

# Cisco Norwegian Transparency Act Disclosure

At [Cisco](#), we are committed to treating employees and workers with dignity and respect. We work with partners in our industry and our supply chain to drive high industry standards and increase our positive impact.

This statement is designed to meet Cisco's reporting obligations under the Norwegian Transparency Act. This statement is issued as a joint statement covering Cisco Norway Holdings AS and Cisco Systems Norway AS (collectively, "Cisco's Norwegian Subsidiaries"). Cisco and its subsidiaries, including Cisco's Norwegian Subsidiaries, share the same core business operations and supply chains, human rights policies, and supporting processes, which are further described in this statement. This statement covers Cisco's Fiscal Year 2022 (FY2022) starting on August 1, 2021 and ending on July 30, 2022.

## About Cisco's Structure and Business Operations

Cisco is a multinational company incorporated in Delaware and headquartered in San Jose, California, United States of America. We conduct business operations globally and manage our business by geography. Our business is organized into the following three geographic segments: Americas; Europe, Middle East, and Africa; and Asia Pacific, Japan, and China. Cisco conducts operations in more than 400 offices worldwide.

Cisco designs, manufactures, and sells Internet Protocol-based networking and other products related to the communications and information technology industry and provides services associated with these products and their use. We sell our products and services both directly and through a variety of channels with support from our sales force. We had approximately 83,330 full-time employees as of July 30, 2022.

## About Our Supply Chain Network

We source from a global network of suppliers and partners. Hundreds of suppliers provide parts that go into our products, and then manufacturing partners assemble and test finished products; provide logistical services; and collect, refurbish, and/or recycle products at the end of their useful life. The major elements of our materials supply chain are briefly described below. Our [Supplier List](#) provides more insight on the [global suppliers](#) with which we partner.

- **Contract Manufacturing partners:** a select group of suppliers that produce finished Cisco products.
- **Component suppliers:** a wide group of suppliers, often contracted directly by Cisco to provide parts to our contract manufacturing partners according to our specifications.
- **Logistics service providers:** a group of providers that transport components and finished products.

## Our Due Diligence Approach

Cisco works to address human rights risks through human rights due diligence and human rights impact assessments to identify, prevent, and mitigate such risks. In the context of our supply chain, Cisco has created a [due diligence system](#) that considers social and environmental risks on the ground at supplier sites, factories, and in neighborhoods. The Norwegian Transparency Act suggests a due diligence approach

in alignment with the Organization for Economic Cooperation and Development (OECD) Diligence Guidance for Responsible Business Conduct (OECD Guidance) which consists of six steps. Below we describe Cisco's approach to implementing this guidance for our direct material suppliers and internal operations.

### **OECD Guidance Step 1: Embed responsible business conduct in our policies.**

Cisco's policies and approach to protecting human rights in our internal operations and supply chains are based on international labor and human rights standards, as well as best practices across the global business community. These policies apply to the whole Cisco group and all local subsidiaries, including Cisco's Norwegian Subsidiaries, are expected to adhere to them. These policies establish our baseline expectations, communicate our values, and promote trust and collaboration as a key underpinning of our many business and stakeholder relationships. Cisco's specific policies include:

