



FY21 Environmental, Social & Governance (ESG) Report

Released in May 2022

Introduction

We took a different approach to ESG reporting this year by focusing on consolidated data in a convenient format that was most requested by our stakeholders. Our disclosures follow the Sustainability Accounting Standards Board (SASB) industry standards and we have added Hardware (TC-HW) disclosures in fiscal year 2021 to the Software & IT Services (TC-SI) disclosures since fiscal year 2019.

By focusing our efforts on expanding the breadth and depth of our ESG data, we are able to provide a more complete view of F5. This is most evident in our environmental reporting, where strategic improvements in our data collection and updated methodologies allowed us to rebaseline our Scope 1 and Scope 2 emissions for fiscal years 2019 and 2020 in this year’s report and improve the accuracy of the science-aligned targets we intend to disclose later in fiscal year 2022.

The resulting report is a straightforward and transparent review of our progress and the areas where we have room for improvement. More importantly, a more concise and timely approach to reporting makes room for an even more urgent ESG priority at F5: to do more work we will be proud to report in the future.

If you have any questions or feedback about F5’s ESG report, programs or progress, we would love to hear from you. Please contact our team at esgreport@f5.com.

ABOUT THIS REPORT

Reporting Period	F5’s fiscal year 2021, beginning on October 1, 2020, and ending on September 30, 2021.
Reporting Cycle	Annual
External Assurance	Not available for this report. F5 plans to provide assurance for a limited set of material data in the fiscal year 2022 reporting cycle.
Materiality Assessment and Process	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	Our key stakeholders are F5 employees, F5 customers, F5 shareholders, communities in which F5 has offices; and F5 business and supply chain partners. F5 did not engage stakeholders directly for the purposes of developing of this report; however, the ESG team regularly interacts with stakeholders in order to gain an understanding of their ESG needs and fulfill their requests for ESG information. The frequency of stakeholder engagement across multiple forums, and on a variety of material ESG topics, provided sufficient guidance to develop this annual report.
Additional Resources	<ul style="list-style-type: none">• 2021 Annual Report (Form 10-K)• 2021 Proxy Statement• ESG Policies• FY19-20 ESG Report





“At F5, we care deeply not just about *what* we do, but *how* we do it. Our guiding principle to “do the right thing” is reflected in our commitment to Environmental, Social and Governance (ESG) – extending from the environmental sustainability of our products and operations to the well-being of our employees and our communities.”

François Locoh-Donou
President, Chief Executive Officer, and Director



F5's FY21 ESG Highlights

81%
of employees favorably rated their sense of “belonging” at F5

Top 10
in Tech Hardware sector for America’s Most Just Companies (2019-2021)

40%
of F5 executive vice presidents identified as female

94%
of employees favorably rated F5’s “human-first” response to COVID-19

3 of 11
Directors on the F5 Board identified as female

\$4.8M
donated by F5 and its employees to over 2,900 non-profit organizations worldwide

7 of 11
Directors on the F5 Board identified as diverse

55%
of employees worldwide donated or volunteered with F5 Global Good

TIMELINE

FY22

H2

Disclose science-aligned targets for GHG emissions reduction

Q2

Introduced [ESG metric](#) for executive compensation

Disclosed [Board Diversity Matrix](#)

Q1

Released first F5 [Diversity & Inclusion Report](#)

Q4

Completed eighth annual report to Carbon Disclosure Project (CDP)

Published first SASB-aligned [FY19-20 ESG Report](#)

Q3

Introduced Board-level ESG oversight by [Nominating & ESG Committee](#)

FY21

Q1

Reorganized ESG efforts and appointed new ESG leader



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

Hardware

SASB CODE	ACCOUNTING METRIC	FY21
Product Security		
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	<p>F5 has comprehensive security practices across the company, including secure training and frameworks, testing, internal and external auditing, and vulnerability management and disclosure.</p> <p>F5 further strengthens its security measures through close collaboration with third parties who regularly perform due diligence on and test F5 systems.</p> <p>Because of the ever-evolving nature of cybersecurity threats, F5 continually reviews its processes and procedures, in consultation with third parties, to identify opportunities to further improve F5 products and security practices.</p>
Employee Diversity & Inclusion		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Please see TC-SI-330a.3 on page 10-11.
Product Lifecycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	100% of our hardware products may contain small amounts of some chemicals on the IEC 62474 declarable substances list, disclosed in F5's product substance declarations .
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	No eligible products

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY21
Product Lifecycle Management (continued)		
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	No eligible products
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Not disclosed
Supply Chain Management		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Nothing to disclose ¹
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	
Materials Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Conflict Minerals Report

FOOTNOTES

¹ We outsource the manufacturing of our pre-configured hardware platforms to a third-party contract manufacturer, Flex Ltd. Flex is a founder member of the Responsible Business Alliance (RBA) and reports the results and rates of its RBA Validated Audit Process (VAP) in its annual Sustainability Report available at [flex.com](https://www.flex.com).

