



Xero Limited

Modern Slavery and Human Trafficking Statement

FY22

1. Introduction

At Xero, our purpose is to make life better for people in small business, their advisers and communities around the world. Our purpose is underpinned by the five values described in Xero's [Code of Conduct \(Code\)](#) and these are fundamental to everything we do. Together with our purpose, our vision is to be the most insightful and trusted small business platform.


In staying true to our purpose, vision and values, we are committed to working to prevent modern slavery and human trafficking in our operations and supply chains. We understand and remain vigilant on our key modern slavery risks, have policies and processes in place to help us monitor and mitigate them, and we regularly assess the effectiveness of our actions.

This is our fourth modern slavery statement and it sets out the actions that we have taken across the Xero Group during the financial year ended 31 March 2022 (**FY22**) to understand and address our modern slavery risks.

				
Human <i>Xeros are authentic, inclusive and really care</i>	Challenge <i>Xeros dream big, lead and embrace change</i>	Team <i>Xeros are great team players</i>	Ownership <i>Xeros deliver on our commitments</i>	Beautiful <i>Xeros create experiences that people love</i>

2. Our actions and progress during FY22

In FY22 we set ourselves four goals to improve our management of modern slavery and human trafficking risks in our operations and supply chain:

Goal	Performance	Initiatives undertaken
Raising awareness and offering training on modern slavery and human trafficking risks across Xero	 Met	<ul style="list-style-type: none"> - Modern slavery awareness training module launched - completion of module and assessment mandatory for all Xeros - Whole-of-business communication from our Chief Financial Officer on 11 March 2022 explaining why the issue matters to all Xero employees, introducing the training and explaining how to raise a concern - Internal self-service resource document about modern slavery developed and uploaded to Xero Intranet
Conducting ongoing due diligence on our suppliers that pose higher risks of modern slavery and assessing whether the standards set by Xero have been met by those suppliers	 Partially met	<ul style="list-style-type: none"> - Developed criteria to identify higher risk sectors, undertook analysis and selected the cleaning sector as our first due diligence campaign. Cleaning suppliers were asked to respond to a detailed questionnaire regarding their policies and processes to manage modern slavery. For more detail, please refer to the case study in Section 4
Investigating a process for surveying and/or auditing suppliers	 Met	<ul style="list-style-type: none"> - Implemented a governance, risk and compliance system that supports surveying and risk assessments, which are now ready to be rolled out in FY23
Investigating the use of specialised analytical assessment tools to help us identify modern slavery risks that may exist deeper in our supply chain	 Met	<ul style="list-style-type: none"> - Discovery process completed for specialist IT platforms to assist in identifying and managing modern slavery risks beyond Tier 1 of the supply chain - Selective tender opened to potential suppliers

Modern slavery awareness training:

During FY22, we developed and launched a training module for Xero employees to increase awareness of modern slavery. The modern slavery awareness module focuses on providing concrete examples of the kinds of situations in our operations and value chain where modern slavery could occur, familiarising our employees with 'red flags' to look out for and providing information about how to raise concerns. All Xero employees are required to undertake modern slavery awareness training and successfully complete the assessment as part of the training module.

Xero Limited's Board of Directors (**Board**) has been provided with the same content in an appropriate format, with additional information to facilitate their oversight of the risk of modern slavery in our operations and value chain.

Procurement team training:

By the end of FY22 all members Xero's procurement team had completed the annual ethical procurement and supply chain certification training provided by the Chartered Institute of Procurement & Supply (CIPS)¹ so that they can better recognise situations where we need to consider modern slavery risks and safeguard against unethical behaviours in our supply chain.

Impact of COVID-19:

During FY22, COVID-19 did not materially impact our ability to assess and address our modern slavery risks. Our approach, where possible, was to avoid cancelling supplier contracts and defer any monies paid to future contracts in the hope this would support our ongoing relationships with suppliers, thereby mitigating the risk that workers employed under these contracts would be adversely affected by the impacts of COVID-19 on our business relationships.

