Cisco's Approach to Water Stewardship

1. Overview

Cisco´s Purpose is to Power an Inclusive Future for All. Our Purpose comes to life across four interconnected Pillars – Community Resilience, Our People, Responsible Innovation, and Energy and Sustainability – that are core to who we are and what we do. Our holistic approach to environmental sustainability includes how we operate our business, how we engage with suppliers, and how we help customers and communities reduce their environmental impacts and adapt to a changing world.

Cisco recognizes that water is a vital resource that we share with the communities where we operate. Water challenges are projected to grow more acute as the impacts of climate change – like droughts, extreme weather, flooding, degraded water quality, and water scarcity – intensify and become more widespread.

Water considerations are important to Cisco and our stakeholders. Cisco acknowledges that access to water and sanitation is a human right, which means we consider how water issues impact our employees, people in the communities around our operations and our suppliers' operations, and the global community impacted by water due to climate change. We are addressing our impact by managing water responsibly in our direct operations and supply chain. More broadly, our products and investments can be used to monitor and manage local resources and ecosystems.

2. Our Approach

Cisco´s approach to water stewardship is aligned with the Alliance for Water Stewardship ("AWS") framework and the United Nations´ Sustainable Development Goal ("SDG") 6: Clean Water and Sanitation.

It includes two focus areas:

1. **Our Operations:** Our work towards reducing water use and related impacts in our direct operations;
2. **Our Supply Chain:** Our work towards improving water stewardship in our supply chain;

Cisco recognizes the power of collective action. We collaborate with a number of organizations and peer companies and join coalitions and initiatives to further sustainability practices:

- As a member of the AWS, we are proud to be a part of a global movement to advance good water stewardship practices. The AWS Standard is a globally applicable framework for major water users to understand their water use and impacts, work collaboratively and transparently for sustainable water management within a catchment context, drive social, environmental, and economic benefits at the catchment level, and advance access to clean water for communities;

- We are also a founder and active member of the Responsible Business Alliance ("RBA") and have adopted the RBA Code of Conduct (the "Code") as our Supplier Code of Conduct. The Code sets numerous social and environmental standards, including for water management. As the RBA partners with the AWS to advance engagement and practices within our industries, we continue to develop tools and resources to build water stewardship capacity and knowledge.

2.1. Our Operations

Cisco's primary use of water in our direct operations is drinking water for our employees and general office water use in areas such as restrooms and cafeterias. Our largest campuses also use water in cooling towers and to irrigate landscapes. Although Cisco does not use significant amounts of water in its direct operations, we understand the importance of reducing water consumption. It is essential to protect this limited resource for business needs and for the sake of the communities where we operate.

To responsibly manage water use in our direct operations, Cisco:

- Provides access to fully-functioning, safely managed Water, Sanitation and Hygiene ("WASH") services for employees;
- Benchmarks and reports water use and risks according to industry best practices (including annually in the CDP Water Security Questionnaire);
- Conserves water in our operations, focusing on water-scarce and water-stressed locations.

For more information and data on water use in our direct operations, please see "Water in Operations" on the "Resilient Ecosystems" page of our Purpose Reporting Hub.

2.2 Our Supply Chain

Cisco operates a global and resilient supply chain. Our manufacturing partners who produce finished Cisco products generally consume small amounts of water, primarily for employee drinking purposes or other general office uses. Some of our component suppliers, however, do use large amounts of water, such as those involved in the production of semiconductors and printed circuit boards.

To advance water stewardship across our supply chain, Cisco engages in the following types of activities:

CDP water reporting: We expect Contract Manufacturers, strategic Original Design Manufacturing (ODM) partners, and hardware component suppliers to report to CDP on an annual basis, including their water use and water related targets, and to make the responses publicly available.

Risk Assessment: We use the WWF Water Risk Filter to conduct an annual assessment of our global supplier sites' water risks. This tool assesses three main water risk factors (physical risk, regulation risk, and reputational risk). It is used to help shape our water stewardship approach and priorities.

Capacity building: We advance water stewardship with select suppliers through the Information and Communications Technologies ("ICT") Water checklist program that was developed in alignment with AWS. We work with suppliers to implement Corrective Action Plans, and conduct onsite water capability building that includes workshops, trainings, and other direct engagement activities.

External collaboration: We partner with suppliers, customers, industry peers, nongovernmental organizations ("NGOs"), government entities, and local communities to advance systemic change. As a member of the AWS, we have worked with industry peers and other stakeholders to advance best practices at high-water-consuming factories in water-stressed regions.

For more information on how we are working to improve water security in our supply chain, please see "Better Water Stewardship" on the "Supply Chain Environmental Stewardship" page of our Purpose Reporting Hub. To learn more about our requirements and expectations of suppliers related to water and other sustainability issues, please review Cisco´s Supplier Guide: Sustainability, Risk, and Security and Supplier Code of Conduct.