2019-2020
Environmental, Social and Governance (ESG) Report

RELEASED BY F5 IN AUGUST 2021

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About F5

F5 (NASDAQ: **FFIV**) is a multi-cloud application security and delivery company that enables our customers—which include the world's largest enterprises, financial institutions, service providers, and governments—to bring extraordinary digital experiences to life.

For more information, visit F5.com.

You can also follow @F5 on Twitter or visit us on LinkedIn and Facebook for more information about F5, its partners, and technologies.

Since F5's founding in 1996, the company has gone through a number of transformations – from our origins as a hardware load balancer for gaming companies and dot-coms, to our role today as an application security and delivery leader for the world's largest enterprises and governments.

Through each transition, within our business and within our industry, what has remained constant is F5's fundamental humanity. By that I mean F5 has built a culture and way of working with over 6,000 employees around the world that, after 25 years, is still profoundly personal. We care deeply not just about what we do, but *how* we do it.

Sharing more historical data and insight publicly about *how* F5 makes an impact in the world is one reason we publish this Environmental, Social and Governance (ESG) report. But more importantly, this report reflects the growing expectations our key stakeholders – our employees, customers, shareholders and communities – have of the positive impact F5 can achieve in the *future*.

You can expect to hear more from F5 about our expanded commitments to ESG in the coming year and I most look forward to sharing the next update on our progress.

François Locoh-Donou
President, CEO, Director

In late 2020, F5 formed its first ESG team, comprised of experts in F5's existing environmental sustainability and corporate social responsibility programs. The ESG team reports into F5's Chief People Officer, with executive sponsorship from F5's General Counsel, and oversight by the F5 Board's Nominating and ESG Committee.

Working closely with its partners in HR, Legal, Investor Relations, Manufacturing, Engineering, Global Workplace Services and Procurement, the ESG team is responsible for steering and reporting on F5's ESG strategy, programs and targets.

Throughout FY21, the ESG team is focused on building a sound foundation for the program at F5, by centralizing the collection, monitoring and disclosure of material ESG data, programs and policies across the company. By FY22, the ESG team intends to disclose company-wide ESG targets and their associated timelines.

Environmental, Social and Governance (ESG) at F5

About this Report

Reporting Period	October 1, 2018 - September 30, 2020 Data is reported by F5's fiscal year 2019 (October 1, 2018 to September 30, 2019) and fiscal year 2020 (October 1, 2019 to September 30, 2020).
Reporting Cycle	Biennial
Disclosure Frameworks	This report is mapped to standards based on the Sustainability Accounting Standards Board (SASB).
External Assurance	Not available for this report. F5 plans for SASB reporting with assurance in FY22.
Materiality Assessment and Process	For FY19-20, a materiality assessment was carried out internally. The focus of this assessment was twofold: determine what impacts F5 can have on our external stakeholders and what data is of most interest to our stakeholders. An item was deemed material to report if we determined F5's business operations could have a direct and significant impact on that area. Additionally, an item may be deemed material if it is of significant interest to stakeholders, even if F5's impact is not significant.
Stakeholder Engagement	F5 did not engage stakeholders directly for the purposes of developing of this report. In order to gain an understanding of our stakeholder needs, we relied on documented requests for information, as well as historical interactions with those stakeholders. While this does not provide the most exhaustive list of material topics to those stakeholders, we found the guidance to be acceptable for developing this report. Our key stakeholders are F5 employees, F5 customers, F5 investors, communities in which F5 has offices; and F5 business and supply chain partners.
Questions	Please contact esgreport@f5.com.

Company Snapshot

1996
Year founded

18,000
Customers

Awards

Top 10 in Tech Hardware sector for America's Most Just Companies (2019-2020)

Washington State Governor's Volunteer Service Award (2020)

Puget Sound Business Journal's Top Corporate Philanthropists (2020)

Fortune's World's Most Admired Companies (2019)

Barron's 100 Most Sustainable U.S. Companies (2019)

43
Countries served

48
of Fortune 50 companies rely on F5 solutions

Top 3
Company in Application Security

9.5
Customer satisfaction rating

Company Performance

GAAP Revenues (in thousands)	FY19	FY20
Americas	$1,245,668	$1,317,068
EMEA	$553,701	$593,307
APAC	$443,078	$440,447
Total	$2,242,447	$2,350,822

GAAP R&D (in thousands)	FY19	FY20
Research & development expenses (in thousands)	$408,058	$441,324

Patents	FY19	FY20
US patents	320	387
International patents	43	44

Company, Workforce and Locations

While [each F5 location](#) around the world has its own unique vibe, all F5 offices share a love of collaboration and a community spirit. This culture of teamwork is even more important as we expanded our flexible working polices in 2020, to allow all employees the option to work from home indefinitely.