¹ CIPS is the professional body for the procurement and supply profession

3. Our structure, operations and supply chains

Our structure:

Xero Limited is a New Zealand incorporated company and is listed on the Australian Securities Exchange. It is the parent company of the Xero Group which, as at 31 March 2022, included a total of 32 entities across Australia, New Zealand, the United Kingdom, Germany, Poland, Denmark, Sweden, Norway, the United States of America, Canada, Hong Kong, Singapore and South Africa (**Xero Group**). More information about the principal activity and country of incorporation of the entities in the Xero Group can be found in Xero Limited's [Annual Report for FY22](#)².

As at 31 March 2022, companies in the Xero Group operated in the information technology sector and/or the financial services sector. The majority of companies in the group³ followed policies and processes set by Xero Limited and shared centralised sustainability, procurement, finance, legal, risk and company secretarial functions.

Our operations:

Xero provides an easy to use cloud-based online accounting platform, including a growing suite of connected software solutions:

- client accounting for small business available anywhere, anytime, and on mobile devices
- accountant tools for management reporting and final accounts production
- Xero's ecosystem consists of more than 1,000 connected apps to support other small business and nonprofit needs

Our subscription based software-as-a-service business model allows Xero to address the large and fragmented small business market. As at 31 March 2022, Xero had over 3 million subscribers worldwide, over 4,500 employees globally⁴ and annualised monthly recurring revenue of NZD 1.2 billion.

² <https://www.xero.com/content/dam/xero/pdf/about-us/xero-limited-annual-report-fy22.pdf>

³ Planday, which was acquired during the course of FY22, currently operates in a way that does not rely on all of Xero's centralised functions and has not adopted all of Xero's policies. The Planday group will be fully integrated into Xero over time and progressively adopt Xero's group policies and procedures. We have reviewed Planday's current Modern Slavery Policy, as well as internal processes and controls authorising recruitment, expenditure and procurement, and are satisfied that they currently provide an appropriate level of risk management. Claims contained in this document relating to Xero's centralised processes and policies do not extend to Planday. Employee data includes and supplier spend data partly includes Planday

⁴ All employee figures in this document represent individuals (headcount), not Full Time Equivalent (FTE) employees

Our brands:





In Australia and the United Kingdom, the Xero Group provides information technology products and services under the brand names Xero, Hubdoc, Planday, Tickstar and Galaxy Gateway. In Australia, Waddle also provides cloud-based invoice financing services under the brand names Waddle from Xero and Waddle Services from Xero.



Our supply chains:

What we buy:

Our centralised global procurement team focuses on the procurement of information and communications technology (**ICT**), marketing and sales, professional and workplace facilities-related goods and services for the Xero Group:

 <p>Marketing and Sales</p>	This was our largest category of spend in FY22, comprising around one third of our total procurement spend by value. It's made up of advertising and media spend (including digital), agency spend (advertising, marketing and public relations), events (Xerocon conference, regional roadshows and event sponsorships), creative marketing services, sales, and public relations related services and merchandise.
 <p>Information and communications technology (ICT)</p>	This was our second largest category of spend in FY22, representing more than a quarter of our total procurement spend by value. This category includes software, hosting and cloud platform services, computer systems and peripheral devices, telecommunications and network technology and services.
 <p>Professional Services</p>	Our spend in this category is mainly made up of software engineering and development, consulting, and legal and other professional services. It represented close to 15 percent of our total spend by value in FY22.
 <p>Workplace and Facilities</p>	This category of spend also represented slightly more than 10 percent of total spend by value in FY22, and includes the range of facilities suppliers Xero engages with to maintain our office premises in thirteen countries, including: project management companies, architects, construction contractors, relocation providers and furniture suppliers. Each office also requires goods and services such as cleaning services, office maintenance, consumables and stationery.

