



Cisco Supplier Guide: Sustainability, Risk and Security

May 2019





03	Introduction
04	Code of Conduct
06	Responsible Minerals
08	Materials Compliance
09	Circular Economy
11	Environmental Risk and Management
13	Electronic Product Environmental Assessment Tool (EPEAT)
15	Business Continuity Planning
17	Security
19	Collaborating for Impact

Introduction

For over 30 years, making a positive impact on society, our planet, and our customers and suppliers has been core to our culture. Sustainability and risk management are embedded in our business strategy and functions across Cisco. It is central to our purpose, our culture, and how we invest our resources. It is also something that our stakeholders expect of us – whether that be investors, customers, or employees. However, we cannot do it alone. We recognize that being the best supply chain in the industry requires partnership and collaboration.

The Supplier Guide has been created to emphasize areas of importance and provide clarity on our specific reporting and compliance requirements, as well as highlight areas that provide an opportunity to collaborate bringing a mutual benefit.

- Uphold Cisco’s [Supplier Code of Conduct](#) and cascade responsible business practices into your own supply chain
- Support Cisco’s [policy and due diligence](#) to achieve a conflict-free supply chain
- Meet materials compliance requirements as detailed in the Cisco Controlled Substances Specification
- Partner to achieve Cisco’s circular economy objectives and circular design principles
- Publicly report greenhouse gas (GHG) emissions and reduction targets to CDP on an annual basis

- Uphold environmental responsibility standards and local laws and mitigate impacts in the geographies in which you operate (e.g., remediating Institute of Public & Environmental Affairs (IPE) violations in China)
- Comply with Cisco’s Business Continuity Policy and respond to related questionnaires and data requests pertaining to manufacturing site locations
- Comply with the applicable security requirements specified in the Master Security Specification.

Further information on these important areas can be found in the following sections.

Annual timeline



If you have any questions or concerns, please reach out to us at supplychainsustainability@cisisco.com. We appreciate your continued partnership as we work toward these common goals.

Code of Conduct

We are committed to manufacturing our products responsibly and sustainably. As a founding member of the [Responsible Business Alliance](#) (RBA), Cisco has adopted the RBA Code of Conduct (“Code”) as the [Cisco Supplier Code of Conduct](#). Cisco requires its suppliers to commit to the Code and ensure that these expectations are cascaded throughout the supply chain. Beyond a compliance approach, Cisco views suppliers as partners in building and maintaining a resilient and socially responsible supply chain.

Why it matters

Cisco expects its suppliers to operate their business with integrity and be held accountable for unethical practices that happen on their watch. Suppliers are expected to demonstrate their conformance to the Code and engage in capability building and other programs offered by Cisco to continually improve performance.

Our approach

Cisco uses a risk-driven approach when identifying suppliers in scope for engagement and monitoring. Cisco monitors supplier adherence to the Code and its requirements and integrates metrics based on that adherence into the quarterly supplier scorecard, which informs business decisions. Through this approach, Cisco aims to drive continuous improvement and support the propagation of best practices throughout the supply chain. By collaborating with suppliers and peers, Cisco aims to develop solutions that are fit for their purpose and that can drive impact to measurably improve the lives of workers and the health of ecosystems within the supply chain.



Supplier expectations

Cisco expects suppliers to:

- Acknowledge the RBA Code of Conduct
- Annually provide Cisco with a complete RBA Self-Assessment Questionnaire (SAQ) through the RBA-Online platform
- Share valid RBA Validated Assessment Program (VAP) audit reports for major facilities that support Cisco's products
- Perform RBA Customer-Managed Audits as requested by Cisco
- Provide Corrective Action Plans as findings occur through the VAP process and close findings according to RBA closure guidelines

We provide support to suppliers to achieve and maintain conformance to the Code. Cisco monitors supplier participation in these supplementary touch points, including:

- Capability building through e-learning courses or additional training opportunities to drive continuous improvement
- Focused programs such as the RBA's Responsible Workplace Program, or other programs that drive toward improving worker well-being

Cisco suppliers must also conform to relevant social responsibility policies and practices such as those outlined by modern slavery, supply chain transparency, due diligence legislation, and [Cisco's Global Human Rights Policy](#). Cisco also monitors emerging issues and makes an effort to inform suppliers of developing standards within social responsibility.

