



# GLOBAL SUPPLIER CODE OF CONDUCT



## **PALO ALTO NETWORKS, INC. Global Supplier Code of Conduct**

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The Palo Alto Networks (or the “Company”) Global Supplier Code of Conduct (“Supplier Code”) contains principles to promote ethical conduct in the workplace, safe working conditions, the protection of sensitive information, the treatment of workers with respect and dignity, and responsible manufacturing processes. It is the Company’s policy to comply with all applicable laws and regulations of the countries and regions in which we operate and to conduct our business activities in an honest and ethical manner, and we hold our suppliers to the same high ethical standards.

The Company believes that the Electronics Industry Citizenship Coalition (EICC) Code of Conduct serves as an important framework for the Company’s suppliers to conduct their business in a socially responsible manner and to meet the above expectation of Palo Alto Networks and has established this Supplier Code based upon those principles. Palo Alto Networks hereby expects its suppliers to comply with this Global Supplier Code of Conduct or a Code of Conduct that is substantially similar.

For the Supplier Code to be successful, suppliers must regard the Supplier Code as a total supply chain initiative. Suppliers are responsible for ensuring that all of their workers (employees, temps, agents, contractors, etc.) and any subcontracted party performing work on behalf of the Company, including at a minimum all next tier suppliers (“Suppliers”) along with any third party they engage are informed of and agree to comply with this Supplier Code or a Code of Conduct that is substantially similar.

Any violation of this Supplier Code may result in remedial action(s) up to and including termination of contracts or status as a supplier of materials, products, software, and/or services to Palo Alto Networks. However, this Supplier Code is not intended to create new or additional rights, or any additional Palo Alto Networks obligations, in favor of suppliers, supplier personnel, or any third parties. It supplements, but does not supersede, the contracts between Palo Alto Networks and Supplier.

## 1) BUSINESS ETHICS AND STANDARDS OF CONDUCT

Palo Alto Networks requires its Suppliers, their sub-tier suppliers and any other 3rd party agents to uphold the highest standards of ethics in their business operations.

### a. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on Supplier's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws including but not limited to the United Kingdom Bribery Act and the United States Foreign Corrupt Practices Act. Suppliers should conduct appropriate risk-based diligence prior to engaging contractors or third parties.

### b. No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers bribes to any government or public international organization officials, political parties, candidates for political office, employees of state owned or controlled companies, or any director, officer, employee or agent of a commercial customer or supplier.

It also covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. This includes, without limitation, gifts, gratuities, favors, entertainment, and travel (including without limit to family members and friends of such individuals). Kickbacks, either directly or indirectly, to obtain or reward favorable treatment in any transaction and facilitation payments are also prohibited. Suppliers shall document accurately, timely and in full all transactions related to all business involving Palo Alto Networks. Supporting documentation for each transaction shall be maintained by Suppliers and made available for inspection by Palo Alto Networks.

### c. Disclosure of Information

Information regarding Supplier labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable laws, regulations and prevailing industry practices. Falsification of records and/or misrepresentation of conditions or practices are unacceptable.

### d. Protection of Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and customer information is to be securely safeguarded and access should be monitored and controlled on a regular basis. Contractor access to customer source code or design specifications should be highly restricted and appropriate controls should be put in place.

### e. Whistleblower Protection and Anonymous Complaints

Supplier shall provide an anonymous complaint mechanism for managers and workers to report workplace grievances. Supplier shall protect whistleblower confidentiality and prohibit retaliation.

### f. Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available and used.

### g. Privacy

Suppliers are committed to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

### h. Responsible Sourcing of Materials

Suppliers shall exercise due diligence, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, on its entire supply chain with respect to the sourcing of all tin, tantalum, tungsten, and gold contained in its products, to determine whether those metals are from the Democratic Republic of the Congo (DRC) or any adjoining country and, if so, to determine whether those metals directly or indirectly financed or benefited armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country. Countries that adjoin the DRC are Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

### i. Conflicts of Interest

Suppliers must be free to act with total objectivity in their business dealings with Palo Alto Networks, and thus, must avoid conflicts of interest. If a potential or actual conflict of interest arises that impedes a Supplier's ability to act objectively in the business relationship with Palo Alto Networks, the Supplier must disclose all relevant details to Palo Alto Networks.

### j. Insider Trading

Supplier must comply with all applicable insider trading and securities laws governing transactions in Palo Alto Networks securities. If Supplier possesses or has access to material, nonpublic information about Palo Alto Networks, it must use that information solely for the purpose for which it was provided to Supplier. It may not use that information to trade in Palo Alto Networks securities and Supplier may

not provide the information to others so they can trade in Palo Alto Networks securities. Supplier must take reasonable precautions to ensure its employees are not engaging in insider trading as it relates to Palo Alto Networks.