- [Global Human Rights Policy](#): Our commitment to upholding and respecting human rights is stated in our Global Human Rights Policy. Our approach is governed by international human rights frameworks, including the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social and Cultural Rights (ICESCR), and the International Labour Organization (ILO) core labor standards, and it is aligned to the UN Guiding Principles on Business & Human Rights (UNGPs). Cisco's dedicated Business and Human Rights (BHR) team is responsible for implementation of this policy, and the BHR team reviews the policy on a regular basis. Our Human Rights Advisory Committee (HRAC) advises the BHR team on issues related to Cisco's support of and respect for human rights. Our HRAC includes leadership from functions across the business.
- [Code of Business Conduct](#) (COBC): Our COBC is a crucial part of our company culture that provides employees with a clear understanding of our core values and the high standards for ethical conduct by which we conduct our business, including respect for human rights.
- [Supplier Code of Conduct](#) : Cisco has adopted the Responsible Business Alliance (RBA) Code of Conduct as its own Supplier Code of Conduct (the "Code"). The Code sets consistent standards to drive social and environmental responsibility across our global supply chain and communicates our expectations of suppliers for labor, health and safety, environment, ethics, and management systems. These standards set a baseline from which to catalyze broad systems change. Cisco suppliers are required to acknowledge the Code as part of doing business with Cisco. We hold our suppliers—and their suppliers—accountable to the Code. Furthermore, it is a foundational element of our Supplier Ethics Policy.
- [Supplier Ethics Policy](#): Our Supplier Ethics Policy requires Cisco suppliers and their employees to conduct themselves with the highest standards of honesty, fairness, and personal integrity. Suppliers must ensure that their employees, subcontractors, agents, and third parties assigned to provide services or products to Cisco act consistently with this policy. This policy also is incorporated within standard terms and conditions for Cisco's global affiliates that supply Cisco's products and Cisco's indirect procurement suppliers. Furthermore, suppliers acknowledge and commit to the Code when they agree to the Supplier Ethics Policy.
- [Responsible Minerals Policy](#): Cisco's Responsible Mineral Policy aligns with our long-standing commitment to uphold and respect human rights for all people, including those who work in our supply chain. Our goal is to work collaboratively through the supply chain to source minerals consistent with our values around human rights.

- [Juvenile Labor Policy and Expectations](#): Our Juvenile Labor Policy and Expectations require suppliers to uphold the human rights of children, juvenile or young workers, students, interns, and apprentices.

Establishing strong policies demonstrates our commitment, sets expectations for our suppliers, and helps guide how we and our suppliers operate. Cisco communicates relevant supply chain policies to suppliers and ensures acknowledgement of those policies, either at onboarding or during annual evaluations. Cisco's policies are also embedded in our standard master [purchasing agreements](#) with suppliers.

**OECD Guidance Step 2: Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed to, or that are directly linked with the enterprises' operations, products or services via the supply chain or business partners.**

*Supply chain risk assessments:* Cisco conducts annual [assessments](#) of supplier sites focused on social and environmental risks. These risk assessments incorporate geographic risk indicators from reputable sources (such as the UN Human Development Index, World Bank Governance Indicators and indicators for forced labor such as the US State Department Trafficking in Persons Report), risks from supplier operations and production, and the supplier relationship to Cisco. Our assessment methodology includes criteria for assessing the presence of vulnerable workers such as foreign migrant workers, young workers, and student workers. We also incorporate suppliers' previous audit performance and repeated nonconformances in our overall methodology.

The results of these assessments inform the selection of supplier sites at which Cisco will conduct deeper investigation through onsite audits or surveys. If suppliers are found to be nonconformant to our policies, we will engage them to correct issues through [Corrective Action Plans](#).

Cisco also prioritizes and acts on supply chain risks based on their severity and likelihood of occurrence across the supply chain. For example, we create regional action plans based on geographic risk prevalence or commodity-focused strategies based on operational risk.

In addition to our annual risk assessment of all sites, we assess new suppliers or new supplier sites. If risks are identified, we follow up to determine if these need to be addressed prior to scaling business with the supplier.

*Operational risk assessments:* Cisco conducts [human rights due diligence](#) and human rights impact assessments in an effort to identify, prevent, and mitigate human rights risks. Examples of circumstances that could trigger human rights due diligence include:

- Launch of a new product, offer, or service or a material modification of an existing product, offer, or service.
- Internal review of policies and procedures that may impact human rights, such as updates to our Global Human Rights Policy, Data Protection & Privacy Policy, Cisco Secure Development Lifecycle, or our procedures for responding to law enforcement demands for customer data.
- Entry into or exit from a market.

- Review of a partner's, supplier's, or other third party's policies and procedures.
- Export of regulated products.
- Acquisition of a new company.