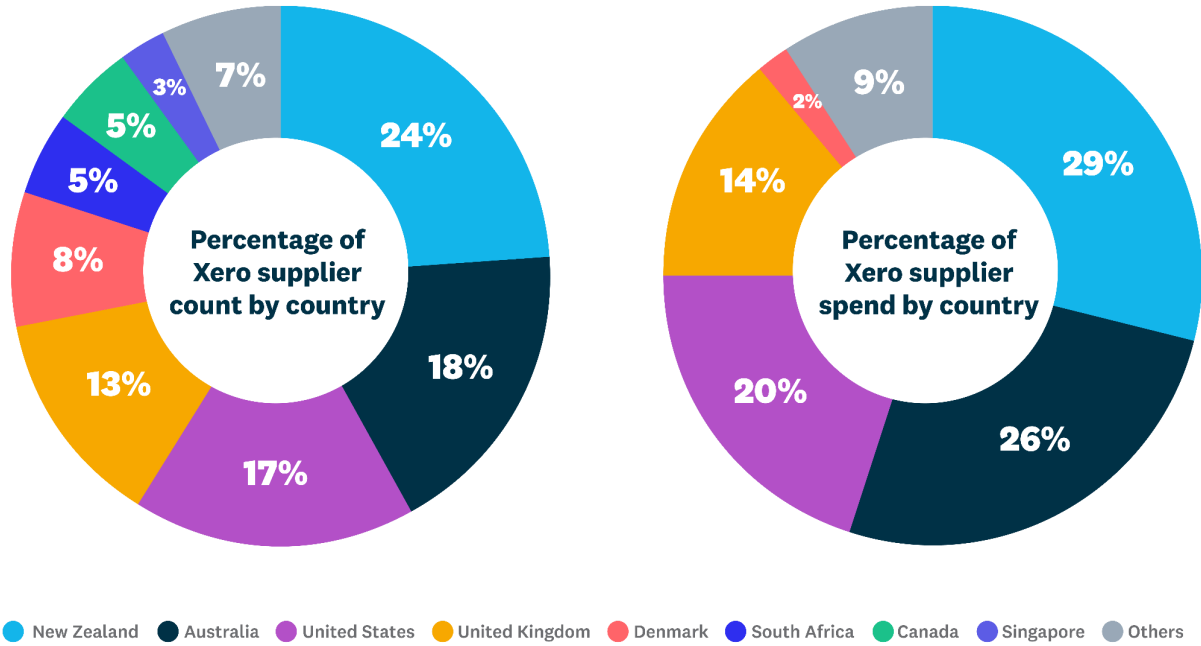
Other notable procurement categories for the Xero Group include:

- Banking and payments
- Recruitment, contractor and training services
- Financial and insurance services

We have a mix of short and long-term relationships with our suppliers but, in general, our preferred approach is to build long-term relationships with our suppliers.

Where we buy from:

During FY22, we were directly invoiced by more than 2,400 suppliers across close to 40 countries. Most of our direct suppliers are located in New Zealand, Australia, the US and the UK. These countries have a low prevalence of modern slavery and governments that take strong action against it⁵.



* Suppliers who directly invoiced Xero in FY22

⁵ The Walk Free 2018 Global Slavery Index, available from <https://www.globalslaveryindex.org/resources/downloads/>

4. Modern slavery risks in our operations and supply chains

Modern slavery risks in our operations

Direct labour

The Xero Group has physical office locations in 29 cities in 13 countries. Almost all (98.2 percent) of our global workforce is located in countries considered to be at low risk of modern slavery and with governments who take strong action against it⁶. We have a very small number of employees in countries where local laws and regulations to counter modern slavery are not as strong but these employees are employed by the Xero Group directly and subject to the same robust hiring processes as all other Xero employees globally.

As a software company, our workforce predominantly comprises skilled labour. As part of our standard recruitment processes⁷, we undertake a range of checks to satisfy ourselves that our employees are legally allowed to work and have valid identity documents and/or visas for the location where they will be working. We do not employ children in any capacity within the Xero Group. As such, we consider the risk of modern slavery and human trafficking in our directly-employed workforce to be low, and managed appropriately within Xero's risk management framework.

Contingent labour

From time to time we may call upon external providers to supply us with workers to meet temporary peaks in demand. We may also engage workers on short-term or temporary contracts. The majority of these workers are skilled workers. This represents a very small part of our overall operating workforce: 92.6 percent of our people are direct employees of the Xero Group, meaning fewer than ten percent of our people are contingent workers.

Where we use agencies to provide contingent workers in New Zealand, these companies are part of a panel of providers who are pre-screened to ensure they have signed our Supplier Code of Conduct (**Supplier Code**) and are contractually bound to satisfy themselves that the workers they supply to Xero are paid fairly, in accordance with the law in the jurisdiction where they are working, and are not victims of modern slavery or human trafficking. In all other locations, agencies supplying workers or contractors are governed by supplier agreements and must also agree to comply with our Supplier Code. Of the contingent workforce Xero used in FY22, more than three quarters was located in countries considered to be at low risk of modern slavery and with governments who take strong action against it⁸.

