Atlassian Sustainability Report

Contents

COVER PHOTO:

Atlassian is partnering with the NSW Government to create a technology precinct in Sydney. The tower will be highly sustainable, flexible and functional – purpose built for the future of work. We expect construction to commence in 2022 and completion of the tower in 2026.

It's not just about "doing the right thing." Investing in sustainability is critical to the long-term success of our business.

Doing well as a company and doing good as citizens of the world are not mutually exclusive. In fact, this is what creates and sustains a thriving ecosystem over the long term.

We have always aimed to integrate social and environmental progress into everything Atlassian does – from investing in our people, to protecting the rights of our customers, to engaging with our communities through the Atlassian Foundation, and addressing climate threats.

Now we have yet another reason to lean into sustainability: people. Atlassian's recent Return on Action Report revealed that values alignment between employers and their employees matters more than ever. In fact, well over a third of Millennial workers (the largest generational cohort in today's workforce) went on to say they would quit their jobs if it became clear that their employers' values did not align with their own.

But it's not just about attracting and retaining talent. It's about earning the trust of current and prospective customers, too – and they've told us that our attitudes and actions around sustainable practices matter to them.

When it comes to taking action, Atlassian plays the full court. In fiscal year 2020, we reached our goal of operating exclusively on renewable electricity, completed a human rights assessment, and rallied nearly 70% of Atlassians to volunteer with non-profit organizations. This year, we built on that with an increasingly data-driven approach to climate mitigation, steps to integrate human rights within Atlassian, and a full 10-point increase in volunteer participation.

That's not to say we're nailing it on all fronts. As we mentioned in the last report, we still have lots of work ahead of us in the area of diversity, equity, and inclusion (DEI). While we've always believed in the importance of the work, this year we learned that we had a long way to go to make our actions live up to our words. So, we approached FY21 as a "rebuilding year." We slowed down some of our outward-facing work so we could invest in research, planning, and staffing that will set us up to move faster toward our DEI goals and the kind of company we want to be in FY22 and beyond.

Scott and I are incredibly proud of everything Atlassian has accomplished so far, and we're keen to roll up our sleeves and keep at it in the coming years. Together with our amazing team of Atlassians, plus external partners, we can (sustainably) unleash the potential in every team.

Mike Cannon-Brookes
Co-Founder and Co-CEO

Sydney, Australia, October 2021

Working for social and environmental progress in whatever we do.

Summary of fiscal year 2021

Our highlights

PLANET

We reduced emissions in our operations by over 74.8% compared to 2019, mostly due to maintaining our 100% renewable electricity achievement (since 2020). As we continue to work on reducing emissions, we are starting to map out what our path to net zero could look like.

PEOPLE

Atlassian built a diversity, equity, and inclusion (DEI) strategy with a clear roadmap, milestones, larger budget, larger team, and greater leadership focus. We are matching our ambitions with real mechanisms for accountability and transformation.

CUSTOMERS

We have begun the journey to operationalize a "human rights by design" approach for our company and to build a framework for ethical decision-making.

COMMUNITY

The Atlassian Foundation ended the year with 36,667 volunteer hours by 5,084 Atlassians and USD$2,538,015 in employee donations (before matching).
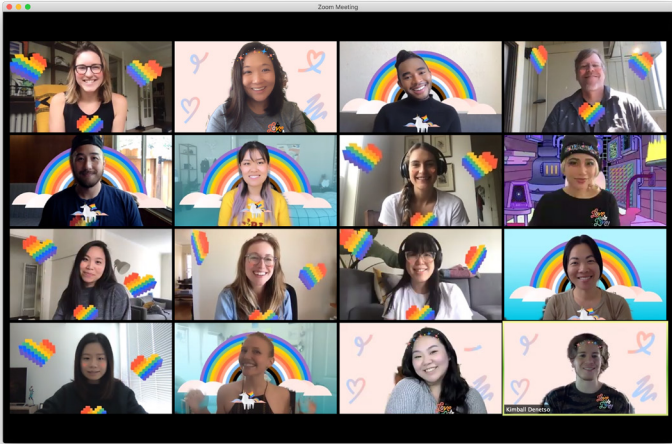
Summary of fiscal year 2021

Where we fell short

PLANET

We set value chain (scope 3) reduction targets that included business travel because it's our second-largest emissions area. With the pandemic-induced pause on travel, there was too much ambiguity to land a reduction strategy. This means we'll start fiscal year 2022 with that as a priority.

PEOPLE

When we look at how we've resourced DEI at Atlassian, it's clear we've historically underinvested, in spite of publicly proclaiming our commitment to the work. This means we were starting from the ground up, including building the basics of our data capabilities and how to enable HR and business leaders.

CUSTOMERS

In our last report, we noted that key performance indicators for this pillar were still pending. We still have not found a data-driven way to demonstrate real impact, though we have landed a key performance narrative that demonstrates our progress. We'll continue to seek out ways to disclose meaningful, measurable progress on human rights and ethics in the future.

COMMUNITY

This year the Atlassian Foundation was faced with many opportunities to fund programs in aid of natural disasters, the global health pandemic (COVID-19), and societal injustices (Stop AAPI Hate). In response to all of these, the Atlassian Foundation lacked a standardized framework in how emergency response funds are allocated and distributed. However, the Atlassian Foundation has demonstrated agility, resilience, and creativity in putting the causes that Atlassians care most about at the heart of our funding and work, and is well-advanced in developing such a framework.

Summary of fiscal year 2021

Where we're going

PLANET

Continuing to progress our business travel and supply chain reduction goals and exploring shifts to how we procure renewable electricity to ensure equitable community benefits, especially among those most vulnerable to climate change.

PEOPLE

Increasing the representation of underrepresented groups at Atlassian through sourcing and recruitment, ensuring equitable outcomes and trust across People programs, and establishing a thriving community of remote-first employee resource groups.

### CUSTOMERS

Building the fundamentals of a human rights program, including a public statement, due diligence process, and ethical use framework.

COMMUNITY

Helping purpose-driven teams around the world unleash their potential by focusing Atlassians on skilled volunteer work through the Foundation's partnerships with global education partners and our Engage 4 Good program.

This report
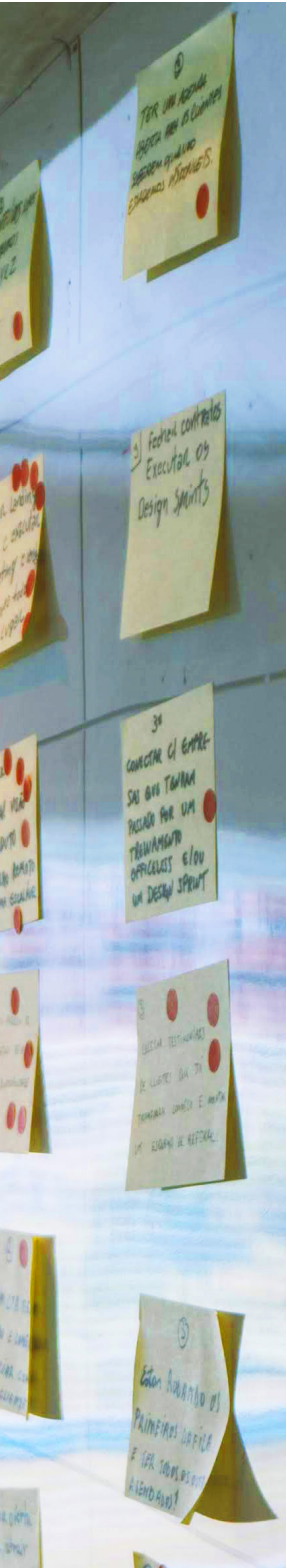
For Atlassian's third sustainability report, we've expanded and improved our disclosures, but our guiding principles remain: progress over perfection and an iterative approach informed by feedback from stakeholders.

Our fiscal year 2021 report, covering July 1, 2020, to June 30, 2021, is an account of how we're striving to actively manage the environmental and social risks we face and seize opportunities to contribute to the long-term success of Atlassian.

Rather than a check-the-box exercise, we want to tell a meaningful story of what we did well, what we did not-so-well, and what we're planning to do next. While there are many voluntary frameworks on ESG disclosures, we've decided to respond only to the RE100 questionnaire to meet the requirements of our 100% renewable energy commitment.

The downside of this approach is that some stakeholders rely on specific reporting frameworks and ranking agencies to make assessments about the sustainability of our business, and by not participating, we may score lower. We also know we may disappoint customers who use specific reporting frameworks to make sure their suppliers meet ESG requirements (and we're sympathetic, especially as we focus on our own supply chain goals).

To mitigate those downsides, this report includes what we think is most relevant to our business and critical for our stakeholders to know about us. In the future, we'll continue to review various frameworks and expand disclosures as needed.

Through key performance indicators (KPIs) and narratives (KPNs), we explain our progress in fiscal year 2021, lay out our trajectory for fiscal year 2022, and identify emerging issues we think every company should start to think about. Our appendix section has a much larger set of disclosures for those wanting a deeper dive, including energy and climate data, workforce diversity data, and more.

We've shared both the ups and downs of our journey to be as transparent as we can with our customers, employees, investors, and other stakeholders – and to provide insights that we hope other companies can use as they build their own sustainability programs. Progress over perfection, after all.

And in the spirit of one of our values, "open company, no bullshit," we want to hear from you! Email us at **sustainability@atlassian.com** to share your thoughts about our report.

Our beliefs

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.

PLANET | A net-zero future

(We can't believe we need to say this, but...) Climate change is caused by humans, and without immediate intervention, it will fundamentally disrupt the environment, society, and the economy in very painful ways. Working together, the private sector, public sector, and citizens must play as a team and take bold action. As part of our commitment to combat climate change, Atlassian has achieved its goal to run our operations on 100% renewable electricity, starting in fiscal year 2020. We've also set science-based targets to limit warming to 1.5°C and achieve net-zero emissions by no later than 2050. Finally, we are focusing on inspiring Atlassians and companies alike to act.

PEOPLE | Unleashing the potential of our team

Atlassian is for everyone. We believe in the power of diversity. We aim for nothing short of equity for every Atlassian and are committed to an authentic culture of inclusion. Our vision is to integrate this across everything we do, which will drive the structural shifts needed to unleash the potential of our own team, deliver on our promise of openness to our customers, and build the kind of world we want to live in.

CUSTOMERS | Leading with security and respecting privacy

We believe privacy is a fundamental human right, which means we design our products with security and privacy in mind. This belief also means we must earn and keep our customers' trust, so transparency is crucial. We will be open about the privacy and security options available to our customers as well as about our own practices. We publish a regular **Transparency Report**, disclosing law enforcement requests to access customer information (where permitted), including whether and how we complied.

COMMUNITY | A new approach to corporate philanthropy

Long before we had a stock ticker symbol – and even before we'd formally adopted our company values – founders Mike and Scott built giving back into Atlassian's operations, with a belief that both business and education can serve as forces for good and help transform our world. Through the Atlassian Foundation, we contribute 1% of our profits, employee time, equity, and products to social-impact organizations. Atlassian's contributions have a positive impact in our local communities and in far-flung regions across the globe.

Planet

We've set science-based targets to limit warming to 1.5°C and achieve net-zero emissions by 2050. In fiscal year 2020, Atlassian achieved its goal to run our operations on 100% renewable electricity. By 2050, we will achieve net-zero emissions. These are the actions we're taking in the interim.

