



# 03 Sustainability

Through its **sustainability strategy**, Heartland is committed to **sustainable practices** that not only minimise its environmental footprint, but also make **positive contributions** to its communities and **enrich the lives** of its people and customers.



## Environment

- › Support the just transition to a net-zero economy.



## People

- › Create a pathway and place for Heartland's people to grow, thrive and be empowered to achieve Heartland's goals as one team.
- › Care for the communities Heartland operates in.
- › Care for Heartland's customers.



## Financial wellbeing

- › Support the financial wellbeing of Heartland's customers and communities.



# Environment

Heartland’s environmental sustainability strategy is underpinned by three key pillars. Together, these help Heartland fulfil its commitment to supporting the just transition to a net-zero economy.

- 1. Integrate climate risk into lending decisions.
- 2. Fund Heartland’s borrowers’ transition to a net-zero economy.
- 3. Embed sustainability into what Heartland does.

In FY2025, Heartland continued to strengthen its capability to assess and manage climate-related risks by incorporating climate considerations into credit risk and lending practices for its larger customers. It also continued to support its customers by funding low-emission vehicles through Heartland Bank’s Motor Finance portfolio. Heartland remains focused on reducing its own emissions, having set new science-aligned targets to further lower its operational footprint by FY2030.

Heartland’s FY2025 Climate Report provides a comprehensive view of Heartland’s environmental progress to date, including key achievements, current challenges, and future targets. It also features scenario analysis that explores the potential impacts of climate-related risks and opportunities facing Heartland under different climate futures, as well as its transition plan which details how its business model might adapt to a changing climate. This analysis supports Heartland’s long-term planning and resilience in an evolving regulatory and environmental landscape.

To explore the full report, visit [heartlandgroup.info/sustainability](https://heartlandgroup.info/sustainability)



# People

**Heartland’s commitment:**

Create a pathway and place for Heartland’s people to grow, thrive and be empowered to achieve Heartland’s goals as one team.

**HOW:** To be a workplace where Māori can succeed as Māori and create a pathway to being an employer that is welcoming to all cultures and ethnicities.

FY2025 TARGET	FY2025 PROGRESS
<b>Extend community engagement</b> for Heartland’s Manawa Ako internship programme.	Heartland Bank held its annual Manawa Ako internship programme, receiving 155 applications in FY2025. Heartland Bank welcomed 29 interns in FY2025, with 169 rangatahi (youth) participating in the programme since 2017.  These talented students came from universities and schools across New Zealand – from InZone Education Foundation ( <b>InZone</b> ), Manurewa High School, Otago University, King’s College and Ngā Puna o Waiōrea.
<b>Support Māori and Pasifika representation</b> in the banking industry.	Heartland Bank maintained active membership in the New Zealand Banking Association ( <b>NZBA</b> ) Tawhia (Māori Bankers Association) committee and a strong partnership with InZone, which remains closely involved in Heartland’s Manawa Ako internship programme. Through this collaboration, 11 InZone students joined the FY2025 Manawa Ako cohort.  At Manawa Ako’s conclusion in January 2025, four interns continued at Heartland Bank in short term, part-time roles. One intern transitioned into a permanent full-time position.

**FY2026 target**

- Heartland Bank will continue to provide career opportunities for youth, with a focus on attracting Māori and Pasifika into the banking industry.

**HOW:** Establish Heartland as a recognisable and desirable employer of choice to attract, develop and enable exceptional talent.

FY2025 TARGET	FY2025 PROGRESS
Launch an <b>annual employee culture and engagement survey</b> across all of Heartland.	An all-Heartland culture survey was conducted in April 2025, covering all full-time employees across Heartland’s operations in Australia and New Zealand, reinforcing Heartland’s commitment to ongoing employee engagement, and creating a baseline from which to measure improvements. This survey will continue annually.

Other achievements in FY2025

**Multiethnic Young Leaders – 3 Kapu Kawhe**

In 2024, Heartland Bank became a Corporate Impact Investor for Multiethnic Young Leaders NZ (MYLN), a network empowering Māori, Asian, Pacific and ethnic minority youth leaders. 3 Kapu Kawhe connected 16 CEOs and independent directors with young leaders from high schools and early careers across New Zealand. In turn, these mentees took on the role of mentor themselves, as they paid it forward to another student or rangatahi.

Three Heartland Bank employees took part in the programme and were matched with experienced New Zealand executives for a series of transformative mentoring conversations. Heartland Bank’s mentees described the experience as invaluable, gaining insights on leadership, communication and strategic thinking.

Heartland Bank Strategy Analyst, Tahirih Latu had the privilege of being mentored by Jo Avenell, CEO of Russell McVeagh. Tahirih described her conversations with mentor Jo as inspiring.