	FY19	FY20	HIGHLIGHTS
Global Workforce	5,325 employees	6,109 employees	• Acquisitions of NGINX and Shape Security
Global Locations	73 subsidiaries, branch offices, or representative offices worldwide	71 subsidiaries, branch offices, or representative offices worldwide	• Opened F5 "Centers of Excellence" in Hyderabad, India and Guadalajara, Mexico

NGINX
Part of F5

SHAPE
Part of F5

Environmental

- Management Approach

- Energy and Carbon

- Product Impacts

Management Approach

To date, F5's environmental focus has been on meeting the legal and compliance guidelines for our products and operations. We are proud of our long-standing efforts to reduce the environmental impact of our hardware products' manufacture, including the elimination of toxic substances and conflict minerals; as well as improving the environmental efficiency of our offices, including our certified LEED Silver headquarters in Seattle, Washington.

However, this is not enough. Our key stakeholders – employees, customers, shareholders and communities – expect more from a company of our scope and scale.

In FY21, F5 is raising the bar on environmental initiatives, by building out the team with dedicated responsibilities and tools to include carbon, energy and water management and reporting. We are actively working to improve our reporting capabilities now, including completing our FY20 data reporting for the Carbon Disclosure Project (CDP).

Energy and Carbon

SASB TC-SI-330A.1

All F5 facilities are offices, with some small-scale data centers on site. Electricity is procured through local providers for both electric and gas. F5 did not pursue green power purchasing during the reporting period.

ENERGY CONSUMPTION	FY19	FY20	METHODOLOGY
Scope 1 Natural gas consumed (Therm)	83,082	67,062	• For electricity, actual data from invoices used where possible, and internal per-square-foot averages used where invoices were not available. For FY20, estimates include a reduction factor to reflect lower office occupancy.
Scope 2 Electricity consumed (mWh)	35,744	31,213	• Natural gas was estimated using CBEC's general office averages where natural gas is known to be used as a heating source.

| CARBON EMISSIONS	FY19	FY20	METHODOLOGY
Scope 1 CO_2e (Metric Tons)	440	355	• EPA emissions used.
Scope 2 CO_2e (Metric Tons)	15,836	14,287	• EPA Power Profiler or GHG Protocol Purchased Electricity tool used depending on office location.

Product Impacts

To meet the high quality and compliance standards our customers have always relied on F5 for, we build our hardware products with components that reduce our use of hazardous and toxic substances and meet the highest EU RoHS standards.

In addition, all sites that manufacture F5 products are ISO14001 certified and OHSAS 18001 compliant. Our top manufacturing partner, Flex, is also a founding member of the Responsible Business Alliance (RBA).

