Cisco
Supplier Guide:
Sustainability,
Risk, and Security

2021

CISCO
RESPONSIBLE
SOURCING
HOW IT'S MADE MATTERS

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Letter from John Kern

Dear Trusted Partners,

For over 35 years, Cisco has been working to make a positive impact on society, our planet, and our customers and suppliers. It is central to our purpose, our culture, and how we invest our resources. We have consistently leveraged our technology to solve real business and social problems, and we are doing our part to build a more inclusive future for all.

Our supply chain is critical to Cisco's success. A responsibly managed supply chain upholds human rights, promotes worker health and well-being, and minimizes negative environmental impacts. This work aligns with Cisco's core values and directly benefits business outcomes, including business security and continuity, worker retention, productivity, and customer satisfaction. It is also something that our stakeholders expect— whether they be customers, partners, investors, or employees.

We are also committed to a circular economy, moving away from the traditional take-make-waste linear economy and toward a model that extends products' useful life and makes better use of finite natural resources. This transformation includes embedding circular design into our products and packaging, building our products at zero-waste factories, and running a world-class returns program. We see enhanced customer value through product lifecycle management and envision selling remanufactured equipment as core to the business. We have set ambitious goals and dedicated the necessary resources to transform Cisco's business into a circular model.

We fully recognize that being the best supply chain in the industry requires strong partnership and collaboration with our suppliers and partners. Together, we are building a more resilient and socially and environmentally responsible supply chain, and it takes all of us to discover and implement innovative ways to drive meaningful, measurable benefits for our extended supply chain ecosystem.

I believe everyone can make an impact and participate in our mission. I encourage you to read the *Cisco Supplier Guide* and collaborate with us on opportunities to create positive change. Collectively, we can strengthen our ability to solve large-scale problems and impact our planet.

Sincerely,

John Kern
Senior Vice President, Cisco Global Supply Chain Operations

Supply Chain Sustainability, Risk, and Security

> " Making the world a better place with technology begins with how the technology is made. And at Cisco, we lead by example. "

How We Prioritize

Cisco has been a leader in corporate social responsibility (CSR) since early in our history. Our CSR strategy has three pillars: People, Society, and Planet.

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

Why Does It Matter?

Cisco pioneered the technology that connects everything—and in doing so, unlocked the potential to solve some of our most pressing challenges. We use our technology, our expertise, and our resources not only to provide value for our customers, but also to make a positive impact on people, society, and the planet.

●● What Are We Doing?

Code of Conduct: Assess supplier performance against our expectations for labor, health and safety, environment, ethics, and management systems, and proactively assist them in continuous improvement.

Responsible Minerals: Set a strategy for due diligence and address responsible sourcing risks in our mineral supply chain.

Human Rights: Prevent the mistreatment of workers and vulnerable populations, and promote worker health and well-being so that they can thrive.

Materials Compliance: Establish standards for environmentally preferable materials used in our products while encouraging appropriate documentation requirements from our suppliers.

Environmental Stewardship: Monitor supplier performance in environmental management, including greenhouse gas (GHG) emissions, pollution, waste, and water, and work with them to address environmental risk in our subtier.

Circular Economy: Reinvent the way we design and build products and solutions to ensure that we use less, use what we have better, and use renewably.

Business Continuity Planning: Work with suppliers and partners to prepare for unexpected events so we can minimize any downstream impact to our customers.

Security: Utilize appropriate security measures to prevent and respond rapidly to any type of physical, logical, technical, or behavioral security threat.
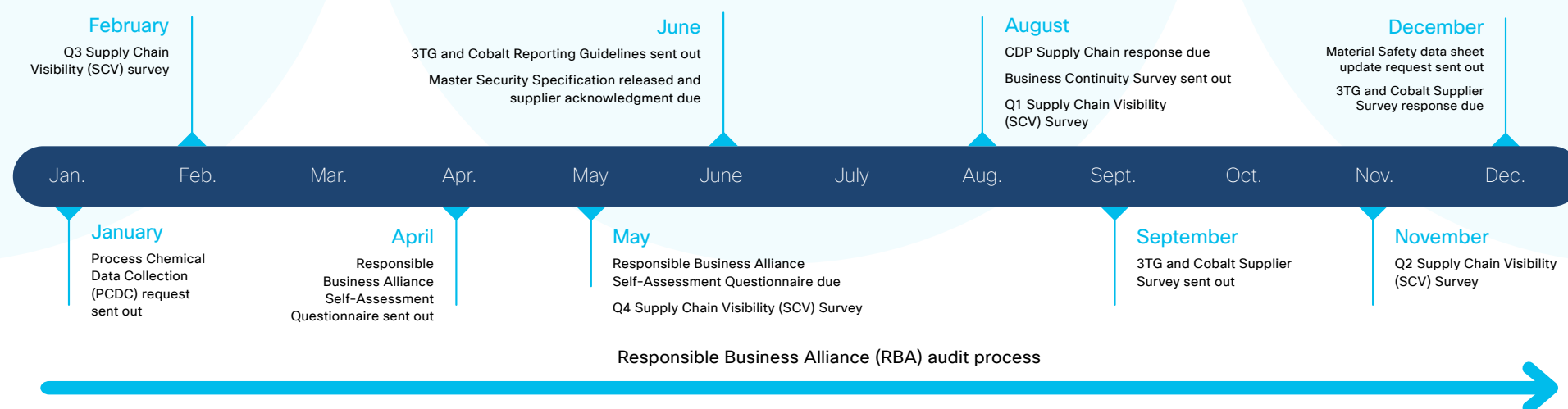
●● How Do We Achieve It?