### OECD Guidance Step 3: Implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritization and assessments in Step 2.

*Supply chain:* Cisco uses multiple strategies in an effort to prevent, cease, or mitigate supply chain risks. These are the main levers that Cisco employs—some on their own, some in concert with others—when dealing with human rights or environmental noncompliance:

- **Supplier capability-building:** We aim to help suppliers and site workers develop a baseline set of skills to address social and environmental risks and promote best practices. For example, in FY2022, we delivered trainings on responsible recruitment, health and safety, worker engagement, water conservation, greenhouse gas reporting, and goal setting, among other topics.
- **Supplier accountability:** If a supplier is nonconformant with our policies, we pursue Corrective Action Plans and monitor their closure. Supply chain management is routinely informed of suppliers' performance on these plans and holds suppliers accountable to make progress. When we lack leverage to drive resolution, Cisco collaborates with industry peers to foster collective action. If a supplier fails to make efforts to improve, we may stop awarding new business, and, when warranted, terminate the relationship.
- **Supplier scorecards:** We use supplier scorecards to help measure and manage suppliers' conformance to Cisco's environmental and human rights requirements. Scorecards inform sourcing decisions and are discussed with suppliers during business reviews. Scorecards also factor into Cisco's supply chain business processes for sourcing and procurement decisions. Having sustainability metrics reported alongside cost, quality, and service delivery allows procurement managers to make informed decisions when awarding business to suppliers. The scorecard includes:
  - Conflict minerals reporting and sourcing of minerals in compliance with our policy
  - RBA audit completion and timely closure of Corrective Action Plans
  - Protection of vulnerable workers, such as foreign migrant workers and young workers
  - Pollution prevention activities and Environment Health and Safety certifications
  - Greenhouse gas, water, and waste reporting
  - Public reporting to the GRI standard
- **Industry collaboration:** Cisco believes cross-industry collaboration is key to ensuring suppliers have clear, consistent, and attainable standards. In presenting a united front, industry can work collectively to help suppliers make necessary improvements. Cisco is an active participant in the Responsible Business Alliance (RBA), of which it is a founding member, the Responsible Labor Initiative (RLI), the Responsible Minerals Initiative (RMI), and the European Partnership for Responsible Minerals (EPRM). Cisco also partners with the Institute of Public & Environmental Affairs (IPE), CDP, and Alliance for Water Stewardship. Learn more about [the stakeholders we engage with to drive impact](#).
- **Rightholder engagement:** Cisco works to promote the [voices of workers](#) in our suppliers' factories and people in surrounding communities. This includes worker interviews and programs to promote worker-management collaboration and communication in supplier factories. We also support engagement with communities surrounding our supplier sites on environmental issues and work

through multistakeholder partnerships to benefit mining communities. In FY2022, Cisco's supply chain team held internal workshops to strengthen our focus on vulnerable groups and rightsholder consultation, ultimately helping us prioritize actions for the coming year. This, coupled with a supply chain Human Rights Impact Assessment planned for FY2023 which will include worker interviews will elevate rightsholders in Cisco's sustainability strategy.

- **Remediation:** Cisco aims to provide affected rightsholders access to remediation, where appropriate. For [example](#), if workers at a supplier site have paid recruitment fees, Cisco will work with all involved parties, from the supplier to the affected workers, and may leverage industry partnerships to help facilitate the repayment of fees to workers.

*Internal operations:* Cisco has policies in place to prevent, cease, and mitigate human rights risks in our own operations. Cisco's Global Human Rights Policy states our commitment to the approach laid out in the UNGPs, including adopting the practice of regularly identifying and working to mitigate human rights risks and establishing mechanisms for reporting and remediating impacts when they occur. We are continuously working to integrate human rights due diligence into our broader enterprise risk management systems. Based on what we learn through the due diligence process, we work to identify potential risks and opportunities that could arise through our business operations, and we develop mitigation strategies to address actual or potential risks. We also consult, as appropriate, with potentially affected groups and other relevant stakeholders, including human rights defenders, academics, and others from civil society, with particular consideration for especially vulnerable groups.

Our COBC is a crucial part of our company culture that provides employees with a clear understanding of our core values and the high standards for ethical conduct by which we conduct our business, including respect for human rights. Cisco requires all employees, on an annual basis, to review, understand, certify, and comply with our COBC. Our COBC states that employees have a responsibility to share their concerns when they see or suspect something that could harm another employee or the company. They are encouraged to talk to their manager, a People & Communities representative, Legal, or the Ethics office.

The Ethics office manages all inquiries promptly, efficiently, and confidentially, to the extent possible by law. Cisco does not tolerate retaliation for a question or report of misconduct made honestly and in good faith. Retaliating against an individual who asks a question or reports a COBC violation is in itself a COBC violation. The Ethics office can be reached via email, webform, phone, regular mail or via [EthicsLine](#).

