June 11, 2021

Ms. Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Request for Public Input on Climate Change Disclosures

Dear Ms. Countryman:

This letter is submitted on behalf of Cisco Systems, Inc. (referred to herein as "Cisco", "we" and "our"). Cisco designs and sells a broad range of technologies that have been powering the Internet since 1984. We are integrating intent-based technologies across networking, security, collaboration, applications and the cloud. These technologies are designed to help our customers manage more users, devices and things connecting to their networks. This will enable us to provide customers with a highly secure, intelligent platform for their digital business.

We appreciate the opportunity to respond to the March 15, 2021 request for public input regarding potential new guidance, rulemaking or other actions by the Securities and Exchange Commission (the "Commission" or "SEC") related to climate change disclosure.

Corporate Social Responsibility at Cisco.

Cisco has a long history of social and environmental commitments and a focus on Corporate Social Responsibility ("CSR"). For Cisco, being in business means more than sales and profits. It means being driven by a purpose that also benefits our employees, communities, and the planet. We believe in creating true impact that benefits people and the planet and measuring that impact. We also believe that sustainability and protecting the environment are a priority. For several years, we have been setting and achieving science-based greenhouse gas ("GHG") reduction targets. We believe addressing climate change, reducing our direct and indirect emissions, and driving product innovation to reduce environmental impact will be beneficial to the success of our business and critical to the health of our communities in which we operate. To illustrate this point, in April 2021, the Cisco Foundation announced its commitment to spend

Cisco Systems, Inc.
[redacted]

[redacted]
www.cisco.com

$100 million over the next 10 years to help reverse the impact of climate change. In addition, Cisco is making substantial ongoing investments in circular product design and energy efficiency design, which further helps reduce our customers' Scope 2 and Scope 3 GHG emissions. Collectively, these product and energy efficiency design innovations contribute to a global reduction in GHG emissions from IT infrastructure.

Environmental, social, and governance ("ESG") reporting, which includes disclosures related to climate metrics and commitments, has been a focus of ours for many years. Cisco reports against a large array of environmental and social commitments, including matters ranging from GHG emission reduction targets to initiatives related to workforce diversity, in our annually published CSR Impact Report. This report is available on our ESG Reporting Hub website at https://www.cisco.com/c/m/en_us/about/csr/esg-hub.html ("ESG Reporting Hub").

In response to active engagement between Cisco and various stakeholders, we provide CSR-related disclosures in our annual summary report (which includes Scope 1 and Scope 2 GHG emission reduction targets), our proxy (which includes extensive governance-related disclosures), our CSR Impact Report and other supplemental reports (which include disclosures related to our social and environmental initiatives, among others), and on our ESG Reporting Hub (collectively, our "CSR Reporting"). In our CSR Reporting, we align our disclosures with several recognized frameworks, including those developed by the Global Reporting Initiatives ("GRI"), the Task Force on Climate-related Financial Disclosures ("TCFD") and the Sustainability Accounting Standards Board ("SASB"). Over the past year, we have expanded our CSR Reporting to also include publishing supplemental reports, including an Environment Technical Review, which can be found on Cisco's ESG Reporting Hub.

Based on our experiences and the information that we have gathered from our conversations with stakeholders, Cisco is grateful for the opportunity to provide input to the Commission on the important topic of climate change disclosures. Climate change is of significant interest to us, our stakeholders, and the public at large, and we appreciate that there is increasing interest in understanding how companies are impacted by climate change and the steps they are taking to combat it.

The Commission's request for input raises critically important questions about whether and, if so, how it should mandate specific climate change disclosures or otherwise become more involved in the development of climate change disclosures provided by companies. Our

Cisco Systems, Inc.
[redacted]
[redacted]
www.cisco.com

perspective on these important questions is provided below and organized by a few broad topics. We look forward to continuing to be a part of a constructive dialogue as the Commission considers how best to approach this complex topic.