F5 PRODUCT THROUGHPUT EFFICIENCY
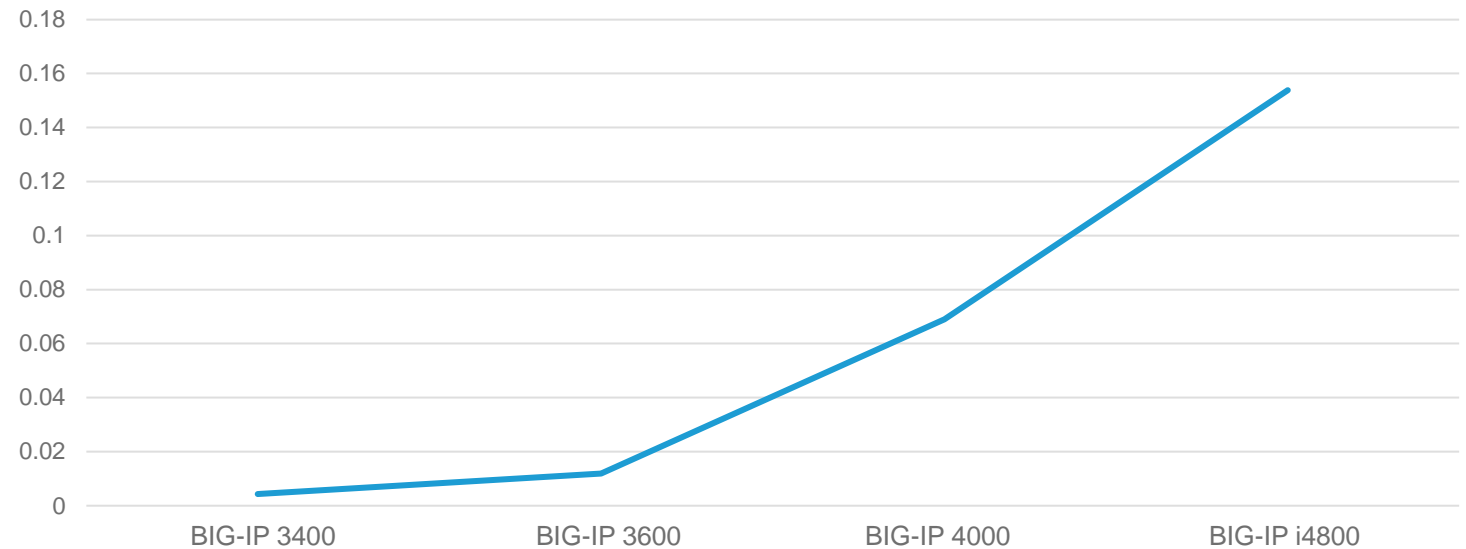
We have more than doubled efficiency, calculated in throughput per watt of typical energy use, with each generation of our products. This allows F5 customers to run more efficient data centers.

The above BIG-IP products represent one comparable, high-volume product from the last four hardware generations.

Social

- F5 Global Good

- Employee Engagement

- Diversity and Inclusion

- Response to COVID-19

F5 Global Good is focused on supporting our non-profit partners' impact through:

1. **Community:** Supporting charitable causes that our employees feel most passionately about, especially those in the communities where we live and work.

2. **STEM Education:** Enabling girls, women, minorities, and other underrepresented groups to develop STEM skills by connecting them to global educational and employment opportunities.

3. **Tech for Good:** Assisting non-profit organizations with their digital transformation efforts, so they can do even more to help the communities they serve.

F5 Global Good

REPORT HIGHLIGHT

For nearly 25 years, it has been the dedication and grassroots efforts of our employees that have driven the "business of doing good" at F5.

But it was the founding of the F5 Global Good program in 2018 that has amplified our employees' long-standing generosity the most.

Global Good	FY19	FY20
Total donations	$1,909,721	$5,235,621
Grants disbursed	$630,841	$2,102,644
Non-profits supported	1,023	2,236
Countries receiving donations	17	36
Total employee donors	987	2,646
Total employee volunteer hours	6,830	6,080

Employee Engagement

SASB TC-SI-330A.2

At F5, we believe that our culture isn't just something we talk about, it's something we *live*. The core qualities that unite us as F5ers and inform how we aspire to be *human first* in everything we do are the behaviors we call BeF5.

These qualities also form the foundation of our leadership philosophy. At F5, anyone can be a leader—regardless of job title or role. Leadership is a mindset embraced by those who fully live the BeF5 behaviors and model our LeadF5 principles.

Employee Survey Results	FY19	FY20
Company culture	77% favorable	84% favorable
Team satisfaction	86% favorable	88% favorable
Manager excellence	83% favorable	88% favorable
Sense of belonging	78% favorable	84% favorable
Employee response rate	78%	83%

Diversity and Inclusion

SASB TC-SI-330A.3

We're committed to a diverse and inclusive F5. Together, we actively build a culture where everyone feels they can be themselves and reach their full potential.

- F5 prohibits discrimination of any kind, including on the basis of gender identity or expression, race or sexual orientation.
- F5 requires Anti-Harassment and Unconscious Bias training for all employees.
- F5 increased requirements for balanced interview slates.
- F5 will release an in-depth report on its diversity and inclusion data and programs by the end of 2021. For further historical data, FY18 gender and race/ethnicity representation is available here.

Female Representation	FY19	FY20
Employees worldwide	22%	23%
Executive Team	27%	27%
Board of Directors	27%	33%

Our Employee Inclusion Groups (EIGs) bring people together across F5 worldwide. These groups each have executive and company backing, and they play a pivotal role in building and fostering internal networks and community. Our EIGs are inclusive—allies are welcome.

