

Cisco Statement on the Prevention of Modern Slavery and Human Trafficking

At Cisco, labor and human rights are a top priority. We are committed to treating everyone who works at or with Cisco with dignity and respect. We explicitly prohibit human trafficking and the use of involuntary labor within our supply base, and this extends to forced, bonded, or indentured labor, involuntary or exploitative prison labor, and other forms of modern slavery.

We are committed to working with industry partners and our supply chain to drive high standards in the industry. By collaborating with other thought leaders across the industry, we can increase our positive impact.

This statement is designed to meet Cisco's reporting obligations under the Australian Modern Slavery Act 2018 (Cth)¹, the UK Modern Slavery Act of 2015, and the California Transparency in Supply Chains Act of 2010. Cisco provides this statement for itself and on behalf of certain foreign subsidiaries that are directly covered by a disclosure obligation in their respective jurisdictions. Currently this includes Cisco International Limited, Cisco Systems Holdings UK Limited, AppDynamics UK Ltd, AppDynamics International Ltd, and IMI Mobile Limited pursuant to the UK Modern Slavery Act of 2015; and Cisco Systems Australia Pty Limited which is the only reporting entity for the purpose of the Australian Modern Slavery Act 2018 (Cth). Cisco and its subsidiaries share the same core business operations and supply chains, policies prohibiting modern slavery, and supporting processes further described in this statement. The below statement covers Cisco's Fiscal Year 2022 (FY2022) ended July 30, 2022.

This statement communicates Cisco's policies and practices to respect human rights, how we identify and address potential impacts, and how we mitigate risks. Cisco upholds and respects human rights as contained in the United Nations (UN) Universal Declaration of Human Rights (UDHR); the International Covenant on Civil and Political Rights (ICCPR); the International Covenant on Economic, Social and Cultural Rights (ICESCR); and the eight Core Labour Conventions developed by the International Labour Organization (ILO), including Conventions No.29 and No.105 on the elimination of all forms of forced or compulsory labour. Cisco's approach is informed by the documents identified above, anchored to the framework set forth in the UN Guiding Principles on Business and Human Rights (UNGPs), and includes ongoing engagement of potentially impacted stakeholders or their legitimate representatives.

About Cisco's Structure and Business Operations²

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 had approximately 83,330 full-time employees as of July 30, 2022. We conduct significant sales and customer support operations in countries around the world. We sell our products and services both directly and through a variety of channels with support from our salesforce.

¹ For the purpose of the Australian Modern Slavery Act 2018 (Cth), Cisco Systems Australia Pty Limited ("Cisco Australia") is the only 'reporting entity' under the Australian Modern Slavery Act 2018 (Cth) and makes this statement as a single statement pursuant to section 13. This modern slavery statement has addressed all of the mandatory criteria for modern slavery statements set out in section 16 of the Australian Modern Slavery Act 2018 (Cth). For the purpose of the relevant approval and signing requirements, this modern slavery statement has been approved by the principal governing body of Cisco Systems Australia Pty Limited and has been signed by a responsible member (see page 7).

² For the purpose of the Australian Modern Slavery Act 2018 (Cth), Cisco Systems Australia Pty Limited conducts business for Cisco in Australia as a subsidiary. It has a number of direct and indirect subsidiaries (see footnote number 4). Cisco Australia's principal activities are to market, distribute and sell ICT products and services including networking, collaboration solutions, security solutions, wireless and mobility, data center, IoT, video, analytics, and software solutions in Australia.

About Our Supply Chain Network³

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 manufacturing partners according to our specifications; and
- Logistics service providers that transport components and finished products.

Cisco's Policies

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 apply to the whole Cisco group and all local subsidiaries, including Cisco Australia⁴, are expected to adhere to them. 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 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 UDHR, ICCPR, ICESCR, the ILO core labor standards, and is aligned to the UNGPs. A dedicated Business and Human Rights (BHR) team is responsible for implementation of this policy, which we review 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](#) with Freely Chosen Employment Requirement: Cisco has adopted the Responsible Business Alliance (RBA) Code of Conduct as its own (the "Code"). The Code (available in more than 20 languages) prohibits workers from paying fees for their employment at any time, as outlined in the [Definition of Fees](#). The Code defines Cisco's requirement for suppliers to implement management systems to protect workers' rights, including the right to freely choose their employment. The Code also prohibits the use of forced, bonded (including debt bondage) and indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons, and prohibits unreasonable restrictions on workers' freedom of movement. Cisco suppliers are required to acknowledge the Code as part of doing business with Cisco. 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.