Planet | Key performance indicators

Reduce scope 1 and 2 emissions
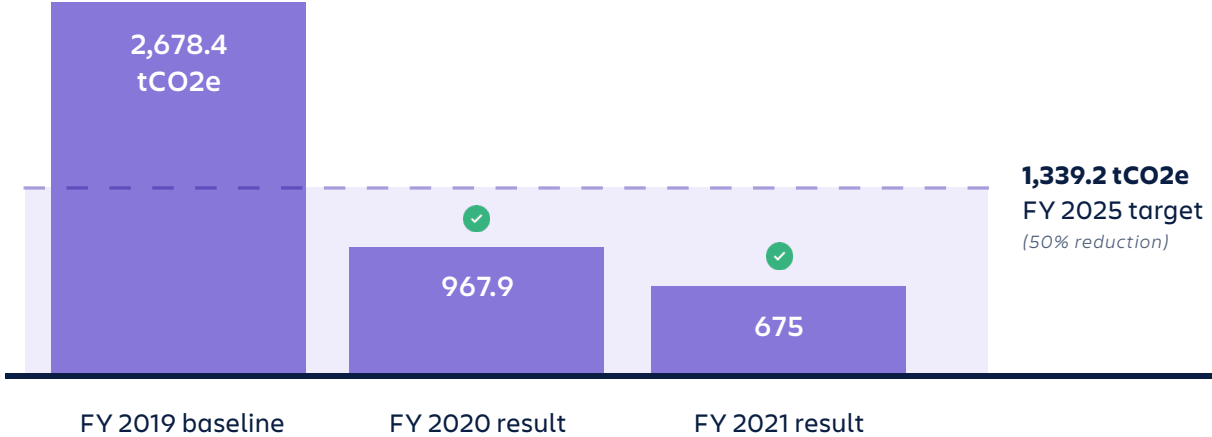
2,678.4 tCO2e

967.9

675

1,339.2 tCO2e
FY 2025 target
(50% reduction)

FY 2019 baseline

FY 2020 result

FY 2021 result

Run operations on 100% renewable electricity

15%

FY 2019

100%

FY 2020

100%

FY 2021
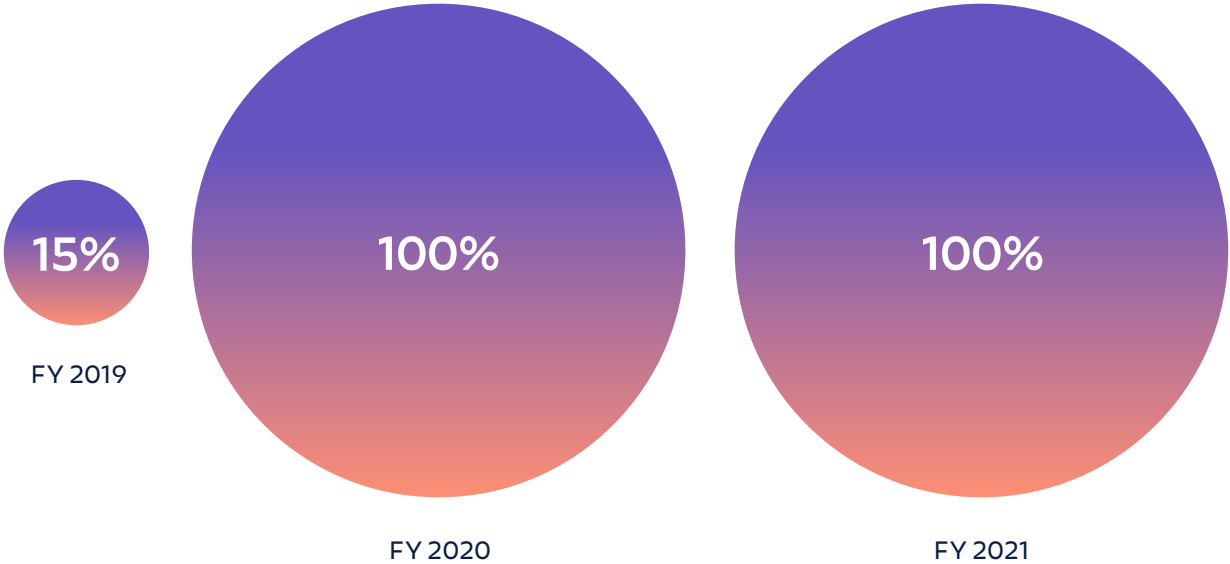
NOTE | tCo2e = metric tonnes of carbon dioxide equivalent.

See Appendix for additional data and statement regarding forward-looking statements.

Planet | Key performance indicators

Engage suppliers to set their own science-based targets

6%	4%	5%	65%
FY 2019 baseline	FY 2020 result	FY 2021 result	FY 2025 goal
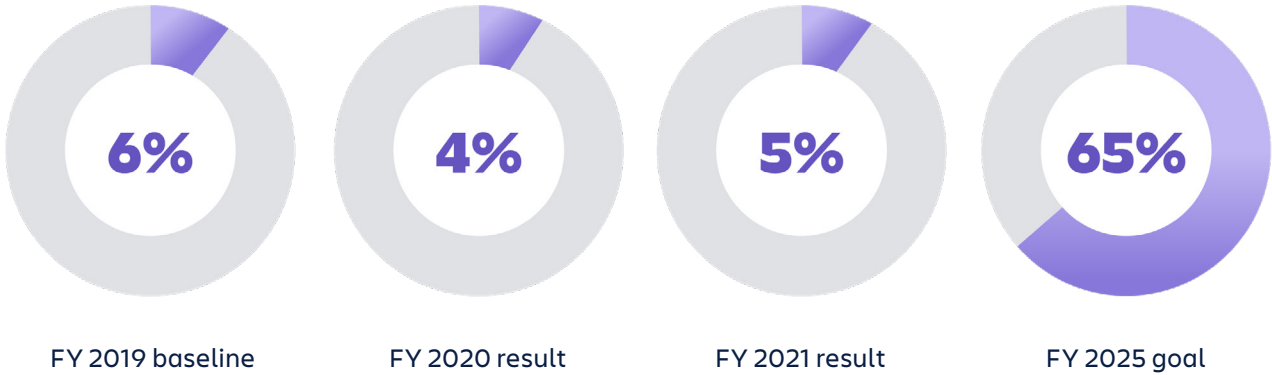
Reduce emissions from business travel

21,702 tCO2e (FY 2019 baseline)

8,320 (FY 2020 result) ✓

96.8 (FY 2021 result) ✓

16,276.5 tCO2e
FY 2025 target
(25% reduction)

FY 2019 baseline	FY 2020 result	FY 2021 result
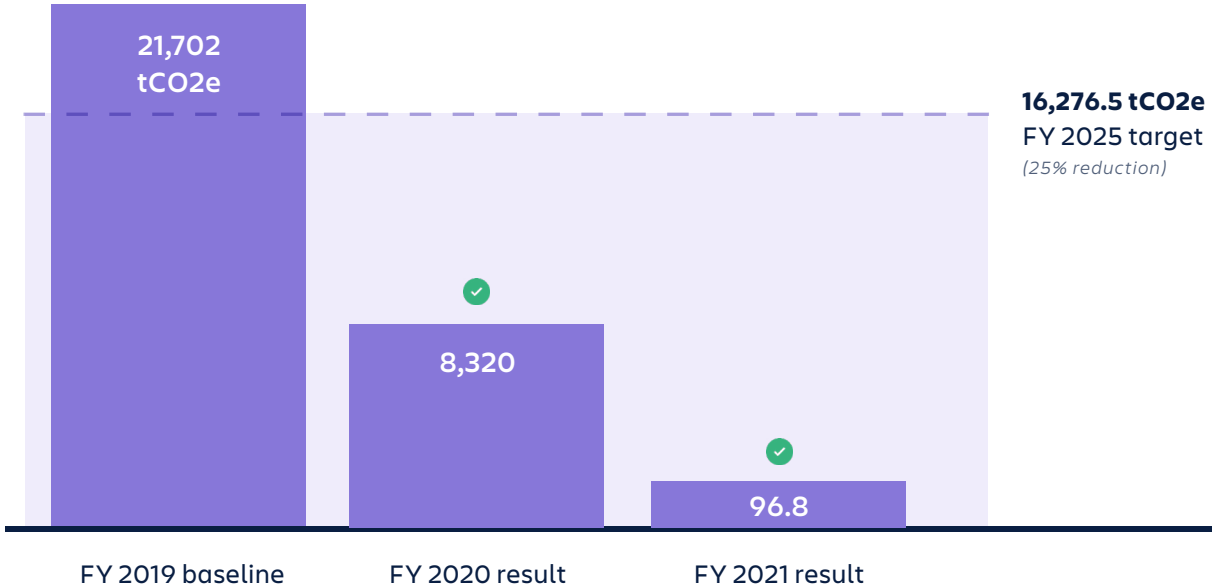
NOTE | tCo2e = metric tonnes of carbon dioxide equivalent. The dip in emissions from business travel was a result of COVID travel restrictions.

See Appendix for additional data and statement regarding forward-looking statements.

Planet | Milestones

Fiscal year 2021 marked the start of our journey to net zero. We submitted our Science Based Targets (SBTs) for approval in July and got the go-ahead in October. We then spent the year developing plans to reach our emission reduction goals.

Reducing emissions

Atlassian continues to procure 100% renewable electricity for all our global operations through Energy Attribute Certificates. Our new Sydney headquarters has ambitious environmental targets, including reducing embodied and operational carbon by 50%.

Influencing climate policy

Policy efforts throughout the year focused on pushing for net-zero-aligned commitments in the U.S. (**America's All In statement**, **Corporate COVID relief and renewable energy statement**) and Australia (**Zali Steggal Private Member's Climate Change Bill**).

Addressing our supply chain

We set SBTs addressing emissions from the goods and services we buy (scope 3) because most of our emissions come from our suppliers. So, we focused on building a supply chain engagement strategy that supports suppliers.

