

# Cisco Statement on the Prevention of Slavery and Human Trafficking

At Cisco, labor and human rights are a top priority for us. We are committed to treating everyone who works at or with Cisco with dignity and respect, and explicitly prohibit human trafficking and the use of involuntary labor within our supply base.

We are committed to working with industry partners to drive common high standards. By collaborating with other thought leaders across the electronics industry, we increase our positive impact.

The below statement communicates Cisco's policies and practices to respect human rights, and how we identify and address potential impacts, mitigate risks and create an environment in which human rights flourish. Cisco upholds and respects human rights as contained in the United Nations (UN) Universal Declaration of Human Rights (UDHR), the eight Core Labor Conventions developed by the International Labor Organization (ILO), the UN Global Compact (UNGC), and the UN Guiding Principles on Business and Human Rights (UNGP). Cisco's approach is informed by the documents identified above, anchored to the framework set forth in the UNGP, and extends through ongoing engagement of stakeholders.

## About Our Supply Chain Network

Our sourcing and manufacturing are entirely outsourced to a global network of specialist suppliers and partners. Hundreds of suppliers around the world supply the parts that go into our products, and then manufacturing partners assemble and test finished products, provide logistical services, and collect, refurbish, and recycle products at the end of their useful life. The major elements of our supply chain are briefly described below.

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

## Cisco's Policies and Actions

Cisco's policies and approach to preventing involuntary labor and human trafficking have been developed based on international labor and human rights standards as well as best practices across the global business community. These policies establish our baseline expectations as well as communicate our values and help 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 approach and commitment to upholding and respecting human rights is governed by our [Global Human Rights Policy](#). This policy is informed by international human rights frameworks, including the UDHR, the ILO core labor standards, and the UNGC. We review our policy on a regular basis, and we use a company-wide human rights governance structure, our Human Rights Working Group (HRWG), to implement our commitment. Our HRWG 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.
- Supplier Code of Conduct with Freely Chosen Employment Requirement: Cisco's Supplier Code of Conduct (the "[Code](#)") is aligned with the [Responsible Business Alliance](#) (RBA) (formerly Electronics Industry Citizenship Coalition) [Code of Conduct](#). It defines Cisco's requirement for suppliers to implement management systems to protect workers' rights, including our requirements regarding workers having the right to freely choose their employment, and prohibits the use of forced, bonded (including debt bondage) and indentured labor, involuntary prison labor, slavery, or trafficking of persons. Cisco suppliers are required to acknowledge the Code and re-acknowledge when it is updated, approximately every three years. 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. Furthermore, suppliers acknowledge and commit to the Code when they agree to the Supplier Ethics Policy. We strongly encourage employees, customers, partners, and shareholders to promptly speak up about any issues or concerns they believe, in good faith, may constitute a violation of the Code of Business Conduct or any other Cisco policy. [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 takes multiple approaches to protect workers from forced labor, slavery and human trafficking in our own business and supply chain, including;

- Verification: We evaluate and address risks of human trafficking and slavery through conformance to the Code using a risk-based approach. Cisco conducts an annual risk assessment by evaluating the supply base on social and environmental risk factors. This evaluation includes indicators for forced labor risks such as the potential presence of vulnerable worker groups or operations located within a country with weak government response. The outputs of the risk assessment identify which suppliers we will request to demonstrate their conformance to the Code, using RBA's [assessment tools](#) such as the [Supplier Self-Assessment Questionnaire \(SAQ\)](#), [Validated Audit Process \(VAP\)](#), or equivalent. We also convene or attend teleconferences, webinars and other meetings so that we may better understand and monitor risks associated with labor recruitment practices. We conduct these activities regularly and extensively.
- Audits: We conduct third-party supplier audits using the VAP, or equivalent, or review audit reports through the RBA's audit sharing system, and conduct unannounced audits as necessary. The audit process includes on-site inspections, document reviews, and worker and management interviews. Details about our audit program are in Cisco's [Corporate Social Responsibility \(CSR\) Report](#).
- Certification: Suppliers must agree to comply with the Code as well as international standards and applicable laws and regulations when they sign master purchasing agreements, purchase order, or equivalent terms and conditions with Cisco. Furthermore, we require suppliers to acknowledge the Code and re-acknowledge when it is updated, approximately every three years.

