

UK GENDER PAY GAP REPORT

April 2024 - April 2025



UK Gender Pay Gap Report

Foreword from Kate Hayward



Our people are at the heart of our purpose to make life better for people in small businesses, their advisors and communities around the world.

With this in mind, we strongly believe in building a diverse and inclusive workforce that reflects the customers we serve, and the communities in which we operate. A huge part of that is ensuring that everyone, regardless of gender, feels valued, represented and rewarded fairly for the incredible work they do.

I'm pleased to share our 2024/25 UK Gender Pay Gap report, which shows positive momentum, with both our mean and median gaps improving. These results represent our intentional efforts to ensure gender equality is embedded in how we hire, develop and support women at Xero.

Whilst the data is encouraging, we know that gaps still exist which we are actively addressing through our FY27 representation goals. Our focus also extends beyond pay to the entire employee experience.

By embedding equity into every stage of the career journey from reducing bias in recruitment, to our thriving communities like our Women of Xero Employee Resource Group (ERG), we are building an environment where women can thrive, regardless of their role or ambition.

Our commitment to fostering a culture of belonging is an ongoing priority and is unchanged. Whilst our UK progress is encouraging, we are driven by a broader global commitment. We've set a global goal of 45% female representation across all levels by FY27, which we were just shy of in FY25 at 44%. However, in the UK specifically, we had 52.6% female representation in this reporting period (April 2024 - April 2025).

I am incredibly proud of the progress we've made this year. Looking ahead, we remain committed to monitoring and enhancing our practices to ensure every Xero employee is recognised and fairly rewarded for their contribution.

Declaration

I confirm that the information above is accurate and meets the requirements of the UK gender pay gap reporting regulations.

A handwritten signature in black ink, appearing to read 'Kate Hayward'.

Kate Hayward

Country Manager UK, Xero

About our gender pay gap reporting

This report looks at the period 5 April 2024 to 4 April 2025, with numbers drawn from April 2025 as required by UK Gender Pay Gap reporting.

Alongside our gender pay gap reporting, we also publish our global pay equity figures. We believe pay equity is one of the most impactful measures of ensuring fair pay for all and demonstrates a commitment to an equitable workplace.

We have included information about our pay equity in this report to provide some additional context about how we measure fair pay.



The **Gender Pay Gap** is the difference between the average hourly earnings for men and women, regardless of their roles.

The **mean** is an average, calculated by adding up employee pay for either men or women and dividing this by the total number of men or women employees. The mean gender pay gap is the difference between the mean figures for men and women. It includes both ordinary pay and bonus pay.

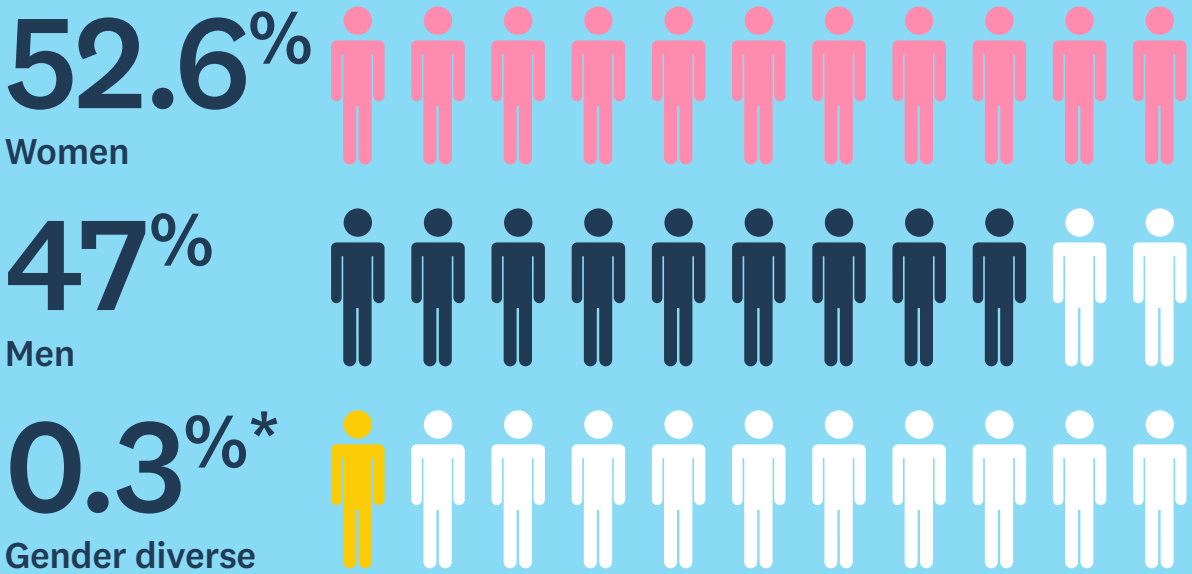
The **median** gender pay gap is calculated by listing all men employees' wages from highest to lowest, doing the same for women employees, and comparing the number that sits in the middle for each. The median pay gap is the difference in pay between those two figures. It includes both ordinary pay and bonus pay.