Cisco EthicsLine is a publicly available multilingual ethics and business conduct reporting tool which allows anonymous reporting of alleged illegal or unethical behavior. It is available 24 hours a day, seven days a week, worldwide. Cisco believes our employees, customers, partners, suppliers, shareholders, and other stakeholders have a responsibility to speak up promptly about any conduct or circumstances they believe, in good faith, may constitute a violation of the COBC, the Code, or any other Cisco policy.

#### **OECD Guidance Step 4: Track the implementation and results of our measures to cease, prevent, and mitigate impacts.**

Cisco uses multiple key performance indicators to track implementation and outcomes for our risk mitigation efforts. Our approach to creating key performance indicators for risk measurement focuses on visibility (audits, surveys, or reports that assess supplier conformance to our policies), performance (whether suppliers meet Cisco's requirements), and change (metrics showing Cisco's impact on supplier behavior). For example, Cisco tracks and reports the number of [audits performed](#) as well as key

nonconformances identified by country. In addition, we track suppliers' performance on audits to determine who demonstrates strong conformance and who requires further capability to make effective corrective actions. When corrective actions are needed, we monitor closure and track if the improved performance is sustained over time. We leverage this approach across our programs to drive continuous improvement of our programs and supplier performance.

In addition to tracking performance at the supplier level, Cisco analyzes these data for insights to inform ongoing strategic and programmatic decisions, such as capability-building, engagement with stakeholders, and program strategies. This ability to digest and reflect on due diligence efforts creates a positive feedback loop whereby we can continue to improve our initiatives.

**OECD Guidance Step 5: Communicate with affected stakeholders and rightsholders regarding how adverse impacts are addressed.**

As a public company operating in multiple jurisdictions, Cisco discloses our efforts in the supply chains space pursuant to applicable regulatory requirements. We publicly report our efforts on our [ESG Reporting Hub](#).

**OECD Guidance Step 6: Provide for or co-operate in remediation and compensation where this is required.**

Cisco aims to provide affected rightsholders access to remediation, where appropriate. For example, if workers at a supplier site have paid recruitment fees, Cisco will work with the involved parties, from the supplier to the affected workers, and even leverage industry partnerships, to help facilitate the repayment of fees to workers. In FY2022, we drove more than \$1.7 million in fee reimbursements to 2,817 workers. This included reimbursement of smaller health check fees in mainland China and the Philippines, as well as recruitment fees in Taiwan, Malaysia, Japan, and Singapore. Our efforts are ongoing as we continue to facilitate corrective actions with suppliers.

In addition to the above, during FY2022, Cisco partnered with the RBA and commissioned RBA Advisory Services for four suppliers in Taiwan that were allowing foreign migrant workers to pay recruitment fees. On our behalf, the RBA conducted interviews with relevant labor agencies in both the workers' countries of origin and destination countries, as well as with onsite human resources management teams, and with affected workers. These interviews help determine how much and at what point during the migration journey workers paid fees, in addition to uncovering conditions that workers were subjected to during the recruitment process. Next, the suppliers worked with RBA personnel to develop and implement a reimbursement plan. At the end of this process, a third-party audit was conducted to validate that the affected workers were adequately remedied. When possible, Cisco works with partners to take collective action. This approach enables us to increase our influence to address time sensitive nonconformances and to galvanize others around a specific incident or issue.

We are committed to transparently communicating about our corporate human rights policies and approach to due diligence in the supply chain. For further information on Cisco's work to maintain a socially responsible supply chain, refer to our [ESG Reporting Hub](#).

## Approval and Signing

**This disclosure is signed for and on behalf of Cisco Norway Holdings AS**

**CISCO NORWAY HOLDINGS AS**

By: T. Strømsnes

Name: Trine Strømsnes

Title: Chairperson of the Board of Directors

Date: 28 June 2023

By: Jonas Edebäck

Name: Jonas Edebäck

Title: Director

Date: 28 June 2023

**This disclosure is signed for and on behalf of Cisco Systems Norway AS**

**CISCO SYSTEMS NORWAY AS**

By: T. Strømsnes

Name: Trine Strømsnes

Title: Chairperson of the Board of Directors and Managing Director

Date: 28 June 2023

By: Jonas Edebäck

Name: Jonas Edebäck

Title: Director

Date: 28 June 2023