Emerging topics

Cisco expects suppliers to be fully aware of changes and updates to the RBA Code of Conduct and to drive conformance to those updates.

Recent changes to the Code of Conduct include:

- Refined Definition of Fees that can contribute to forced or bonded labor
- Health and safety protections for pregnant women and nursing mothers
- Adherence to the hierarchy of controls as a framework for protecting workers from workplace hazards
- Water resource management programs

How to get in touch

cisco-supplier-coc@cisco.com

Responsible Minerals

We are committed to sourcing components and materials from companies that share our values related to human rights, ethics, and environmental responsibility. However, the extraction and sale of certain minerals in conflict-affected and high-risk areas can be used to perpetuate violence, human rights abuses, environmental degradation, and other risks. Among the minerals of concern are tin, tungsten, tantalum, and gold (3TG), sometimes referred to as “conflict minerals.” Cisco’s goal is to work collaboratively through the supply chain to source minerals consistent with our values.

Why it matters

Cisco has a long-standing commitment to uphold and respect human rights for all people, including those who work in our supply chain. Cisco does not directly procure minerals from mines, or the smelters or refiners that process them. Therefore, we must work collaboratively through the supply chain to shift our mineral supply to responsible sources consistent with our values related to human rights, business ethics, labor, and environmental responsibility.

In addition to our commitment to maintaining an ethical supply chain, Cisco must meet customer expectations and regulatory requirements for responsible sourcing of minerals. In the United States, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) imposes requirements on publicly traded companies to conduct due diligence and report annually on the presence of 3TG originating in the Democratic Republic of the Congo or adjoining countries in the products they manufacture or contract to manufacture.

Our approach

Cisco has implemented a comprehensive due diligence process to meet our regulatory obligations and to advance our goal of achieving a conflict-free mineral supply chain. Tracing minerals back to their mine of origin is a complex aspect of responsible sourcing in the electronics industry supply chain. Cisco participates in the Responsible Minerals Initiative (RMI) and leverages its tools and programs, such as the Conflict Minerals Reporting Template (CMRT) and Responsible Minerals Assurance Process (RMAP), to conduct due diligence and advance responsible sourcing.



Supplier expectations

We expect all suppliers to:

- Commit to the RBA Code of Conduct, which includes a provision related to the responsible sourcing of minerals, and maintain a policy and program to reasonably assure that 3TG in the products they manufacture does not directly or indirectly benefit armed groups in the Democratic Republic of the Congo or adjoining countries
- Submit a CMRT upon request from Cisco to document supply chain smelters used for products delivered to Cisco and verify key elements of the suppliers' policy and program
- Source only from smelters validated as conformant with RMAP or a cross-recognized third-party assessment program
- If the supplier is not yet sourcing only from RMAP-conformant smelters, it must create and share with Cisco plans for removing the non-RMAP-conformant smelters from its supply chain
- Respond to due diligence inquiries from Cisco, including any requests for action, and make the results of those actions available to us upon request

Emerging topics

Cisco recommends that all suppliers actively monitor and participate in the Responsible Minerals Initiative (RMI), an initiative made up of more than 350 companies across 10 different industries, to stay current on responsible sourcing and minerals supply chain issues. RMI also includes the most up-to-date and current Conformant Smelter list, including the names, locations, and responsibly sourced minerals policies of all smelters and refiners that have been found to be conformant with the RMAP standards.

Cisco also believes that responsible mineral sourcing extends beyond the current state of regulations. Additional minerals used in components may also face challenges related to degrading treatment of people, forced labor, child labor, and unmitigated environmental damage, and Cisco will update our policy and due diligence as needed.

How to get in touch

conflictminerals@external.cisco.com

Materials Compliance

As a global supplier of electronic equipment, Cisco is responsible for the management of materials within our products. Global environmental regulations and Cisco's interest in reducing the impact of the materials used in our products and our supply chain have helped spur the development of products that use environmentally preferable materials. Cisco's Controlled Substance Specification establishes and communicates Cisco's substance use, reporting, and documentation requirements to our suppliers and partners.