We support comparable, decision-useful and verifiable climate-related disclosures.

As interest in climate change disclosure increases, many stakeholders are raising important questions about whether and how the SEC could better facilitate investor access to decision-useful information about climate change. For example, we regularly engage with our stakeholders, including our investors, and are increasingly hearing from them how important the topic of climate change and its associated risks are to them. In response to these frequent and evolving conversations, many companies, including Cisco, are already providing a significant amount of information about climate change.

We are supportive of the Commission's efforts to further these discussions related to climate change disclosures. We note that some investors have been increasingly advocating for companies to disclose climate change metrics in a manner that they view as comparable, decision-useful and verifiable, whether in SEC filings or voluntary sustainability reports. We believe an active discussion related to climate disclosures among companies, their stakeholders, and the SEC can help harmonize the climate-related disclosures companies are asked to provide.

We believe any new climate-related disclosure requirements should afford flexibility for companies to respond to their unique businesses and stakeholders.

We ask the Commission to consider for any potential climate-related rulemaking that companies be afforded flexibility in determining what disclosures are necessary. We believe flexibility to make this self-determination is important, because companies of varying sizes and/or industries are each affected by climate change risk differently. As such, for climate-related disclosures to be comparable and decision-useful, companies should be able to engage with their respective stakeholders to determine what disclosures would be comparable and relevant to their unique circumstances. Additionally, we believe that a flexible approach would allow these disclosures to evolve over time given the evolving landscape. A flexible approach would also enable companies to weigh considerations related to the accuracy and cost of producing certain climate-related disclosures with the utility of any such disclosures to strike the right balance.

Cisco Systems, Inc.
[redacted]
[redacted]
www.cisco.com

We recognize that there may be specific quantitative metrics or data points that are important to understanding companies' climate-related risks and opportunities. Consistent with that view, we would support issuance of a rulemaking proposal that requires disclosure of such information; provided, that any such new requirement relates to climate metrics or data points that are measurable, quantifiable, and widely reported. We believe that it is imperative with any required quantitative disclosure that there is a common set of definitions that underlies climate metrics to ensure there is comparability across such metrics in the market.

We believe any climate disclosure should be robust and any potential rulemaking should provide for rules that encourage companies to provide meaningful disclosure instead of being boilerplate. To encourage robust disclosure, we ask that the Commission consider one or more tools that it has at its disposal. For example, the Commission could provide that climate disclosure be "furnished" rather than "filed". The Commission could also provide for safe harbors, which we believe would encourage companies to provide more meaningful climate disclosure, while also acknowledging and accounting for (i) the early and evolving nature of collecting data underlying climate-related metrics (originating from new systems, processes, and third parties) and (ii) the appropriate third-party assurance on such disclosure.

We believe if the Commission adopts new climate-related disclosure requirements, companies should be required to choose a Commission-recognized framework to ensure stakeholders have access to comparable disclosures.

Many companies, including Cisco, have already invested significant time and resources in developing climate-related disclosures that are responsive to one or more existing frameworks, including, in Cisco's case, those developed by the TCFD, GRI and SASB. In our view, there are too many frameworks that companies are asked to align their reporting to, which makes it difficult for investors to compare across companies and for companies to organize and publish ESG-related information. As such, we believe a global framework would be ideal, but it may not be practicable unless there is widespread support and adoption by all stakeholders of such a global framework.

If the Commission moves forward to propose rulemaking related to climate change disclosure requirements, we ask that it consider including provisions in the proposed rule that enable companies to choose a framework from among several Commission-recognized frameworks; provided, that any such framework should be required to share a common set of

Cisco Systems, Inc.
[redacted]
[redacted]
www.cisco.com

definitions and underlying metrics with the other Commission-recognized frameworks. We believe that this approach would ensure comparability of disclosures for stakeholders, while also affording companies the flexibility to determine which framework works best for them and their respective stakeholders. Additionally, this approach would allow companies to leverage both their past work and the considerable investment made related to the various voluntary and mandated climate-related disclosures already being provided both inside and outside of SEC filings.

