

# Atlassian Sustainability Report

**APRIL 2020**





As we write this letter, the world is in the grip of a pandemic, and all 4,000-plus Atlassians are working from home. In these extraordinary times, resilience is on our minds – resilience of our people, our business, the economy, and society.

We started Atlassian with the aim of building a resilient, enduring business that unleashes the potential of teams everywhere. To achieve that, we want to deliver value not just for shareholders, but for our customers, our people, our communities, and our planet.

This way of thinking has never been more important. To be totally honest, it's the key to our success and long-term profitability. Even better, it will position us to remain resilient in this uncertain time.

Given the unfolding threat posed by COVID-19, it feels strange to share a business-as-usual report. That said, a year on from launching our sustainability program, we owe it to our customers, employees and investors to front up and explain how we are tracking against our goals.

In this report, you'll find stories about our commitment to address the climate crisis; our focus on building trust with our customers; our work to create strong, balanced teams where everyone belongs; and our investment in education.

We're investing in sustainable practices because it's the right thing to do but also because we know it's what our people expect of business in general. Atlassian's [Return on Action](#) report, released in March, reveals that employees across generations and industries are looking for leadership and action on the issues that most affect society as a whole.

We're just starting our sustainability journey, and we have much more progress to make, particularly when it comes to balanced representation in our employee population. We hope our early openness inspires other companies to also open up so that we can learn from each other – and hold each other accountable.

In the end, we're one team on one planet, and it's up to all of us to be the change we seek, together.

Mike Cannon-Brookes and Scott Farquhar  
Sydney, Australia, April 2020

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## About this report



Software development is an iterative process. As agile developers, it only stands to reason that we'd take a similar envision-build-ship-iterate approach for our sustainability program as we would a new product feature.

It's said that perfection is the enemy of progress. Through experience, we know that by getting a good (if not "perfect") version of a product or report out quickly, that just as quickly, feedback and improvements follow.

In this spirit, a year after announcing our formal sustainability program, we're releasing the MVP – minimum viable product – of our inaugural sustainability report.

This MVP report is meant to give our readers confidence in Atlassian's ability to manage our long-term environmental, social, and governance opportunities and risks and embed them in our corporate strategy. Along with disclosing milestones from over the past year or so, we are also sharing the trajectory for our strategy and identifying emerging issues that we see on the horizon for us and other companies.

In the spirit of our value "open company, no bullshit": as an MVP, some elements are missing, including longer-term key performance indicators (KPIs). But that's part of the plan. As we land KPIs, get feedback from our customers, employees, investors, and other stakeholders, and evolve our strategy and approach to both sustainability and reporting, we'll iterate and release the next version (just like our software). From there, we'll publish an annual report.

We also hope this opens up a conversation about a new approach to sustainability reporting – one informed by evolving stakeholder needs, reporting frameworks, and best practices while being lightweight, accessible, and agile (we took our value "be the change you seek" to heart). We also look forward to progress on a consolidated sustainability reporting framework and metrics, such as the one proposed recently by the [World Economic Forum](#).

In this report, we hope to model how companies early in their sustainability journeys can disclose their thinking and progress without waiting for the perfectly complete story or calibrated KPI, and how companies of all sizes can tell an accessible story about sustainability and its connection to long-term financial performance.

We believe there is a strong connection between social impact, culture, and durable financial performance. That impact multiplies as more companies share their own stories. Please join us.

*To share feedback on this report, email us at [sustainability@atlassian.com](mailto:sustainability@atlassian.com).*



## OUR PROGRAM

Working for social and environmental progress in whatever we do.



## Our program



Atlassian is built to be **open, inclusive, fair,** and **just**. When we face tough questions about ethics, people, or the planet, we let those principles guide us. Whether you call it corporate social responsibility, corporate citizenship, or sustainability, this is just about being human.

Atlassian's sustainability strategy helps us plan for the future by identifying opportunities and emerging scenarios, as well as mitigating risks and blindspots. We believe a responsible business that operates with sustainability in mind delivers better value over a longer period of time and shares that value with its teams and communities – as well as its shareholders and investors.

