



Fiscal Year 2023

Environmental, Social & Governance (ESG) Report



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(Sustainability Accounting Standards Board (SASB))

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Highlights of F5's ESG progress in FY23 include:

F5's Annual Emissions Reduction

40%

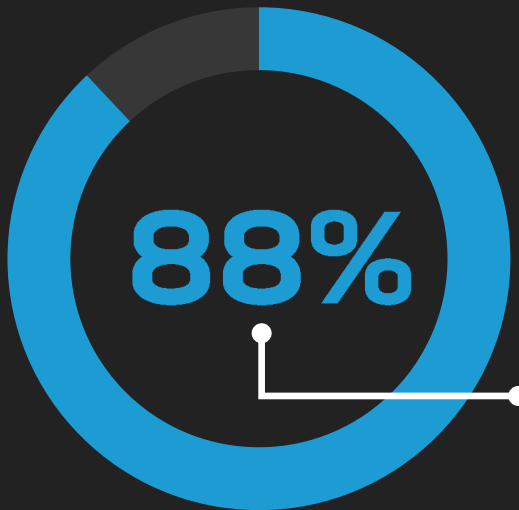
Operational (Scope 1 & 2)

30%

Value Chain (Scope 3)

31%

Overall Reduction

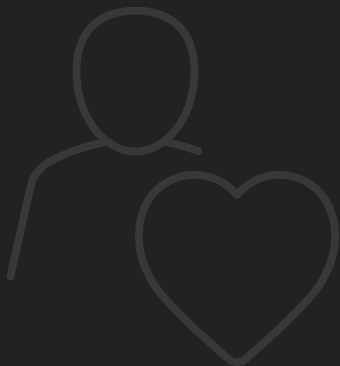


of employees say diverse perspectives are valued and encouraged at F5



More than
3,000

nonprofits received donations from F5 and its employees



Ranked

#1

in the Fortune
Modern Board 25

Environmental

In 2023, F5 [committed](#) to significantly reduce its environmental impact by the end of the decade with the [Science Based Targets Initiative \(SBTi\)](#).

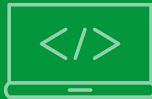
Starting from a baseline year of 2021, F5 will reduce operational emissions (Scope 1 & 2) by 50% and value chain emissions (Scope 3) by 43% by 2030.

F5 made progress towards our science-based target this year, with substantial reductions in both operational and value chain emissions.

F5 drastically reduced **Scope 1 & 2** emissions year over year by:

		
Sourcing more renewable energy	Relocating to a significantly more energy efficient office in Israel	Closing two offices & consolidating three offices worldwide

F5 drove down the two most significant sources of **Scope 3** emissions year over year by:

	Delivering a higher volume of software than hardware products to our customers		Reducing our consumption of goods and services
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F5 is also designing the next generation of our products for sustainability, to significantly improve energy efficiency without compromising the performance or security our customers rely on.