The *Cisco Supplier Guide* has been created to emphasize areas of importance with regard to sustainability, risk, and security. This guide provides clarity on our specific reporting and compliance requirements, and it highlights areas that provide an opportunity to collaborate to bring a mutual benefit. These requirements include:

· Uphold Cisco's Supplier Code of Conduct and cascade responsible business practices into your own supply chain.

· Support Cisco's policy and use due diligence to achieve a responsible minerals supply chain.

· Support Cisco's commitment to uphold and respect the human rights of all people, and act according to the UN Guiding Principles for Business and Human Rights.

· Meet materials compliance requirements as detailed in the Cisco Controlled Substances Specification.

· Work together to achieve Cisco's circular economy objectives.

· Publicly report GHG emissions and reduction targets to CDP on an annual basis.

· Uphold environmental responsibility standards and local laws, and mitigate negative impacts in the geographies in which you operate.

· 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.

●● Annual Timeline

February
Q3 Supply Chain Visibility (SCV) survey

June
3TG and Cobalt Reporting Guidelines sent out
Master Security Specification released and supplier acknowledgment due

August
CDP Supply Chain response due
Business Continuity Survey sent out
Q1 Supply Chain Visibility (SCV) Survey

December
Material Safety data sheet update request sent out
3TG and Cobalt Supplier Survey response due

Jan.   Feb.   Mar.   Apr.   May   June   July   Aug.   Sept.   Oct.   Nov.   Dec.

January
Process Chemical Data Collection (PCDC) request sent out

April
Responsible Business Alliance Self-Assessment Questionnaire sent out

May
Responsible Business Alliance Self-Assessment Questionnaire due
Q4 Supply Chain Visibility (SCV) Survey

September
3TG and Cobalt Supplier Survey sent out

November
Q2 Supply Chain Visibility (SCV) Survey

Responsible Business Alliance (RBA) audit process

Cisco Supplier Guide 2021: Sustainability, Risk, and Security

⣿ 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 ("the 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 recognizes the important role our suppliers play in building and maintaining a resilient and responsible supply chain.

⣿ Why It Matters

Cisco expects its suppliers to operate their businesses 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 as well as 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. Metrics based on the adherence to the Code are integrated into Cisco's 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 and abide by the RBA Code of Conduct.

- Achieve and maintain consistent performance aligned to at least RBA Silver Recognition.

- Ensure that their suppliers acknowledge and are held accountable to the RBA Code of Conduct and follow RBA processes for addressing nonconformances.

- 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 for findings that occur through the audit process.

- Close audit findings according to RBA closure guidelines.

- Maintain conformance to the Code after any audit findings are closed and as the Code is updated.

We provide support to suppliers to achieve and maintain conformance to the Code, including capability building through e-learning courses, training sessions, or targeted coaching.

•• What's Next

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 version 7.0 are effective as of January 1, 2021. Please review the current Code, including the "Definition of Fees," at www.responsiblebusiness.org/code-of-conduct/. Also review the RBA's new Process Chemical Policy to protect workers in the manufacturing supply chain, effective January 1, 2022.

How to Get in Touch
cisco-supplier-coc@cisco.com

⋅⋅ Responsible Minerals

Cisco has a long-standing commitment to promote responsible and ethical mineral procurement practices. 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), as well as cobalt.

⋅⋅ Why It Matters

Cisco does not directly procure minerals from mines, or from 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.

⋅⋅ Our Approach

Cisco has implemented a comprehensive due diligence process to meet our regulatory obligations and to advance our goal of achieving a responsible 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), Cobalt Reporting Template (CRT), and Responsible Minerals Assurance Process (RMAP), to conduct due diligence and advance responsible sourcing.

•• Supplier Expectations

We expect all suppliers to:

· Commit to the Cisco Responsible Minerals Policy, which includes Cisco's expectations of suppliers regarding responsible sourcing of minerals.

· Maintain a policy and program for responsible mineral sourcing.

· Submit a CMRT or CRT 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 sourcing from a smelter identified by Cisco as high risk, create and share with Cisco plans for removing that smelter from its supply chain.

•• What's Next

Cisco recommends that all suppliers actively participate in the Responsible Minerals Initiative, 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 the degrading treatment of people such as forced labor, child labor, and unmitigated environmental damage. Cisco will update our policy and due diligence as needed.