Gender pay equity compares employee pay to the market for people who are performing the same role, or different work of equal or comparable value.

Xero's gender pay gap in the UK

We've seen positive momentum across all our key metrics this year. Our mean gender pay gap fell from 12.2% to 9.6%, while the median pay gap saw an even sharper decline, dropping from 7.8% to 4.6%. We also saw improvements in bonus pay, where both the mean and median bonus gaps decreased.

The makeup of Xero's UK workforce



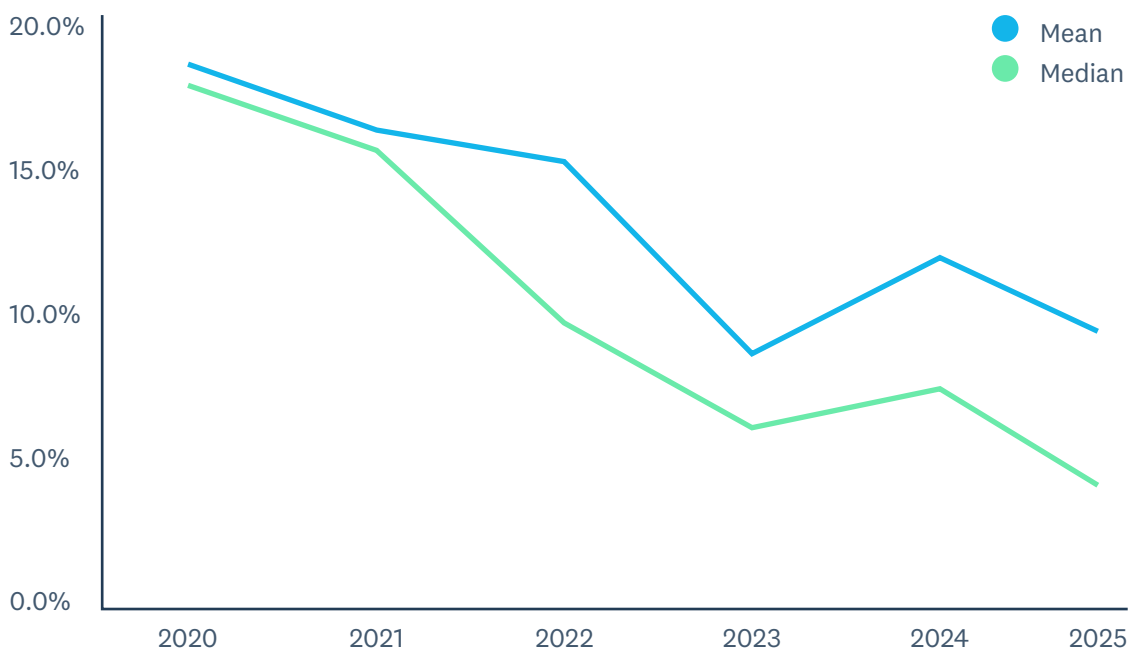
*While the official gap percentages are calculated using the statutory binary requirements, Xero chooses to represent its full workforce diversity in its internal charts.

