



Our Passion, Our People

We aim to be the best company to work for. Our philosophy is simple, place our people at the center and provide maximum choice while recognizing the uniqueness of each and every employee. We call it FLEXWORK.

Executing our People Strategy is critical to our mission.

To be the cybersecurity partner of choice we must source and hire, onboard and integrate, develop and motivate, and engage and reward the best diverse talent possible. We have learned how to collaborate in a distributed work model and create opportunities for employees to maintain a sense of belonging and focus on wellbeing, while delivering successful business results. We're committed to bold strategies that enable our 10,000+ employees to do the best work of their careers.

Inclusion & Diversity.

We lead with inclusion, that's why it's at the top of our People Strategy. Inclusion is a core value and integral to all we do.

We believe we are at our best when we are intentional about including diverse points of view, perspectives, experiences, backgrounds and ideas in our decision making processes. True diversity exists when we have representation of all ethnicities, orientations and identities, and cultures in our workforce. Our I&D practices are embedded in our talent acquisition, learning and development and rewards and recognition programs.

We have eight employee network groups ("ENG"s), many with several chapters, that play a vital role in building understanding and awareness. Over 25%¹ of our global workforce is involved in at least one ENG. Leading from the top, women represented 33%¹ of the members of our board of directors.

More information on demographic details and highlights of our initiatives to include every employee, engage every community and advance our industry can be found on our [website](#).

Source & Hire.

Our People Strategy starts by sourcing and hiring the greatest diverse talent and setting them free to create and execute. Our talent acquisition team utilizes a number of core approaches to finding subject experts in their respective fields, including use of a variety of channels that focus on reaching diverse communities.

¹ As of July 31, 2021.

Our university relations team also partners with hundreds of academic institutions, including colleges and universities that focus on serving underrepresented populations, to provide career pathways for early-in-career candidates.

We encourage career growth and expansion through a robust approach to internal mobility. And current employees refer qualified candidates to help fill our talent pipeline.

Through our License-to-Hire program, we aim to ensure that hiring managers and interview panels are equipped with tools and resources to deliver a quality interview experience to candidates. We're also committed to ensuring our interview panels and candidate slates have diverse representation.

Onboard & Integrate.

From new hire orientations to welcome events for employees of acquired companies, we believe a positive onboarding experience is a foundational element to employee satisfaction and motivation.

During the pandemic, we have been able to utilize virtual deployment methods to provide new employees with an inspirational experience to mark the beginning of their career at Palo Alto Networks and, that extends well beyond onboarding and through their first year.

As part of our merger and acquisition strategy, we have also established a robust integration program with the goal to enable individuals joining our teams to maximize the value they bring to our culture and business strategy.

Develop & Motivate.

FLEXLearn is our unique approach to personalized employee development. FLEXLearn is a multi-faceted platform that provides employees with a personalized learning path based on their needs, interests and career journey.

Development information about core business elements and curriculum designed for specific job functions as well as required compliance training, such as Code of Conduct, anti-discrimination, anti-harassment, and anti-bribery training is deployed through the FLEXLearn platform.

FLEXLearn also provides employees with events and activities that motivate and spark critical thinking, on topics ranging from inclusion, to well-being and collaboration. Our work with the NeuroLeadership Institute and Main Stage speaker series are just two examples. 99.5%¹ of employees completed Code of Conduct and Business Ethics training. On average employees completed 12 hours of development¹ through the FLEXLearn platform.

FLEXLead is another component of development focused in three primary areas: raise the bar of leadership effectiveness by setting clear expectations for leaders, accelerate personalized learning across our leadership population, and foster dynamic leadership development that builds community and engagement. FLEXLead includes a curriculum designed specifically for leaders to strategize, mobilize and deliver exceptional team performance, including 360 tools and other shared learning experiences.

¹ As of July 31, 2021.

Engage & Reward.

During fiscal 2021, we conducted multiple executive listening sessions and “pulse surveys” to assess employee engagement, well-being and agility to transition to a distributed work model. These touch points had high response rates and signs of positive outcomes.

In February 2021 we conducted an anonymous global employee engagement survey. The response rate was 92%¹ representing all functions and geographies. The overall engagement score was 81%.¹ Outcomes from the survey are being used to develop company-wide and function specific action plans.

We believe in an *a/ways-on* feedback and rewards philosophy. From recurring 1:1 sessions and ongoing performance feedback to our formal semi-annual performance elevation review cycles, employees get continuous input about the value they bring to the organization and ways in which they can improve.

In the spirit of *a/ways-on*, we have a high adoption rate of our peer recognition program—Cheers for Peers. Individuals and or teams receive acknowledgement from their peers for ways in which they have demonstrated our values in action. The recognition, displayed on a platform for all to see, includes points that can be accumulated and redeemed for a variety of gift cards or converted to donations to select causes.

In addition to competitive base pay, all employees participate in one of two variable pay programs: sales incentive / commission or variable incentive program (VIP). Our [benefit plans](#) include a variety of health, time-off, wellness and voluntary options. [FLEXBenefits](#) is a leading initiative that puts choice in the hands of each individual—\$1,000 in annual benefit to use as each employee chooses. All employees are eligible to participate in our stock-based offerings which include an Employee Stock Purchase Plan and a Restricted Stock Unit plan.

People Team as Strategic Partners

While it may be common to refer to this work as a *Human Resources* function, we see it a bit differently. We are more than a resource, we are people—so we refer to our group as the People Team. Yes, we have roles we fill and work we do, but we believe it reinforces our values of collaboration, integrity, and inclusion when we refer to our work as our People Strategy.

In addition to our People Team Centers of Excellence (experts who are responsible for many of the strategies noted above) our global team of People Business Partners (PBP) provide consulting to business leaders and our workforce. PBPs work tirelessly to ensure alignment of our strategies, execution of our initiatives, adherence to our values and ultimately our shared success. The PBPs also partner closely with our Employee Relations and Legal teams to address employee concerns or escalations that may arise.

Spotlight: FLEXWORK Coalition

2020 will be remembered as the year that accelerated overdue changes to the way we work. The most successful businesses will be the ones that define the new rules. Box, Palo Alto Networks, Splunk, Uber and Zoom formed the FLEXWORK Coalition to share their research, developing working practices. We are proud that FLEXWORK has become a [movement](#).

¹ As of July 31, 2021.