

Thanks for reaching out.

We've reviewed the report and have the following comments to make:

- The ECRA report is based on a review of Xero's website as of September 2019. Since that date, we have introduced our Net Zero @ Xero program. This is our commitment to offset 100% of our carbon emissions for our 2019 financial year and going forward. This is a significant environmental commitment that Xero has made since the ECRA assessment. This commitment is outlined in our 2020 Annual Report and on our website. In addition to this, we are also looking at ways to minimise our overall consumption so that we are reducing our impact, not just offsetting it.
- The overwhelming majority of the ECRA assessment is based on its analysis of what it believes to be the composition of Xero's shareholder base. As ECRA should be aware, Xero is a publicly traded company listed on the Australian Securities Exchange. This means we are unable to control who invests in or holds Xero shares. ECRA focuses on various institutions – such as HSBC and Citigroup – who they deem to be unethical for various reasons. What it does not make clear is that these large institutions hold shares in Xero in their capacity as custodians on behalf of underlying investors who may be individuals or companies. The institutions named in the report, alongside others that act in this capacity, are therefore not necessarily substantial shareholders of Xero themselves in the way the report has suggested.
- Xero takes ethical investing very seriously, as evidenced by the launch of a number of initiatives under our Social Environmental Impact program, as referenced above. This has enabled us to engage more closely with ESG-focused investors. Xero's progress on this front is evident in its recognition MSCI, FTSE4Good and ISS.