Climate risk

Following an internal risk assessment exercise, we started integrating climate risks and opportunities into our enterprise risk management system.
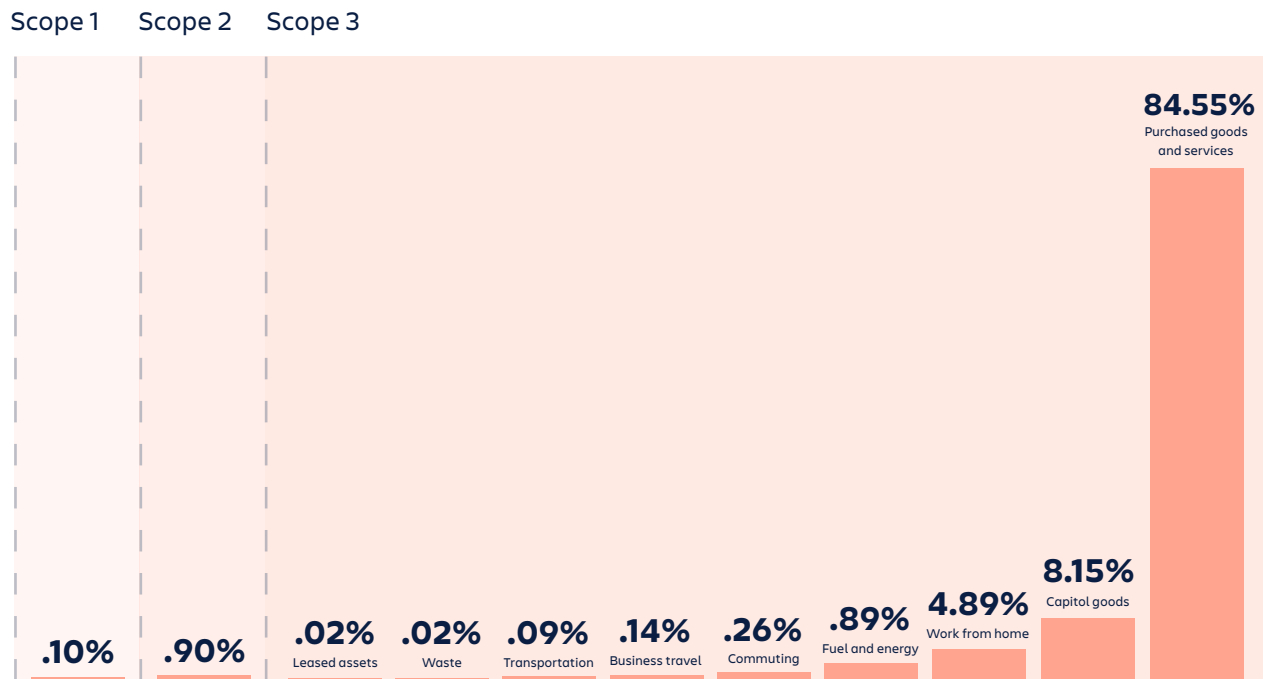
Focusing on the supply chain to reduce our scope 3 emissions

Scope 3 accounts for the vast majority of our company-related emissions (99% in fiscal year 2021). Within this scope, purchased goods and services contribute the most to our emissions footprint. So, we set a goal to identify a group of suppliers we can trace 65% of our emissions to and engage with them to set SBTs of their own by 2025.

Atlassian footprint by Scope

Scope 1   Scope 2   Scope 3

Scope 1	Scope 2	Scope 3								
.10%	.90%	.02% Leased assets	.02% Waste	.09% Transportation	.14% Business travel	.26% Commuting	.89% Fuel and energy	4.89% Work from home	8.15% Capitol goods	84.55% Purchased goods and services

To get us there, the Sustainability and Procurement teams have collaborated closely to align on a strategy and roadmap. With help from consultants **Anthesis**, we evaluated the current state of our suppliers' emissions (based on spend and their sector) and where they're at on their climate journey to determine which suppliers we needed to engage.

With a "progress over perfection" mindset, we started identifying opportunities along the procurement process to collect data, share resources with suppliers, and provide support to individual suppliers. Because the journey of 1000 miles begins with a single step, we are starting with the 10 highest-emitting suppliers and working our way through the list with milestones for each year. At the same time, the resources we provide will be available to all our suppliers, so even if they are not on our targeted list, we can still help them set emissions reduction goals.

Planet | Our trajectory & emerging issues

OUR TRAJECTORY

Addressing remaining emissions to achieve net zero

We'll continue to reduce our emissions and engage suppliers as we approach our first SBT milestones in fiscal year 2025. In parallel, we'll conduct due diligence to understand potential social and environmental trade-offs of different offset projects as we pursue our path to net zero.

Focusing on the grid

We're exploring procurement options that put more renewable electricity on the grid.

Getting back to business (travel)

We'll prioritize a reduction strategy for business travel. COVID-19 travel suspensions created too much ambiguity to address this in fiscal year 2021.

EMERGING ISSUES

Renewable transition with an environmental justice angle

Every energy solution can have a negative environmental and social footprint. Putting an environmental justice lens on renewable solutions can help broaden the understanding of these impacts and how to mitigate them more holistically.

Climate change solutions are becoming big business

As companies invest millions in climate solutions, questionable solutions and weaker verification schemes may arise. Companies need a deeper understanding of the solutions to ensure they don't do more harm than good with their investments.
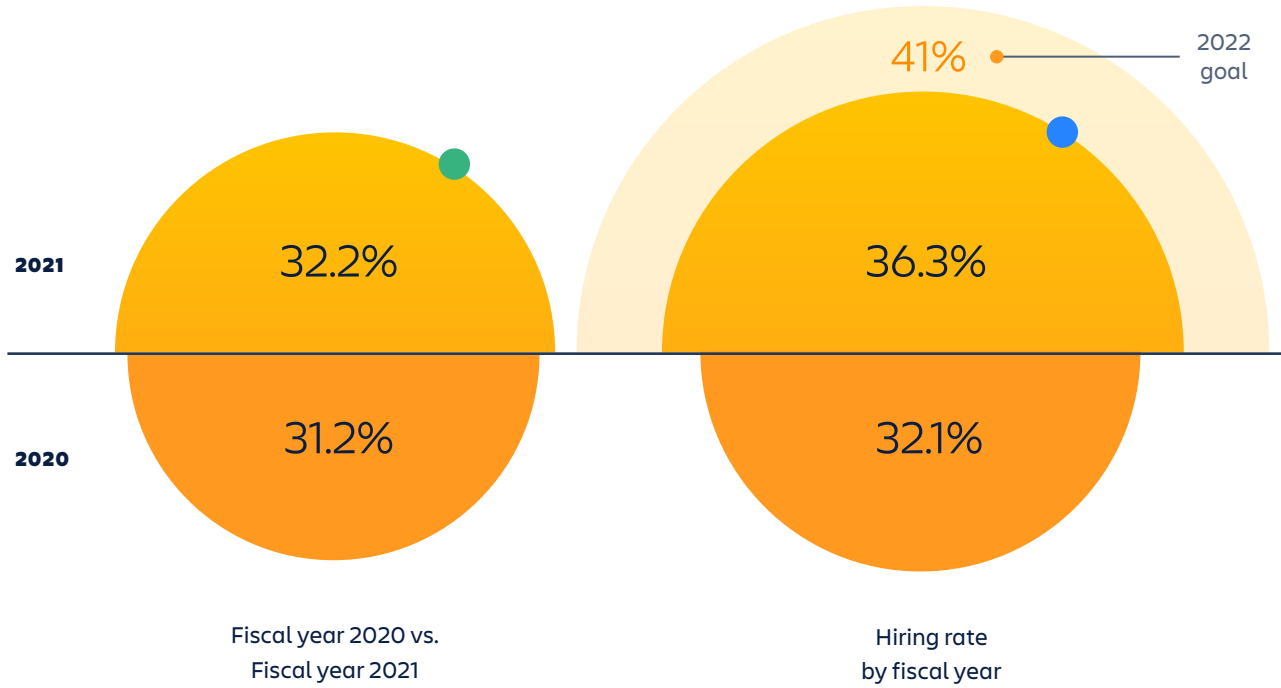
People

We believe in the power of diversity. We aim for
nothing short of equity for every Atlassian and
are committed to an authentic culture of inclusion.
Here is how we're getting there.

People | Key performance indicators

Increase representation of women

| 2021 | 32.2% | | 36.3% | 41% → 2022 goal |
| 2020 | 31.2% | | 32.1% | |

Fiscal year 2020 vs.
Fiscal year 2021

Hiring rate
by fiscal year

● = Representation change: *3.0% increase*   ● = Hiring rate change: *13.0% increase*

Note: The year-over-year % change in the data above reflects the growth for underrepresented groups between fiscal year 2020 and fiscal year 2021 relative to our overall company growth. In fiscal year 2022, we are expanding the demographics that we ask Atlassians and candidates to voluntarily disclose so that we can achieve a more intersectional and global approach to diversity.

See **Appendix** for additional data, including leadership/technical team breakdowns, how we set hiring rate goals, as well as context regarding forward-looking statements.

People | Key performance indicators

Increase representation of US-based Black Atlassians

10% •——————— 2022 goal

2021

3.0%

3.4%

———————————————————————————————————————

2.6%

2.8%

2020

Fiscal year 2020 vs.
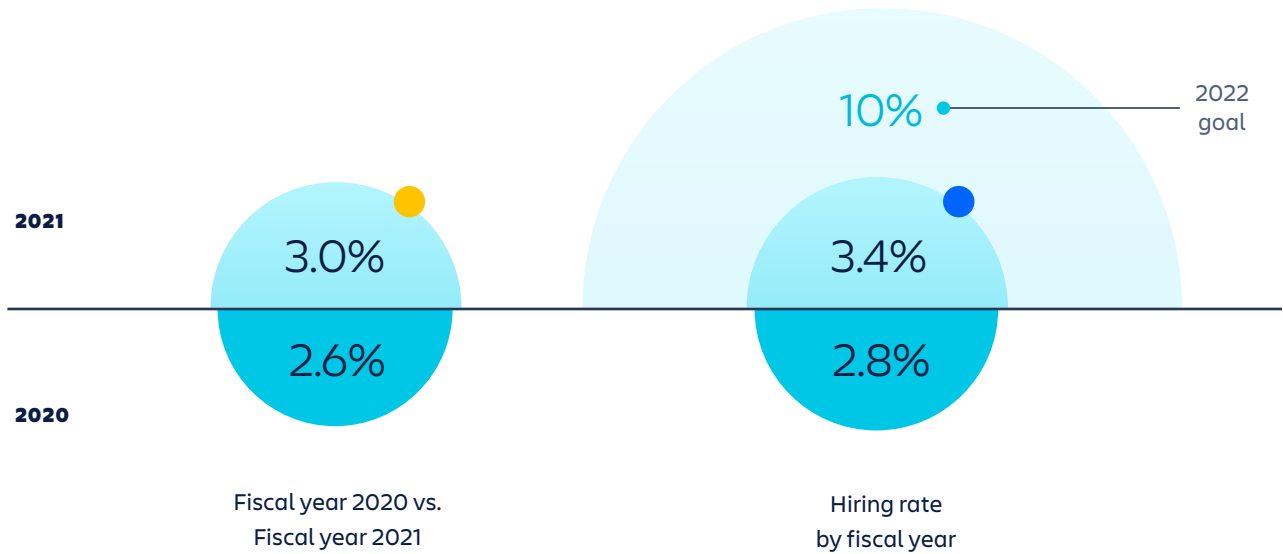Fiscal year 2021

Hiring rate
by fiscal year

● = Representation change: *15.4% increase*   ● = Hiring rate change: *20.1% increase*

Note: The year-over-year % change in the data above reflects the growth for underrepresented groups between fiscal year 2020 and fiscal year 2021 relative to our overall company growth. In fiscal year 2022, we are expanding the demographics that we ask Atlassians and candidates to voluntarily disclose so that we can achieve a more intersectional and global approach to diversity.

See **Appendix** for additional data, including leadership/technical team breakdowns, how we set hiring rate goals, as well as context regarding forward-looking statements.