“Her insights on embracing failure, authentic communication, and building self-confidence resonated deeply with me. I’m excited to apply these lessons and continue building our connection. Meeting with my student mentee has been equally rewarding. Initially eager to offer guidance, I quickly realised that the learning goes both ways. Through our discussions, I’ve come to value active listening, understanding different perspectives, and offering support. My mentee’s resilience has reinforced the value of mentorship, showing me that both mentor and mentee grow together.”



FY2026 target

- Heartland aims to increase its employee engagement results from the FY2025 engagement scores of 51% for both Heartland Bank and Heartland Bank Australia.

**HOW:** Create an inclusive, engaging environment for employees where gender balance and diverse ethnic representation is achieved at all levels for the organisation, leading to exceptional experiences for Heartland’s people and customers.

FY2025 TARGET	FY2025 PROGRESS
<b>Reduce pay gaps</b> Heartland is dedicated to advancing its efforts in reducing gender and ethnicity pay gaps.	<p>Heartland is a member of Mind the Gap, a national registry for New Zealand companies to publicly report their pay gaps between different genders and ethnicities. The measurement used identifies the median for each group to compare and identify the pay gap.</p> <p>This is part of Heartland’s commitment to reducing gender and ethnicity pay gaps. While Heartland’s New Zealand pay gaps have increased at the overall level, all remuneration across like roles is reviewed to ensure equity and is also based on performance.</p> <ul style="list-style-type: none"><li>Gap between median pay of men and women across all NZ roles: 27% (increased by 5.1% since 30 June 2024).</li><li>Gap between median pay of non-Māori and Māori across all NZ roles: 28% (increased by 4.4% since 30 June 2024).</li><li>Gap between median pay of non-Pasifika and Pasifika across all NZ roles: 18% (increased by 0.9% since 30 June 2024).</li></ul>
<b>Achieve gender balance</b> at all levels at Heartland.	<p>Heartland remains committed to achieving gender balance at all levels of the organisation. The journey toward lasting change takes time, and Heartland is focused on continuous improvement.</p> <p>In FY2025, the Heartland Bank Board maintained 33% female representation, unchanged from FY2024. While the Heartland Group Board includes one female member (20%), the Heartland Bank Australia Board has 43% female representation.</p> <p><i>Refer to the <b>table on page 36</b> for the gender diversity of directors and employees of Heartland in New Zealand and Australia.</i></p>
<b>Retain Diversity &amp; Inclusion accreditations</b> in New Zealand.	Heartland Bank is proud to have retained its accreditations for another year in the diversity and inclusion space in New Zealand – including as a Living Wage Employer, receiving the Rainbow Tick, and achieving Hearing Accreditation from the National Foundation for the Deaf and Hard of Hearing.
<b>Achieve Bronze Status in the Australian Workplace Equality Index.</b>	In June 2025, Heartland Bank Australia achieved Bronze Status in the Australian Workplace Equality Index at the Australian LGBTQIA+ Inclusion Awards. This was awarded to Heartland Bank Australia for meeting national standards for LGBTQIA+ inclusion and creating a diverse, equitable, and respectful workplace for all.

Other achievements in FY2025

- Heartland Bank Australia completed its first Workplace Gender Equality Agency (WGEA) submission, in the WGEA 2024-2025 reporting period, reaffirming its commitment to gender equality through transparent reporting and targeted initiatives.



Gender diversity

Positions	Female	Male	Gender diverse	Not stated	Total
As at 30 June 2025					
Board - Heartland	1 (20%)	4 (80%)	0	0	5
Board - Heartland Bank	2 (33%)	4 (67%)	0	0	6
Board - Heartland Bank Australia	3 (43%)	4 (57%)	0	0	6
Management <sup>1</sup>	8 (44%)	10 (56%)	0	0	18
All People Leaders (excl Management)	46 (41%)	66 (59%)	0	0	112
All staff (excl Board)	308 (50%)	302 (49%)	1 (0.2%)	1 (0.2%)	612
As at 30 June 2024					
Board - Heartland	1 (17%)	5 (83%)	0	0	6
Board - Heartland Bank	2 (33%)	4 (67%)	0	0	6
Board - Heartland Bank Australia	3 (43%)	4 (57%)	0	0	7
Management <sup>1</sup>	7 (37%)	12 (63%)	0	0	19
All People Leaders (excl Management)	45 (46%)	52 (54%)	0	0	97
All staff (excl Board)	311 (51%)	302 (49%)	0	0	613

FY2026 targets

- Heartland will work towards the gender balance guidance for all levels of management at Heartland by having a gender split that sits within acceptable levels of 40% to 60%.
- Heartland will retain its diversity and inclusion accreditations and continue to evolve to meet future needs and ways of working.

Heartland’s commitment:

Heartland cares for its communities.

HOW: Heartland gives back to the community through grants, sponsorships and active volunteering.