³ At a local level, Cisco Australia's suppliers include Cisco's global affiliates that supply Cisco products to Cisco Australia, as well as a range of indirect procurement suppliers such as cleaning service providers, IT equipment suppliers, marketing firms and professional service firms, among other suppliers.

⁴ **Consultation:** Cisco Australia and its direct and indirect subsidiaries, being Cisco Systems Capital (Australia) Pty Limited, Meraki Networks Australia Pty Limited, BroadSoft Australia Pty Limited, Zomojo Pty Ltd and Exablaze Pty Ltd (collectively, "**Cisco Australian Subsidiaries**") operate in the same sector and are expected to use the same global policies and processes (including those set out in this Statement). During the reporting period for this modern slavery statement, Cisco Australia has worked to ensure that its personnel consult with the personnel of the Cisco Australian Subsidiaries to ensure alignment between Cisco Australia and the Cisco Australian Subsidiaries on modern slavery reporting requirements in Australia, the identification and assessment of modern slavery risks in the Cisco Australia supply chain, the approach taken by Cisco Australia to address and mitigate those modern slavery risks, and ultimately the preparation of this modern slavery statement. Cisco Australia also consulted with Cisco in order to develop this modern slavery statement as well as working with Cisco to implement the global approach locally. In taking a group-wide approach Cisco consulted with all of the entities covered by this modern slavery statement, including Cisco Australia, to ensure that the modern slavery statement satisfies all of the mandatory criteria of each respective jurisdiction, including the Australian Modern Slavery Act 2018 (Cth).

- [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.
- [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.

[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 stakeholders have a responsibility to speak up promptly about any conduct or circumstances they believe, in good faith, may constitute a violation of the Code of Business Conduct, the Code, or any other Cisco policy.

Risks of Modern Slavery and Human Trafficking

Due to the extensive nature of our materials supply chain network, business is conducted with suppliers in a variety of global contexts, including in countries where local law may not exist to protect populations vulnerable to forced labor or human trafficking risks. Due to constraints in local labor markets, suppliers can deploy workforce strategies to recruit foreign or domestic migrant workers using labor recruitment agencies. As a result, workers could potentially be subject to conditions that may contribute to forced labor such as debt bondage, by paying excessive recruitment fees; passport withholding; a lack of transparency of terms and conditions in their contracts if those contracts are not in their own language or are not fully explained before they commence employment; and lack of legal protections in the countries where they work or migrated from.

Our supply chain network also includes a complex mineral supply chain. Like many companies in the electronics industry, our products contain various minerals necessary for functionality. Cisco does not directly procure minerals from mines, or from the smelters or refiners that process them. However, some mine operations can pose serious human rights risks, including forced labor, child labor and other risks for the workers and communities at the beginning of the electronics supply chain.

In addition to outlining Cisco's expectations for suppliers to uphold human rights through policy, Cisco undertakes a variety of actions to address and mitigate these risks.

Cisco's Actions

Cisco takes multiple approaches to protect workers from forced labor, slavery and human trafficking in our own business and materials supply chain. We take the following activities with our direct material suppliers:

- **Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the Code and using a risk-based approach. When new suppliers are onboarded, Cisco assesses for modern slavery risks, which includes an assessment of whether the supplier employs vulnerable workers (for example, foreign migrant workers and young workers). If risks are identified, we follow up to determine if impacts need to be addressed prior to scaling business with the supplier.

For existing suppliers and supplier entities that are integrated through mergers and acquisitions, Cisco follows its standard programs and due diligence processes, as follows: Cisco conducts an annual risk assessment by evaluating the supply base on social and environmental risk factors. This evaluation includes indicators for forced labor and human trafficking risks in addition to the potential presence of vulnerable worker groups. The outputs of the risk assessment identify which suppliers we will ask 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. Cisco assesses the effectiveness of the risk assessment process and continuously works to improve. The assessment is refreshed annually to maintain relevance to our operations with updated indicators, newly available data, and accounts for lessons learned over the