People | Key performance indicators

Increase representation of US-based Hispanic or Latinx Atlassians

15% ● ——————— 2022 goal

2021

5.7%

4.1%

2020

5.9%

6.9%

Fiscal year 2020 vs.
Fiscal year 2021

Hiring rate
by fiscal year

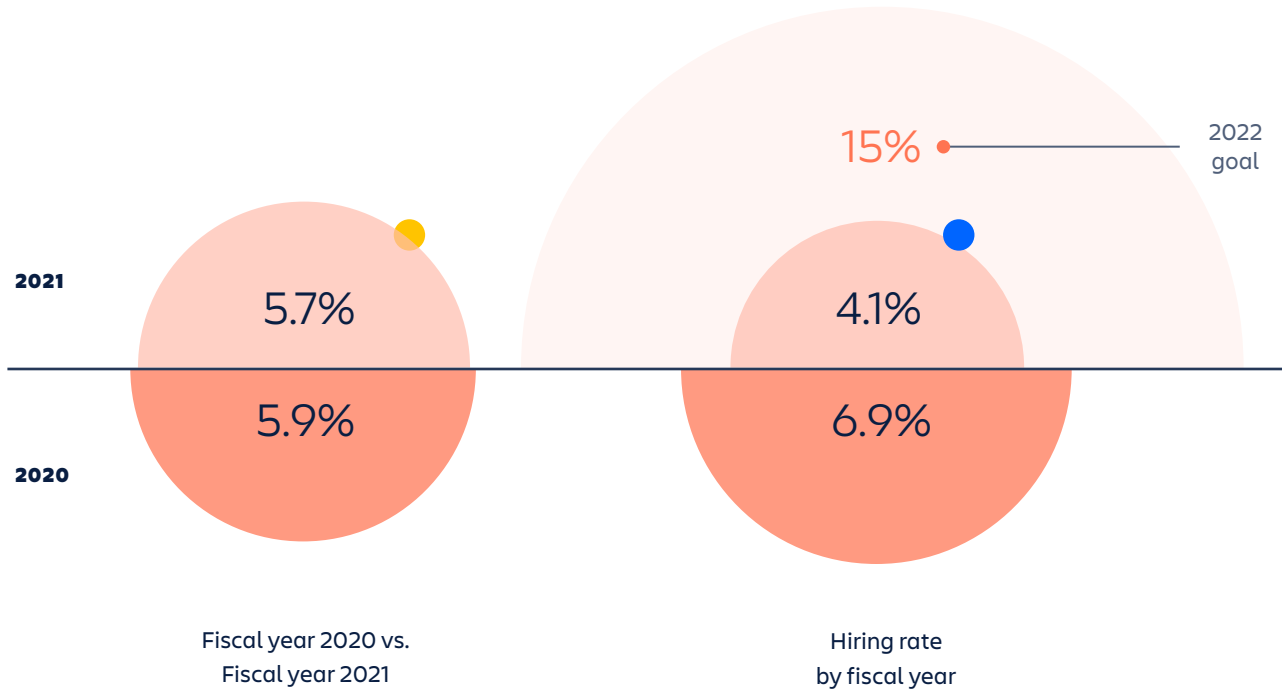● = Representation change: *3.6% decrease*   ● = Hiring rate change: *4.8% decrease*

Note: The year-over-year % change in the data above reflects the growth for underrepresented groups between fiscal year 2020 and fiscal year 2021 relative to our overall company growth. In fiscal year 2022, we are expanding the demographics that we ask Atlassians and candidates to voluntarily disclose so that we can achieve a more intersectional and global approach to diversity.

See **Appendix** for additional data, including leadership/technical team breakdowns, how we set hiring rate goals, as well as context regarding forward-looking statements.

People | Key performance indicators

Increase representation of US-based American Indian, Alaska Native, Native Hawai'ian or other Pacific Islander Atlassians

2022 goal not set
(see Appendix)

2021   0.4%   0.5%

2020   0.4%   0.6%

Fiscal year 2020 vs.   Hiring rate
Fiscal year 2021   by fiscal year

● = Representation change: *2.1% increase* | ● = Hiring rate change: *16.1% decrease*

Note: The year-over-year % change in the data above reflects the growth for underrepresented groups between fiscal year 2020 and fiscal year 2021 relative to our overall company growth. In fiscal year 2022, we are expanding the demographics that we ask Atlassians and candidates to voluntarily disclose so that we can achieve a more intersectional and global approach to diversity. The 2.1% increase for US-based American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander Atlassians is due to calculating the whole, not rounded, number – from 0.421 to 0.430.

See **Appendix** for additional data, including leadership/technical team breakdowns, how we set hiring rate goals, as well as context regarding forward-looking statements.

People | Milestones

Atlassian built a diversity, equity, and inclusion (DEI) strategy with a clear roadmap, milestones, and an expanded budget and leadership investment, matching our ambitions with real mechanisms for accountability and transformation.

Diversity data basics

Atlassian laid the foundations for data-driven sourcing and hiring underrepresented groups company-wide.

- Launched a candidate demographic survey
- Expanded employee demographic data collection to be more inclusive
- Set hiring goals for underrepresented groups where data is currently available

Equitable assessment and rewards

Atlassian invested in improving equitable outcomes across our performance assessment and rewards programs by conducting equity design reviews with **Paradigm**, a consulting firm with expertise in bias reduction.

- Audited each program's design for bias
- Redesigned each program to integrate anti-biasing measures, including in manager training on the programs
- Brought in consulting firm **Trusaic** to conduct a demographic audit at the end of fiscal year 2021 performance review cycle*

* See additional context on our performance review and compensation cycle in the **Appendix**

Inclusion through structure

We partnered with **Culture Cipher** and **Working Ideal** to improve experiences for Atlassians from underrepresented groups and prioritized internal training for Executive, People, and Legal teams on inclusive practices.

- Reviewed our employee engagement survey by demographics to understand key areas
- Trained our HR business partners on the basics of DEI
- Engaged Atlassians in focus groups and workshops around creating remote-first employee resource groups

Influence and leadership transparency

Atlassian continued to advocate for policy addressing structural oppression and creating equity for people of all identities.

- Advocated for policies in the U.S. and Australia promoting immigration reform, Indigenous representation, funding for HBCUs, LGBTQIA+ civil rights, and voter participation
- Supported Atlassians during the U.S. election and aftermath with information about voting, extended time off to vote, election anxiety counseling sessions, and manager guidance
- Expanded the demographics we collect from our Board of Directors

Investing in DEI

For the last several years, tech companies have increased their demographic disclo-sures and made large donations to support underrepresented communities. But in many cases – including ours – companies have not matched their public actions with transparency around the investments they're making to meet systemic DEI challenges inside their own walls.

When we look at the data, we see a confronting picture: it's clear that we've historically underinvested, in spite of publicly proclaiming our commitment to the work. We're being open about it because we want to be the kind of company that can own up to our missteps and grow from them. We believe this kind of transparency drives accountability.
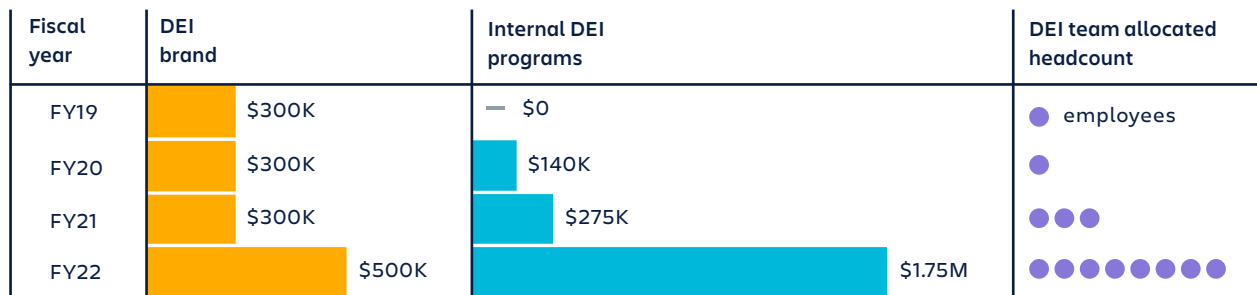
Leadership investment

Real transformation also requires leadership engagement. One of the most significant investments in fiscal year 2021 was the time our Executive team (ExecOps) spent with the new, five-year DEI strategy. Each ExecOps member had several individual sessions with Sustainability and DEI leadership to get deep in the weeds of the work, so they could understand the concepts and challenges and are positioned to lead changes at the organizational level.

Next steps

Though we invested more in structural work in fiscal year 2021 than ever before, we still spent more on our branding efforts than internal programs. For fiscal year 2022, that all changes. We've secured a DEI budget of USD$2.25m, including new team roles to make sure we're doing right by Atlassians first and building out a world-class team to deliver on the work.

Investing in DEI: financial and resource investment

Fiscal year	DEI brand	Internal DEI programs	DEI team allocated headcount
FY19	$300K	$0	employees
FY20	$300K	$140K	
FY21	$300K	$275K	
FY22	$500K	$1.75M	

People | Our trajectory & emerging issues

OUR TRAJECTORY

Improved hiring rate velocity

Building the infrastructure to increase hiring rates for underrepresented groups over time with better data and more inclusive demographics.

Ensuring equity in review cycle outcomes

Working with external consulting firm Trusaic to audit our performance review and compensation programs for gaps in outcomes across demographic lines.

Inclusion in a distributed world

Adding manager tools and data to build inclusion at the team level and employee resource groups (ERGs) with the funds and mechanisms to acknowledge leaders' contributions.

EMERGING ISSUES

Investing in racial equity

Tech and finance are making commitments to racial equity through investments in companies led by underrepresented groups. The market is looking for increased innovation in these efforts.

Calling companies out (or in)

Internal and external stakeholders are calling out the distance between DEI branding and internal company practices with the hope of driving public accountability for meaningful change.

Customers

Atlassian is building out a human rights program, and the disclosures in this section reflect how our focus is expanding from security and privacy to a wider range of digital rights for our customers and other stakeholders.

Customers | Key performance narrative

Human rights commitment

Fiscal year 2021 baseline
Our **public statement** is focused on the right to privacy as it relates to our customers.

Fiscal year 2022 goal
Our statement is aligned to the best practices defined in the UN Guiding Principles and reflective of Atlassian's mission, values, and scope of impacts.

Process to identify, mitigate, and prevent human rights impacts

Fiscal year 2021 baseline
The findings from our human rights assessment, conducted in fiscal year 2020, are integrated into our enterprise risk management system.

Fiscal year 2022 goal
Establish a due diligence framework so that in future years, we can perform regular checks and deep dives into specific risk areas.

Human rights issues and management

Fiscal year 2021 baseline
Our prioritized risks fall into 3 categories:

1. Right to privacy, as related to customer and employee data, which is managed across Atlassian through our risk, privacy, trust, security, and R&D teams.

2. Ethical product use, as related to potentially harmful content hosted in our products or using our products in ways that may harm others. This is managed by our Anti-Abuse, Trust, and Security teams.

3. Discrimination and systemic bias, as related to our employees, which is managed by our People, DEI, and Legal teams (see the People section of this report for more); also as related to the accessibility of our products for customers and users, which is managed by our Accessibility team.

Fiscal year 2022 goal
Manage our prioritized list of risks and track emerging risks.

Note: In our fiscal year 2020 report, we committed to finding data-based human rights KPIs. We still do not have a meaningful way forward on these. Our program is "too new to rate," and we believe that many of the indicators disclosed by companies or included in frameworks do not demonstrate the efficacy of human rights management programs. We'll continue to monitor best practices and commit to continuing to disclose this Key Performance Narrative and improve as our program matures.

*See **Appendix** for additional data, including leadership/technical team breakdowns, as well as context regarding forward-looking statements.*

Customers | Milestones

The past year has shown us that to build customers' trust, it's critical to have a clear position on respecting human rights and making ethical decisions. So, we have begun the journey to operationalize a "human rights by design" approach for our company, aligned to the following focus areas.

Elevating human rights risks

We integrated the findings of our human rights assessment (conducted in FY20) into Atlassian's enterprise risk management process so that we could prioritize the most salient risks, assign responsibility, and track progress.

Building muscle within Atlassian

We expanded our human rights working group, made up of representatives from the Sustainability, Privacy, Policy, Risk, and Commercial Legal teams, and worked with corporate human rights consultants **Article One** to collaborate on the strategy, roadmap, and initiatives for fiscal year 2022 and beyond.