Our approach

The Cisco Controlled Substance Specification (CSS) is the foundation applying to products (e.g., materials, parts, and finished products) supplied to Cisco or third parties on Cisco's behalf, and/or their manufacturing processes. It outlines Cisco's controlled substances, including restricted substances, exemptions to restrictions, substances to be reported and/or phased out or to be watched for potential future restriction, and documentation requirements. The CSS makes references to requirements for packaging and batteries or battery-containing products, in partnership with Cisco's Environmental Packaging Specification and Cisco's Compliance Specification for Batteries and Product Containing Batteries.

Sustainability and protecting the environment are a priority at Cisco. Our approach to protecting the environment is to set long-term goals to address the environmentally significant impacts from our products and business operations. Our most material environmental issues are energy and greenhouse gases, managing product end-of-life, and implementing circular economy principles to conserve the Earth's resources. Cisco's annual Corporate Social Responsibility (CSR) report details our environmental policies, while our Environmental Management System (EMS) drives continual improvement in our business processes, products, and services to address Cisco's environmental impacts.

Supplier expectations

Cisco requires suppliers and partners to acknowledge receipt of the Cisco CSS. Compliance with the CSS is required. Conformance to this specification is part of Cisco's qualification process. It is the responsibility of suppliers and partners to conform to the CSS and to provide complete and accurate information to verify conformance when requested.

The CSS requires Contract Manufacturers, ODM/OEM suppliers, and component suppliers to be accountable to ensure that manufacturing consumables (bulk materials/process chemicals used to manufacture, assemble, and/or package products, and which remain in products) meet the requirements defined in the CSS.

Emerging topics

In partnership with Environmental Affairs and the Compliance and Certification Teams, Cisco's Compliance Optimization Team (COT), led by Supply Chain Sustainability, maintains a forward-looking Compliance Roadmap to track emerging requirements. The team identifies supply chain compliance requirements, trends, and emerging topics through data sensing and analysis, enabling Cisco to effectively communicate cross-functionally, efficiently report compliance metrics, and proactively facilitate compliant execution by the business.

How to get in touch

supply_chain_cot_questions@cisco.com

Circular Economy

A circular economy gradually decouples economic activity from the consumption of finite resources. Instead, we design waste out of the system, transition to renewable resources, keep products and materials in use longer, and recover embedded values at the end of life. At Cisco, we see significant value in this model, and are in the process of driving circular advantage throughout our business. We look to our partners to work with us toward those goals and to set and advance toward their own circular economy goals.

Why it matters

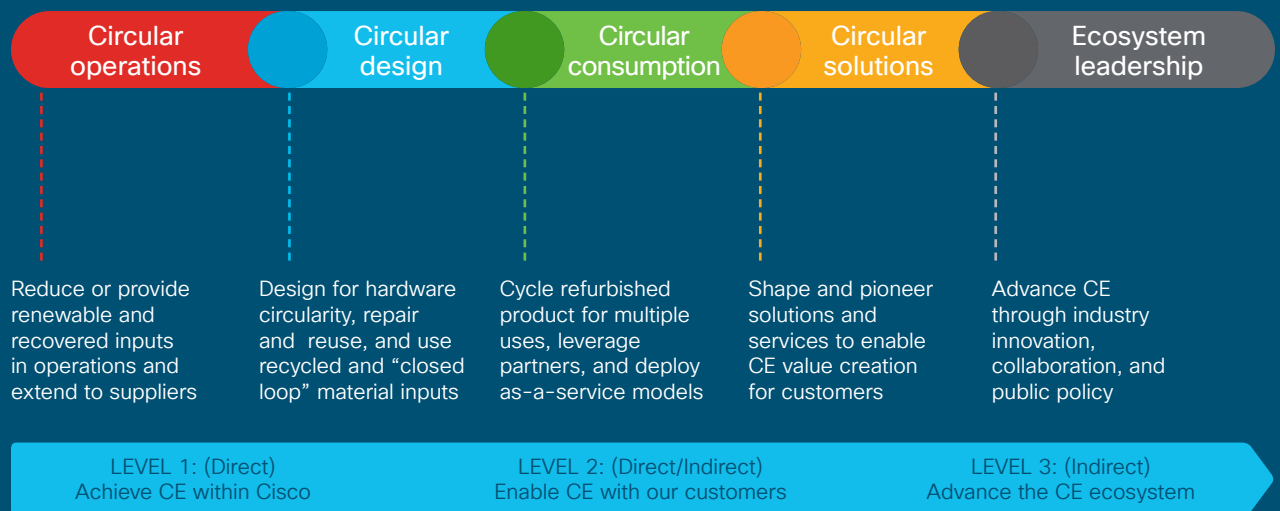
Each year, we are using more resources than our planet can regenerate, increasing the likelihood and impact of risks such as supply chain disruptions and increased costs. Adopting a circular approach builds long-term resilience and presents a trillion-dollar opportunity with huge potential for innovation, job creation, and economic growth.