⁶ The Walk Free 2018 Global Slavery Index, available from <https://www.globallslaveryindex.org/resources/downloads/>

⁷ Does not include Planday

⁸ The Walk Free 2018 Global Slavery Index, available from <https://www.globallslaveryindex.org/resources/downloads/>

The Xero Group also has a range of contracts with specialist providers of contract consulting services, notably in the information technology sector, who may supply workers to work partly or exclusively on a scope of work agreed with Xero. These providers are treated as suppliers and the risk associated with their workforce is managed in accordance with the supply chain risk management process outlined below.

Third parties

We also work with third parties who form part of our broader ecosystem and contribute to generating operating revenue. These third parties are treated differently from suppliers and fall into three main groups:

- Accounting and bookkeeping partners, who may recommend and on-sell Xero products to their clients;
- Developers and businesses whose apps are available for purchase in the Xero App Store;
- Banks and financial institutions who provide direct data feeds into our platform and products.

As we do not have direct visibility of the value chains of these third parties, there is a higher risk of modern slavery and human trafficking linked to this part of our operations.

Financing products

Within the Xero Group, Waddle provides small business invoice financing in Australia. Based on the sectors of operation represented in Waddle's current lending portfolio and the fact that Waddle only lends to small businesses based in and operating in Australia, in respect of invoices issued in Australia to other businesses operating in Australia, we consider our modern slavery risk profile with respect to lending to be low.

As part of its ongoing due diligence process, Waddle monitors and assesses a range of risks associated with the business activities of its lending clients. Employees with the authority to approve Waddle business lending are required to complete the same compulsory modern slavery awareness training as all other employees in the Xero Group. This assists their understanding of the types of businesses where there is a higher risk of modern slavery and human trafficking. All Waddle employees complete a broad range of training, including but not limited to, annual anti-money laundering and counter terrorism financing training. Waddle's Know Your Customer (**KYC**) due diligence also helps us to confirm and verify customers, and the nature of their business activities, using independent and reliable sources.

Modern slavery risks in our supply chains

We take a risk-based approach to managing our suppliers, meaning we do more due diligence in relation to suppliers who operate in sectors or geographies where the risk of modern slavery and human trafficking is known to be higher. We conducted a broad-based risk assessment of our existing suppliers in 2020 and identified those considered to be higher risk on this basis. New suppliers that we have onboarded through our central procurement process since that date have been assessed for modern slavery and human trafficking risk as part of the tender selection process. We continue to evolve and refine our understanding of supplier risk.

Approximately two thirds of purchases undertaken by Xero⁹ are channeled through our central procurement process, allowing us to centrally assess the risk of modern slavery and human trafficking in the majority of our purchases. We recognise that where employees are able to make smaller purchases directly, there is an increased risk related to suppliers who are not part of our formal Procurement process. As a result, we decided to make our modern slavery awareness training mandatory for all Xero employees.

Xero has not been made aware of any human trafficking or modern slavery allegations against any of our suppliers during FY22 nor have we had grounds to suspect such activity. If we have reasonable grounds to suspect human trafficking or modern slavery by our suppliers, we will ensure that appropriate action is taken including:

- investigating the alleged conduct, either ourselves or through the use of a third party intermediary;
- writing to suppliers to express our concerns and working with them to address these and remediate the situation.

If the supplier is unwilling or unable to take action to improve the situation to our satisfaction, we would take the appropriate action in the circumstances, including considering:

- terminating the supply contract and seeking an alternate supplier; and/or
- reporting the conduct or suspected conduct to relevant authorities.






Specific sector, product and service-related risks:

Xero makes every effort to minimise the risk of Xero directly causing modern slavery but also of Xero contributing to it. Our procurement team is trained in modern slavery issues, including the potential effect that unrealistic cost and timing expectations may have on encouraging modern slavery. Our people are also required by our [Code of Conduct](#) to report any suspected breaches of the law, including instances of modern slavery.