ENVIRONMENTAL

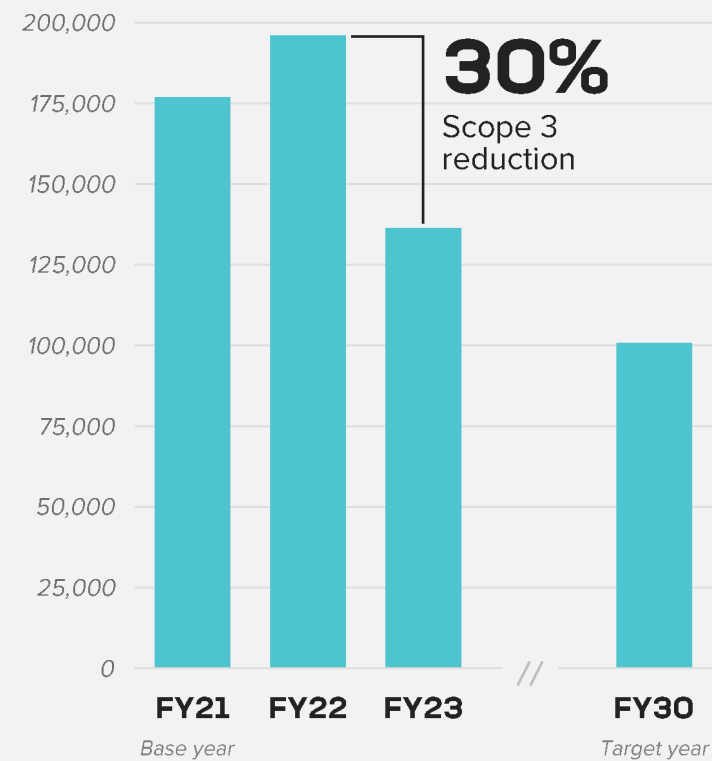
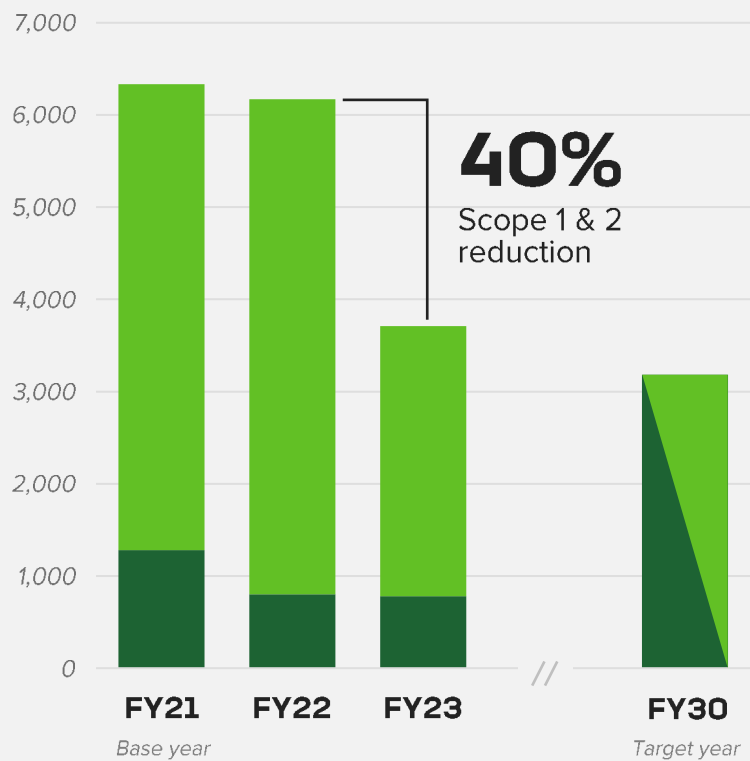
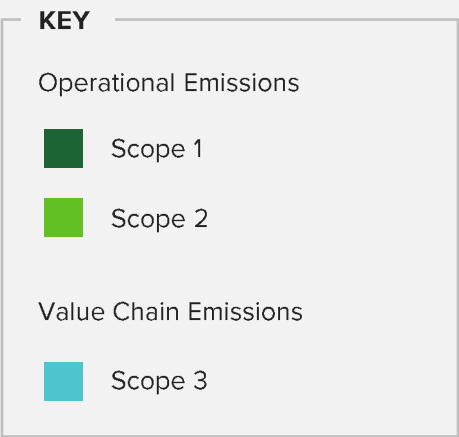
While this rate of year over year emissions reductions is noteworthy, it may be temporary. As F5 grows, **we are focused on the long-term actions** that will reduce our energy consumption and help transition to lower-carbon alternatives across Scopes 1, 2 & 3 in order to meet our science based target in 2030.



F5 has also secured third-party validation for the accuracy of our Scope 1 and 2 emissions reporting for fiscal year 2023. The auditor's verification letter can be found on page 20 of this report.

F5's Greenhouse Gas Emissions Reduction

Emissions (MTCO₂e)



Social

F5's commitment to its employees to be one global and diverse team that is both human-first and high-performance and to attract and grow amazing talent was tested during a challenging year inside and outside the company.

Employees' "sense of belonging at F5," was 76% favorable, down from 84% a year prior. F5ers described the decline in their belonging to F5's reduction in force, incentive plan cuts and changes to flexible work policies that took place during 2023, but also attributed their sustained belonging to the high levels of trust they continue to place in their managers, the ongoing investments we make in [Inclusion, Diversity, Equity & Allyship](#) and the comprehensiveness of our health and wellness [benefits](#).



F5 also made ground in 2023 in other key elements of our culture as a company:



Employee Inclusion Group participation up 5%

40% of F5ers participated in our Employee Inclusion Groups in FY23.

f5 global good

10,400 hours volunteered

by employees in their communities in FY23.

+50% of employees

continue to participate as donors, volunteers and judges for our grant selection committees in FY23.



During our bi-annual engagement survey in FY23, F5ers rated the company favorably; and they continue to build [award-winning products](#) for our customers.

In 2024, F5 is **concentrating its efforts and programs on fostering these hallmarks of belonging and engagement**, to foster the [culture](#) that means so much to our employees and our company's performance.

Governance

In 2023, F5 was ranked #1 among the S&P 500 companies' most innovative boards in Fortune Magazine's annual [Modern Board 25](#). Fortune highlighted F5's commitment to ESG governance in particular.