1. **Abilities**
2. **F5 Appreciates Blackness (FAB)**
3. **F5 Connects Women**
4. **F5 PRIDE**
5. **Latinx e Hispanos Unidos**
6. **Military Veterans**
7. **Multi-Cultural**

F5 is also proud to be the:

- Author of the F5 Pledge for Racial Equality, Diversity, and Inclusion
- Founding member of Reboot Representation Coalition
- Signatory of CEO Action for Diversity & Inclusion
- Sponsor of International Women's Day and the Human Rights Campaign

Response to COVID-19

When faced with a humanitarian crisis on the scale of COVID-19, we decided not to let short-term business pressures outweigh the health of our employees, our families, our customers or our communities. We took a human-first approach. As a result, in April 2020, **98%** of our employees favorably rated F5's pandemic response.

Our Employees	Our Customers	Our Communities

Our Employees

Ensured employee wellbeing through:
- Enhanced employee benefits, included extended sick leave, backup/ad-hoc child and elder care services and dedicated meeting-free days
- Mindfulness and managing stress resources
- Additional leadership training

Implemented workplace plans and policies for a safe return to offices by:
- Allowing employees the option to work from home indefinitely
- Converted all large in-person events to virtual events
- Phasing limited returns to the workplace globally
- Consulting with Corporate Medical Advisor from International SOS

Our Customers

Supported our commercial customers transitioning to remote workforces with access to:
- F5 BIG-IP Access Policy Manager (APM)
- F5 Cloud Services DNS and DNS Load Balancing services
- Professional Services

Supported organizations fighting COVID-19 with free access to:
- F5 BIG-IP Access Policy Manager (APM) for non-profits
- NGINX Plus for non-profits, education & government
- F5 Cloud Services Essential App Protect for non-profits, education & healthcare providers
- Silverline Managed Security Services for non-profits

Maintained our business continuity and supply chains, with no disruption to our customers.

Our Communities

Committed $2.5M from F5 Global Good to invest in:
- Employee giving
- Extra volunteer time-off
- F5 Tech for Good COVID-19 Response Grants
- COVID-19 emergency relief funds

Offered extensive free technical resources for troubleshooting, training & support on:
- Remote access
- Threat intelligence
- App availability
- Business continuity

Governance

- Business Integrity

- Board Governance

- Business Continuity and Disaster Recovery

Business Integrity

At F5, we have embraced a "human first" approach to the way we conduct our business, guided by our principle that we do the right thing for each other, our customers, our shareholders, and our communities.

Set forth in F5's Code of Business Conduct and Ethics, this principle applies to our employees, officers, Board of Directors, subsidiaries and third-party representatives across the globe.