### ▮ PRIORITY ISSUES

Our first prioritization exercise, conducted in partnership with corporate sustainability experts [BSR](#), ranked a set of issues that matter most to Atlassian's business, are emerging concerns in our industry, and are where we can have the greatest impact.

Informed by trends related to our stakeholders, our business, and macro trends in sustainability, we mapped opportunities and risks to land on our focus areas. Stakeholders expressed high interest in these topics, and they're areas where we have an ability to effect change. Of course, we used our values to guide how we think about and approach these issues – and will continue to do so.



Open company,  
no bullshit



Be the change  
you seek



Play, as a  
team



Build with heart  
and balance



Dont #@!%  
the customer



## **PLANET** | Climate change

The software industry tends to have less climate-related financial exposure compared to other industries, due to lower reliance on energy, physical supply chains, water, and raw materials. That said, the climate crisis will disrupt the global economy, and, all of us. In this light, we have no other choice but to reduce our carbon footprint, inspire other companies to do so, and use our voice to advocate for policies that put our world on a 1.5°C pathway, which scientists have identified as the threshold to avoid the most catastrophic effects of global warming.



## **CUSTOMERS** | Privacy and security

When our customers use our products, they are trusting us to protect sensitive and confidential information. As a company that relies on customer trust and believes in privacy as a human right, we take this responsibility seriously. We also understand that a loss of trust could have a detrimental impact on our customers, brand, and future success. We believe that excellent privacy and security practices are a required foundation of a successful business. That's why we continue to invest in privacy and security and have established dedicated privacy and security teams.



## **PEOPLE** | Human capital management & diversity and belonging

We're building innovative products for a wide variety of customers. That means we need strong and balanced teams whose diversity of views and ideas reflects the perspectives and needs of our customer base. Additionally, our culture, programs, and workspaces have to continue to recruit and keep the top talent that will drive innovation and scale our company. That's why investments in diversity and belonging and other programs to attract, develop, and retain Atlassians strengthen our business.



## **COMMUNITY** | Charitable activities

Finally, we're proud of the Atlassian Foundation's unwavering commitment to changing lives through education – which has become part of our brand identity and has contributed to high employee engagement for more than a decade.

There's also a range of [governance-related activities](#) that we consider “business as usual” that we have not called out in this report. These include a comprehensive [Code of Conduct](#), compliance with all local laws, risk management, and responsible use of resources. We'll always prioritize these.



## OUR FOCUS AREAS

One team, one planet.  
Being the change we  
seek, together.





## FOCUS AREA

# Planet

A net-zero future



Atlassian will run our operations on 100% renewable energy by 2025. We're also setting science-based targets to limit warming to 1.5°C and achieve net-zero emissions by 2050.

### 📍 MILESTONES

Last April, we [went public](#) with our environmental sustainability goals. A year into our journey, we:

- Submitted our first [RE100 report](#), setting a baseline of 15% renewable energy in our direct operations.
- Committed, in September, to set a [science-based target](#) aligned to 1.5°C and reaching net-zero emissions by 2050
- Built green-design guidelines for future Atlassian spaces and started to experiment with how we behave in existing spaces. This includes pilots in different offices to reduce single-use plastics, increase composting and waste diversion, right-size our food offerings (including less meat), and use energy-efficient equipment and lighting.
- Hosted climate documentary film screenings like [“2040,”](#) joined the global, youth-led Climate Strikes, and used Atlassian Foundation time and money to support climate organizations.

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We need strong leadership to drive climate action. That's why Co-Founder Mike Cannon-Brookes showed up to the UN General Assembly last September to urge government action and [join the business community in committing](#) to ambitious targets and [re-committing to the Paris Agreement](#).

We also can't solve the climate crisis alone. We've joined several collaborations ([Step Up](#), [REBA](#), [Business Renewables Center Australia](#), [Business Council on Climate Change](#)) that are working toward a net-zero future. And we've shared our insights – like [how we got 500+ global Atlassians to participate in the global climate strike](#) – with other companies.

## FOCUS AREA

# Planet

A net-zero future

## OUR TRAJECTORY

### 100% renewables

Build an energy procurement plan to get us to 100% renewables by 2025.