past year. 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.
- **Certification:** Suppliers must agree to comply with the Code as well as international standards and applicable laws and regulations when they enter into master [purchasing agreements](#) or equivalent terms and conditions with Cisco. This creates legally enforceable obligations, including in cases where the law is silent or allows practices that violate Cisco policies. We require suppliers to acknowledge the Code at the onset of the relationship.
- **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 strives to ensure that corrective actions are implemented in the shortest possible timeline. Corrective actions may include the immediate return of passports or facilitating reimbursement of paid recruitment fees within 90 days of discovery. 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. Multiple teams collaborate to hold suppliers accountable and to ensure actions are completed by specified deadlines. Cisco's approach is to drive continuous improvement with suppliers and engage them with short and long-term improvement plans, as needed. To help make lasting improvements, Cisco will monitor and coach suppliers across multiple years, as needed.

Cisco also uses supplier scorecards to drive conformance to the Code and accountability throughout the engagement process. It also informs supply chain sourcing and procurement decisions. Suppliers are scored on factors such as audit performance and closing findings on time, including findings for Freely Chosen Employment. Having sustainability metrics alongside cost, quality, and service delivery allows managers to make informed decisions when awarding business to suppliers. When Cisco's standards are not met, we may disqualify the supplier from consideration for future business or terminate the supplier's relationship with Cisco.

Our Supply Chain Human Rights Governance Committee helps assure progress against our priorities, including freely chosen employment. This committee establishes management oversight of human rights risks and opportunities within the supply chain. The committee oversees the integration of human rights policies and priorities into business operations and regularly reviews due diligence results including audit findings, forced labor allegations, and minerals supply chain risks. The committee convenes our Senior Vice President of Supply Chain Operations and other management representing Global Manufacturing and Logistics, Global Supplier Management, Technology & Quality, Supply Chain Transformation, and Legal.

As well as conducting its own standard due diligence, Cisco investigates and addresses allegations brought to our attention from other channels, internal and external. Issues detected outside of the Verification and Audit processes outlined above are tracked through our incident management system and assessed against our policies and priorities. We assess for human rights risks and impacts and determine the severity of the violation. When impacts are identified, we follow the same corrective action, preventative action, accountability and reporting mechanisms, and closure timelines as those we follow in our regular due diligence processes to help mitigate or remedy the issue.

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 suppliers 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 are 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, beginning in FY2020, Cisco launched an internal training about human rights in supply chain to raise awareness and educate employees on how they can play a role in helping Cisco to follow through on our human rights commitments. Employees learn how to detect warning signs of serious risks such as forced labor and child labor, how to report if they suspect violations of Cisco's standards, and how they can support work to help hold suppliers accountable. These trainings are part of Cisco's internal Education Management System and are required to be taken by employees around the world who are most likely to encounter human rights issues in day-to-day supply chain operations.

Cisco provides additional details and annual updates about our supplier engagement process and actions regarding freely chosen employment, in our [ESG Reporting Hub](#).

Actions taken during Fiscal Year 2022

During FY2022, we continued to see supplier audits uncover nonconformities to the Code expectation for Freely Chosen Employment. These nonconformities indicated risks for forced labor or bonded labor. These supplier nonconformances arose if any workers paid fees related to recruitment, such as small one-time fees for health examinations or larger recruitment fees. We continue to see the majority of Freely Chosen Employment cases reflect instances where workers paid one-time health examination fees of less than 5 percent of their monthly salary and were reimbursed after commencement of employment. Our teams have worked with suppliers to develop models in which employers pay healthcare providers for health examinations, eliminating the need for workers to be reimbursed.

In countries where it is legal for recruiters to charge fees to foreign migrant workers prior to departing their home country and upon arrival, we have continued to identify risks of bonded labor, a type of forced labor. In these instances, foreign migrant workers paid excessive recruitment fees equivalent to a month of their gross wages or more. Workers become bonded by debt when they are forced to work in order to repay loans or excessive fees to labor brokers. As part of our normal processes, we take the following corrective actions to address bonded labor risks: drive suppliers to absorb recruitment fees previously passed onto workers and remediate and facilitate reimbursement of affected workers. Given that recruitment fees are legal in some countries, it can take time to drive resolution with suppliers, and our efforts are ongoing.