Collaborating on ethical use across the tech stack

We participated in BSR's ethical use for SaaS companies working group, which brought "back of the stack" tech companies together to explore new standards for acceptable use, content moderation, and more. See **BSR's whitepaper** for the group findings.

Protecting human rights across Atlassian

Privacy

For our customers, we kicked off cloud privacy preparedness, adopted new customer and supplier contracts, and updated our **privacy pages** to increase transparency around privacy compliance, data transfers, and controls. For our staff, we focused on ensuring secure work-from-home access to data and safe office re-entry.

Security

We deployed a number of critical, new security features (including data at rest protection for Cloud customers) and continued to execute on our **Cloud** and **Data Center** Security Roadmap. We also published our **security practices** to provide customers increased visibility into what we do to protect their data.

Policy

Additionally, our Policy team advocated to advance human rights by seeking stronger privacy protections, improved cybersecurity, and due process in government access. We published **Atlassian Principles for Sound Tech Policy** and called for a **more harmonized approach** to (much needed) tech regulation. We've also been active on reforms to specific policies, such as the Australian **Critical Infrastructure Bill** on cybersecurity, **Australian Privacy Act**, and **AU Assistance & Access Act** on government access.

Integrating human rights risks into our risk management game

As part of our human rights assessment, we classified the risks related to Atlassian's business based on impact and/or likelihood.

Following the "what gets ~~measured~~ *monitored* gets managed" adage, we integrated the risks into our existing systems and processes, rather than building a new, siloed process. This means better cross-functional support and awareness. It also means we can look at the regulatory, financial, and reputational risks we were already managing (e.g., data privacy) through a human rights lens.

To do this, our human rights working group partnered with the Risk team to add these risks to our Enterprise Risk Management system (powered by Jira, naturally). Each risk has a Jira ticket that serves as its single source of truth: who owns it, what actions have been taken, new considerations in response to changes in the landscape. This data collection also allowed the human rights working group to understand what was adequately covered by other teams vs. what makes sense to put on our fiscal year 2022 roadmap. This meant we could prioritize a manageable set of risks for the working group.

While continuing to monitor the entire spectrum of identified risks, we will also check in regularly to make sure we aren't missing new risks as they emerge or changes to an existing risk's profile that would change its priority. We are also developing interventions to mitigate the top five risks prioritized for fiscal year 2022 across right to privacy, ethical product use, and systemic bias and discrimination. It's worth noting that, while ERM tracks risks to the business, human rights risks are about risks to the rights-holders. That's a tension we'll continue to examine as we move forward.

Customers | Our trajectory & emerging issues

OUR TRAJECTORY

A public human rights statement

Working with Atlassians, experts, and external stakeholders to publish a public human rights statement that upholds our commitment to respect human rights, as laid out in the UN Guiding Principles.

Ethical use framework

Using the findings from BSR and ramping up internal collaboration, examine how to define and operationalize ethical use for Atlassian's products, services, and business model, as well as the deployment of artificial intelligence and machine learning.

Due diligence

Building a framework for human rights due diligence so that we can regularly assess opportunities and risks.

EMERGING ISSUES

Rights-aligned by law

Governments worldwide are signaling that what is currently voluntary (yet not often volunteered) is likely to become law. This includes mandatory human rights due diligence, stricter content moderation, and de-risking emerging algorithmic technologies.

(Ir)responsible growth

The tech industry's continued reliance on a "growth at all costs" mindset and deployment of emerging technologies to automate and enhance business processes are creating new forms of risk and unintended societal conse-quences – requiring new conversations about ethical leadership focused on the long term.

Community

We created the Atlassian Foundation with a vision of helping make the world better.

Community | About the Atlassian Foundation

Educate

We focus on education to empower youth from low-income communities to build the skills necessary to thrive in the 21st century.

Enlist

We co-founded the **Pledge 1%** organization to help businesses build their sense of purpose and continue to champion Pledge 1% among our partners, community, and customers.

Energise

We equip each Atlassian with five days of paid leave each year to make an impact in their community through volunteer work.

Through these efforts, the Atlassian Foundation has donated over USD$35 million, volunteered 117,481 employee hours, and provided 124,371 free or deeply discounted Community Licenses of our products to non-profits since 2013.

Community | Key performance indicators

Increase participation in company-matched donations and our Dollars-A-Day workplace giving program

Percentage of Atlassians who gave to an eligible non-profit

FY20
Result **54%**

FY21
Result **58%**

FY21
Goal **65%**

FY22
Goal **60.4%**

Increase participation in volunteering efforts

Percentage of Atlassians who volunteered

FY20
Result **69%**

FY21
Result **79%**

FY21
Goal **75.6%**

FY22
Goal **79%**

Increase hours volunteered on average

Average number of hours volunteered per Atlassian

4.7 hours
FY20 result

5.9 hours
FY21 goal

5.7 hours
FY21 result

7.1 hours
FY22 goal

See Appendix for additional data and statement regarding forward-looking statements.

Community | Milestones

In response to COVID-19, the Atlassian Foundation teamed up with local and global education partners to ensure continued, equitable access to quality education opportunities during the pandemic. We pivoted to remote-friendly programs like online volunteering opportunities and additional donation-matching opportunities.

Educate

Nearly 4,000 Atlassians worked with our partners to advance the education landscape and donated USD$752,400 to our global education portfolio in fiscal year 2021.

We joined Teach For All, UNICEF, and others to establish the **Don't Stop Learning Partnership**, which supports locally-led innovation in education. And we partnered with The Education Commission to mobilize the **Save Our Future** coalition, focused on reimagining education in a post-pandemic world.

Atlassians volunteered more than 1,700 hours with the Foundation's education partners, and more than 34% of employees donated to our Dollars-A-Day program supporting girls' education in under-resourced countries.

Enlist

Equity gifts demonstrate a company's commitment to giving back. But tax implications and legal hurdles can be a blocker. So PwC Australia, Herbert Smith Freehills, and Australian Philanthropic Services donated time to help us create a **Deed of Equity Gift**. The Deed provides a clear legal pathway for founders to formalize a pledge of equity to non-profits and simplifies tax issues.

Energise

The Atlassian Foundation ended the year with 36,667 volunteer hours by 5,084 Atlassians and USD$2,538,015 in employee donations (before matching).

We transitioned to themed quarterly campaigns, designed for our globally distributed team. Highlights include:

- Atlassians worked with the American Heart Association (U.S.) and the Victor Chang Cardiac Research Institute (Australia) on projects like a heart health app and a global fitness challenge.

- 1,500+ Atlassians volunteered over 4,000 hours during our 2nd annual Global Week of Good in November 2020.

- 250+ Atlassians collaborated with non-profits to deliver 109 skill-based projects, such as website design and technology roadmaps.

- 1200+ Atlassians participated in virtual volunteering for Earth Month, focused on land use, climate justice, and renewable energy.

- Donations by Atlassian and the Atlassian Foundation totaled USD$9,980,556 in fiscal year 2021. This includes matching for employee donations supporting emergency responses, giving campaigns, and grants.

Mind the gaps

During a year that put education on the sidelines in many ways, we provided additional funding for organizations that reduce socio-economic and geographical education gaps as part of the Atlassian Foundation's mission of empowering youth with access to high-quality, equitable learning opportunities.

The Atlassian Foundation is an integral part of the employee experience and a cornerstone of Atlassian. We have always formed long-term partnerships with education innovators but wanted to give Atlassians a bigger voice in who we support. We also wanted to narrow the gap between the impact these organizations make and what our staff knows about it.

So, the Atlassian Foundation piloted a program that allocated USD$200 to every Atlassian employee, which they could donate to two of eight education innovators: **Code.org**, **Educate!**, **The Education Commission**, **The Education Outcomes Fund (EOF)**, **Humanitix**, **The Raspberry Pi Foundation**, **Ruangguru**, and **Teach for All**. Nearly 4,000 Atlassians participated, distributing a total of USD$752,400.

Each non-profit was selected for their track record as change-makers, demonstrated impact, strong alignment with our overall strategy, and capacity to impactfully use the additional funding. And because of this program, Atlassians learned about what they do through videos, FAQs, and live Q&A sessions.

Community | Our trajectory & emerging issues

OUR TRAJECTORY

Scaling skill-based volunteering

Focusing Atlassians' time and skills to help purpose-driven teams around the world unleash their potential and create more impact through the Foundation's new Engage 4 Good program.

Amplifying our impact

Bringing the best of Atlassian – funding, people, and product – to unleash the potential of education innovators with the greatest potential impact.

EMERGING ISSUES

Purpose-driven teams in a remote-first world

As Atlassian becomes more globally distributed and we embrace virtual collaboration, we need to find ways to keep the energy around volunteering high – even when we don't see each other in person.

A changing educational landscape

Supporting education innovation that equips youth for the workforce of the 21st century has become more difficult due to the myriad (and unequal) impacts of the COVID-19 pandemic.

Governance

Staying on the right track as we strive
to do the right thing.

OUR APPROACH

A disruptive and transformative year

Our mission to unleash the potential of every team is more important than ever. From companies pivoting how they run their businesses to a seismic shift toward remote work, we're entering a new era. Teamwork is now about bringing people together and using software to help them collaborate in new, more effective ways.

Atlassian is uniquely positioned to connect teams across software development, IT, and "the business" (**see our latest shareholder letter**). And we're doing it in the cloud where we can deliver world-class technology at next-gen speed for our customers. We've built the momentum and agility to respond to what's happening – this sits on top of a long-term strategy that embeds social and environmental progress into everything we do.

Resilient business strategies for the win

Sustainability is just as important to us as the products we sell. Businesses can't thrive in broken societies or on a dying planet. Period.

We are entering an era where our employees and an increasingly activist workforce demand that businesses act on – not just pay lip service to – the major issues of the day (**see our Return to Action Report for more data and insights**).

Similarly, building and maintaining customer trust is critical to becoming a cloud-first company. This starts with investments in security, privacy, compliance, and reliability. But the past year has shown us that it is critical to have a clear position on how Atlassian respects human rights and makes ethical decisions that protect our customers and communities.

Finally, investors are asking us to be transparent in how we're managing environmental, social, and governance (ESG) issues as they assess Atlassian's ability to create long-term value.

Starting with a clear north star

Atlassian's values keep us grounded. Two values in particular, "don't f**k the customer" and "be the change you seek," underpin our responsibility to help create a thriving ecosystem from our 6,000+ employees, 200,000+ customers, millions of users, and tens of thousands of 3rd party developers. This is how we set ourselves up to be a successful business not just quarter over quarter, but for the long term.

Our sustainability pillars and accompanying beliefs keep us focused on the issues most material to Atlassian's business. Our first materiality assessment, led by BSR in 2018, gave us a solid foundation. But our operating environment is dynamic, so we conduct a quarterly emerging trends assessment to identify new issues relevant to our four pillars and look for where issues intersect with each other.
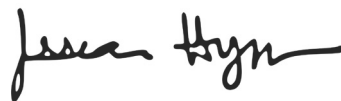
Putting in the hard yards

A fair critique of sustainability programs is that they can be (and too often, are) a lot of talk with no action. A net-zero emissions goal may grab headlines, for example. But whether the company actually pulls it off remains to be seen. Atlassian is committed to walking the walk, not just talking the talk.

We take a progress-over-perfection approach to sustainability. That means starting with ambitious long-term goals. To hold ourselves accountable, we'll provide a progress update for the year so that we can be clear about our velocity and honest about what's working and what's not (because "open company, no bullshit" is also one of our values).