### Innovate by example

Continue to innovate in our workspaces, including digital power, electronic waste management, and centralized AV management solutions.

### A path to net zero

Set scope 3 emissions baseline, build a plan that aligns with a 1.5°C pathway, and get our science-based target and interim goals validated by the [Science Based Targets Initiative](#).

### Green our offices

Through our [new Sydney campus](#), aspire to set new benchmarks for sustainable design and construction, including bold targets for embedded carbon, energy consumption, and renewable energy supplies.

## EMERGING ISSUES

### Rising activism

Employee engagement on climate change, including activism, which can be directed at the company if it doesn't prioritize climate action or respond to climate-related events affecting its employees.

### Risky business

Companies, investors, and governments recognizing climate change as a material financial risk, and considering adaptation and resilience strategies in addition to mitigation.



## FOCUS AREA

# Customers Leading with security and respecting privacy



We believe privacy is a human right, and we design our products with privacy and security in mind.

### 📍 MILESTONES

We empower more than 164,000 organizations around the world to do their best work, which means trust is the cornerstone of the customer relationship. When it comes to [privacy](#) and [security](#), we've:

- Provided GDPR-aligned data rights and policies globally.
- Established a team that is dedicated to global privacy and data rights.
- Increased transparency about our data practices by making our privacy policy easier to read and continuing to publish a [Transparency Report](#).
- Enhanced encryption for our customers, achieving 100% encrypted at rest in our Cloud products.
- Rolled out a Zero Trust posture and universal second-factor authentication in our global operations.
- We paid out over USD \$650,000 through our bug bounty program to more than 2,500 researchers, who found 3,000 issues.
- Reduced time to resolve issues by 50%.

## FOCUS AREA

# Customers

Leading with security and respecting privacy

## OUR TRAJECTORY

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### Forging ahead

Through our **Forge platform** and other programs, enable small companies or individuals without the capacity to build apps and integrations that are successful in having a secure offering.

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### Public policy

Engage in public policy discussions surrounding privacy, security, and other human rights related to the tech sector and our customers.

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## EMERGING ISSUES

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### Changing demands

Growing demand for data resiliency and localization.

### Human rights

Conduct a Human Rights Assessment to inform how we apply the UN Guiding Principles on Business and Human Rights to Atlassian's operations.

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### Data privacy and compliance

Continue to provide consistent data privacy globally as privacy and related regulations evolve, and sector-specific compliance programs to meet the needs of regulated industries and the US federal government across our product suite.

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### AI & rights

Implications of artificial intelligence and machine learning for privacy, security, non-discrimination, and other human rights.



## FOCUS AREA

# People

Unleashing the potential of our team



Atlassian is for everyone – this defines how we build our people programs and workspaces. We seek to create teams with a wide variety of backgrounds, experiences, and skills, and a strong sense of belonging.

We believe integrating [diversity and belonging](#) across everything we do drives the structural impacts that help us unleash the potential of Atlassian’s teams. So we talk about diversity and belonging across our people programs, rather than as a separate program.

### 📍 MILESTONES

Our team is our most critical asset. We’ve more than doubled since FY16 (from 1,700 to over 3,600 at the end of FY19, and 4,000+ as of January 2020). We believe greater diversity on teams means stronger performance overall. That starts with who we bring in the door. So, for our recruiting practices, we’ve:

- Invested in marketing and sourcing practices aimed at increasing representation (i.e. using Textio to check job descriptions for gendered language).
- Encouraged diverse candidate slates, especially in technical and leadership roles.
- Implemented diverse interview panels along with a revamped “values interview” – a more bias-resistant candidate checkpoint than a “cultural fit” interview.

Maintaining a strong and equitable culture as we scale is crucial. To do that, we have to fairly reward Atlassians who make this a great place to work. We redesigned our [performance review](#) and bonus program to:

- Be bias-resistant, confirmed through user testing and audits to ensure equity across gender (globally) and race (U.S. offices).
- Evaluate Atlassians on how they performed in their role, lived our values, and contributed to their team. Teamwork and respect are non-negotiable to high performance, not just technical proficiency.
- Ensure that Atlassians have a more equitable experience and receive more development opportunities, and managers improve skills around feedback and managing performance, by training 78% of managers on the new review.

