system/>

For any questions or comments regarding CDP's Online Reporting Platform please contact:
respond@cdp.net

For any questions or comments regarding Cisco's CDP Supply Chain Program please contact:
cisco-cdp-questions@cisco.com



Cisco's Operations



Use **renewable energy** for 85% of Cisco's global electricity consumption



60%

Reduce scope 1 and 2 **greenhouse gas emissions** worldwide by 60% between FY07 and FY22

Our Strategy to Meet our Goals



Utilize

space more efficiently via Cisco Connected Workplace



Increase

energy efficiency of our real estate operations



Generate

low-carbon electricity from onsite systems



Purchase

renewable energy



Engage

stakeholders on strategy



[Read More](#)

Cisco's Supply Chain



CISCO ™

- 80 percent of Cisco component, manufacturing, and logistics suppliers by spend will have a public absolute GHG emissions reduction target by FY25
- Reduce Cisco supply chain-related Scope 3 GHG emissions by 30% absolute by FY30 (FY19 base year FY19)

[Read More](#)