- **Accountability:** Non-conformance with the Code is taken very seriously. Cisco works with suppliers to develop corrective action plans, identify the root cause of the non-conformance, and ensure that corrective actions are implemented in the shortest possible timeline. Corrective actions may include the return of passports or reimbursement of paid recruitment fees. Corrective actions are followed by preventative actions to ensure that non-conformances do not reoccur and to reduce future risk. Such actions may include ensuring the facility has a policy in place and workers are aware of the policy, and that contracts are clear and in a language workers can understand. The senior executive in charge of the supplier relationship is responsible for ensuring conformance with the Code, holding the supplier accountable for completing actions by specified deadlines. Progress is reported to supply chain executive leadership. Cisco's approach is to drive continuous improvement with suppliers and engage them with short and long-term improvement plans, as needed. Cisco also uses supplier scorecards to drive conformance to the Code and accountability throughout the engagement process. When Cisco's standards are not met, we may terminate the supplier's relationship with Cisco.

As well as conducting its own standard due diligence, Cisco investigates and addresses allegations brought to our attention from all channels, internal and external. Issues detected outside of the Verification and Audit processes outlined above are tracked through our incident management system and follow the same corrective action, preventative action, accountability and reporting mechanisms as those we uncover from our due diligence processes.

Furthermore, for our own employees, we require compliance with our COBC, and employees certify compliance annually. Our COBC describes how to raise concerns, which are tracked at both regional and corporate levels.

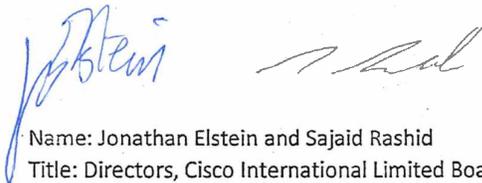
- **Training:** Our strategy focuses on capability building for our suppliers and employees. We regularly engage across the globe to train on Code fundamentals. This helps us build awareness, propagate best practices, and focus on improvement. For suppliers, the contributions we make to RBA workshops and [training](#) content are mutually beneficial, ensuring understanding of policies and standards. RBA's Learning Academy provides online trainings on a range of topics, including methods to combat trafficked and forced labor in the supply chain. As part of our audit process, suppliers will be directed to training resources related to an audit finding and are expected to complete the training. When appropriate, Cisco also collaborates with RBA members to conduct focused trainings with specific sets of high-risk suppliers and share best practices. For our own employees, our COBC training helps guide our employees to make ethical, professional and respectful choices. Further, in 2016, Cisco developed and launched customized training including specific details about human rights in supply chain. These trainings are part of Cisco's internal Compliance and Ethics Education system and are required to be taken by employees who work in business functions most likely to have direct engagement with human-rights related business decisions.

## Commitment to Leadership Through Collaboration and Transparency

We are actively involved in advancing industry-wide responsible practices through our engagement in the RBA, a nonprofit alliance of leading companies dedicated to respecting the rights and promoting well-being of workers and communities engaged in the global electronics supply chain. Cisco is a founding member of the RBA, and contributes to the development and periodic revision of the RBA Code of Conduct.

We are committed to transparently communicating our actions. For further information on steps undertaken during the year, refer to the latest version of Cisco's Corporate Social Responsibility (CSR) Report.

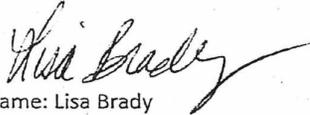
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*\*This Statement is also responsive to website disclosures required under the California Transparency in Supply Chains Act (S.B. 657), United Kingdom Modern Slavery Act and other emerging and developing laws and regulations globally pertaining to transparency in supply chains*