## FOCUS AREA

# People

Unleashing the potential of our team

We've expanded our global footprint, which means all Atlassians need an equitable experience across our 14 offices in 7 countries. To do that, we introduced:

- Anti-harassment/bullying/discrimination, gender transition support, and grievance policy updates that apply the strictest regulation to every Atlassian globally, regardless of jurisdiction (where we're legally allowed).
- No forced arbitration for any type of workplace issue.

We're committed to sharing lessons and advocating for inclusion/equity policies, including:

- Offering a [public, open-source, productized version](#) of the analysis and practices that have helped us improve Atlassians' sense of belonging.
- Signing onto petitions and amici briefs for the Coalition for the American Dream, the Equality Texas Business Statement for Transgender Rights, and the Business Coalition for Equality, among others.

## STATS

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### 100% in 2020

Received 100% on Human Rights Campaign's corporate equality index in 2020.

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### 88% of employees

say they have a sense of belonging at Atlassian – a baseline we'll use for future reporting.

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### Best Place to Work

Named a Best Place to Work in Australia, the Netherlands, and the United States – 94% of Atlassians surveyed say this is a great place to work.

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30% women in senior leadership roles *(increase from 27%)*

20% women in technical roles *(increase from 17%)*

3% Black Atlassians in our U.S. offices *(increase from 1.9%)*

We recognize that we have a long way to go, and we're committed to getting there. Read our 2019 [Balance & Belonging report](#) to see company-wide data.

## FOCUS AREA

# People

Unleashing the potential of our team

## OUR TRAJECTORY

### Leadership in values

Investing in manager development and leadership behaviors that bring our values to life, especially for emerging senior leaders and new managers.

### Expanding the pipeline

Building new pathways to Atlassian for people with non-traditional educational/career paths and getting more underrepresented people into technical education programs.

### Accessibility

Increasing accessibility in design and of our work spaces and processes, including recruiting and interviewing.

### Building for scale

Developing a culture of feedback and accountability across Atlassian.

## EMERGING ISSUES

### Mental health

The importance of mental health and wellness to employee performance and strong teams and de-stigmatizing conversations on mental health at work.

### Identity and belonging

Identity as part of diversity and belonging strategies – beyond the crucial activities of increasing representation and inclusion, also activating how employees think about themselves and their experiences as a powerful connector.



## FOCUS AREA

# Community

A new approach to corporate philanthropy



Through the Atlassian Foundation, we contribute 1% of our profits, employee time, equity, and products to social-impact organizations.

PLEDGE  
**1%**

Atlassian is a Founding Member of [Pledge 1%](#), the corporate initiative to direct 1% of product, profit, equity, and employee time to charitable causes – we continue to champion this effort among our partners, community, and customers. Through this effort, we've donated USD \$17 million, 37,000 employee volunteer hours, and 61,000+ licenses to nonprofits.

### 📍 MILESTONES

The [Atlassian Foundation](#) gave USD \$3.9M in total distributions to charities, social enterprises, and B-corps, and donated 13,769 community licenses to nonprofits in FY19, and 65% of Atlassians donated time, totalling 19,151 volunteer hours. Our partnerships included:

- Room to Read: Focus on literacy and gender equality in education in Cambodia, Vietnam, Laos, Bangladesh, Nepal, Sri Lanka, Tanzania, India, and Honduras.
- Co-Impact, a project of the New Venture Fund: Improve foundational learning outcomes for 3 million students with the potential to benefit millions by expanding “Teaching at the Right Level” program in sub-Saharan African countries including Côte d'Ivoire, Nigeria, Kenya, and Zambia.
- MIT SOLVE challenge: Scalable education models that prepare disadvantaged youth for the workforce of the future, in collaboration with Ruangguru in Indonesia, Raspberry Pi in the UK, and 4OK in India and Cambodia.
- Giant Leap Fund, Humanitix, Percent, MyVillage and Cultana Solar Farm: Five impact investments in enterprises that deliver both social and commercial outcomes.