	Women 2025	Men 2025	Percentage gap
Mean hourly rate	£35.04	£38.76	9.6%
Median hourly rate	£28.82	£30.20	4.6%

Change in Xero's gender pay gap over six years

Since our first UK report in 2020, our mean and median hourly gaps have narrowed by 9.2% and 13.6% respectively. This trajectory is the result of a sustained, systemic focus on gender equality across our core processes which includes recruitment, pay equity reviews, and inclusion training. These deliberate steps have created a more equitable pay landscape for our UK employees.

Change in our gender pay gap over the last 6 years



Our analysis shows that the remaining gap is primarily driven by representation, specifically the higher proportion of men in our most senior positions. While this relatively small number has a significant impact on our overall figures, it only tells one part of the story. We are encouraged by the steady growth of women within

our upper and upper-middle pay quartiles, alongside a corresponding decrease in the lower quartile.

These trends confirm that our targeted efforts are having a positive impact, and we remain committed to ensuring a more equitable distribution of talent at every level.

Pay quartile	Women 2025	Women 2024	Men 2025	Men 2024
Lower quartile	54%	55.2%	46%	44.8%
Lower middle quartile	54.4%	51.6%	45.6%	48.4%
Upper middle quartile	59.9%	57.6%	40.1%	42.4%
Upper quartile	43.1%	41.1%	56.9%	58.9%

Bonus and incentives

At Xero, bonus payments can be made up of commission, short-term incentives (STIs) and long-term incentives (LTIs) which are usually made up of Xero shares. This year, the percentage of women at Xero in the UK receiving a bonus significantly increased since the previous year (94.7% vs 88%) and is now higher than the percentage of men receiving a bonus (90%). This is due to there being more women eligible to receive their shares or LTI at the time of either grant or vest.

Our **mean bonus pay gap** has decreased to 13.3% from 21.5%. This gap exists because roles that have higher-earning salary brackets, which have a higher proportion of men, receive higher Long-Term Incentives (LTI) and Short Term Incentives (STI).

Our **median bonus pay gap** has shifted to -10.2%. This 'reverse gap' means that the median bonus for women was 10.2% higher than that of their male counterparts. This trend is largely driven by stronger retention rates amongst our

female employees; they were more likely to reach the vesting milestones for shares and incentives, directly benefiting from our commitment to rewarding sustained contribution.



Our commitment to fair pay for all

Xero is committed to equal pay for equal work and rewarding our people fairly. To demonstrate our commitment to creating an equitable workplace, we voluntarily publish details of gender pay equity alongside our gender pay gap figures in this report.

A gender pay gap is different to pay equity and it is important to consider both measures. Pay gaps do not include any consideration of the roles that individuals are in. Pay gaps can also be impacted by the number of men or women an organisation has at different levels or in different roles.

Globally, we're pleased to report that our median gender pay equity gap is less than 1% in favour of women.

We have put in place programmes to safeguard gender pay equity by addressing the factors that can lead to disparity, including:

Inclusive hiring and talent attraction

- **Diverse candidate slates and panels:** To reduce bias and drive inclusion, we have implemented the Inclusive Slate Rule across all UK roles. The Inclusive slate rule is anchored in using data to understand accessibility, ensuring we are removing potential blockers and mitigating bias throughout talent selection.
- **New hire and functional analysis:** We conduct ongoing analysis of new hires at a functional level to mitigate gender bias in hiring for any given role.
- **External partnerships:** We partner with organisations like the Women in Tech forum to help create a pipeline and attract more women to apply for technical roles.
- **Internal development:** We advocate for internal progression and within this period, women made up 40% of all promotions.

Equitable remuneration and review

- **Structured compensation:** We maintain a rigorous compensation structure designed for fair pay for every role. Our leaders have access to benchmarking data to ensure pay consistency across functions and levels.
- **Bi-annual salary reviews:** We conduct deep-dive salary reviews every six months, utilising insights and reporting to ensure we proactively identify and address disparities.