Most importantly, our principle to "do the right thing" is expressed every day at F5 in the behaviors and principles we call: BeF5 and LeadF5.
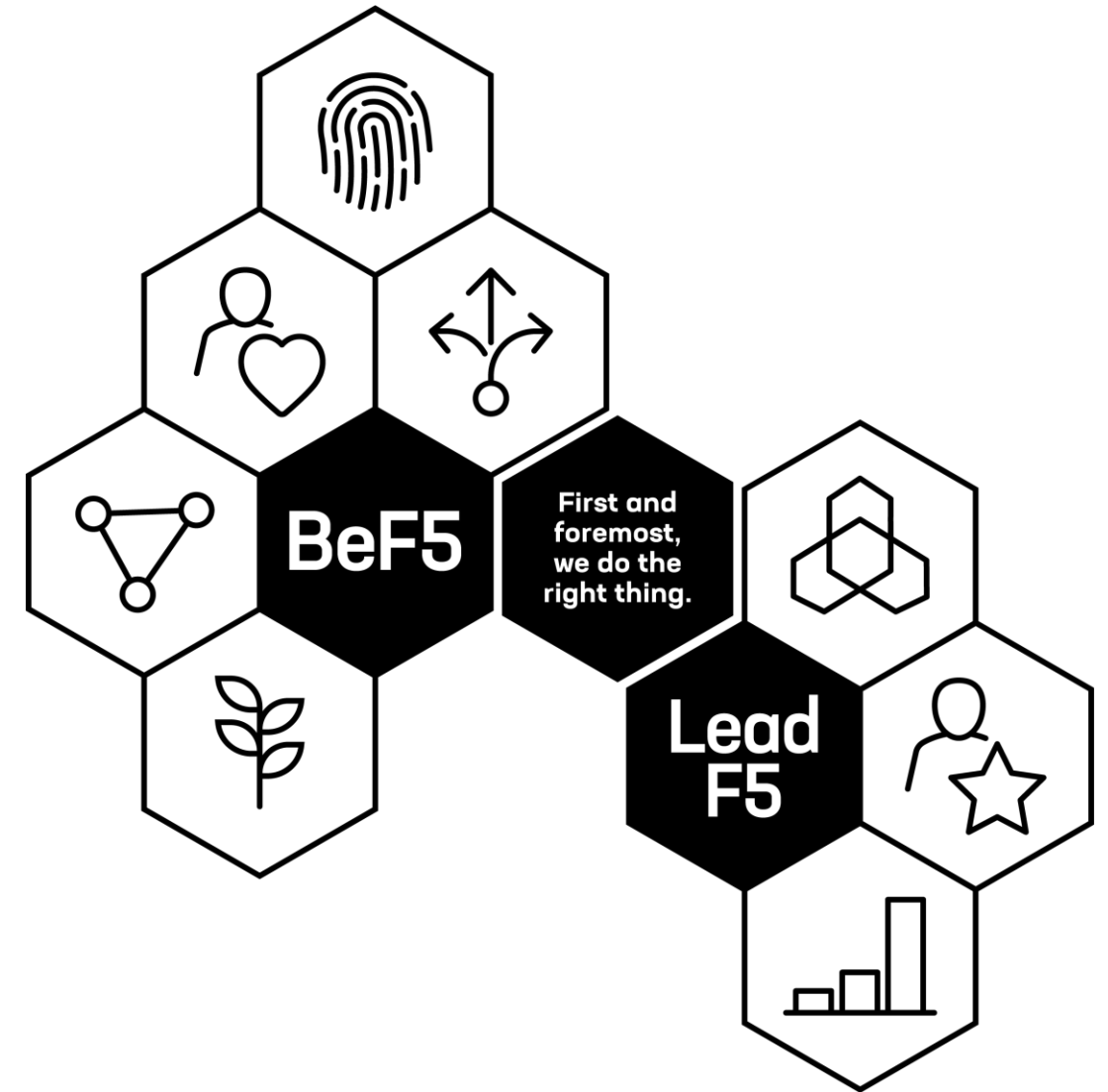
Board Governance

REPORT HIGHLIGHT

F5 is committed to strong governance that creates long-term value for its shareholders, with oversight from a highly qualified board that is committed to adding strong new voices to execute company strategy.

- Declassified board, elected annually
- Majority voting for all directors
- Share ownership guidelines for executives and directors with clawback policy
- Annual board self-assessment process

- Independent directors meet without management present
- Prohibition on hedging, pledging or short sale of F5 stock
- 100% independent committee members
- Proxy access

F5 Board	FY20	Highlights
Tenure	0 to 4 years: 6 5 to 9 years: 3 10+ years: 1	**50% of board refreshed in the past four years**
Independence & Diversity	6 of 10 diverse 3 of 10 female 9 of 10 independent	**+80% of directors added in the past four years are diverse**

Business Continuity and Disaster Recovery

SASB TC-SI-550A.2

F5's global preparedness and response programs are aligned with ISO22301 and organized around five guiding principles:

Safety and Welfare of Employees	Availability of Managed Services	Support of Products & Responsiveness to Customers	External Communications	Resumption of Sustained Operations

F5's Business Continuity Plan is based on an enterprise-wide Business Impact Assessment (BIA). The BIA identifies critical business areas and processes that have the potential, if disrupted, to result in a major impact to overall business operations, reputation, and/or profitability within 48 hours after the inception of the disruption. The BIA takes into consideration critical resources necessary for sustained operation and strategies to compensate for the loss or unavailability of: Facilities/Locations, Key Personnel, IT Applications, and third-party Service Providers.

Governance and assurance of F5's Business Continuity Management Program is overseen by F5's Senior Director of Business Continuity and a Business Continuity Manager. Per policy the Incident Response Plan, Business Impact Assessment, BC Plan, and IT DR plans are updated annually or within 60 days of a material change to business operations. F5 follows industry standard practices in validating plans through a variety of exercises or drills. Validation testing must be reviewed and approved by senior and functional area management. Post Incident Reviews are conducted after real events and exercises to further improve recovery strategies and procedures. Program components are subject to internal audit.