#### **k. Export Compliance**

Supplier must comply strictly with all applicable export and import laws and regulations and not export, re-export, transfer, divert, release, import or disclose any Palo Alto Networks products or any direct product thereof, technical data relating to such products, or Palo Alto Networks confidential information to another person or entity except under license or as otherwise permitted under such laws and regulations.

#### **l. Contact Information**

Supplier is encouraged to immediately report events of questionable, fraudulent or illegal nature that are, or may be in violation of this Supplier code, or other applicable laws or regulations, to Palo Alto Networks as follows: (1) email [Compliance@paloaltonetworks.com](mailto:Compliance@paloaltonetworks.com); (2) Palo Alto Networks Ethicspoint Website [www.paloaltonetworks.ethicspoint.com](http://www.paloaltonetworks.ethicspoint.com) or Hotline (1-855-266-7042). Calls or submissions to the Ethicspoint hotline are received by an independent third-party service specifically retained by Palo Alto Networks to handle such reports. In countries where applicable, reports can be made anonymously, and will be kept confidential to the fullest extent necessary to conduct a reasonable investigation in accordance with local law. Country specific phone numbers are located on the website.

## **2) LABOR**

Suppliers must be committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. The recognized international standards are identified in Section 6 and were used as references in preparing the Supplier Code. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

#### **a. Freely Chosen Employment and Anti-Human Trafficking**

Forced, bonded (including debt bondage) or indentured labor or involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purposes of exploitation. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment. Workers must not be required to surrender any government-issued identification, passports or work permits as a condition of employment. Excessive fees relating to employers' or agents' recruitment or other related fees are unacceptable. Any other fees charged to workers must be disclosed.

#### **b. Child Labor Prohibition**

Child labor is not to be used in any stage of manufacturing under any circumstances. The terms "child" refers to any person employed under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The

use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is acceptable. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

#### **c. Working Hours**

Regular workweeks are not to exceed the maximum set by local law. Further, workers shall be allowed at least one day off per seven-day week. Finally, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations.

#### **d. Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime and shall be provided the basis on which they are being paid in a timely manner via appropriate documentation. Deduction from wages as a disciplinary measure shall not be permitted.

#### **e. Humane Treatment**

Suppliers must commit to a workplace free of harassment and abuse. Workers shall not be subject to, or threatened with, harsh and inhumane treatment, including any sexual harassment, psychological harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers.

#### **f. Anti-Discrimination**

Suppliers must be committed to a workforce free of harassment and unlawful discrimination. It may not engage in discrimination based on any basis prohibited by applicable/local law. Palo Alto Networks embraces diversity and equal opportunity as fundamental principles and key components of its corporate strategy and strongly encourages all of its Suppliers to do the same.

#### **g. Freedom of Association**

As legally permitted, Supplier shall freely allow workers to associate with others, form, and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment. In the absence of formal representation, Supplier shall ensure that workers have a mechanism to report grievances and that it facilitates open communication between management and workers.

## **3) HEALTH AND SAFETY**

Worker health, safety and well-being is important to Palo Alto Networks. Supplier shall provide and maintain a safe work environment and integrate sound health and safety management practices into its business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

#### **a. Occupational Health and Safety**

Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls. Supplier shall provide workers with

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job-related, appropriately maintained personal protective equipment and instruction on its proper use. Workers shall not be disciplined for raising safety concerns. Suppliers shall comply with all applicable quality, health, safety and environmental regulations. All required permits, licenses and registrations will be obtained, maintained and kept up-to date.

**b. Emergency Preparedness**

Supplier shall identify and assess potential emergency situations. For each situation, Supplier shall develop and implement emergency plans and response procedures that minimize harm to life, environment, and property.

**c. Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.

**d. Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.

**e. Sanitation, Food and Housing**

Suppliers shall provide workers with reasonably accessible and clean toilet facilities and potable water. Supplier-provided dining, food preparation, and storage facilities shall be sanitary.

**f. Physically Demanding Work**

Suppliers should have in place procedures and systems to identify, evaluate and control worker exposure to the hazards of physically demanding tasks.

**g. Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Where machinery presents an injury hazard to workers, measures must be taken to install safety precautions on the equipment. This equipment must be properly monitored and maintained.

**4) Environmental**

Palo Alto Networks believes that protecting the environment and environmental responsibility is a fundamental responsibility of all good corporate citizens with whom we do business. Suppliers shall develop, implement, and maintain environmentally responsible business practices and take measures to ensure in manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety to the public. The Company used generally recognized management systems as identified in Section 6 in preparing the Supplier Code.