⁹ Two thirds of total spend by value in FY22

Nonetheless, we recognise that some sectors, products and services in our supply chains may involve higher risks of Xero contributing to or being directly linked to modern slavery^{10,11}. The tables on the next two pages outline the nature of these risks within our business and how we managed these in FY22:

Sector- and product-specific risks






Sector*	Main types of modern slavery risk	Type of potential impact ¹¹	Xero's risk exposure and management
 Accommodation	Debt bondage Slavery Human trafficking	Direct link	Executive and employee travel. In FY23 we will work to engage our corporate travel provider to prioritise accommodation providers who manage their modern slavery risk proactively.
 Cleaning	Forced labour Debt bondage Slavery Human trafficking	Direct link Contribute	Cleaning of office buildings, managed through additional due diligence over cleaning providers.
 Construction	Forced labour Child labour Slavery Human trafficking	Direct link	Construction of physical premises for Xero offices, managed through rigorous tender processes to select providers who are willing to agree to comply with our Supplier Code.
 Electronics	Forced labour Child labour Debt bondage Human trafficking	Direct link Contribute	Purchase of electronic equipment (IT hardware and mobile phones) for use by Xero, managed through preferring established suppliers with a commitment to working to prevent modern slavery.
 Event management and food services	Forced labour Child labour Slavery Human trafficking	Direct link Contribute	Purchase of event management services, including catering, at Xero events, managed through supplier screening at the point of tendering.

* Xero also has some exposure to modern slavery risks including child labour, forced labour, debt bondage and human trafficking in Agriculture, Extractives, Fisheries, Forestry, Timber and Textiles deep in its supply chain.

¹⁰ Australian Border Force identifies sectors, products and services at higher risk of modern slavery at <https://modernslaveryregister.gov.au/resources/>

¹¹ "Cause, contribute and directly linked" as defined in the UN Guiding Principles and OECD Guidelines on Business and Human Rights

In addition to these sectors, there are some types of products that Xero purchases where the risk of modern slavery and human trafficking is higher:

Products	Main types of modern slavery risk	Type of potential impact ¹²	Xero's risk exposure and management
 <p>Digital and technology advisory and delivery services</p>	Debt bondage Slavery Forced labour	Contribute	Using professional services firms to provide advisory, delivery and resource augmentation services in the digital and technology space, managed through a panel of approved digital providers, due diligence at the point of contract and Supplier Code.
 <p>Office fittings (including furniture, carpets and light fittings)</p>	Forced labour Debt bondage Slavery Human trafficking	Direct link	Purchase of items to fit out Xero offices, managed through preferring established suppliers with a commitment to working to prevent modern slavery and Supplier Code.
 <p>Apparel and merchandise</p>	Forced labour Debt bondage Child labour Slavery Human trafficking	Contribute	Purchase of employee t-shirts and promotional merchandise for use in Xero offices and at Xero events, managed through preferring established suppliers with a commitment to working to prevent modern slavery and Supplier Code.
 <p>Food and beverage</p>	Debt bondage Child labour Slavery Human trafficking	Contribute	Catering at Xero events, managed through rules and policies set for the event management company by Xero. Catering at Xero offices represents a small amount of our catering spend and is managed by individual offices.
 <p>Stationery</p>	Forced labour Debt bondage Slavery Human trafficking	Direct link	Purchase of items of stationery for use in Xero offices and at Xero events, managed through preferring established suppliers with a commitment to working to prevent modern slavery and Supplier Code.

We recognise that we don't currently have full visibility over our suppliers' extended supply chains. At present, our key mechanism for managing modern slavery risks in our extended supply chains is the requirement that our suppliers comply with our Supplier Code and notify us of any actual or potential breaches of it (see [Section 5](#)). We recognise that this is only a first step in managing the risk

¹² "Cause, contribute and directly linked" as defined in the UN Guiding Principles and OECD Guidelines on Business and Human Rights

associated with our supply chain and are working to deepen our visibility of our supply chain beyond Tier 1 in higher risk sectors and locations, and implement additional due diligence over our suppliers and their suppliers where we consider the level of risk warrants this.