F5's Incident Response Team (IRT) is at the core of the program. The IRT represents the experience necessary from functional key aspects of the business and geographical location to drive timely decision making and execution of continuity and recovery activities. This team is responsible for assessing and gathering situational information, activating the Business Continuity Plan, and communicating status to Executive Leadership and Board of Directors. The IRT meets regularly to focus on continuous improvement of the incident response plans to ensure roles, responsibilities, and strategies are documented, clear, communicated, and updated.

F5's disaster recovery planning provides for prompt restoration of basic operational capabilities of enterprise-critical computing, network, and telecommunications services. Investments in High Availability (HA) technology, quality hardware, and redundant systems, help ensure that localized problems do not impact critical systems services. Remote and geographically dispersed employees, and identification of critical applications (via BIA) allow for the efficient and expedited recovery in the event of a disruption.

Appendix

- Additional ESG Policies and Documents

- Sustainability Accounting Standards Board (SASB) Disclosure Table

Additional ESG Policies and Documents

Environmental	Social	Governance

Environmental Policy

Anti-Human Trafficking Policy

Corporate Governance Guidelines

ISO14001 Certifications
- F5 Hardware Production Site **(Guadalajara, Mexico)** ISO14001 Certification
- F5 Hardware Fulfillment Site **(Milpitas, CA)** ISO14001 Certification & Extension
- F5 Hardware Production & Fulfillment Site **(Zhuhai, China)** ISO14001 Certification

Conflict Minerals
- Conflict Minerals Policy
- Conflict Minerals Report

Amended & Restated Bylaws of F5 Networks
- Audit & Risk Oversight Committee Charter
- Nominating & ESG Committee Charter
- Talent & Compensation Committee Charter

Further information can also be found on F5's Investor Relations, Manufacturing Compliance and Policies sites.

SASB Disclosure Table

SOFTWARE & IT SERVICES

SASB Code	Disclosure Topics	Accounting Metrics	F5 Response
TC-SI-130a.1	**Environmental Footprint of Hardware Infrastructure**	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	See page 12. F5 did not procure Renewable Energy Credits (REC) or offsets.
TC-SI-130a.2		1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Not disclosed. F5 uses municipal water supplies and has no significant water impacts within our business. Our supply chain does have significant water impacts we have not yet fully analyzed.
TC-SI-130a.3		Discussion of the integration of environmental considerations into strategic planning for data center needs	See page 13.
TC-SI-220a.1	**Data Privacy & Freedom of Expression**	Description of policies and practices relating to behavioral advertising and user privacy	F5 Privacy Notice EU-U.S. and Swiss-U.S. Privacy Shield Framework Certification
TC-SI-220a.2		Number of users whose information is used for secondary purposes	Not disclosed.
TC-SI-220a.3		Total amount of monetary losses as a result of legal proceedings associated with user privacy	None
TC-SI-220a.4		1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Not disclosed.
TC-SI-220a.5		List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	None

SASB Code	Disclosure Topics	Accounting Metrics	F5 Response
TC-SI-230a.1	**Data Security**	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	None
TC-SI-230a.2		Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	ISO27001 Certification
TC-SI-330a.1	**Recruiting & Managing a Global, Diverse & Skilled Workforce**	Percentage of employees that are (1) foreign nationals and (2) located offshore	Not disclosed. F5 disclosed in its 2020 10-K that 55% of employees were based in the United States, F5's country of domicile.
TC-SI-330a.2		Employee engagement as a percentage	See page 16. F5 completes employee surveys at least twice a year on a broad range of topics related to strategy, management, collaboration and communication. The survey is delivered via a secure, third-party platform and all employee responses are anonymous.
TC-SI-330a.3		Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	See page 17. F5 will release a report on its diversity and inclusion data and program by the end of 2021.
TC-SI-520a.1	**Intellectual Property Protection & Competitive Behavior**	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	See Part II, Item 8 in F5's 2019 10-K and Part II, Item 8 in F5's 2020 10-K.
TC-SI-550a.1	**Managing Systemic Risks From Technology Disruptions**	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Planned, current, and historical outages for F5 services are available at: https://status.cloudservices.f5.com/ https://silverline.status.io/ https://www.volterrastatus.io/
TC-SI-550a.2		Description of business continuity risks related to disruptions of operations	See page 22.

Questions?

esgreport@f5.com