How to Get in Touch
responsibleminerals@cisco.com

⠶ Human Rights and Worker Well-Being

Cisco has a long-standing commitment to uphold and respect the human rights of all people, wherever we operate, including those who work in our supply chain. In our Global Human Rights Policy, Cisco commits to upholding the human rights contained in the UN Universal Declaration of Human Rights and the eight International Labour Organization Core Labour Conventions, and adopts the approach set forth in the UN Guiding Principles on Business and Human Rights (UNGP).

•• Why It Matters

Cisco works to manage and remediate human rights impacts, and also to make lasting and systemic changes to address persistent issues. We seek to maximize opportunities for human rights to flourish.

•• Our Approach

Our Cisco Supplier Code of Conduct addresses baseline expectations in specific areas across labor, health and safety, environment, and ethics. In alignment with the UNGP, Cisco conducts due diligence to identify potential impacts through targeted assessments within the supply chain.

To do this, Cisco engages suppliers to collect data for human rights risk assessments, address and mitigate risks, build capabilities, and prevent negative human rights impacts from occurring. Cisco conducts these activities in alignment with its human rights priorities and emerging issues.

●● Supplier Expectations

As we hold ourselves and our employees accountable to these commitments, we believe our partners and suppliers should as well. We expect suppliers to adopt responsible business practices and governance structures consistent with the UNGP that promote respect for human rights. Suppliers must implement policies and processes to identify, prevent, mitigate, and remediate human rights impacts on the workers and vulnerable populations affected by their operations and supply chains. Moreover, suppliers should assist Cisco in meeting its objective of upholding human rights for those who work in our supply chain.

This includes engaging suppliers with subject-specific surveys and data collection tools, as well as analyzing risk indicators where there may be the potential for human rights impacts.

Cisco aims to move beyond addressing the symptoms of issues that impact human rights and to make lasting and systemic changes to persistent issues. To do this, Cisco engages suppliers to mitigate risks, build capabilities, and prevent negative human rights impacts from occurring.

Not only do we believe in managing and remediating human rights impacts, but we also seek to maximize opportunities for human rights to flourish. As a result, Cisco participates in industry initiatives, conducts pilots to test new approaches, and collaborates with peers to learn of potential solutions that can improve the overall well-being of workers.

Cisco expects suppliers to address impacts across our priority human rights issues:

Freely chosen employment and modern slavery:

- Maintain compliance and help Cisco to comply with relevant laws regarding modern slavery and forced labor due diligence and disclosure.[1]

- Cascade the RBA Code of Conduct standards on Freely Chosen Employment and Definition of Fees to their suppliers, recruitment agencies, and labor service providers, to prevent modern slavery across the supply chain.

- Conduct due diligence with recruitment agencies and labor service providers to ensure compliance.

- Protect workers, regardless of background, from forced labor risks such as those outlined by the International Labour Organization (ILO).

Young workers and child labor:

- Abide by the Cisco Juvenile Labor Policy for preventing child labor and protecting the rights of young workers, students, interns, and apprentices.

Health and safety and chemical management:

- Abide by the Cisco Chemical Management Expectations for Suppliers and RBA Process Chemicals Policy to protect workers and the environment from exposure to harmful chemicals.

- Adhere to the hierarchy of controls as a framework for protecting workers from workplace health and safety hazards and exposure to those hazards.

- Complete the Process Chemical Data Collection (PCDC) Tool and engage in deeper chemical exposure assessments when requested by Cisco.

See the Environmental Stewardship and Responsible Minerals sections for additional human-rights-related expectations.

Adequately and effectively upholding the human rights of all workers in the supply chain is not limited to the issues listed above. Cisco has adopted a holistic view of what worker well-being encompasses. Our priority is to consistently assess and reassess potential human rights impacts, detect emerging risks to workers, and address those risks where possible.

As a result, Cisco participates in industry initiatives, conducts pilots to test new approaches, and collaborates with peers to learn of potential solutions that can improve the overall well-being of workers. Cisco relies on partnerships with suppliers to identify solutions that improve working conditions and worker well-being. Along this vein, Cisco asks all suppliers to:

- Assist Cisco in maintaining a responsible supply chain by completing surveys and providing additional information when requested.

- Participate in initiatives Cisco supports to improve worker well-being throughout the supply chain.

- Be open to partnering with Cisco to amplify impact and transformative change to address worker well-being.

●● What's Next

Cisco monitors issues in the human rights landscape and works to inform suppliers of developing standards. Areas of increasing importance in which suppliers may see requests from Cisco are:

- Worker voice to assess and more holistically address working conditions, worker well-being and mental health, and to support resilience.

- Driving a health and safety culture focused on prevention through worker health and safety committees.

- Policies and procedures to protect women's rights and promote diversity, inclusion, and equitable treatment of people of various backgrounds.

How to Get in Touch
humanrights@cisco.com

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1. Including, but not limited to, the Australia Modern Slavery Act, the U.S. Federal Acquisition Regulation definition of recruitment fees, and the Countering America's Adversaries Through Sanctions Act.

⚬⚬ 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 friendly materials.

⚬⚬ Why It Matters

Materials compliance is essential to Cisco and our suppliers—and in many cases, it is driven by regulatory requirements that enable Cisco to sell and ship products globally. Every year, materials compliance requirements continue to increase in number. And there are an increasing number of customer requests for proposal and investor inquires containing specific materials compliance elements.

