Module 4: Human Rights in Supply Chains, An Example from Cisco

Introduction
This module on how a global brand addresses human rights issues in its supply chain is a valuable resource for faculty and lecturers interested in enhancing their syllabi with this information. This module is useful for those at the Haas Business School, the Labor Center, and the Information School.

Learning objective
Understand private sector strategies to address human rights issues in global supply chains

Speaker video
(16.47 minutes video clip)

Speaker Bio: Kelly Liu, Sustainability Manager, Supply Chain Social and Environmental Responsibility at Cisco

Kelly leads the Supply Chain Human Rights and Worker Well-Being Program as a sustainability manager at Cisco. While working in corporate sustainability, Kelly has managed several programs including the social responsibility auditing program for EMC, a program to protect workers from harmful chemicals used in manufacturing, and an initiative monitoring suppliers’ social and environmental performance. Kelly is committed to driving positive social change personally and professionally by developing impactful strategies that improve the lives of people around the world. She is an avid collaborator and engages in industry coalitions and multi-stakeholder workgroups such as the Responsible Business Alliance to drive systemic change. Before entering the sustainability field, Kelly worked in international development at Oxfam in Cambodia and as a Peace Corps Volunteer in Botswana.

Readings

Possible assignments
- *(Discussion forum prompts - 10 minutes):*
  - What are the challenges of private compliance programs that address human rights issues? How might these be overcome?
What are the advantages and disadvantages of capacity building programs?

Reflection on Kelly Liu’s video

(Class discussion - 20 minutes): Why is collective action so difficult in an industry like tech? How would it be different in another industry like fashion or food?

(Take home assignment): Research the Responsible Business Alliance, the Responsible Minerals Initiative, or the Responsible Labor Initiative. What are these organizations trying to address? Have they achieved what they were trying to? What have been some of the barriers? How could you improve these initiatives?

Key teaching points

About Cisco: Cisco processes over nineteen hundred orders every day, and this is across their global supply chain, dispersed across Latin America, the Americas of Asian Pacific region and the European region.

They have within their supply chain a mix of manufacturing partners, components suppliers and logistics partners and Cisco outsources all of their manufacturing (they don’t own any of their manufacturing facilities)

Their partners produce the finished products and those suppliers provide parts to the manufacturing partners and the logistics service providers transport all of those components and finished products either to their manufacturing facilities or to their customers.

Supply chain sustainability team/ social and environmental responsibility team: identifies, mitigates and prevents human rights risks to people and the environment around the world

Types of programs: Code of conduct programs: ensure that a particular baseline is being followed by the suppliers in our supply chain

Cisco was a founding member of the Responsible Business Alliance and they contributed to the development of the RBA code of conduct.

Able to proliferate standards and expectations across labor, health and safety, the environment and ethics and essentially responsible business activities throughout our supply chain.

Targeted initiatives:

Preventing and stopping forced labor- freely chosen employment program

Ethical sourcing of minerals program- responsible minerals policy for sourcing those responsibly and for seeing how Cisco can drive value

Develop tools and resources for suppliers in order to prevent workers from being exposed to harm from hazardous chemicals,

Risk assessment process
- Evaluate supply base on social and environmental risk factors
- Use a variety of assessment questionnaires - onsite audits or remote questionnaires
- Identify issues
- Corrective action plan process
- 30 days to fix the issue
- Monitor according to timeline
- Rely on capability building
- Don’t want issues to come back or just put band aids on issues
- Supplier scorecards aggregate the performance across a variety of programs

- **Collective action** is really important within the industry

- Ensure that baseline standards proliferate across the system,
- Incentivize the right behaviors across the supply chain as well and address common goals
- Cisco participates in the Responsible Business Alliance, the Responsible Minerals Initiative, and the Responsible Labor Initiative