Climate change disclosure is rapidly evolving, and any such disclosure required to be "filed" with the Commission must be provided with the same rigor, internal controls and auditability as other "filed" information, but we believe it will take considerable time and investment to build out these necessary processes.

We believe that any disclosure related to climate change must be prepared with rigor, be subject to internal controls, and be auditable. To ensure the quality and accuracy of climate-related disclosures, enhanced internal processes, controls and data systems will be necessary to generate high-quality data. We ask that the Commission consider that, if there are future mandated climate-related disclosures, it provide guidance on an internal control framework that companies should adopt (such as the Committee of Sponsoring Organizations of the Treadway Commission's controls framework or another recognized controls framework, adapted as necessary for such purpose). In addition, any guidance from the Commission with respect to the materiality and precision to which any internal controls are expected to operate would be needed to ensure the accuracy, quality and reliability of reporting.

We believe it will take companies a considerable amount of time and investment to develop the necessary internal control systems to ensure that certain ESG-related information will have the rigor to be included in SEC filings. We believe that this should be considered when developing timing requirements, if any new mandatory disclosure rules are implemented. As such, we ask that the Commission consider allowing for any newly mandated disclosures to be provided with different timing requirements from existing quarterly and annual report filings (in a manner similar to Conflict Minerals reports), so that companies have enough time each year to prepare such disclosure, especially given the different data collection timelines for climate-related metrics.

Cisco Systems, Inc.
[redacted]

[redacted]
www.cisco.com

For example, companies will need to rely on third parties and outside experts to help calculate many of the climate-related metrics, such as Scope 3 GHG emissions, and the timing of when certain climate-related data is available is dependent on these third parties. If climate-related metrics will be required in an Annual Report on Form 10-K, we ask the Commission to consider allowing for such metrics to be provided as of a "latest practicable date" (not necessarily as of fiscal year end) due to the time it takes to obtain third party data, as mentioned previously, and due to the fact that many companies have fiscal year ends that do not align with the calendar year end, which is when this third-party data is typically compiled as of.

Furthermore, this reliance by companies on third parties and outside experts is not unlike financial reporting, but we would expect that the use of third parties and outside experts will be significant, and the area of climate-related disclosure is rapidly evolving and is not nearly as well established as financial reporting. We would expect that the Public Company Accounting Oversight Board (or a similar body) may need to develop the necessary assurance standards on the use of experts before it would be reasonable for companies to include certain climate-related disclosure in any document filed with the Commission.

We believe that consideration should be given to the phasing-in of new disclosure requirements. Additionally, smaller reporting companies and emerging growth companies may lack the same financial resources as accelerated and large accelerated filers, like Cisco, and may need more time to comply with any new mandated climate-related disclosure requirements as a result. For example, these companies may not have existing CSR reporting and, even if they do, they may need additional time to develop and fine tune their internal controls around such reporting. With this in mind, we would be in favor of an even more extended phase-in period for smaller reporting companies and emerging growth companies, if any new mandated climate change disclosures are required.

We also request that the Commission consider any new mandatory climate-related disclosure be "auditable" and be prepared on a consistent and comparable basis across companies. The need for audited climate-related disclosure is driven by the needs of our stakeholders to have reliable and verifiable information. However, we believe that third-party auditing firms that provide assurance on various climate-related data will need time to develop their processes, hire and train an appropriate number of climate change experts, and the industry would need to further develop a controls framework for auditing such data.

Cisco Systems, Inc.
[redacted]

[redacted]
www.cisco.com

Thank you for your consideration.

Cisco truly appreciates this opportunity to share our views on climate-related disclosures. This is a topic of critical importance to us and our stakeholders, and we look forward to working with the Commission as you move forward.

Respectfully,

Prat Bhatt

Prat Bhatt
Senior Vice President,
Chief Accounting Officer