Software & IT Services

SASB CODE	ACCOUNTING METRIC	FY19	FY20	FY21
Environmental Footprint of Hardware Infrastructure ²				
TC-SI-130a.1	Total energy consumed (GJ)	98,642	109,520	99,563
	Percentage grid electricity	90%	91%	90%
	Percentage renewable	0%	0%	0%

FOOTNOTES

² Based on improvements in our environmental data collection and monitoring, we have updated our Scope 1 and 2 data for FY19 and FY20 (our previously reported data can be found in our [FY19-20 ESG Report](#)); and collected our FY21 Scope 1 and 2 emissions data following the same methodology. The data below reflects our most up to date and complete inventory of F5's Greenhouse Gas (GHG) emissions year-over-year.

	FY19	FY20	FY21
Energy			
Scope 1 Natural gas (MWh)	2,818	2,766	2,701
Scope 2 Electrical power (MWh)	24,583	27,656	24,955
Emissions			
Scope 1, market-based (MTCO ₂ e)	511	501	490
Scope 2, market-based (MTCO ₂ e)	9,253	6,613	6,302

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY19	FY20	FY21
Environmental Footprint of Hardware Infrastructure (continued)				
TC-SI-130a.2	Total water withdrawn	Not disclosed	Not disclosed	Not disclosed
	Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress			
TC-SI-130a.3	Integration of environmental considerations to strategic planning for data center needs	Not disclosed	Not disclosed	The majority of F5's data center needs are fulfilled by third-party data center and colocation providers that incorporate sustainable design and operational practices into their facilities to maximize energy efficiency, leverage renewable energy, reduce water consumption and minimize waste.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY19 - FY20	FY21
Data Privacy & Freedom of Expression			
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Privacy Notice EU-U.S. and Swiss-U.S. Privacy Shield Framework Certification	Privacy Notice
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Not disclosed	Not disclosed
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	None	None
TC-SI-220a.4	Number of law enforcement requests for user information	Not disclosed	Not disclosed
	Number of users whose information was requested		
	Percentage resulting in disclosure		
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	None	None
Data Security			
TC-SI-230a.1	Number of data breaches	None	None
	Percentage involving personally identifiable information (PII)		
	Number of users affected		
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	ISO27001 Certification	ISO27001 Certification

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY19	FY20	FY21
	Employee Diversity & Inclusion ³			
TC-SI-330a.1	Percentage of employees that are foreign nationals	Not disclosed	Not disclosed	Not disclosed
	Percentage of employees that are located offshore	Not disclosed	45%	48%
TC-SI-330a.2	Employee engagement as a percentage	Not disclosed ⁴	Not disclosed ⁴	83%
TC-SI-330a.3	Percentage of gender representation			
	Management	Not disclosed	Not disclosed	40% Female ⁵
	Technical staff			Not disclosed
	Worldwide employees	22.3% Female	23.2% Female	24.1% Female

FOOTNOTES

³ Please also refer to F5's [Open House on Diversity & Inclusion](#) report.

⁴ In our [FY19-20 ESG Report](#), we reported our employee survey results for FY19 and FY20 across multiple factors (company culture, team satisfaction, manager satisfaction and sense of belonging) as well as our employee response rate, instead of following SASB's methodology for TC-SI-330a.2.

⁵ We defined "management" as F5 executive vice presidents, who report to the CEO and are members of the executive leadership team, in order to follow SASB's management definition of "executive/senior level officials."

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY19	FY20	FY21
Employee Diversity & Inclusion (continued)				
TC-SI-330a.3	Percentage of race/ethnic group representation			
	Management	Not disclosed	Not disclosed	Not disclosed
	Technical staff			
	U.S. employees			
	American Indian or Alaskan Native	0.4%	0.3%	0.3%
	Asian	22.4%	24.6%	24.4%
	Black	2.1%	2.5%	2.7%
	Hawaiian or Pacific Islander	0.3%	0.3%	0.3%
	Latinx	4.1%	4.5%	4.5%
	Two or more races	2.8%	2.9%	3.0%
	White	67.6%	64.6%	64.3%
Intellectual Property Protection & Competitive Behavior				
TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Part II, Item 8 of 2019 Annual Report	Part II, Item 8 of 2020 Annual Report	Part II, Item 8, Note 13 of 2021 Annual Report

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) METRICS

SASB CODE	ACCOUNTING METRIC	FY19 - FY20	FY21
Managing Systemic Risks From Technology Disruptions			
TC-SI-550a.1	Number of performance issues	Planned, current, and historical outages for F5 services are available at: Cloud Services Silverline Volterra	Current performance status and historical uptime for F5 services are available at: F5 Distributed Cloud Services F5 Silverline Managed Services
	Number of service disruptions		
	Total customer downtime		
TC-SI-550a.2	Business continuity risks related to disruption of operations	Business Continuity Summary	Business Continuity Summary Item 1A (Risk Factors) of 2021 Annual Report