**FOCUS AREA**

# Community

A new approach to corporate philanthropy

**OUR TRAJECTORY**

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## Staying the course

The Atlassian Foundation will continue to help educate millions of disadvantaged youth – preparing them for the workforce of the future.

**EMERGING ISSUES**

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## Tech skills for good

Harnessing the technical skills of the workforce to solve the challenge of scale nonprofits face.

## Career pathways

Supporting organizations that are helping people from non-traditional careers enter the workforce.



# Company facts

## OUR BOARD

**Members** 9

**Independent directors** 78% (7 members)

**Women on the board** 22% (2 members)

**Standing board committees** 3

*(Audit Committee, Nominating and Corporate Governance Committee, and Compensation and Leadership Development Committee)*

**Separate CEO and Chair roles** Yes

**Formal Board Diversity Policy** No

**Note:** Our Nominating and Corporate Governance Committee Charter includes Board Membership Criteria, which states: *“Nominating Committee may consider the following factors when recommending that the Board select persons for nomination: Whether the nominee, if elected, assists in achieving a mix of Board members that represents a diversity of background and experience.”*

**Sustainability formally considered at Board/Committee level** No

**Note:** The Board supported Atlassian’s two climate-change commitments.

As of June 30, 2019:

<b>Customers</b>	152,000+
<b>Employees</b>	3,600
<b>Revenue</b>	\$1.2B

## About the Sustainability Team

We believe the best way to drive an impactful program is to work as one Atlassian team, starting at the top with our Co-Founders and Co-CEOs, Mike Cannon-Brookes and Scott Farquhar, who help reinforce the importance of our initiatives throughout Atlassian.

Our Head of Sustainability, Jessica Hyman, reports into Chief People Officer Tami Rosen, who sits on our Executive Team. The Head of Foundation, Mark Reading, reports into the Founders. This ensures important information can be lifted up to our executives and Board. Accountability also sits with functional teams – organized into issue-specific working groups to regularly connect on our progress.

- For additional financial information, please visit our [Investor Relations site](#).
- For additional information, please visit our [Corporate Governance](#) section of our Investor Relations site.

## Data sources

Unless noted, the data shared in this report covers July 1, 2018–June 30, 2019, Atlassian’s Fiscal Year 2019. Some of the activities mentioned were undertaken in 2019 (January 1–December 31, 2019). Our data was pulled from public filings/reports and internal documents. A few notes on some data within this report:

### PLANET

- Our 15% renewable energy mix was reported to RE100 in July 2019.

### CUSTOMERS

- Security data was internally reported by our Security team.

### PEOPLE

- Training data was based on sign-ups to training sessions.
- “94% of Atlassians say this is a great place to work” is a weighted average of the Great Place to Work survey administered to employees in Australia, the United States, and the Netherlands.
- “88% of Atlassians say they have a sense of belonging” is an average of responses to 3 statements about belonging in a May 2019 all-employee survey (89% participation rate), which uses the Likert scale.
- Our Balance and Belonging Report data methodology can be found [here](#).

### COMMUNITY

- Our Foundation team provided this data.



# Reports & resources

## GOVERNANCE

- [Investor Relations](#)
- [Corporate Governance](#)
- [FY19 Annual report](#)
- [Code of Business Conduct and Ethics](#)
- [Compliance at Atlassian](#)

## CORPORATE SOCIAL RESPONSIBILITY

- [Atlassian's CSR Program](#)

## PLANET

- [RE100 Membership](#)
- [Science Based Targets Initiative Commitment](#)

## CUSTOMERS

- [Atlassian Trust Center](#)
- [Privacy at Atlassian](#)
- [Security at Atlassian](#)

## PEOPLE & DIVERSITY

- [Balance & Belonging Report 2019](#)
- [Human Rights Campaign 100% Equality Index](#)
- [Great Place to Work - Atlassian](#)
- [Careers at Atlassian](#)

## COMMUNITY

- [Atlassian Foundation International Ltd](#)
- [Pledge 1%](#)