- **Leader education and enablement:** Ahead of every remuneration review, we provide dedicated training for our leaders to help them make objective, data-backed decisions that are free from unconscious bias

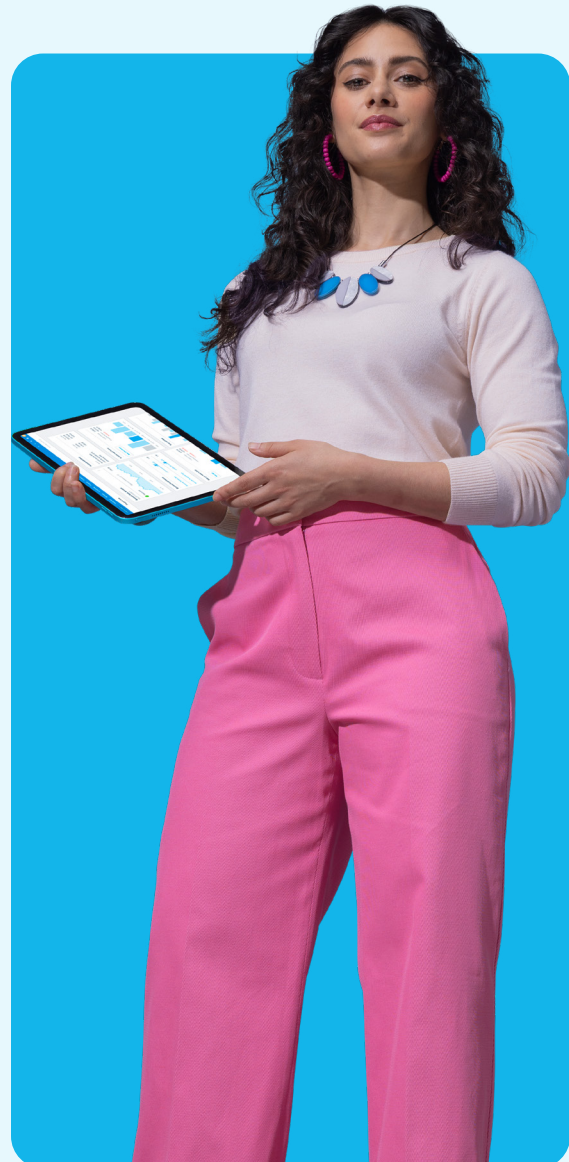
Supportive practices & culture

- **DIB principles:** Our Diversity, Inclusion and Belonging policy formalises our commitment to equal pay for equal work and fair remuneration for all.
- **Parental leave equity protections:** Our parental leave policy ensures that those on parental leave are not financially disadvantaged and remain included in all remuneration, performance, and promotion cycles whilst they are on leave.
- **Respect and responsibility:** We provide comprehensive training to all employees, which fosters a culture of anti-discrimination and ensures everyone understands their rights and responsibilities regarding equal opportunity.
- **Transparency:** We believe in being open with our people. We share our gender pay equity analysis results internally, providing clarity on how we measure fair pay and the concrete actions we are taking to close the gap.

Continuous Learning

- **Unconscious bias training:** We provide a comprehensive suite of learning programmes in the UK, including a dedicated module that helps our people understand and actively interrupt unconscious bias in their daily work.

- **Inclusive leadership:** Our dedicated training programme builds the capability of our people leaders to demonstrate inclusive behaviours, use inclusive language, and facilitate safe, open conversations within their team.
- **Shared experiences:** We host regular forums where our employees can share personal stories on diversity and inclusion. These sessions increase empathy and awareness ensuring that belonging is a lived experience at Xero.



Representation, Inclusion & Belonging

At Xero, we believe representation, inclusion and belonging are fundamental to attracting top talent, empowering our people to thrive, while also helping us to drive better customer outcomes and innovate successfully.

Cultivating a sense of inclusion means we embrace and celebrate the unique experiences, backgrounds, ideas, skills and perspectives of all people at Xero, recognising that these differences fuel our ability to innovate.

We recognise that diversity is continually evolving encompassing both visible or invisible differences from ethnicity, disability and gender identity to work styles and life experiences.