The most important commitment we've made as a team is to do the work first and then talk about it. This means you won't hear about the actions we're taking until they're already underway. No empty promises. No B.S. Our path to achieving our goals won't always be straight up and to the right. But we will stay committed to the work, our customers, employees, planet, and investors as we build a resilient Atlassian and thriving communities.

Jessica Hyman
Head of Strategy and Sustainability

San Francisco, California, October 2021

Governance | Accountability & collaboration

We believe the best way to drive an effective sustainability program is to work as one Atlassian team. That's why we've integrated our sustainability initiatives into the business.

Starting at the top, our founders/co-CEOs Mike and Scott meet with the head of sustainability quarterly to provide input and track progress against goals. We are exploring our approach to board engagement in fiscal year 2022.

Our Head of Sustainability, Jessica Hyman, reports to Chief Administrative Officer and General Counsel, Erika Fisher. Erika sits on our executive team and manages the relationship with our Board of Directors. The Head of Foundation, Mark Reading, reports to the founders.

Sustainability Team
(As of June 30, 2021)

```
        ┌──────────────────┐      ┌──────────────────┐
        │  Co-CEO (Scott)  │      │  Co-CEO (Mike)   │
        └──────────────────┘      └──────────────────┘
                 │                          ┊
        ┌──────────────────┐                ┊
        │       CAO        │ ┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┊
        └──────────────────┘                ┊
                 │
    ┌──────────────────────────────────┐
    │   Head of Strategy and           │
    │   Sustainability                 │
    └──────────────────────────────────┘
         │            │            │
┌────────────────┐ ┌────────────────────┐ ┌────────────────────┐
│ Head of        │ │ Senior Program     │ │ Senior Program     │
│ Diversity,     │ │ Manager, ESG       │ │ Manager,           │
│ Equity and     │ │ Reporting and      │ │ Climate            │
│ Inclusion      │ │ Human Rights       │ │                    │
└────────────────┘ └────────────────────┘ └────────────────────┘
     │       │
┌──────────┐ ┌──────────────┐
│ DEI      │ │ DEI          │
│ Program  │ │ Partnerships │
│ Manager  │ │ Manager      │
└──────────┘ └──────────────┘
```
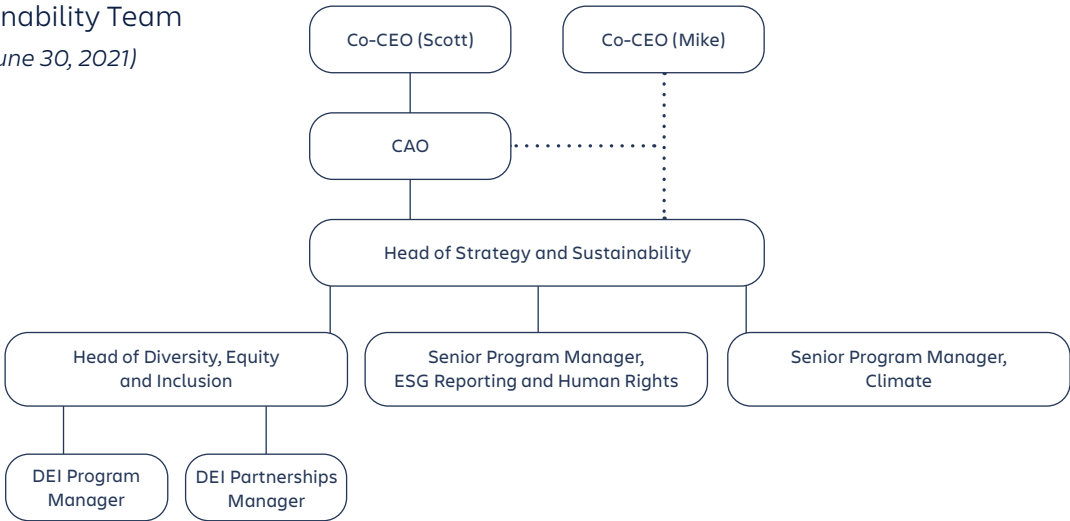
Governance | Working groups

The Sustainability team is responsible for separating the signals from the noise and uniting teams across our business. This team is lean by design, focusing on collaboration with groups driving operational change within Atlassian.

To achieve this, we've organized issue-specific working groups:

Planet

Our climate working group includes team members from Sustainability, Treasury, Procurement, Risk, Policy, Foundation, Workplace Experience, and Real Estate. Group members are pulled into climate projects and consult with each other as needed on data collection, sustainable building, supplier engagement, climate-related risk, employee engagement, and policy advocacy.

People

Our DEI working groups include team members from Sustainability, Legal, IT, Talent Acquisition, Talent Management, HR Business Partners, Total Rewards, Workplace Experience, and Policy. They organize into sub-squads focused on each pillar of our strategy: diversity, equity, inclusion, and influence.

Customers

Our human rights working group includes team members from Sustainability, Policy, Privacy, Commercial Legal, and Risk. They focus on integrating a human rights approach across Atlassian and tracking progress against work led by each team.

Community

Our sustainability and policy working group as well as our crisis response working groups include the full Sustainability and Policy teams as well as members from Risk, Communications, Foundation, and other subject matter experts from across the business as needed. This group adapts as needed to respond to issues like voter engagement or local issues in the communities where we have team members.

Governance

Our reporting working group includes the Sustainability, Investor Relations, Communications, and Marketing teams. This group analyzes internal and external factors, stakeholder needs, and brand positioning to build out a more open and authentic sustainability report for our investors.

Governance | Policy initiatives

To advocate for our values before governments and public agencies, we also work closely with the Policy team on a variety of initiatives. These are some of the positions and activities Atlassian signed its name to in fiscal year 2021.

Planet

Policy efforts throughout the year focused on pushing for net-zero aligned commitments in the U.S. (**America's All In statement**, **Corporate COVID relief and renewable energy statement**) and Australia (**Zali Steggal Private Member's Climate Change Bill**).

People

We supported DEI-related policy in the U.S. and Australia that advances equity for people of color (supporting government funding to historically black colleges and universities), immigrants (supporting the reintroduction of the **DREAM Act** and **bipartisan immigration reform**), the LGBTQIA+ community (**Fulton v. City of Philadelphia amicus brief**, opposition to **state anti-transgender laws**), parents and caregivers (support of **U.S. paid leave policy**, and First Nations people (submission to **Uluru Statement of the Heart consultation**).

Customers

Our Policy team published **Atlassian Principles for Sound Tech Policy** and called for a **more harmonized approach** to (much needed) tech regulation as well as engaging on reforms to specific policies, such as the Australian **Critical Infrastructure Bill** on cybersecurity, **Australian Privacy Act**, and **AU Assistance & Access Act** on government access.

Community

This was the first year we advocated for civic engagement in the U.S. (joining **Civic Alliance** and **ElectionDay.org**). We also advocated for the protection of voting rights (**Civic Alliance** and **Fair Elections Texas**) and the peaceful transition of power (**Civic Alliance**).

Governance | A note from Investor Relations

Our governance structure allows us to take a long-term view. We believe that meaningful, lasting progress means aligning Atlassians to our long-term goals.

Collectively, all active employees own over 48% of total shares outstanding, as of the end of fiscal year 2021. founders and co-CEOs Mike Cannon-Brookes and Scott Farquhar are the largest owners and collectively own approximately 89% of the voting power due to our dual-class share structure. We believe this dynamic gives us a competitive advantage because it ensures we can stay true to our values and drive sustainable, responsible business practices that will make us more successful in the long run.

We acknowledge that our viewpoint on dual-class shares is counter to many public-company watchers and sustainability rating agencies, who see it as a potential barrier to accountability and acting in the best interest of all shareholders. But we are unabashed in our belief that having a dual-class structure is important for maintaining a long-term mindset.

Mike and Scott's strong voting power means that we don't have to succumb to short-term market pressures. Rather, we can make long-term decisions and purposeful investments to pursue opportunities that will benefit our customers, employees, communities, planet, and ultimately, our shareholders. We are also grateful that Mike and Scott take their duties as shareholders seriously: they understand that Atlassian's success and potential to create lasting impact are directly proportional to how successful our business can be over the long term.

Appendix

Appendix

A note regarding forward-looking statements:

This report includes forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent our management's beliefs and assumptions only as of the date such statements are made, and we disclaim any obligation to update or revise them should they change or cease to be up-to-date.

Further information on these and other factors that could affect the company's financial results is included in filings we make with the Securities and Exchange Commission from time to time, including the section titled "Risk Factors" in our most recent Form 20-F and quarterly Form 6-K.

Appendix | Planet

- ● FY19 MWh BASELINE
- ● FY20 MWh CONSUMED
- ● FY21 MWh CONSUMED
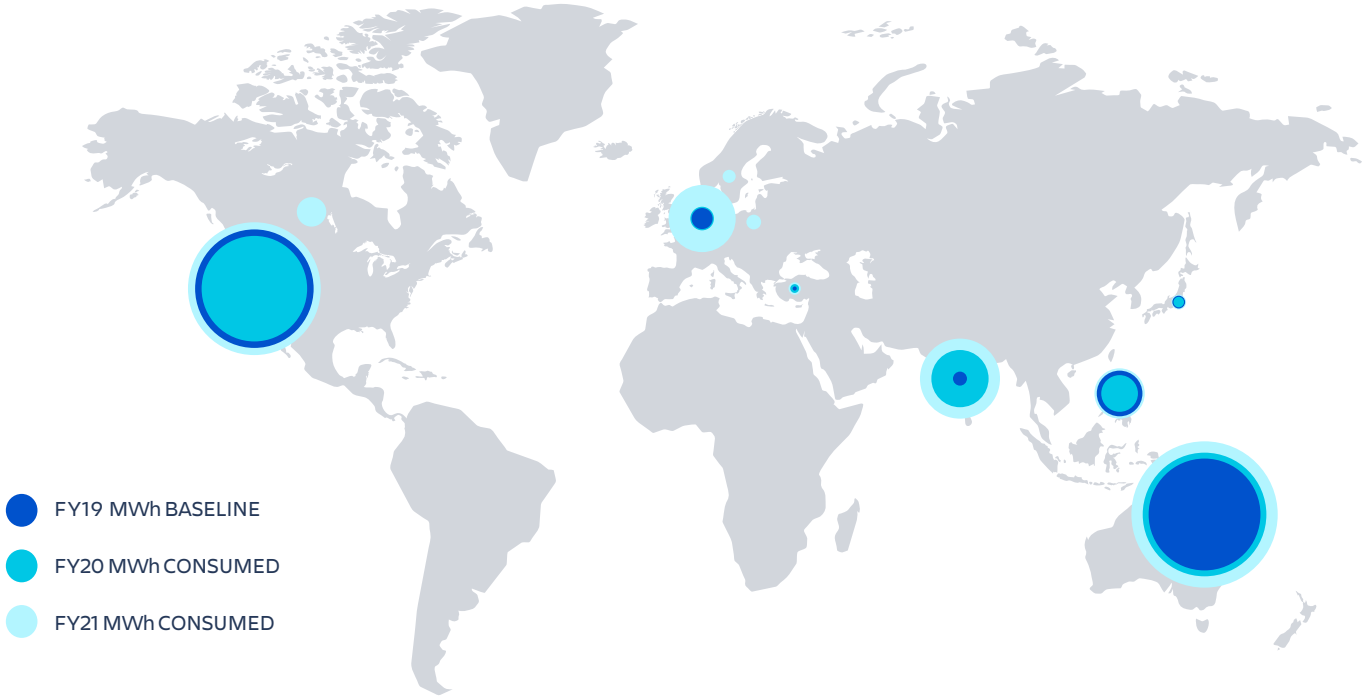
FISCAL YEAR 2019-2021 ELECTRICITY DATA[1]