⚬⚬ Our Approach

Cisco's Controlled Substance Specification (Cisco CSS-EDCS 661823) establishes and communicates Cisco substance use, reporting, and documentation requirements to our suppliers and partners. It is the foundation applied to products (e.g., materials, parts, and finished products) supplied to Cisco or third parties on Cisco's behalf, as well as their manufacturing processes. It outlines Cisco's controlled substances, including restricted substances; exemptions to restrictions; substances to be reported, phased out, or watched for potential future restriction; and documentation requirements.

The Cisco CSS (EDCS 661823) references the requirements for packaging and batteries or products containing batteries. For packaging and batteries or products containing batteries, both the Cisco's Environmental Packaging Specification (EDCS

886022) and Cisco's Compliance Specification for Batteries and Products Containing Batteries (EDCS 627058) apply, respectively.

Our approach to protecting the environment is to set long-term goals to address the environmentally significant impacts from our products and business operations. Cisco's Corporate Social Responsibility (CSR) Report details our environmental policies, while our Environmental Management System (EMS) drives continual improvement throughout 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 (EDCS 661823). Compliance with the Cisco CSS (EDCS 661823) is required, and conformance to this specification is part of Cisco's qualification process. It is the responsibility of suppliers and partners to conform to the Cisco CSS (EDCS 661823) and provide complete and accurate information to verify conformance when requested. The Cisco CSS (EDCS 661823) requires contract manufacturers, original design manufacturer (ODM) and OEM suppliers, and component suppliers to be accountable to ensure that manufacturing consumables (bulk materials or process chemicals that are used to manufacture, assemble, or package products and that remain in the products) meet the requirements defined in the Cisco CSS (EDCS 661823).

What's Next

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

• Environmental Stewardship

Cisco's owned and extended operations, including the manufacturing of our equipment, provide an important service in helping to power the Internet, but also require significant energy and natural resources. We have a responsibility to reduce the environmental impacts that result.

•• Why It Matters

According to the Intergovernmental Panel on Climate Change (IPCC), greenhouse gas (GHG) emission levels continue to rise, even with global commitments made under the Paris Climate Agreement. Additionally, water stress, water quality, and the elimination of waste are emerging as some of the most important global issues of the 21st century. To drive the large-scale change needed to decouple economic growth from environmental impact, it is important that we collaborate with our global network of component, manufacturing, and logistics suppliers, as well as our industry peers.

•• Our Approach

Environmental stewardship is a key consideration in our relationships with our suppliers. We reflect this by including sustainability requirements and performance in our supply chain business processes, educating stakeholders, and continually improving these processes. We evaluate our suppliers and help them drive improvement through leadership, support, and education.

To help us understand key impacts in our supply chain and how they are managed, we use recognized global frameworks and industry standards for accountability and reporting. Environmental compliance is an element of the Responsible Business Alliance audit program. Cisco performs audits on our high-risk suppliers through the RBA Validated
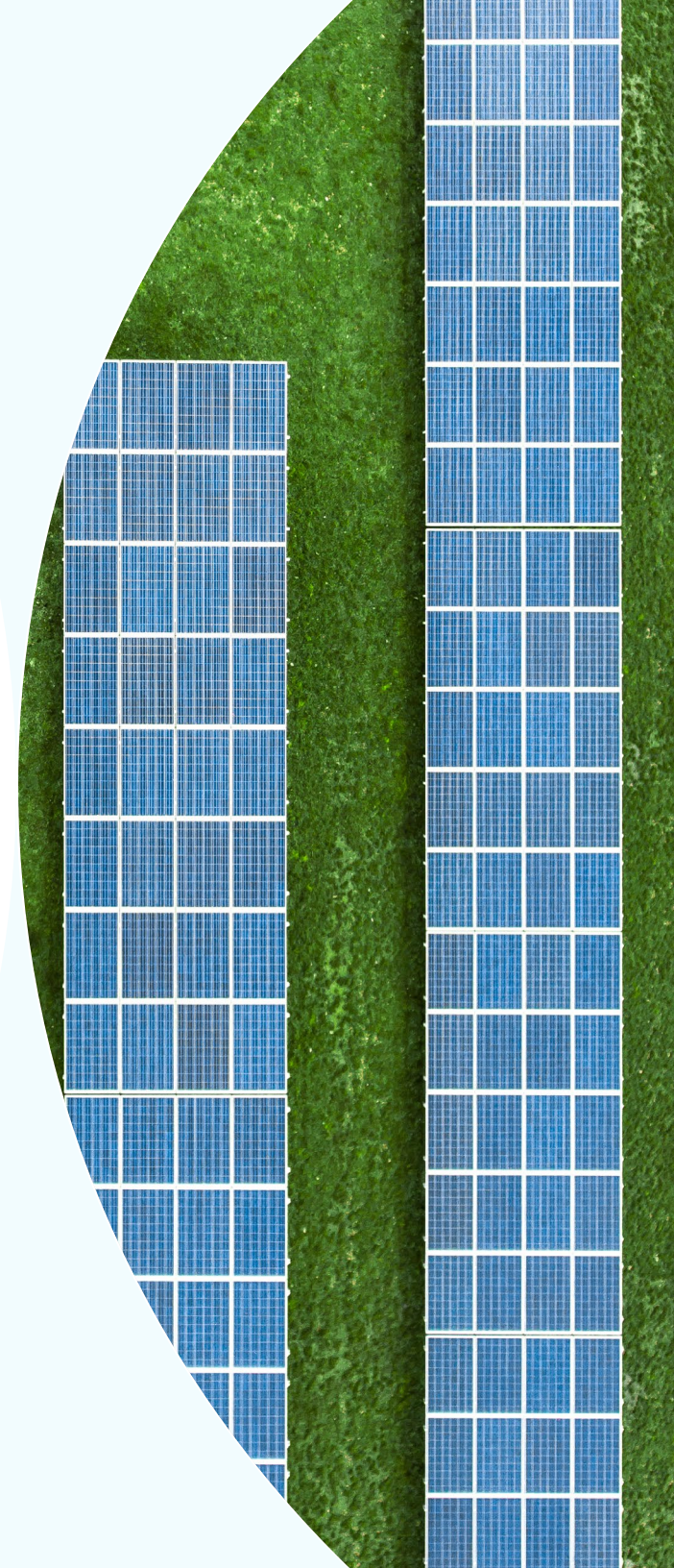
Audit Protocol. We also expect suppliers to publicly report GHG emissions, water use, and related reduction targets to CDP on an annual basis. In addition, our Tier 1 suppliers are required to publish information in their annual reporting on the environmental impact of their operations and those of their suppliers, with the intent to continuously improve.