Our approach

Cisco's holistic approach extends from how we design, build, and deliver products and solutions to how we value the assets we have and turn those assets into new products. We are also applying Cisco® technology to support our customers through their own circular transformations.

Our circular economy (CE) initiatives are focused in five major areas:

Focus areas for circular advantage



Supplier expectations:

We expect all suppliers to:

- Report GHG emissions to CDP on an annual basis using the Online Response System
 - Make the response publicly available and set permission for Cisco to receive your reporting status and emissions information
 - Demonstrate verification (third-party review) of your GHG emissions
 - Set a GHG emissions reduction goal (absolute reduction goals are preferred) and report annual progress against your goal
 - Request that your suppliers and business partners also report to CDP using the same process above
- Annually provide Cisco with a complete corporate-level Environmental Survey through the RBA-Online platform

In addition, Cisco expects all first-tier suppliers and strategic component and material suppliers to:

- Proactively innovate and advance your own operations to help us meet our new goal to reduce our use of virgin plastic in product and packaging designs as well as other new goals around waste and GHG emissions to be announced later this year
- Bring Cisco ideas that support our broader circular economy goals
- Respond promptly to all data requests

Emerging topics

In alignment with growing stakeholder expectations and the increasing business case for investment in sustainability and circularity, Cisco plans to announce two new environmental reduction goals across our extended operations in 2019. We will be looking for suppliers to set GHG targets in line with science-based targets and to create waste reduction roadmaps that enable zero waste to landfill certification. Targeted suppliers are in the process of being contacted to participate in our pilot program on waste, but do reach out if this aligns with your operational strategy and you would like to learn more. Additionally, we have committed to reducing our virgin plastic usage by 20% by 2025. To achieve this, we will be working with our suppliers to use more recycled materials in our products and packaging as well as adapting our product designs to enable more component reuse.

How to get in touch

circulareconomy@cisco.com

Environmental Risk and Management

Environmental responsibility and following the law are basic expectations of doing business with Cisco and are embedded in the Supplier Code of Conduct and Supplier Ethics policy. Cisco assesses suppliers' conformance to environmental regulations and Cisco requirements, works with them to correct any identified issues and continually improve, and requires first-tier suppliers to report on their supply chain environmental performance. In this way Cisco mitigates risks and builds an environmentally responsible supply chain.

Why it matters

Cisco's aim is to produce products in ways that maximize environmental protection. Also, suppliers not meeting regulatory standards can pose risks to Cisco's business continuity if factories are shut down or otherwise restricted. Positive engagement with our supply chain to protect ecosystems supports the values and goals of Cisco.

Our approach

Environmental compliance is an element of the RBA audit program. First-tier suppliers are also expected to publish information on the environmental performance of their supply chain. To supplement that core approach, Cisco screens suppliers based in mainland China to assess if they have environmental violations or risks and works with suppliers to correct any issues. We offer capability building and training to help suppliers continuously improve.