Location-specific risks:

Fewer than 10 percent of our direct suppliers are located in countries that have a medium-high modern slavery risk. The large majority of those are in South Africa and Singapore, where Xero has a physical presence. Marketing and event services, information technology, data migration, professional services and recruitment services are the main categories of goods and services that we procure from our suppliers in these countries. As a result of their country of origin and/or delivery, suppliers of these goods and services are considered higher risk and are managed in accordance with our enhanced due diligence process for higher risk suppliers.

5. Our processes to address modern slavery risks

Xero is committed to high standards of corporate governance and our Board is responsible for ensuring that we have an appropriate corporate governance framework. Forming part of and underpinning that framework are a number of policies and processes that assist us in addressing our modern slavery risks, including our due diligence and remediation processes.

In addition, the Audit and Risk Management Committee (**ARMC**) of the Board reviews our progress on managing modern slavery risk areas at least annually.

Our due diligence processes:

<p>Recruitment process</p>	<p>We operate a robust recruitment process that includes right to work checks for prospective employees¹³ (see Section 4 above).</p>
<p>Supplier Code of Conduct</p>	<p>We've developed our Supplier Code in line with global principles, including the UN's Guiding Principles on Business & Human Rights. It sets out the minimum standards that we expect of our suppliers in areas such as modern slavery, labour and human rights, bribery and corruption.</p> <p>We inform our existing and new suppliers that we expect compliance with its principles and standards.</p> <p>Our Supplier Code makes it clear that we expect our suppliers to assess their compliance with the Supplier Code and inform us if they don't meet its requirements. We also require suppliers to notify us if they become aware of a breach or possible breach of the Supplier Code. We expect our suppliers to manage their own suppliers to ensure they also meet the Supplier Code's standards.</p> <p>If a supplier can't meet or breaches our Supplier Code, it is our preference to work with them to resolve the issue in order to provide the best outcome for the workers we are seeking to protect. Where a supplier is unwilling or unable to bring conditions in line with our Supplier Code, we would also consider terminating the contract and seeking an alternate supplier.</p>

¹³ Does not include employees of Planday

	<p>As at 31 March 2022, 100 percent of our higher risk suppliers¹⁴ have signed and committed to the Supplier Code or provided documentary evidence that they have an equivalent Supplier Code in place.</p>
<p>Supplier due diligence</p>	<p>Our approach to supplier due diligence is informed by risk. The first stage of our supplier due diligence process is to identify our higher risk suppliers, based on their country of operation and the sector in which they operate. We then prioritise them as follows (high to low):</p> <ol style="list-style-type: none"> 1. Existing suppliers who aren't compliant with our Supplier Code (we are not currently aware of any) 2. Existing suppliers who haven't responded to requests to sign and commit to our Supplier Code 3. New suppliers (noting that all new suppliers need to agree to our Supplier Code) <p>Our due diligence approach involves a mixture of surveys and interviews with existing and new suppliers to identify and, where possible, resolve problem areas. The cleaning case study below is an example of our supplier due diligence process in action.</p>
<p>Standard contractual terms</p>	<p>Our standard form contracts include language requiring our suppliers to comply with all applicable federal, local, and international laws and regulations (including modern slavery and human trafficking laws) that apply wherever they do business.</p>
<p>Training</p>	<p>We require everyone at Xero, including our senior leaders and directors, to complete training to help them to identify the warning signs of modern slavery and understand how to raise concerns. In addition, our procurement specialists undertake deeper training to help them identify the ways in which procurement practices can impact on modern slavery risks.</p>

¹⁴ As defined in our 2020 broad-based supplier risk assessment

Case study: cleaning sector deep dive



We recognise that as an industry employing large numbers of lower-skilled and migrant workers, cleaning is a sector where the risk of modern slavery and human trafficking is higher. In FY22, we undertook additional due diligence over our cleaning suppliers globally, asking them to provide evidence of employment conditions including how employees are paid, whether their identification documents are held by the employer, whether they are provided with written employment contracts in a language they understand, and whether employees have access to a grievance mechanism to raise concerns. Of our 17 suppliers, 14 (or 82 percent) responded to our self-assessment questionnaire and supplied evidence of compliance.