To supplement our core approach, Cisco engages with the Institute of Public and Environmental Affairs (IPE) to screen suppliers based in mainland China for environmental violations or risks. We work with our suppliers to correct any issues identified. Our areas of focus include wastewater management and pollution mitigation, as well as tracking and addressing reports of illegal pollution.

For information on how we are driving circular business models in our supply chain, see the Circular Economy section.

Supplier Expectations

We expect our suppliers to support Cisco in meeting our supply chain goals, as well as address material environmental impacts across their own operations and supply chain.

GHG Emissions

In FY19, Cisco committed to reduce supply-chain–related Scope 3 GHG emissions by 30 percent absolute by FY30 (FY19 base year). To support Cisco in meeting this goal, all first- and second-tier suppliers are expected to report GHG emissions and energy consumption to CDP on an annual basis. These requirements include:

- Providing a complete and accurate inventory of corporate-wide Scope 1 and 2 GHG emissions.

- Making the response publicly available via the option provided by CDP.

- Demonstrating verification (third-party review) of reported GHG emissions.

- Setting an absolute GHG emissions reduction goal and reporting annual progress against that goal.

- Requesting that suppliers and business partners also report to CDP using the same process as above.

Meeting the expectations above will be critical to our ability to meet this important goal in alignment with an approved science-based reduction scenario. Targets adopted by companies to reduce GHG emissions are considered "science based" if they are in line with what the latest climate science says is necessary to limit global warming to 1.5° C above preindustrial levels.

Water

We request first-and second-tier suppliers to report water use and governance to CDP on an annual basis. These requirements include:

- Providing a complete and accurate reporting of corporate-wide water withdrawal.

- Making the response publicly available via the CDP.

- Setting a water-saving goal and reporting annual progress against that goal.

- Reporting facility-level data to Cisco as requested.

Cisco also requests that select suppliers develop a water stewardship practice informed by the Alliance for Water Stewardship (AWS) standard. This practice will focus on high-water-consuming suppliers located in high-water-stress areas.

Waste

Cisco has committed that 70 percent of Cisco component and manufacturing suppliers by spend will achieve a zero-waste diversion rate at one or more sites by FY25. To support Cisco in meeting this goal, first-tier manufacturing suppliers are expected to monitor and collect waste diversion data. These requirements include:

- Reporting facility-level data to Cisco as requested.

- Striving to achieve a zero-waste diversion rate across each site.

We have partnered with TRUE Zero Waste to improve reporting capabilities, provide training, and increase engagement throughout our supply chain. Two manufacturing supplier sites successfully achieved TRUE Zero Waste certifications for their Cisco operations in the last year.

Environmental Pollution
First-and second-tier suppliers based in mainland China are expected to:

- Register a company account on the IPE website and screen their legal company name in the pollution database.

- If any environmental violations are identified, follow a process to manage those violations and get delisted from the IPE pollution database within six months.

First-tier suppliers based in mainland China are also expected to:

- Request their suppliers that provide Cisco material or components to also register in IPE.

- Screen next-tier suppliers' legal names in the IPE pollution database and send Cisco the screening results quarterly.

- Establish a process to manage their suppliers' environmental violations.

Public Reporting

First-tier suppliers are expected 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.