Supplier expectations

We expect first-tier suppliers based in mainland China to:

- Register a company account on the IPE website and request their suppliers that provide Cisco material or components to do the same
- Screen next-tier suppliers' legal names in the IPE pollution database and send Cisco the screening results quarterly
- Establish a process to manage their own and suppliers' environmental violations. That process should include timelines to:
 - Publish an explanation on the IPE website
 - Get delisted from the IPE pollution database
 - Complete Pollutant Release and Transfer Register (PRTR) reporting on the IPE website

Cisco expects material and component suppliers based in mainland China to:

- Register a company account on the IPE website
- Screen their legal company name in the IPE pollution database
- If any historical environmental violations are identified, collect related documents (violation detail and remediation process) and then publish them on the IPE website as an enterprise feedback
- Work with IPE to complete the delisting process

Outside of China, Cisco will leverage the annual published CSR/Sustainability report to evaluate first-tier suppliers' green supply chain efforts, with a focus on their work with their next-tier suppliers to ensure environmental compliance and to conserve or manage water use.

Cisco expects first-tier suppliers to:

- Publish a Sustainability report based on the Global Reporting Initiative (GRI) Standards
- Disclose supply chain environmental information in the GRI report, including:
 - Next-tier suppliers' environmental compliance information
 - Next-tier suppliers' water conservation or management information

Cisco offers training and capability building for suppliers to improve their environmental practices. Our Supply Chain Social and Environmental Responsibility team is also collaborating with our Supply Chain Risk and Commodity teams to implement an environmental risk mitigation process. Supplier performance in meeting our requirements is embedded in our scorecard metrics.

Through risk assessment, supplier engagement, and continuous development of environmental management systems, Cisco seeks to build a green supply chain that meets and exceeds regulations and stakeholder expectations.

Emerging topics

Suppliers are responsible for maintaining awareness of and adherence to regulations and enforcement mechanisms. In China, environmental regulations and enforcement mechanisms are developing quickly and may pose business continuity risks to Cisco and our suppliers. All suppliers globally are expected to monitor developments and trends to maximize their environmental responsibility and mitigate risk.

How to get in touch

cisco-supplier-coc@cisco.com

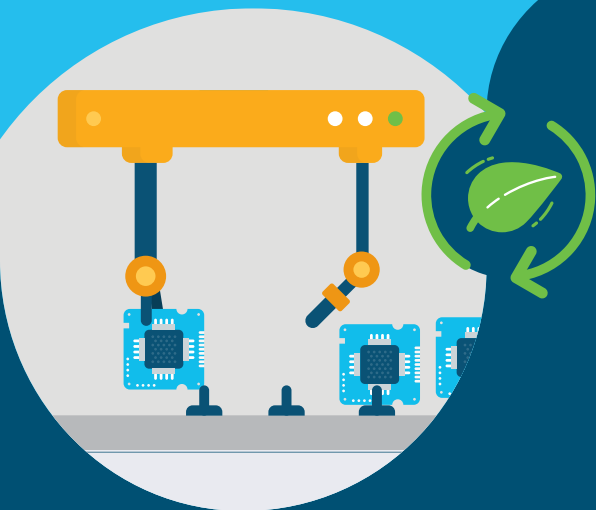
Electronic Product Environmental Assessment Tool (EPEAT)

The Electronic Product Environmental Assessment Tool (EPEAT) is a method for purchasers (governments, institutions, consumers, etc.) to evaluate the effect of a product on the environment. It assesses various lifecycle environmental aspects of a device and ranks products as Gold, Silver, or Bronze based on a set of environmental performance criteria. EPEAT is managed by the Green Electronics Council (GEC). GEC maintains EPEAT's website and product registry and also documents the environmental benefits resulting from the purchase of EPEAT-registered products.

Device manufacturers self-declare which environmental criteria their products meet, with those declarations overseen by a network of conformity assessment bodies (CABs) that help manufacturers demonstrate that their products meet the IEEE 1680 family of "green electronics" standards.

