



# Diversity and Inclusion

## Purpose

At Xero, we value diversity and inclusion and the benefits these bring to our business. They accelerate innovation and embrace the unique experience, ideas, skills and perspectives of our people. They help us to attract and retain top talent and to bring out the best in everyone. They also enable us to better reflect and serve our customers, partners and the diverse communities which we interact with every day. By driving better outcomes through diversity and inclusion, we believe this can amplify our positive impact on the world.

By diversity, we mean acknowledging, appreciating and celebrating all the ways we are different in all its forms, both visible and not visible. It includes differences that relate to gender, age, culture, ethnicity, race, disability, family status, language, religion, sexual orientation, gender identity as well as differences in background, skills, work styles, perspectives and experience.

We know diversity is important but it is through inclusion that we really tap into the potential and power of our differences. Inclusion means all Xeros have a sense of belonging, fairness, feel valued and respected and can play their part in creating business success. This is what Xero's #human value is all about.

We also believe that everybody has the right to be treated with respect, fairness and dignity. We do not tolerate any form of bullying, harassment, sexual harassment, discrimination, racism, victimisation (also known as retaliation) or other inappropriate or demeaning behaviour toward anyone. These are addressed in our Respect & Responsibility Policy and our people participate in regular learning to ensure they understand the application of that policy.

## Our Key Principles

Our approach to diversity and inclusion is summed up in our key principles:

### **1. We value diversity because it reflects and serves our customers and ensures our people thrive;**

We're committed to embracing diversity because it's not only the right thing to do, it's the smart thing to do. Diversity makes us stronger, more innovative and it directly benefits our people, our products and our community. The diversity of our people should reflect our customers and the diverse communities we work with everyday. We know that diversity is a broad concept but we have a focus on gender and ethnic diversity as we are committed to getting more women and underrepresented ethnic backgrounds into the tech sector. We work to remove any barriers to the fair participation of women and underrepresented ethnic backgrounds in our workplace and to address areas where gender and ethnic diversity may be improved. We also monitor the glass ceiling by exploring the

reasons why females at mid and senior levels leave our business or if their careers have stalled for any reason..

## **2. We're all accountable to create an inclusive culture;**

We believe none of us is as good as all of us. We're committed to an inclusive work environment, where people have a sense of belonging, feel connected and where difference is celebrated. We value collaboration, embrace authenticity and want everyone to feel comfortable to bring their whole self to work. All of us are accountable to create a culture where individual differences are supported, respected and valued. Our People Experience (HR) team look for proactive ways to embed inclusion in all aspects of the employee experience. Our leaders across the business are expected to be role models and all Xeros need to play their part in ensuring we create an inclusive culture at Xero.

## **3. We're committed to attracting diverse talent and hiring fairly;**

We're always looking to hire the best person for the job and to make fair recruitment and promotion decisions. Our selection is based on objective criteria, taking into account relevant skills, qualifications and experience. We want a diverse mix of applicants for roles and we're focused on attracting and selecting our people from a diverse pool of talent. We raise awareness of the impact of unconscious bias in the hiring process and what we can do to counteract this.

## **4. We support flexible ways of working;**

Our focus is on having an agile work environment where every person can thrive and where we can support the unique needs of our people. We want our people to do the best work of their lives and to fulfill their career goals, while having the balance to focus on the things and people they love too. That's why we're open to considering flexible ways of working and accommodating it where we can. We know it's not just a 'nice to have' for our people but it's good for Xero. Successful arrangements rely on shared responsibility, trust, consideration and courtesy from all involved. We raise awareness of our guidelines and provide our Managers with coaching to support flexible working.

## **5. We're committed to equal pay for equal work;**

We're committed to equal pay for equal work and rewarding our people fairly. This means making sure our pay decisions are made free from unconscious bias. It also involves regular review to check for unjustifiable gender pay gaps and monitoring to ensure we're reflecting gender pay equity at all levels across our workforce.

## **6. We have an obligation to champion diversity and inclusion in the community;**

We want to make a real difference by championing diversity and inclusion within the tech sector and our broader community. As a high profile company, we believe it's also our obligation to do this. Our commitment to diversity and inclusion should be reflected in our brand and communications. We also think it's important that our leaders are active diversity and inclusion champions in the community.

We're committed to continuous improvement in our efforts to achieve greater diversity and inclusion. We're driving this through a diversity and inclusion strategy that clearly outlines our key priorities. This includes a mix of activities including training, communications, engaging our internal champions and regular monitoring of our performance against clearly stated objectives. The above principles provide the framework for our Board to determine the measurable objectives for diversity and inclusion at Xero. The Board (with the support of Xero's People and Remuneration Committee) will approve and

assess those measurable objectives each year, along with our progress in achieving them. This Policy applies to our directors, employees and contractors, and will be reviewed annually.

## Version History

| Version | Changes  | Approver       | Last Review   | Next Review   |
|---------|--|----------------|---------------|---------------|
| 1       | Policy created   | Rachael Powell | N/A           | December 2018 |
| 1       | N/A  | Rachael Powell | December 2018 | December 2019 |
| 1       | N/A  | Nicole Reid    | December 2019 | December 2020 |
| 1.3     | New paragraph 4 added - reference to Respect & Responsibility Policy   | Nicole Reid    | December 2020 | December 2021 |
| 1.4     | The term 'Racism' added in paragraph 4 to align with Respect & Responsibility Policy<br><br>Ethnic diversity and underrepresented ethnic background terminology added to Principle 1 to align with Respect & Responsibility Policy | Nicole Reid    | December 2021 | December 2022 |