The Board of Directors, including the Chairman and the President & CEO, review F5's ESG strategy, disclosures, and environmental and social risks and opportunities quarterly, through the Nominating & ESG Committee and the Audit & Risk Oversight Committee.

To support the Board's ESG oversight in anticipation of changes to multiple ESG regulations, F5 identified its most relevant and high-impact ESG risks through a [Double Materiality Assessment](#).



As a result of this Double Materiality Assessment's findings from our stakeholders that included customers, shareholders, business partners, and employees, climate-related risks and opportunities were added to F5's enterprise-wide risk management process in 2023.



Climate-related risks and opportunities from the doubly-material ESG impacts of Greenhouse Gas (GHG) emissions reduction and energy management are now incorporated into F5's risk management and mitigation plans, with regular reporting to the Board and executive leadership.

Identify

F5’s Double Materiality Assessment is used to identify climate risks. The assessment includes stakeholder feedback, peer examples, and input from ESG ratings, rankings, and frameworks.



Assess

Climate risk areas identified as material are assessed across time horizons, ESG impact, and financial impact.

Manage

Climate-related risks and opportunities added to F5’s enterprise-wide risk management process in 2023.

Key Metrics

Doubly-material ESG impacts currently included in F5’s enterprise-wide risk management process include:

GHG emissions reduction | Energy management

Based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

ESG Performance Data

Sustainability Accounting Standards Board



Hardware

SASB Code	Accounting Metric	FY21	FY22	FY23
Product Security				
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products.	F5 has comprehensive security practices across the company, including secure training and frameworks, testing, internal and external auditing, and vulnerability management and disclosure. F5 further strengthens its security measures through close collaboration with third parties who regularly perform due diligence on and test F5 systems. 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.	F5 has comprehensive security practices across the company, including security training and frameworks, testing, internal and external auditing, and vulnerability management and disclosure. F5 holds itself accountable for the resolution of security and privacy incidents. When issues arise, our global Cyber Incident Response Team (CIRT) responds swiftly, using a playbook with documented resolution procedures. In addition, the CIRT performs a comprehensive incident investigation and prevention through threat assessment and detection, mitigation planning, incident trend analysis, and security architecture review. Because of the ever-evolving nature of cybersecurity threats, F5 continually reviews its processes and procedures, in consultation with third parties, to further identify opportunities to improve F5 products and security practices.	F5 has comprehensive security practices across the company, including security training and frameworks, testing, internal and external auditing, and vulnerability management and disclosure. F5 holds itself accountable for the resolution of security and privacy incidents. When issues arise, our global Cyber Incident Response Team (CIRT) responds swiftly, using a playbook with documented resolution procedures. In addition, the CIRT performs a comprehensive incident investigation and prevention through threat assessment and detection, mitigation planning, incident trend analysis, and security architecture review. Because of the ever-evolving nature of cybersecurity threats, F5 continually reviews its processes and procedures, in consultation with third parties, to further identify opportunities to improve F5 products and security practices.
Employee Diversity & Inclusion				
TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees.	Please see TC-SI-330a.3 on page 16-17.	Please see TC-SI-330a.3 on page 16-17.	Please see TC-SI-330a.3 on page 16-17.



SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
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 .	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 .	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	No eligible products	No eligible products
TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	-	-	97% of eligible F5 hardware products, by revenue, use 80 PLUS® certified power supplies.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Not disclosed	Not disclosed	Not disclosed



SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
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	Nothing to disclose ¹	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	2021 Conflict Minerals Report	2022 Conflict Minerals Report	2023 Conflict Minerals Report will be filed before May 31, 2024

Footnotes ¹We 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 their 2021, 2022 and 2023 Annual Sustainability Reports.

Software & IT Services

SASB Code	Accounting Metric	FY21	FY22	FY23
Environmental Footprint of Hardware Infrastructure				
TC-SI-130a.1	Total energy consumed (GJ)	105,052	103,143	101,126
	Percentage grid electricity	100%	86%	77%
	Percentage renewable	0%	14%	23%
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	Not disclosed	Not disclosed	Not disclosed
TC-SI-130a.3	Discussion of integration of environmental considerations to strategic planning for data center needs	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.	Over 80% of F5's offsite data center needs are fulfilled by a third-party provider that is committed to a science-based target and 100% renewable energy by 2030.	F5 has integrated emissions reductions and energy efficiency into the strategic planning for the limited number of data centers (or "Labs" as we refer to them at F5) that remain on premise and in co-location facilities to support our product engineering. In FY23, this resulted in the decommission of one lab in EMEA and ongoing consolidation planning among our labs worldwide.