Energy Consumption (MWh) vs. Renewable Electricity Matched (EAC per MWh)

	FY19 MWh (BASELINE)	FY20 MWh CONSUMED	FY20 MWh EACS	FY21 MWh CONSUMED	FY21 MWh EACS
Australia	1,259	1,337	1,647	1,044	1,977
India	59	644	901	51	1,070
Japan	57	47	58	10	70
Netherlands	292	296	933	250	1,120
Philippines	514	413	520	201	623
Turkey	31	66	93	22	111
US	1,334	1,188	1,495	1,025	1,059
Canada (new 2021)	–	–	–	124	124
Poland (new 2021)	–	–	–	59	59
Sweden (new 2021)	–	–	–	39	59
TOTAL MWh	**3,548**	**3,991**	**5,647**	**2,825**	**6,252**

Appendix | Planet

FISCAL YEAR 2019-2021 | Scope 1 Emissions Data in tons CO2e [2]

CATEGORY	FY19 *TONS CO2E*	% OF TOTAL	FY20 *TONS CO2E*	% OF TOTAL	FY21 *TONS CO2E*	% OF TOTAL
Natural	117.8	–	186.8	–	41	–
Diesel	1.6	–	88.1	–	0	–
SCOPE 1	**119.4**	0.14%	**274.9**	0.4%	**41**	0.1%

FISCAL YEAR 2019-2021 | Scope 2 Emissions Data in tons CO2e [2]

CATEGORY	FY19 *TONS CO2E*	% OF TOTAL	FY20 *TONS CO2E*	% OF TOTAL	FY21 *TONS CO2E*	% OF TOTAL
Fugitive emissions *not covered by RECs*	146	–	201	–	211	–
Purchased electricity *covered by RECs*	1,940	–	2,308	–	1,357	–
Purchased heating *not covered by RECs*	394	–	492	–	423	–
Colocation datacenters *covered by RECs*	78	–	78	–	33	–
Scope 2 market-based Total before RECs	2,559	–	3,079	–	2,024	–
SCOPE 2 Market-based total w/ RECs	**2,559**	2.92%	**693**	0.9%	**634**	0.9%
Avoided emissions	0	–	2,386	–	1,390	–

Appendix | Planet

FISCAL YEAR 2019–2021 | Scope 2 Emissions Data in tons CO2e [2]

CATEGORY	FY19 TONS CO2E	% OF TOTAL	FY20 TONS CO2E	% OF TOTAL	FY21 TONS CO2E	% OF TOTAL
Fugitive emissions	146	–	201	–	211	–
Purchased electricity	1,887	–	2,328	–	1,393	–
Purchased heating	394	–	492	–	423	–
Colocation datacenters	78	–	78	–	33	–
SCOPE 2 Location-based total	**2,505**	–	**3,099**	–	**2,060**	–

FISCAL YEAR 2019–2021 | Scope 3 Emissions Data in tons CO2e [2]

	FY19	% OF TOTAL	FY20	% OF TOTAL	FY21	% OF TOTAL
Purchased Goods and Services	44,214	50.4%	52,376	69.2%	58,152	84.6%
Capital Goods	11,968	13.7%	7,832	10.3%	5,608	8.15%
Fuel and energy	573	0.7%	605	0.8%	614	0.89%
Transportation	92	0.1%	74	0.1%	64	0.09%
Waste	124	0.17%	298	0.4%	16	0.02%
Business travel	21,702	24.8%	8,320	11.0%	97	0.14%
Commuting	6,308	7.2%	5,216	6.9%	177	0.26%
Work From Home* (within Commuting)	(within Commuting)	–	(within Commuting)	–	3,365	4.9%
Leased Assets	31	0.04%	25	0.03%	13	0.02%
SCOPE 3 Upstream Total	**84,982**	96.95%	**74,721**	98.7%	**68,106**	99.0%

* In prior years emissions from employees working from home was included in Commuting.

Appendix | Planet

Notes on the data

1. Electricity usage:

• Reductions in electricity consumption were largely due to COVID-19 office closures in FY21.

• Only locations in Australia were open, though not the entire year and not at full capacity.

• EACs are purchased in advance, therefore estimates were based on a pre-COVID scenario.

• Locations acquired during the course of FY21 were "trued-up" after the end of the fiscal year.

2. Scopes 1–3:

• No diesel usage in FY21 due to office closure in India.

• According to the **Greenhouse Gas Protocol**, working from home (WFH) and/or remote work emissions can be voluntarily reported within category 7, Commuting. We have voluntarily reported WFH emissions within Commuting since FY19 and are breaking them out in FY21 for improved transparency.

• Business travel-related emissions were significantly reduced due to the global pandemic and travel restrictions. We can't take credit for the reduction.

Additional disclosures

ATLASSIAN'S VALIDATED SCIENCE-BASED TARGETS

• Atlassian commits to reduce absolute scope 1 and 2 GHG emissions by 50% by FY2025 from a FY2019 base year.

• Atlassian commits to increase annual sourcing of renewable electricity from 15% in FY2019 to 100% by FY2025.

• Atlassian also commits to reduce absolute scope 3 GHG emissions from business travel 25% over the same target period.

• Atlassian further commits that 65% of its suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by FY2025.

• The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C. The renewable energy procurement target covering scope 2 emissions is consistent with reductions required to keep warming to 1.5°C.

Atlassian's official Science Based Targets can be found at **sciencebasedtargets.org**.

Appendix | Planet

Memberships and collaborations

- **Business Council on Climate Change**

- **Renewable Energy Buyers Alliance**

- **Business Renewables Center**

- **RE100**

- **Science Based Targets Initiative**

Data sources

- Atlassian measures and reports our scope 1-3 greenhouse gas emissions in compliance with the GHG Protocol Corporate Standard and SBTi. All emissions calculations are conducted by an independent third party.

- Scope 1 and 2 data are collected through utility bills. Unavailable data is estimated based on the average consumption per square meter.

- Scope 3 data is reported through various internal systems (suppliers, expenses, business travel, etc.).

- Energy Attribute Certificates are purchased and retired for us by an independent third party.

Appendix | People

GLOBAL GENDER REPRESENTATION | Atlassian Team

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
Women overall	32.1%	31.2%	36.3%	32.2%
Women in technical roles	23.4%	20.6%	29.7%	22.5%
Women in non-technical roles	45.1%	46.3%	45.3%	46.5%

GLOBAL GENDER REPRESENTATION | Leadership

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
Women in senior leadership	40.0%	31.9%	46.0%	34.3%
Women on board of directors	N/A	22.2%	N/A	22.2%
Women on executive team	100%	30.8%	N/A	27.3%

U.S. RACE AND ETHNICITY REPRESENTATION | Atlassian Team

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
White	43.9%	54.6%	49.4%	53.1%
Asian	41.5%	31.4%	35.1%	32.3%
Hispanic or Latinx	6.9%	5.9%	4.1%	5.7%
Black or African American	2.8%	2.6%	3.4%	3.0%
American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander	0.6%	0.4%	0.5%	0.4%
Two or more races	2.6%	3.2%	4.1%	3.3%
Decline to state	1.6%	1.8%	3.4%	2.1%

Appendix | People

U.S. RACE AND ETHNICITY REPRESENTATION | Technical Roles

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
White	36.0%	49.0%	41.8%	46.3%
Asian	54.2%	39.2%	48.6%	42.1%
Hispanic or Latinx	3.6%	4.1%	4.1%	4.4%
Black or African American	1.6%	1.6%	0.7%	1.5%
American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander	0.0%	0.1%	0.0%	0.1%
Two or more races	2.8%	4.1%	3.1%	3.6%
Decline to state	2.0%	1.9%	1.7%	2.0%

U.S. RACE AND ETHNICITY REPRESENTATION | Senior Leadership Roles

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
White	64.0%	64.6%	58.8%	64.2%
Asian	28.0%	29.9%	20.6%	24.4%
Hispanic or Latinx	0.0%	1.4%	0.0%	3.4%
Black or African American	8.0%	2.1%	2.9%	2.3%
American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander	0.0%	0.7%	2.9%	1.1%
Two or more races	0.0%	0.7%	0.0%	1.1%
Decline to state	0.0%	0.7%	14.7%	3.4%

Appendix | People

U.S. RACE AND ETHNICITY REPRESENTATION | Executive Team

GROUP	FY20 HIRING RATE	EOY REPRESENTATION	FY21 HIRING RATE	EOY REPRESENTATION
White	100.0%	88.9%	N/A	80.0%
Asian	0.0%	0.0%	N/A	0.0%
Hispanic or Latinx	0.0%	0.0%	N/A	0.0%
Black or African American	0.0%	0.0%	N/A	0.0%
American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander	0.0%	11.1%	N/A	20.0%
Two or more races	0.0%	0.0%	N/A	0.0%
Decline to state	0.0%	0.0%	N/A	0.0%

U.S. RACE AND ETHNICITY REPRESENTATION | Board of Directors

GROUP	FY20 REPRESENTATION	FY21 REPRESENTATION
White	55.6%	55.6%
Asian	0.0%	0.0%
Hispanic or Latinx	11.1%	11.1%
Black or African American	0.0%	0.0%
American Indian, Alaska Native, Native Hawai'ian, or other Pacific Islander	0.0%	0.0%
Two or more races	11.1%	11.1%
Decline to state	22.2%	22.2%

Appendix | People

GLOBAL AGE REPRESENTATION | Atlassian Team

GROUP	FY20 HIRING RATE	FY20 REPRESENTATION	FY21 HIRING RATE	FY21 REPRESENTATION
20s	35.2%	23.8%	37.1%	23.3%
30s	48.3%	52.7%	45.2%	52.9%
40s	13.9%	19.2%	14.3%	19.3%
50+	2.5%	4.3%	3.4%	4.5%

Notes on the data

- Analysis includes full-time employees who were employed on the last day of the fiscal year (for this reporting cycle, June 30, 2021).

- Hiring rate (new hires) includes external candidates only (i.e., excludes internal transfers and promotions).

- Senior leadership roles are defined as the four manager levels and three individual contributor levels below CEO (in addition to CEO).

- Technical roles are defined by job family, rather than role. Therefore, a technical worker on a non-technical team is coded as non-technical, and a non-technical worker on a technical team is coded as technical.

- Gender data is self-reported binary gender for insurance purposes. In future reports, we plan to use self-reported gender beyond the binary.

- Race/ethnicity data is self-reported. A few other notes:

  - Prior to July 2021, all Atlassians were allowed to select only one race/ethnicity option (White, Asian, Black, Latinx, American Indian/Alaska Native/Hawai'ian, or other Pacific Islander, or Decline to Respond).

  - In July 2021, Atlassians were invited to respond to this question with expanded, multiple-select options. However, due to data infrastructure limitations, only the first ethnicity selected is included in this analysis. 15% of full-time U.S. employees have missing ethnicity information and therefore are excluded from race/ethnicity analysis.

  - Because Atlassians are allowed to update their demographic information at any time, and analysis is conducted using the most current demographic information, historical data from the FY20 and FY21 reports may differ.