•• What's Next

As companies seek to align with climate science that requires limiting warming to 1.5°C above preindustrial levels, there is increasing urgency and focus on net zero commitments. The United Nations reported in September 2020 that "the number of commitments to reach net zero emissions from local governments and businesses has roughly doubled in less than a year, as many prioritize climate action in their recovery from COVID-19." Net zero goals are also beginning to emerge as requirements in public procurement. Net zero refers to a state in which the greenhouse gases (GHG) going into the atmosphere are balanced by their removal out of

the atmosphere. Companies can achieve net zero through a combination of **reducing** their GHG emissions and **neutralizing** any remaining GHG emissions by removing (sequestering) an equivalent amount from the atmosphere.

Methods for reducing GHG emissions include implementing energy efficiency plans, using more renewable energy, reducing material use, and shifting to lower-carbon-generating modes of transportation. Transitioning power grids globally to low-carbon electricity will also be critical.

How to Get in Touch
cisco-supplier-coc@cisco.com

Circular Economy

Circular Economy

Cisco has changed the world many times over with our products. Now we're changing it again by transforming the way we do business—the way we design and build products and solutions, the way we think about the lifetime of an asset, and the way we use our technology to support customers in their own business transformations.

This new approach is driven by the concept of a circular economy, which is based on a few simple principles:

- Design out waste and pollution from the beginning.
- Extend the lifetime of our products and materials.
- Regenerate natural systems.

We see significant value in this model and are in the process of driving the circular advantage throughout our business.

Why It Matters

Today, we are running out of the natural resources we need to make, sell, and ship products. Our commitment to a circular economy is a visible demonstration that we are actively protecting our business continuity and resilience and providing additional value to our customers. It's also about running our business in a way that promotes sustainability and keeps the world healthy for generations to come.

Our Approach

As part of Cisco's holistic approach to a circular economy, we aim for all of our resources to follow a circular model—where we reduce our consumption of natural

resources and design waste out of our value cycle, enabling products and packaging to be used and reused longer. To achieve our vision, we are synthesizing our circular economy objectives with the way we run our business. But we can't do this work on our own. We look to our suppliers for opportunities to collaborate, drive innovation, and collectively achieve our circular economy goals.

•• Our Focus Areas

The Cisco Circular Economy
A sustainable future is ours to create.

Cisco Supplier Guide 2021: Sustainability, Risk, and Security
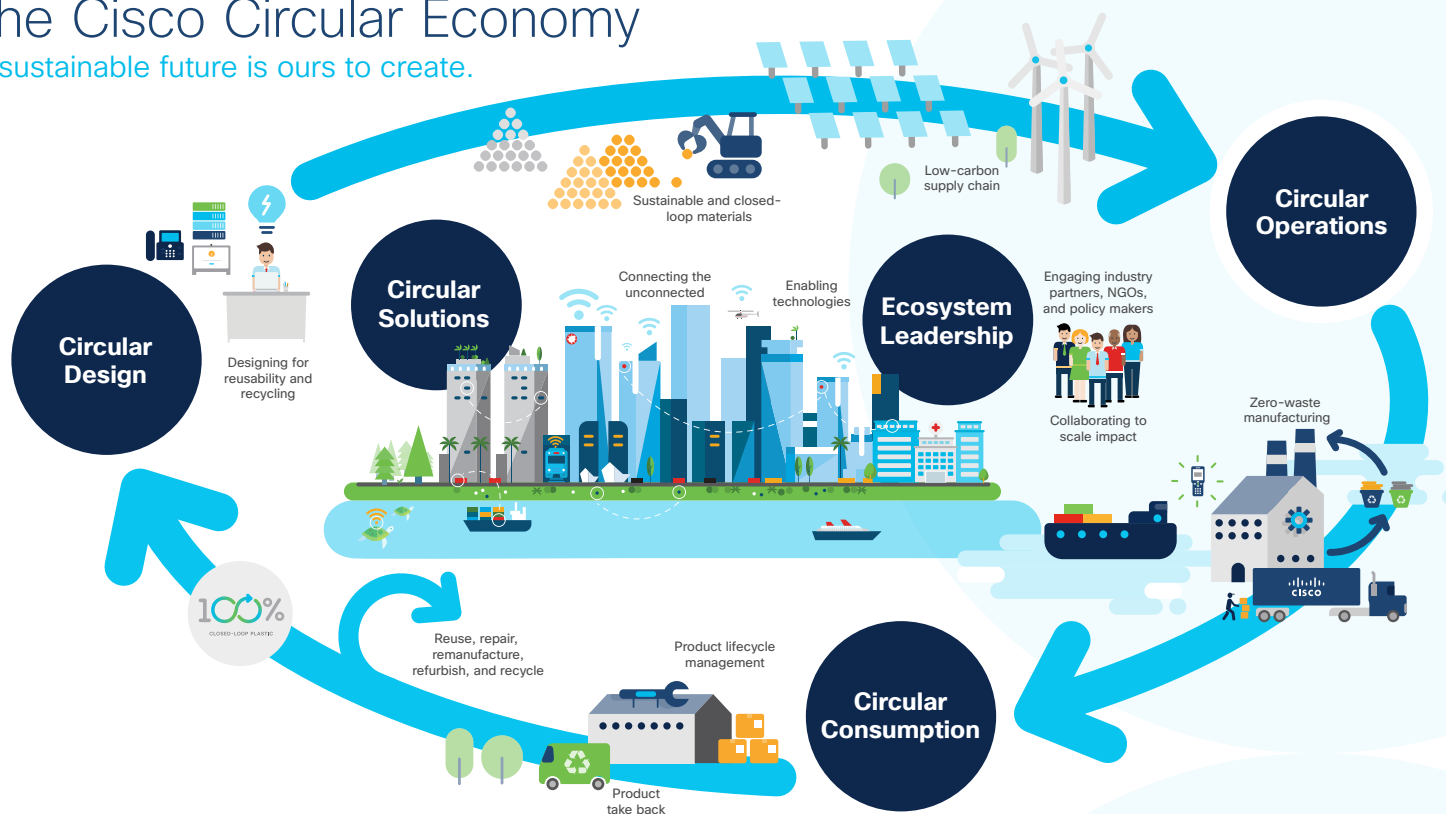
•• Our Goals