Why it matters

EPEAT is the leading global ecolabel for the IT sector. The EPEAT program provides independent verification of manufacturers' claims and an online registry of sustainable products from a broad range of manufacturers. National governments, including the United States, and thousands of private and public institutional purchasers around the world use EPEAT as part of their sustainable procurement decisions. For example, the U.S. Federal Acquisition Regulations (FAR) were adjusted to require all federal agencies to purchase "at least 95 percent" of their electronics based on EPEAT status if an appropriate EPEAT product exists. While initially limited to personal computers and displays, additional categories of product have been added to EPEAT, including servers.



Our approach

Sustainability and protecting the environment are a priority at Cisco. Cisco focuses on offering products and solutions designed to help customers reduce their environmental impact through participation in environmental programs such as EPEAT. As a member of the EPEAT Advisory Council, Cisco provides industry input, advice, and perspective to EPEAT management and staff on the implementation of new standards and adjustments to existing standards, and stakeholder input related to the management of the EPEAT program.

We expect all suppliers to:

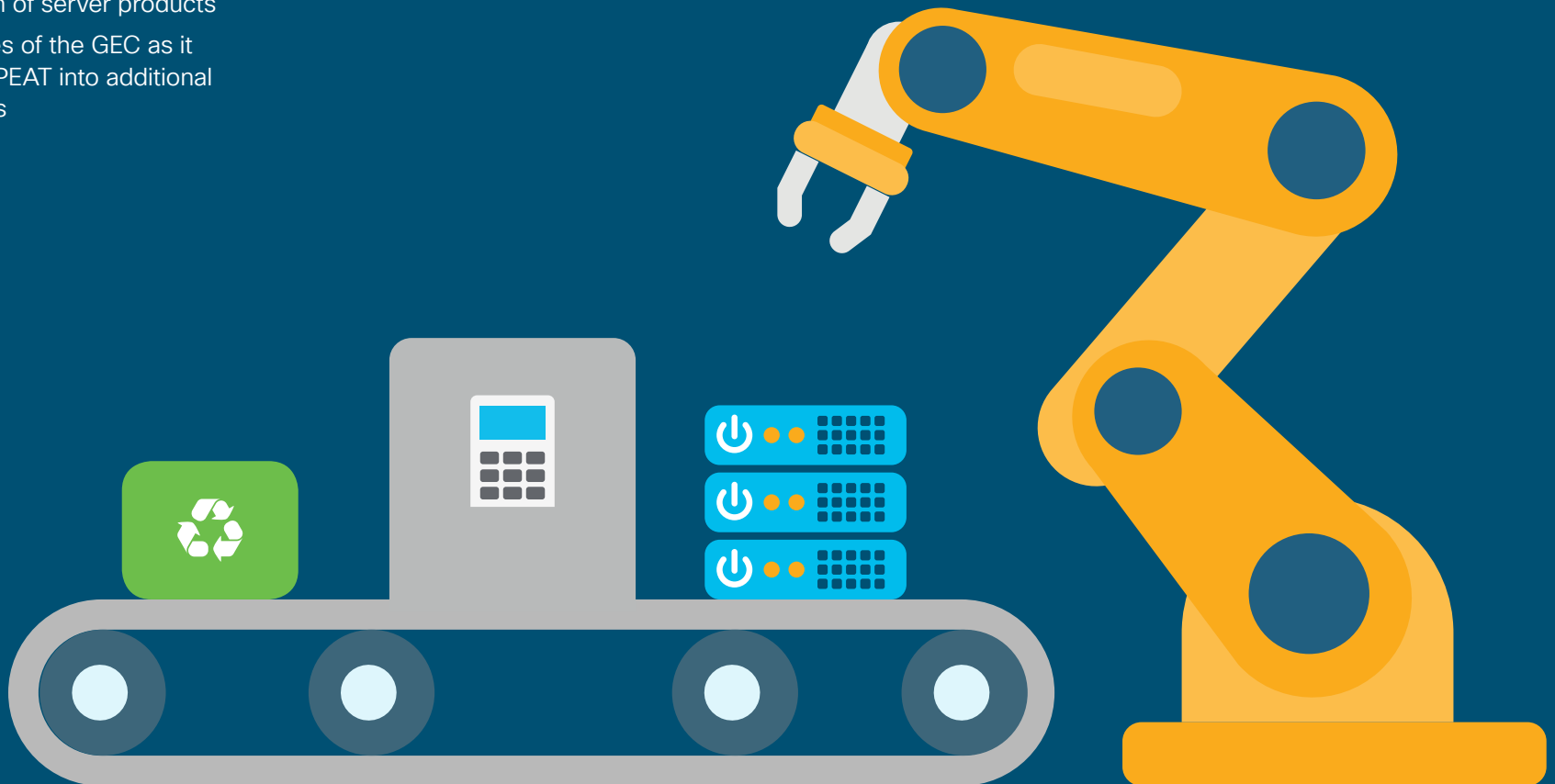
- Support Cisco's activities as we complete EPEAT certification of server products
- Follow the activities of the GEC as it looks to expand EPEAT into additional product categories

