

# Cisco Systems Inc. (Cisco)

**TICKER**  
CSCO

**MARKET CAPITALIZATION**  
US\$231.3 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**

[UK Modern Slavery Act:](#) Yes

[California Transparency in Supply Chains Act:](#) Yes

[Australia Modern Slavery Act:](#)  
Yes (Disclosure of Subsidiary)

**OVERALL RANKING**

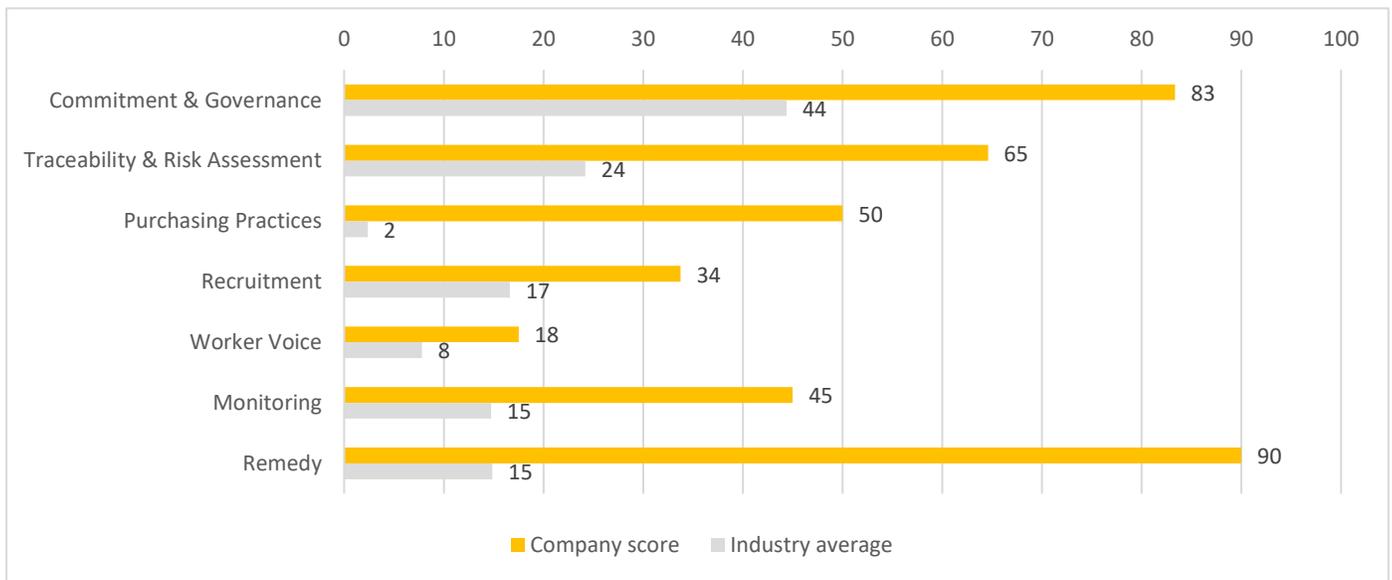
**3 out of 60**

([2020 Rank:](#) 11 out of 49)

**OVERALL SCORE**

**55 out of 100**

**THEME-LEVEL SCORES**



**KEY DATA POINTS**

**SUPPLIER LIST**

Yes (Names only, not addresses)

**RISK ASSESSMENT**

Yes

**ENGAGED WITH KNOWTHECHAIN<sup>1</sup>**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAIN WORKERS**

Yes

**HIGH-RISK SOURCING COUNTRIES**

🇨🇳 China and Malaysia

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## SUMMARY

Cisco Systems Inc. (Cisco) ranks 3<sup>rd</sup> out of 60 companies. Compared to 2020, the company improved its rank from 11<sup>th</sup> to 3<sup>rd</sup>. This is because the company began disclosing training and capacity building on its supplier code of conduct addressing forced labour for both contract manufacturers and component suppliers, including “next tier supplier management training” which gives guidance for suppliers on implementing the supplier code at their own suppliers. It also now discloses the number of male, female, and migrant workers for manufacturing and component suppliers; information on responsible purchasing practices including planning, forecasting, and ring-fencing; and fee repayment to workers at a second-tier supplier. The company’s score is based on its stronger performance on the themes of Commitment & Governance, and Remedy. Notably, the company is one of the two highest scoring on the theme of Purchasing Practices. The company has an opportunity to improve its performance and disclosure on the themes of Recruitment, Worker Voice, and Monitoring.

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## LEADING PRACTICES

**Traceability & Risk Assessment:** Cisco discloses the number of male, female and migrant workers for its manufacturing partners, components suppliers (which it describes as suppliers that provide parts to contract manufacturers) and logistics suppliers.

**Purchasing Practices:** Cisco reports that it provides forecasts to suppliers on a quarterly basis and states that its demand forecasts are also reviewed monthly. The company notes that it actively works to reduce changes in orders, especially last-minute changes and to provide advance notice to suppliers. It discloses that in 2022 it worked with key partners to address labour costs independently of production costs in order to safeguard workers from supply volatility, resulting in increased financial stability for workers.

**Recruitment:** Cisco discloses a policy that prohibits worker-paid recruitment fees in its supply chains. It provides a practical example of how it has ensured the implementation of this policy, reporting that it worked with suppliers to develop models to ensure that employers pay healthcare providers for health examinations to remove the need for workers to be reimbursed.

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## OPPORTUNITIES FOR IMPROVEMENT

**Recruitment:** While the company discloses a policy prohibiting worker-paid recruitment fees in its supply chains, and some information on the prevention of the charging of fees to workers, to avoid the exploitation of migrant workers in its supply chains, the company is encouraged to provide details of how it supports responsible recruitment in its supply chains (for example, by sharing due diligence findings on recruitment fees with peers or by creating demand for responsible recruitment agencies). The company is further encouraged to disclose information on the recruitment agencies used by its suppliers.

**Worker Voice:** To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers’ workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

**Monitoring:** While the company discloses information on its monitoring process for compliance with its supplier code of conduct, and findings of its monitoring processes, the company is encouraged to disclose further detail on monitoring findings at first-tier and below, to assure stakeholders that the company has strong monitoring processes in place. The company may consider using worker-driven monitoring (i.e.,

monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities), which may help the company detect forced labour risks in its supply chains.

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<sup>1</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).