**a. Environmental Permits and Reporting**

Suppliers shall obtain, keep current, and comply with all required environmental permits. Supplier shall comply with the reporting requirements of applicable permits and regulations.

**b. Pollution Prevention and Resource Reduction**

Supplier shall reduce energy, water, and natural resource consumption by implementing conservation and substitution measures. Supplier shall minimize hazardous substances consumption by implementing reduction and substitution measures.

**c. Hazardous Substance Management**

Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances. Chemicals and other materials posing a hazard if released to the environment, should be identified and managed to ensure safe handling, movement, storage, recycling or reuse and disposal.

**d. Wastewater and Solid Waste**

Suppliers shall characterize, monitor, control and treat wastewater and solid waste generated from operations, industrial processes and sanitation facilities as required prior to discharge or disposal.

**e. Air Emissions**

Supplier shall identify, manage, reduce and responsibly control air emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its air emission control systems.

**f. Materials Restrictions**

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling and recycling and disposal.

**5) Management of Conformity to the Supplier Code**

Palo Alto Networks believes that sound management systems such as those identified below and commitment are key to enriching the social and environmental well-being of our supply chain. Supplier shall have policy statements affirming its commitment to corporate social and environmental responsibility endorsed by executive management. Supplier should implement or maintain, as applicable, a management system that facilitates compliance with this Supplier Code and the law, identifies and mitigates related operational risks, and facilitates continuous improvement.

**a. Accountability and Responsibility**

Supplier shall identify company representatives for ensuring implementation of the management systems and associated programs, which should be reviewed by a senior manager on a regular basis. The management systems and associated programs should include a process to identify,

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monitor and understand applicable laws, regulations and customer requirements (like the Supplier Code), training for managers and workers to understand and implement Supplier's policies and meet the applicable legal, regulatory and customer requirements, and an ongoing process to assess workers' understanding of and obtain feedback on practices and conditions covered by this Supplier Code and to foster continuous improvement.

**b. Audits, Assessments and Certifications**

Supplier shall have a process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Supplier's operations, determine the relative significance for each risk and implement appropriate procedures and controls to control the identified risks. Supplier shall have written standards, performance objectives, targets, and implementation plans,

including periodic assessments of the performance against those objectives. It shall also perform periodic self-evaluation to ensure conformity to legal and regulatory requirements, the content of this Supplier Code and customer contractual requirements related to social and environmental responsibility. Where applicable, Supplier shall have a process for timely correction of deficiencies identify by internal or external assessments, inspections, investigations and reviews.

**c. Documentation and Records**

Supplier shall have processes and controls to ensure accurate books and records, and creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements and this Supplier Code along with appropriate confidentiality to protect privacy.

**6) References**

The following standards were used in preparing this Supplier Code and may be a useful source of additional information.

- a. ILO Code of Practice in Safety and Health: [www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf](http://www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf)
- b. ILO International Labor Standards: [www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm](http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm)
- c. OECD Guidelines for Multinational Enterprises: [www.oecd.org](http://www.oecd.org)
- d. United Nations Convention Against Corruption: <https://www.unodc.org/unodc/en/treaties/CAC/>
- e. United Nations Global Compact: [www.unglobalcompact.org](http://www.unglobalcompact.org)
- f. Universal Declaration of Human Rights: [www.un.org/Overview/rights.html](http://www.un.org/Overview/rights.html)
- g. Ethical Trading Initiative: [www.ethicaltrade.org](http://www.ethicaltrade.org)
- h. OHSAS 18001: <http://www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/>
- i. OECD Due Diligence Guidance: [http://www.oecd.org/document/36/0,3746,en\\_2649\\_34889\\_44307940\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/36/0,3746,en_2649_34889_44307940_1_1_1_1,00.html)
- j. Dodd-Frank Wall Street Reform and Consumer Protection Act: <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>
- k. Eco Management & Audit System: [www.quality.co.uk/emas.htm](http://www.quality.co.uk/emas.htm)
- l. ISO 14001: <http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>
- m. National Fire Protection Association: [www.nfpa.org/catalog/home/AboutNFPA/index.asp](http://www.nfpa.org/catalog/home/AboutNFPA/index.asp)
- n. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-Risk Areas: <http://www.oecd.org/corporate/mne/mining.htm>

## Acknowledgment

I have received and reviewed the Palo Alto Networks Global Supplier Code of Conduct. I acknowledge and agree to comply with the provisions therein.

Date: \_\_\_\_\_

\_\_\_\_\_

Company

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Signature