What's next?

From time to time, the GEC evaluates the addition of product categories requiring EPEAT conformance. The current EPEAT roadmap includes the addition of routers and switches. No formal date for release of the standard has been released at this time. Through Cisco's participation on the EPEAT Advisory Council, Cisco has the ability to influence and closely monitor the status and potential release date for this additional product family.

How to get in touch

supply_chain_cot_questions@cisco.com



Business Continuity Planning

Why it matters

Our customers expect Cisco to deliver quality products and services on time – all the time. We want to continuously work side by side with our trusted Cisco suppliers and partners to prepare for unexpected events such as loss of critical assets, pandemic, technology outages, natural disasters, cyber threats, global environmental issues, and political instability by minimizing any downstream impact from these types of events to our customers.

World-class risk management capabilities are driven through complete visibility of our supply chain locations and the appropriate levels of supplier and partner resiliency and preparedness in advance of a crisis. The impact of not being prepared in advance of a crisis is a risk to Cisco and could cripple our crisis response and ability to recover, which could then impact our commitments to our customers.

Our approach

The goal of our Business Continuity Plan (BCP) is to identify all supplier and partner site locations and assessing the risk of any sites being impacted by a global incident. The assessment includes documenting the Supplier's recovery strategies and compliance to Cisco's Supplier BCP standards, as well as identifying gaps in their BCP programs. We work with our suppliers to mitigate and close any gaps by validating data through audits and drills.

The BCP team transmits an audit survey to our suppliers via the Supply Chain Content and Audit Management tool. Once the supplier completes the survey, the BCP team will review the responses and audit the evidence, until full compliance is achieved.

Global Supplier Management (GSM) Commodity teams are available to assist suppliers with mitigation requirements. Cisco Senior Management also helps to review supplier BCP compliance status.

To ensure we have the latest information at hand, Cisco requires continued support from suppliers. It's important that all survey requests from Cisco are treated with high priority in order to achieve complete visibility to our Tier 1 and Tier 2 supply network. This information enables faster identification, responsiveness, and recovery to any events that have the potential to disrupt Cisco business.

Supplier expectations

All Cisco suppliers will receive an audit survey email notification via Cisco's Supply Chain Content and Audit Management tool.

Suppliers log in to the Supply Chain Content and Audit Management tool, respond to the survey questions by site, and upload any necessary evidence in support of every survey question.

Once completed, they submit the survey responses to Cisco for review.

Within thirty (30) days following a request by Cisco, a supplier must respond in full to Cisco's questionnaire regarding disaster recovery, pandemic preparedness and business continuity plans and measures specific to location(s) upon which the supplier relies on providing the products. This information includes identifying primary site locations, available alternate facilities, time to recover (in weeks), emergency contacts, infrastructure/logistics, and security and protective measures necessary to ensure minimal impact to Cisco's supply of products.

Cisco may request an updated copy of such BCP periodically, but no more than bi-annually; an updated BCP provided by the supplier will supersede the prior BCP.

In mid-2019, we will kick off additional part site mapping surveys by partnering with suppliers to refresh existing data and get increased visibility to the supply network.

What's next?

In mid-2019, we will kick off additional part site mapping surveys by partnering with suppliers to refresh existing data and get increased visibility to the supply network.