Cisco's circular economy goals span emissions associated with our operations, product and packaging design, and supplier emissions and waste. In addition to the emissions and waste goals referenced in the Environmental Stewardship section, these goals include the following:

- Decrease use of virgin plastics by 20 percent by FY25 (FY18 base year).

- Reduce all foam used in Cisco product packaging by 75 percent measured by weight by FY25 (FY19 base year).

- Increase product packaging cube efficiency by 50 percent by FY25 (FY19 base year).

- Design 100 percent of new Cisco products and packaging to incorporate Circular Design Principles by FY25.

Please visit our website to learn more about Cisco's circular economy program and initiatives.

•• Supplier Expectations

Cisco asks all first-tier suppliers and strategic component and material suppliers to:

- Understand and support Cisco's circular economy objectives.

- Incorporate focus areas of Cisco's Circular Design Principles (material reduction and selection; standardization and modularization; sustainable packaging; energy use; and design for disassembly, repair, and reuse) into both original design manufacturer products and component design.

- Proactively approach Cisco with relevant circular design ideas during the new-product introduction process.

- Evaluate packaging you use or provide to Cisco for opportunities to reduce overall packaging use, reduce packaging foam, and/ or improve packaging efficiency.

- Respond promptly to all data requests.

Please see the Environmental Stewardship section for more information on our work with suppliers to reduce our environmental impact, including GHG emissions, waste, and water.

⦁⦁ What's Next

Cisco's Circular Design Principles—dedicated to making products more durable, more energy efficient, and easier to reuse through multiple lifecycles—align with increasing expectations from customers and policymakers. As customers look to meet their own circular economy goals and net zero goals, they expect suppliers to demonstrate a strong level of ambition in their own targets and to provide technology solutions that will help them reach their goals more quickly. Similarly, policymakers are increasingly seeking to accelerate digitalization and circular transformations through standard-setting and regulatory requirements.

How to Get in Touch
circulareconomy@cisco.com

Business Continuity Planning

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 to our customers from these types of events.

Why It Matters

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 is a risk to Cisco and could hinder our crisis response and ability to recover, which could then impact our commitments to our customers.

Our Approach

Our Business Continuity Plan (BCP) has a two-pronged approach. First, we aim to identify all supplier and partner site locations that manufacture parts for Cisco through Supply Chain Visibility (SCV), and second, we assess the risk of any of those sites being impacted by a global incident via a Supplier & Partner Business Continuity Planning Assessment.