We did not identify any major adverse findings, although we did identify that there was room for improvement in some cases, particularly in the areas of formal policies around modern slavery, training in what modern slavery is and how to identify it, and greater visibility of their own supply chains. We've committed to developing an action plan with all major and higher-risk cleaning suppliers, and sharing general information about how to improve performance with all other cleaning suppliers. We will continue to follow up with the 18 percent of suppliers who did not respond to our questions and will treat them as higher risk suppliers until we are able to satisfy ourselves that they have appropriate systems in place to manage the risk of modern slavery and human trafficking.

Our remediation processes:

Xero has not become aware of any historical or current instances of modern slavery or human trafficking in our operations or supply chain since applicable legislation was enacted. As such, we have not been required to remedy situations where we may cause or contribute to modern slavery. Were such an instance to arrive, we are committed to taking a victim-centred approach to remediation of any harm caused and to using our leverage as an organisation to endeavour to prevent future occurrences of harm.

We have a number of mechanisms that allow our employees and third parties to report concerns about suspected or actual improper conduct, including modern slavery. These include:

<p>Raising concerns directly:</p>	<p>Our modern slavery awareness training encourages our people to be alert to any situation that doesn't feel right to them and could possibly involve modern slavery, and to raise their concerns directly with the procurement or legal team. Our people are also required by our Code of Conduct to report any suspected breaches of the law, including instances of modern slavery. We also have internal Slack channels devoted to sustainability and ethics, where our people ask questions about things that might not seem right to them and we refer their concerns on to the procurement, people experience or legal team depending on the nature of the concern.</p>
<p>Raising concerns anonymously: Whistleblowing Policy</p>	<p>Our Whistleblower Policy¹⁵ applies to everyone who currently works or formerly worked at any entity in the Xero Group (including contingent labour) as well as any current or former supplier of goods or services to any entity in the Xero Group. It helps our people report (including anonymously) their concerns about illegal or unethical conduct. The policy is available on Xero's website and to employees via Xero's intranet.</p>

6. Assessing the effectiveness of our actions

Our procurement team has key performance indicators (**KPIs**) to manage and report on the quantitative impact of our actions in response to modern day slavery risks.

The KPIs include:

<p>100%: percentage of procurement staff who have completed training on modern slavery at 31 March 2022</p>	<p>100%: percentage of higher-risk suppliers that have committed to our Supplier Code of Conduct at 31 March 2022¹⁶</p>
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Our sustainability team meets frequently with our procurement, risk and legal teams to discuss modern slavery issues.

¹⁵ Planday employees in Denmark are covered by a separate Whistleblowing Policy as required by Danish legislation, which gave effect to the EU Whistleblowing Directive and came into effect on 17 December 2021.

¹⁶ Higher-risk suppliers as identified in broad-based supplier risk assessment conducted in 2020

7. Our next steps

Looking ahead to the financial year ending 31 March 2023 (**FY23**), Xero will look to focus on five action areas:

- 1. Improve supply chain visibility:** Deepen our visibility and understanding of modern slavery and human trafficking risks in our supply chain;
- 2. Understand and manage third party risk:** Enhance our understanding of the risks associated with third parties who form part of our operations;
- 3. Refine supplier risk profile and compliance:** Revisit and refine our supplier risk assessment and develop an action plan to improve oversight of compliance by higher risk suppliers;
- 4. Detect and address non-compliance:** Develop, document and communicate a formal process for reporting, investigating and remediating instances of modern slavery, suspected modern slavery or modern slavery-like behaviour in our operations and supply chains;
- 5. Enhance modern slavery governance:** Increase cadence of reporting to senior Executives and the ARMC on progress in executing our workplan and mitigating modern slavery risk.

8. Consultation and approval

This is a joint statement of Xero Limited (NZ company number 1830488, ARBN 160 661 183) and Xero Australia Pty Limited (ACN 124 215 247), as reporting entities under Australia's *Modern Slavery Act 2018 (Cth)* and of Xero Limited and Xero (UK) Limited (UK company number 06071722), as reporting entities under the United Kingdom's *Modern Slavery Act 2015*. It covers the period from 1 April 2021 to 31 March 2022.

It was circulated to the directors of each of Xero Australia Pty Limited and Xero (UK) Limited for comment prior to being reviewed and approved by the Board of Xero Limited on 11 May 2022.



Mark Cross

Non-Executive Director and Chair of the Audit & Risk Management Committee