How to get in touch

supply-risk@cisco.com

Security

Cisco drives security in our supply chain ecosystem to ensure that we can prevent and respond rapidly to any type of security threats. Our layered approach covers physical, logical, technical, and behavioral security.

Why it matters

Security is an essential element of success to Cisco and our customers, due to the pervasive impact of ever-evolving security threats. Threats have the potential to disrupt operations, result in financial losses, impact our brand reputation, and damage customer trust.

Our approach

We are committed to enforcing security processes and practices to enable operational excellence and to ensure brand protection and customers' trust. We are strengthening our processes to protect Cisco intellectual property and strengthen our protection against counterfeit or tainted products. Furthermore, we are striving to eliminate potential disruption to supply chain services such as sourcing, making, and delivery.

Supply Chain Security team is responsible for overseeing the breadth of security issues across our supply chain. Cisco's supply chain is driving a comprehensive set of controls and measures to protect our products across our ecosystem.

Cisco's security requirements of our partners are communicated to the entire supply chain ecosystem through our Master Security Specification. It assists Cisco Suppliers to identify applicable security requirements.

Cisco periodically monitors and measures our suppliers' compliance with all applicable requirements by using one or more of the following methods:

- Supplier audit performed by independent third parties
- Supplier audit performed by Cisco organizations, including but not limited to supply chain operations
- Supplier performance/business review
- Supplier evaluation upon contract renewal
- Supplier self-assessment
- Supplier security risk review prior to business award

Findings arising from any such measurement are logged and tracked. All findings from the audit need to be remediated within a timeline agreed upon by the partner and Cisco. Compliance with Cisco requirements is required. Deviation or non-compliance with the requirements may result in impact to Cisco's business with a Supplier.



Supplier expectations

- Cisco expects all suppliers to take reasonable measures to comply with the applicable security requirements. In case of noncompliance with such requirements, suppliers are expected to remediate the findings within a timeline agreed upon by the supplier and Cisco.
- We expect all suppliers to have their own security program to address security risks in their own infrastructure and to protect their own data as well as Cisco data. We expect our suppliers to drive security into their own supply chain ecosystem.

What's next?

Suppliers have already received our Master Security Specification (MSS) and are expected to provide their self-assessment audit. We work with our suppliers to define an audit schedule. In the second half of FY19, we are releasing an updated version of the MSS. Please be on the lookout for additional communication.

Contact information

supply_chain_security@cisco.com

Collaborating for Impact

At Cisco, we believe more than ever that what's good for the world is good for business. Corporate social responsibility is core to our purpose, our culture, and how we invest our resources. We are using the power of our business and the networks we have enabled to accelerate global problem solving for people, society, and the planet.

How do we accelerate global problem-solving?

Across our focus areas, we have set ambitious goals to focus our actions in these areas and are making meaningful progress.



People

Empowering our people and teams to thrive in a digital workforce



Society

Scaling inclusive social and economic impact in countries around the world



Planet

Advancing environmentally sustainable growth in a digital world

Our goals

Positively impact

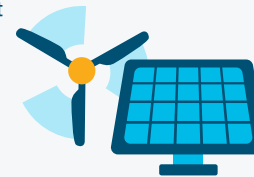


1B
people by 2025

Renewable energy

Use electricity generated from renewable sources for at least

85%
of our global
electricity by FY22



GHG reduction

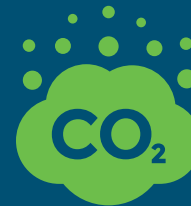
1 million

metric tons of GHG
emissions avoided in
our supply chain from
FY12 to FY20



Reduce total **Cisco Scope 1 and 2 GHG emissions** worldwide by

60%
by FY22, using FY07 baseline



20%

decrease use of
virgin plastic by FY25



As an extension of our workforce and operations, it is not surprising that we face many of the same challenges and opportunities. We want to work with you, leveraging the power of our ecosystem, to make a important impact in these areas. We encourage you to contact us with opportunities to collaborate in ways that benefit everyone. We cannot solve the world's problems on our own, but together we do have an important role to play.

To learn more, please read our latest [CSR Report](#).