Appendix | People

Additional disclosures

EQUITY BY DESIGN: PERFORMANCE AND COMPENSATION

We know annual performance and compensation reviews hold significant opportunities for bias, and that bias can compound at each step in the process. It's our responsibility to ensure each program is designed to produce the fairest results possible, which requires us to check our outcomes. So, we redesigned our performance review process with anti-bias in mind several years ago, but that was only a single piece in a much bigger body of work.

We've partnered with our Talent team and **Paradigm**, a DEI consulting firm specializing in bias mitigation, to review each program and policy to prevent biases from surfacing in our annual review process. Paradigm provided our Talent team with written feedback on its strengths and areas for improvement in each program (performance assessments, promotions, key manager training materials, and calibration), backed up by research. The team then worked closely with Paradigm to iterate on each program with an eye toward designing bias out.

We've kept a log of the bias mitigation interventions implemented in this year's review process so that we can measure the effectiveness of each intervention and inform future program design. Once the review cycle is complete, we'll be working with external data experts, **Trusiac**, to audit our performance, promotion, salary, bonus, and equity to ensure that we have no outcome gaps across demographic lines.

Appendix | People

OUR APPROACH TO SETTING HIRING GOALS

In fiscal year 2021, we took a first pass at setting aspirational hiring goals for underrepresented groups to help us focus on increasing the diversity of candidates in our applicant pool. These are not quotas or targets but high-level goals co-owned by the People Team and Atlassian leaders to move us in the right direction at a pace we can be proud of.

We consider these goals to be a "minimum viable product," or MVP, that we'll iterate on as we gather new information. While we've since created the infrastructure to collect better data, at the beginning of fiscal year 2021 we didn't have any candidate demographic information to help us track the diversity of our candidate pool, nor did we collect demographics internally other than binary gender (male/female) and age globally, and race/ethnicity in the U.S.

So, we had to do some guesswork to set MVP goals that could give us a sense of the right direction. Our DEI, Talent Acquisition, People Analytics, and HR Business Partner teams came together to use the data we had at the time, an analysis of the talent market, and our estimated fiscal year 2022 open headcount. The team then distributed the goals across functions, levels, and geographies based on that same data.

Fiscal year 2022 will be about building our pipeline of underrepresented candidates and testing our processes so that we can take a data-driven approach to improving and evolving our goals.

Note that we're starting our MVP goals with a few of the underrepresented demographics we've historically collected, prioritizing those for which strong market data is available. It's far from the nuanced, intersectional approach we know this work deserves and doesn't reflect the fullness of some of our more targeted efforts to reach underrepresented groups - particularly those from Indigenous and First Nations communities. The point of this effort is to build our underrepresented sourcing capabilities while we improve our data collection practices to be more global and inclusive. We will continue to evolve our goals as we learn, have better internal data, and mature the work.

- Increase representation of women globally:
  - Fiscal year goal 2022: 41%
- Increase representation of underrepresented people of color:
  - US-based Black Atlassians
    - Fiscal year goal 2022: 10%
  - US-based Hispanic or Latinx Atlassians
    - Fiscal year goal 2022: 15%

Appendix | People

Memberships and collaborations

Historically, our approach to memberships, partnerships, and opportunities for recognition has been ad hoc. We are working on a partnership framework in fiscal year 2022 to make sure we can invest meaningfully and in service of our goals across Diversity, Equity, Inclusion, and our policy work. In fiscal year 2021, we took a step back from investing in a broad range of new partnerships and instead sought new pilot programs, from hosting interview workshops to a series of talks for Atlassians with an artists' collective on reimagining inclusion and "taking up space" in a remote-first world.

Below are some of the organizations we worked with:

- **/dev/color**
- **Thurgood Marshall Scholarship Fund**
- **Anita Borg Grace Hopper Celebration**
- **Afrotech**
- **Lesbians Who Tech**
- **Bulk Space**

Data sources

- Workforce data was based on demographic data and categories in Workday, some of which are self-reported, and reviewed by our People and Talent Acquisition Analytics teams.
- DEI budget data was reviewed by our Finance team.

Appendix | Customers

Policies, principles, and approaches

Below, we link to some of the documentation detailing our approach to trust, privacy, security, and compliance. Like all Atlassian policies, they are reviewed at least annually and updated as needed.

Privacy

- **Privacy homepage**
- **Privacy Principles**
- **Privacy policy**
- **Privacy at Atlassian**
- **How we handle your data**
- **Manage your personal data privacy**
- **Intelligent Experiences**
- **Transparency Report**
- **Guidelines for Law Enforcement**

Trust and Security

- **Trust Center**
- **Security homepage**
- **Security practices**
- **External Security Testing**
- **Handling Security Incidents**
- **Bug Bounty Program**
- **Security Bugfix Policy**

Accessibility

- **Accessibility homepage**
- **Bitbucket Server and Data Center VPAT for Section 508 compliance**
- **Jira Server and Data Center VPAT for Section 508 compliance**
- **Confluence Server and Data Center VPAT for Section 508 compliance**

Acceptable Use, Compliance, and Ethics

- **Acceptable Use Policy**
- **Compliance homepage (including certifications, e.g. ISO, FedRAMP)**
- **Common Controls Framework**
- **Risk Management Program**
- **Modern Slavery Act transparency statement**
- **Business Code of Conduct and Ethics**
- **Third-party Ethics and Compliance Portal**
- **Supplier Code of Conduct**

Appendix | Customers

Bug bounty program

We continued our Bug Bounty program for our cloud products, server products, and Atlassian mobile applications.

- Through this program, we awarded USD$421,400 for 549 product vulnerabilities reported (vs. USD$302,000 for 521 product vulnerabilities in fiscal year 2020).
- Critical severity bugs represented 2% of all validated bugs (vs. 5.47% in fiscal year 2020).
- The top three categories of bugs were Broken Access Control (BAC), Cross-Site Scripting (XSS), and Broken Authentication and Session Management.

We also continued our Ecosystem bug bounty program, helping over 960 Marketplace apps improve their security.

- The program awarded USD$525,655 for 1144 ecosystem vulnerabilities reported (vs. USD$602,377 for 830 ecosystem vulnerabilities in fiscal year 2020).
- Critical bugs were 8.13% of the total number of bugs reported (vs. 13.3% in fiscal year 2020).
- The top three categories of bugs were Broken Access Control (BAC), Broken Authentication and Session Management, and Cross-Site Scripting (XSS).

Time to resolve bug fixes

Remediation times were maintained for accelerated security bug fixes (for cloud-based and Atlassian infrastructure), per our **Security Bug-Fix Policy**.

LEVEL	FY19	FY20	FY21
Low	No previous remediation time	25 weeks	25 weeks
Medium	8 weeks	6 weeks	6 weeks
High	6 weeks	4 weeks	4 weeks
Critical	4 weeks	2 weeks	2 weeks

# **Appendix** | Customers

Memberships and collaborations

- **Australian Information Security Association**

- **Cloud Security Alliance**

- **Information Security Forum**

- **International Association of Privacy Professionals**

- **Open Web Application Security Project**

- **FedRAMP**

- Member of **BSR**, as well as **BSR's Ethical Use for SaaS Companies**

- **Article One Roundtable on Human Rights and AI**

Data sources

- Bug bounty data was internally reported by our Security team.

Appendix | Community

Atlassian Volunteering Participation Rate (Year on Year) Comparison
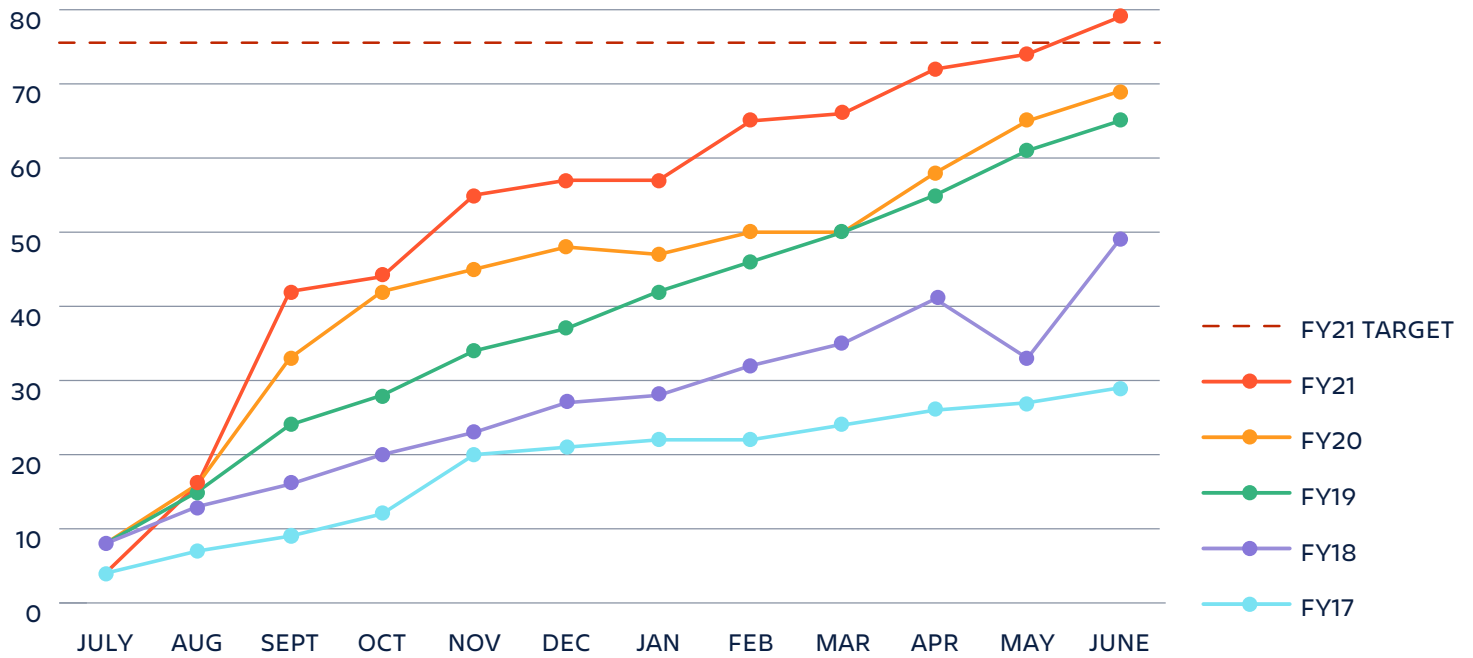
Links

- **Atlassian Foundation**
- **Pledge 1%**
- **Equity Pledge**
- **Community Licenses**
- **Engage4Good**

Data Sources

- Our Foundation team provided this data.

Appendix | Governance

Board of Directors

Members
9

Independent directors
78% (7 members)

Standing board committees
3

Separate CEO and Chair roles
Yes

Formal Board Diversity Policy
No

Sustainability formally considered at board/committee level
Not in fiscal year 2021, though it will in fiscal year 2022

See People Appendix for Board diversity data.

Company Facts

Customers	200,000+
Revenue	USD$2B
Free cash flow	USD$765M

Links

- **Sustainability Program**
- Past Sustainability Reports – see the bottom of our **Report page**
- **Fiscal year 2021 20-F report**
- **Code of Business Conduct and Ethics**
- **Investor Relations**
- **Corporate Governance**
- **Board of Directors**
- **Public Policy**

Data sources

Company facts and data were provided by our Investor Relations team and reflect information at the end of fiscal year 2021. See our **Investor Relations site** for the latest.