Whilst representation ensures these differences are present, inclusion ensures they are respected, valued, understood and supported. We are committed to fostering an environment where every employee feels a sense of belonging and fairness. This culture of inclusion helps to ensure our people can contribute to their best work and drive the future of Xero.

Our approach to representation, inclusion and belonging is summed up in our six key principles:

- 01** We value representation because it reflects and serves our customers and ensures our people thrive
- 02** We're all accountable in creating an inclusive culture
- 03** We're committed to attracting diverse talent and hiring fairly
- 04** We support flexible ways of working
- 05** We're committed to equal pay for equal work
- 06** We have an obligation to champion diversity and inclusion in the community

We report annually on our progress against the measurable objectives for diversity approved by the Xero Board. For information about our progress against our objectives, see our most recent Sustainability Report (FY25). Our FY26 Sustainability Report will be released on 14 May 2026.

We recognise that the experiences of women are not uniform, and our FY27 goals include a focus on intersectional identities to build on Xero's commitment to transparency and inclusion.

Driving inclusion and community through ERGs

Our Employee Resource Groups (ERGs) are the heartbeat of our inclusion efforts. Two thirds of Xero's UK employees (67%) are part of at least one ERG.

The Women of Xero ERG is a cornerstone of this community supporting the equality of women at Xero and beyond, and is a safe space where women and allies come together as a community to learn, grow and advocate for women. Women of Xero inspires discussion around women's experiences, facilitates professional development opportunities, and drives awareness around women's issues. Some recent highlights include:

- Collaborating with female founded brand Peachaus to offer expert bra-fitting services across our three UK offices highlighting the importance of women's physical wellbeing while supporting a female-led business.
- Held a Breast Cancer Awareness day across our UK offices including an educational webinar on breast cancer prevention, and driving donations for Cancer Research UK.
- Coordinated International Women's Day internal awards to celebrate the contributions of women and allies driving positive change within Xero.



Reaching more talented women in the tech industry

In 2025, we became a [Silver Partner with the Women in Tech forum](#). This partnership helps us attract and retain diverse talent while supporting women to accelerate their careers in tech. Being part of this network is a key part of our journey towards becoming a gender-balanced organisation and reaching our goal of 45% female representation across all levels by the end of FY27.

Through our collaboration with the Women in Tech forum, we are creating tangible opportunities for women employees to share their expertise and build their leadership roadmaps. Recent highlights include:

Employee spotlight videos:

1. [Interview with Elloise Przybylo, Senior Product Manager](#)
2. [Interview with Emily Wright, Lead Software Engineer](#)
3. [Interview with Amie Close, Senior Sales Manager](#)

Xero UK MD Kate Hayward participated in a panel called 'Your Roadmap to Leadership' for the WiTf network, and Women of Xero hosted watch parties in our UK offices for employees.

Since partnering with the WiTf, more than 7,600 professionals have engaged with Xero either through the company page, partner content or job postings.



Breaking down barriers in the small business community

At Xero we believe starting a small business should be a universal right, not a privilege. We are committed to empowering everyone, regardless of their starting point, to achieve their entrepreneurial dreams.

Our research shows that a quarter of women (25%) in small businesses who we surveyed believe they do not have the skills to manage crucial aspects of their business finances. Women are also more likely to say that they are 'not a numbers person' (32%), compared to men (22%).

Xero is on a mission to boost financial skills and has launched a free financial literacy programme called Unlock Your Numbers to give everyone – especially those who may have faced barriers to financial literacy – the opportunity to learn the basics.

Xero is also a proud supporter of The Maple Review, an independent, government-backed initiative run by Small Business Britain, aimed at dismantling barriers to entrepreneurship. These barriers include lack of access to networks, financial resources, and education, and are often faced by women and other underrepresented groups.

As well as being the sole sponsor for The Maple Review, Kate Hayward (UK Managing Director, Xero) sits on the steering committee, bringing her own professional and personal experience to the table. We've also fed in evidence from the groundbreaking Xero Financial Confidence Taskforce to inform the recommendations.



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