To gather the supplier locations, our BCP team transmits a quarterly SCV survey to our suppliers via the Supplier Collection Form (SCF). In addition to sharing the locations (primary, subcontractor, and subtier) where they build Cisco parts, suppliers also need to provide the activities being performed for those parts and the associated total time to recover (TTR).
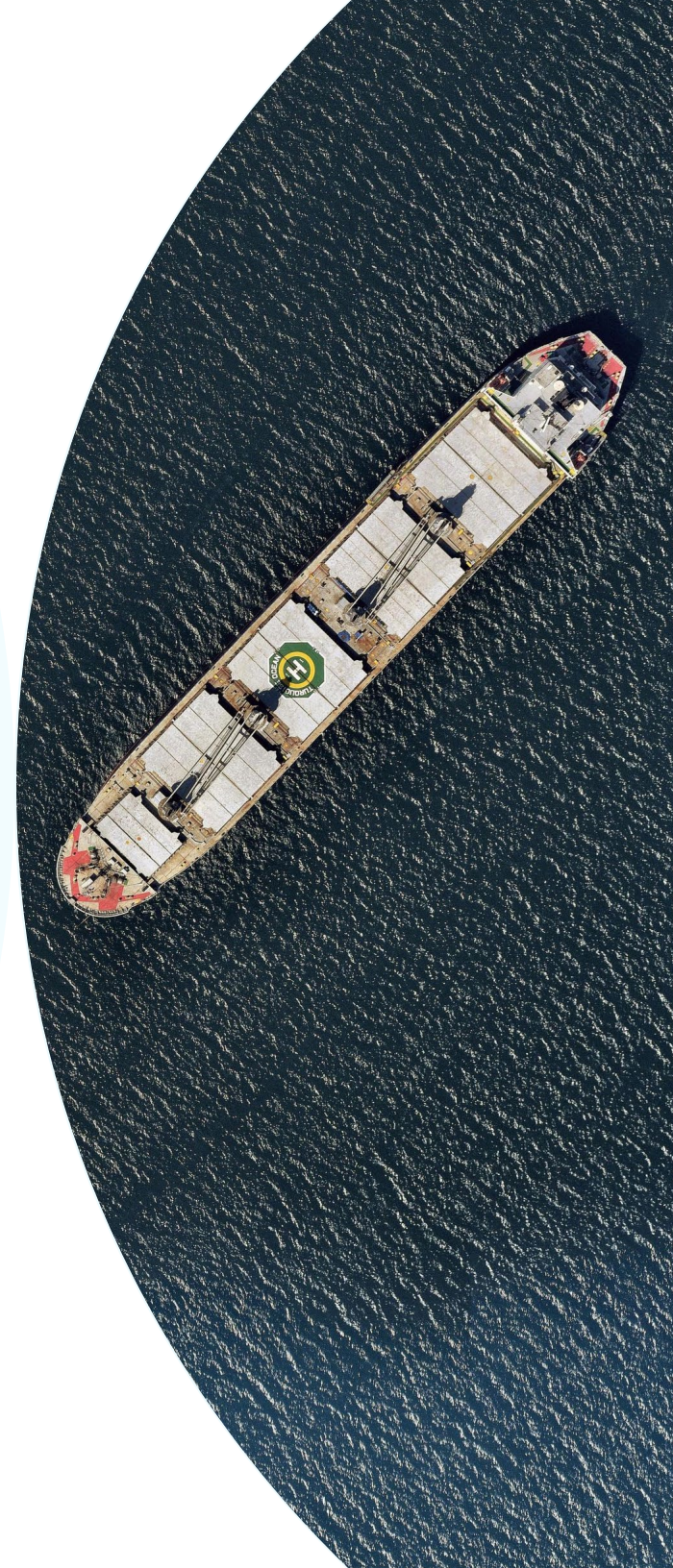
To assess the risk at the sites gathered in the SCV Survey above, the BCP team transmits the self-assessment BCP audit survey (once every two years) to our suppliers via the Supply Chain Content and Audit Management tool. The assessment includes documenting the supplier's recovery strategies and compliance to Cisco's supplier BCP standards, as well as identifying gaps in their BCP programs. Once the supplier completes the survey, the BCP team will review the responses and audit the evidence, until full compliance is achieved.

The BCP team works with our suppliers to mitigate and close any gaps by validating data through audits and drills. Global Supplier Management (GSM) Commodity teams are also available to assist suppliers with mitigation requirements. Additionally, Cisco senior management helps to review supplier BCP compliance status.

To ensure that 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 into our Tier 1 and Tier 2 supply network. This information enables faster identification of, responsiveness to, and recovery from any events that have the potential to disrupt Cisco business.

•• Supplier Expectations

For the SCV Survey, suppliers will receive an email with the SCF attached. Suppliers need to respond with primary sites, subcontractor sites, sub-tier sites, activities, and TTR for Cisco parts and send the SCF Survey back to scv-supply-risk@external.cisco.com before the deadline. For the BCP Survey, suppliers need to 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, suppliers should submit the survey responses to Cisco for review.

Within 60 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 for providing the products. This information includes identifying primary site locations, available alternate facilities, time to recover (in weeks), emergency contacts, infrastructure and logistics, 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 biannually; an updated BCP provided by the supplier will supersede the prior BCP.

●● What's Next?

During 2021, Cisco will continue to enhance its BCP data through the collection of supplier information. In-scope suppliers will be requested to provide both BCP and SCV data for parts currently missing data or for new parts currently in use in Cisco products. BCP will also be conducted at the site level in FY22.

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 threat. 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 ensure brand protection and customers' trust. We are continuously strengthening our processes to protect Cisco intellectual property and prevent counterfeit or tainted products. Furthermore, we are striving to eliminate potential disruptions to supply chain services such as sourcing, making, and delivery.

The 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.

Our security requirements of partners are communicated to the entire supply chain ecosystem through our Master Security Specification, which helps 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 or business review.

· Supplier evaluation upon contract renewal.

· Supplier self-assessment.

· Supplier security risk review prior to business award.

Findings that arise from any such measurement are logged, tracked, and remediated within a timeline agreed upon by the partner and Cisco. We strongly encourage compliance with Cisco requirements, as deviation may impact Cisco's business with a supplier.

●● Supplier Expectations

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

●● What's Next?

Suppliers in scope have all received the latest version of the Master Security Specification (MSS) and are expected to acknowledge it in the Audit Management Tool per timeline provided and comply with all applicable requirements. We work with all of our suppliers to schedule onsite audits and close all findings upon audit completion.

How to Get in Touch
supply_chain_security@cisco.com

Cisco Supplier Guide 2021: Sustainability, Risk, and Security