ADDITIONAL EVNIRONMENTAL FOOTPRINT INFORMATION

Accounting Metric	FY21	FY22	FY23
Energy			
Scope 1 Natural gas (MWh)	7,069	4,431	4,307
Scope 2 Electrical power (MWh)	22,113	24,219	23,783
Emissions			
Scope 1, market-based (MTCO2e) ¹	1,281	803	781
Scope 2, market-based (MTCO2e) ¹	5,053	5,368	2,929
Scope 3, total (MTCO2e)	176,949	196,148	136,415
Category 1: Purchased goods & services	32,475	25,799	14,184
Category 2: Capital goods	10,643	27,889	22,933
Category 3: Fuel & energy-related activities	674	521	503
Category 4: Upstream transport & distribution	5,766	8,365	5,399
Category 5: Waste	142	163	125
Category 6: Business travel	3,946	7,495	10,887
Category 7: Employee commuting	6,005	8,447	3,435
Category 8: Upstream leased assets	Not applicable	Not applicable	Not applicable
Category 9: Downstream transport & distribution	1,997	6,039	2,412
Category 11: Use of sold products	115,295	111,425	76,531
Category 12: End-of-life treatment	6	5	6
Category 13: Downstream leased assets	Not applicable	Not applicable	Not applicable
Category 14: Franchises	Not applicable	Not applicable	Not applicable
Category 15: Investments	Not applicable	Not applicable	Not applicable

Footnotes ¹ This data has been updated to reflect new U.S. Environmental Protection Agency (EPA), Commercial Building Energy Consumptions Survey (CBECS) emissions estimates and Global Warming Potential (GWP) emissions methodology updates from FY23.

SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
Data Privacy & Freedom of Expression				
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Privacy Notice	Privacy Compliance & Practices	Privacy Compliance & Practices
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Not disclosed	Privacy Notice	Privacy Notice
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	None	None	None
TC-SI-220a.4	Number of law enforcement requests for user information	Not disclosed	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	F5 provides products and services to its customers, that include large enterprise businesses, public sector institutions, governments, and service providers, subject to the terms of its contract with each customer. F5 does not provide products or services directly to consumers. F5's products and services are subject to customer oversight and contract terms, but are not otherwise subject to government monitoring, blocking, content filtering, or censoring.	F5 provides products and services to its customers, that include large enterprise businesses, public sector institutions, governments, and service providers, subject to the terms of its contract with each customer. F5 does not provide products or services directly to consumers. F5's products and services are subject to customer oversight and contract terms, but are not otherwise subject to government monitoring, blocking, content filtering, or censoring.
Data Security				
TC-SI-230a.1	Number of data breaches	None	None	None
	Percentage that are personal data breaches			
	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	ISO 270001 Certification	ISO 270001 Certification	ISO 27001:2013 Certification



SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
	Employee Diversity & Inclusion			
TC-SI-330a.1	Percentage of employees that require a work visa	-	-	8.7%
TC-SI-330a.2	Employee engagement as a percentage ¹	83%	88%	72%
TC-SI-330a.3	Gender representation of global employees as a percentage			
	Management ²	40% Female	Not disclosed	24.3% Female
	Technical staff	Not disclosed		Not disclosed
	Worldwide employees	24.1% Female	25.3% Female	25.4% Female
	Racial/Ethnic group representation of U.S. employees as a percentage			
	Management ²			
	American Indian or Alaskan Native			0.2%
	Asian			22.0%
	Black			3.4%
	Hawaiian or Pacific Islander	Not disclosed	Not disclosed	0.5%
	Hispanic or Latino(a) ³			4.8%
	Two or more races			3.2%
	White			60.1%

Footnotes

¹ In alignment with SASB’s methodology, employee engagement is measured as an index (strength of employee agreement with a survey statement) and is calculated based on the results of an employee engagement survey conducted by a third-party survey provider contracted by F5. The percentage represents the number of employees who self-describe as actively engaged divided by the total number of employees who completed the survey.

² In our FY21 ESG Report, we defined “management” as F5 executive vice presidents, who report to the CEO and are members of the executive leadership team. While this met SASB’s management definition of “executive/senior level officials,” it did not follow the full scope of SASB’s methodology.

In our FY23 ESG report, “management” at F5 is defined as employees who have one or more direct report, which more closely aligns with SASB’s methodology.

³ In FY23, F5 aligned its reporting to the Equal Employment Opportunity Commission’s Employer Information EEO-1 definition of Hispanic/Latino(a).



SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
	Employee Diversity & Inclusion			
TC-SI-330a.3	Technical staff	Not disclosed	Not disclosed	Not disclosed
	U.S. employees			
	American Indian or Alaskan Native	0.3%	0.3%	0.2
	Asian	24.4%	24.7%	26.4%
	Black	2.7%	3.4%	3.5%
	Hawaiian or Pacific Islander	0.3%	0.4%	0.3%
	Hispanic or Latino(a)	4.5%	4.5%	5.2% ¹
	Two or more races	3.0%	3.3%	3.3%
	White	64.3%	62.7%	61.1%

Footnotes ¹In FY23, F5 aligned its reporting to the Equal Employment Opportunity Commission’s EEO-1 definition of Hispanic/Latino(a).



SASB INDEX

SASB Code	Accounting Metric	FY21	FY22	FY23
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, Note 13 of 2021 Annual Report	Part II, Item 8, Note 12 of 2022 Annual Report	Part II, Item 8, Note 12 of 2023 Annual Report
Managing Systemic Risks From Technology Disruptions				
TC-SI-550a.1	Number of performance issues	Current performance status and historical uptime for F5 services are available at: F5 Distributed Cloud Services F5 Silverline Managed Services	Current performance status and historical uptime for F5 services are available at: F5 Distributed Cloud Services F5 Silverline Managed Services Additional real-time information at F5 Bug Tracker	Current performance status and historical uptime for F5 services are available at: F5 Distributed Cloud Services F5 Silverline Managed Services Additional real-time information at F5 Bug Tracker
	Number of service disruptions			
	Total customer downtime			
TC-SI-550a.2	Business continuity risks related to disruption of operations	Business Continuity Summary Item 1A (Risk Factors) of 2021 Annual Report	Business Continuity Summary Item 1A (Risk Factors) of 2022 Annual Report	Business Continuity Summary Item 1A (Risk Factors) of 2023 Annual Report



Reporting Information

Reporting Period

F5's fiscal year 2023 (FY23), beginning on October 1, 2022, and ending on September 30, 2023.

Reporting Cycle

Annual

Reporting Framework

This year's report reflects the new SASB framework version, released in December 2023. To best reflect our business, F5 continues to report metrics in both Hardware and Software & IT Services from the Sustainable Industry Classification System[®].

Assurance

In preparation of this report, select FY23 data was reviewed by a third-party assurance partner, Apex Companies. The auditor's verification letter can be found on page 20 of this report.

Materiality Assessment

A summary of our double materiality assessment can be found on page 7 of our [FY22 ESG Report](#).

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. All these stakeholders were engaged around ESG topic prioritization specifically related to our Double Materiality Assessment, discussed in more detail on page 7 of our [FY22 ESG Report](#).



If you have any questions or feedback about F5's ESG report, programs or progress, please contact our team at esgreport@f5.com.

Additional Resources

[2023 Annual Report](#)

[2023 Proxy Statement](#)

[2023 Annual D&I Report](#)

[FY22 ESG Report](#)

[FY21 ESG Report](#)

[ESG Policies](#)



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of F5, Inc.

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by F5, Inc. (F5) for the period stated below. This verification declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of F5. F5 is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information. Apex is responsible for expressing an opinion on the GHG statement based on the verification. Verification activities applied in a limited level of verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide
- Exclusions: Fugitive emissions from refrigerants

Types of GHGs: CO₂, N₂O, CH₄

GHG Emissions Statement:

- **Scope 1:** 781 metric tons of CO₂ equivalent.
- **Scope 2 (Location-Based):** 7,170 metric tons of CO₂ equivalent.
- **Scope 2 (Market-Based):** 2,929 metric tons of CO₂ equivalent.

Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were generally historical in nature.

Period covered by GHG emissions verification:

- October 1st, 2022 to September 30th, 2023

Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

Reference Standard:

- ISO 14064-3: Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas statements.

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of $\pm 5\%$ for aggregate errors in sampled data for each of the above indicators.
- Qualifications – None



GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of F5;
- Review of documentary evidence produced by F5;
- Review of F5's data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by F5 to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

It is our opinion that F5 has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with F5, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

A handwritten signature in blue ink, appearing to read 'Jessica Jacobs'.

Jessica Jacobs, Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio

A handwritten signature in blue ink, appearing to read 'Mary E. Armstrong-Friberg'.

Mary E. Armstrong-Friberg, Technical Reviewer
ESG Program Manager
Apex Companies, LLC
Cleveland, Ohio

March 29, 2024

This verification opinion declaration, including the opinion expressed herein, is provided to F5, Inc. and is solely for the benefit of F5, Inc. in accordance with the terms of our agreement. We consent to the release of this declaration to the public or other organizations for reporting and/or disclosure purposes, without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