Upon discovery of the practice of charging prohibited fees, we work with the supplier to investigate further: identify fees workers may have paid to labor agents pre-departure and upon arrival, account for recurring fees deducted from their paychecks, and drive suppliers to hold dialogue with workers regarding fees that may have been paid to other intermediaries or for travel. A thorough investigation is important in helping the supplier determine the actual cost of recruitment moving forward and the amounts to be reimbursed to workers. As part of corrective actions, suppliers must adopt comprehensive "no fees" policies and procedures to prevent future workers from paying fees during the recruitment process. When these policies are adjusted, workers are trained and informed about the "no fee" policies in a language they can understand. This training is also integrated into the recruitment process for future workers.

In addition to RBA audits, we conduct targeted surveys of suppliers who employ vulnerable populations, such as migrant or young workers. We select sites for this targeted engagement based on risk. For example, if the supplier is located in a country that legally permits recruitment fees such as Taiwan or Malaysia, and the suppliers' self-assessment questionnaire indicates foreign migrant workers on-site, and we do not have a current or planned RBA audit for that site, then these sites receive an additional survey asking them about their recruitment practices and forced labor due diligence. Even if the practice of charging recruitment fees is permitted under local law, we make it clear to suppliers that we expect them to have processes to implement "no fees" policies, conduct due diligence on their labor agents, and ensure Freedom of Movement for workers.

In our FY2022 engagement, we engaged six sites due to foreign migrant worker or dispatch worker risk. Four of the six sites were found conformant, and two required further engagement to meet conformance. One lacked an anonymous grievance mechanism, which we worked with the supplier to implement. The other was found to have excessive working hours and insufficient emergency preparedness programs in place. We have opened corrective action plans for those findings, which are currently in progress.

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 occurring in Taiwan, Malaysia, Japan, and Singapore.

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 conducts interviews with relevant labor agencies in both 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 work with RBA personnel to develop and implement a reimbursement plan. At the end of this process, a third-party audit is conducted to validate that the affected workers were adequately remedied.

Within the past fiscal year, our participation in the RBA Responsible Labor Initiative (RLI) supported our ability to address forced labor risks with suppliers. Cisco sponsored five suppliers to attend RLI Forced Labor training seminars. Our team leveraged these trainings to guide suppliers to conduct thorough fee investigations, equipping them with tools and resources such as fee checklists and guidance questionnaires. The Labor Migration Corridor Database assisted in helping suppliers identify fees workers could have paid along their journey.

Sourcing Minerals Responsibly

To help address the human rights risks in our complex mineral supply chain, Cisco has implemented a comprehensive due diligence process. The Cisco Responsible Minerals Program aligns to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Details about this program including due diligence strategy, efforts to hold suppliers accountable, and results of our work can be found in our calendar year 2021 [Conflict Minerals Report](#).

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 and guidance. Cisco also participates in RBA's [Responsible Labor Initiative](#), a multi-stakeholder initiative focused on ensuring the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. Cisco also participates in the [Responsible Minerals Initiative](#) (RMI) and leverages its tools and programs to advance responsible sourcing.

We are committed to transparently communicating our actions. For further information on Cisco's work to maintain a socially responsible supply chain, refer to our [ESG Reporting Hub](#).

Assessing Cisco's effectiveness

Cisco has measures to assess the effectiveness of its actions including tracking the number of internal trainings on human rights in supply chains we have rolled out, the proportion or number of complaints resolved by our EthicsLine, and the number of corrective action plans and preventative actions we have developed and implemented with our suppliers.

Approval and Signing

The Nomination and Governance Committee of the Board of Directors of Cisco Systems, Inc., which is our principal governing body, has approved this Statement and has delegated authority to the Chief Legal Officer to sign the Statement on behalf of the Board of Directors.



Name: Dev Stahlkopf

Title: Executive Vice President, Chief Legal Officer and Chief Compliance Officer

Date: December 21, 2022

Approval and Signing for the Australian Modern Slavery Act 2018 (Cth)

Principal Governing Body Approval

This modern slavery statement was approved by the board of Cisco Systems Australia Pty Limited in their capacity as principal governing body of Cisco Systems Australia Pty Limited as defined by the Australian Modern Slavery Act 2018 (Cth) on December 9, 2022.

Signature of Responsible Member

This modern slavery statement is signed by a responsible member of the board of Cisco Systems Australia Pty Limited as defined by the Australian *Modern Slavery Act 2018* (Cth).



Name: Daniel Hirschson

Title: Director, Cisco Systems Australia Pty Limited

Date: December 21, 2022

Last Revision Date: December 2022, for Fiscal Year 2022 ending July 30, 2022