FY2025 TARGET	FY2025 PROGRESS
<b>Give back to the community through the Heartland Trust</b> , a registered charitable trust that is independent from but closely supported by Heartland.	<p>Heartland is proud to have continued its support in the community with Heartland Trust grants totalling \$466,000 in FY2025. This investment was spread across a range of high-impact initiatives in the areas of education, sport and physical wellbeing, arts and culture, and mental health and wellbeing.</p> <p>While total grants donated were lower than previous years, the quality of the initiatives supported has ensured a meaningful and lasting impact in the community.</p> <p>Central to Heartland’s philanthropic efforts are the individuals and communities benefiting from this support. Read more below and on the following pages about some of the projects and scholarships Heartland is delighted to be involved with.</p> <p><b>King’s College Scholar – Manaariki Kea-Cameron</b></p> <p>Year 10 student Manaariki Kea-Cameron from Whangārei, Northland New Zealand, is the recipient of a five-year Heartland Bank scholarship, granted by the Heartland Trust. The scholarship supports one student enrolling in year 9 to attend King’s College in Auckland for the duration of their high school years. Reflecting on his time at King’s College so far, Manaariki shares his learnings and goals for the future.</p>



Student spotlight:  
A scholarship opening doors

When asked what inspired him to apply to King’s College, Manaariki shared, “King’s College is held in high regard across the country, both academically and in sport. From a young age, I’ve had clear goals and aspirations – not to become a statistic, but to thrive and excel in both sport and education.” He explained how important it was to find a school that supported both passions. “My mum has always told me that while I could be great at sport, achieving a quality education was just as important.”

The scholarship has been life-changing for him and his whānau. “It means everything. There aren’t enough words to describe how much this opportunity means to me and my whānau,” Manaariki said. He acknowledges how rare this chance is for kids from Northland and how it motivates him to make his family proud.

Manaariki’s experience at King’s College has exceeded expectations. “I’ve learned how connected all the subjects are and how much they relate to real life,” he said, highlighting the supportive environment, especially from teachers who have helped him transition smoothly into high school.

Through rugby and house sports, Manaariki has developed leadership and problem-solving skills, learning to lead with resilience. Looking ahead, he aspires to “become a professional athlete” or start a business related to sport, aiming to make his whānau proud and give back to his community.

1 Management represents the Group's Officers for the purposes of the NZX Listing Rules.

## Honouring a legacy and empowering futures: The Geoff Ricketts Heartland Bank Scholarship

In memory of the late Geoff Ricketts, a founding director of Heartland and a long-serving Chair of the University of Auckland Foundation, Heartland is proud to support the Geoff Ricketts Heartland Bank Scholarship, a lasting tribute to his vision and commitment to education, equity and community.

Launched in partnership with Waipapa Taumata Rau, University of Auckland, the scholarship aims to remove financial barriers for students who might not otherwise be able to pursue higher education. Awarded every three years to up to four New Zealand Citizens or Permanent Residents experiencing financial hardship, the scholarship supports students entering their first year of an undergraduate degree in Business and Economics, Law, or Medical and Health Sciences. Each recipient receives up to \$10,000 per year, for up to three years, to assist with tuition or living costs.

Applications for the scholarship opened in August 2024, with the University Foundation recording an unprecedented number of applications for a first-year scholarship. The successful applicants were selected in December 2024. Congratulations to the inaugural scholars:

- Emi O'Connor, Bachelor of Commerce
- Sophia Skinner, Bachelor of Commerce
- Ray Wang, Bachelor of Biomedical Science
- Isla Mujeeb, Bachelor of Biomedical Science.

The launch of the scholarship was celebrated with a small function hosted by the University of Auckland, bringing together Heartland representatives, university employees, and the scholarship recipients to honour Geoff's legacy and the bright futures now within reach because of this initiative.



### Tātai Whetū Waitaha

Heartland Bank is proud to give back to the Mid Canterbury (Waitaha) community by supporting the development of emerging leaders through sport and physical wellbeing. For the past three years, Heartland Bank has sponsored Tātai Whetū Waitaha through a grant provided by the Heartland Trust. This programme uses sport as a foundation to foster personal growth and wellbeing, connecting athletes with world-class experts in health and holistic support across Waitaha.

Reo, a proud karate-ka, is a driven young athlete who has spent the past year growing through the Tātai Whetū Waitaha programme. Read more on page 40.

### Increase volunteer day participation.

Recognising the positive impact that volunteering has on building employee wellbeing and a sense of connection, Heartland offers one paid volunteer day per year to each employee. Pleasingly, the use of volunteer days has seen a 76% increase over the last three years. Heartland employees have been out and about in the community, giving back to initiatives they are passionate about and making a positive contribution to the world around them.

### From desks to dirt: Volunteering at Matuku Link Reserve

In April 2025, members of Heartland's Green Team and other Auckland-based employees headed to the Waitakere River Valley for a day of volunteering at the Matuku Link Reserve. A conservation project named after the endangered Matuku-hūrepo (Australasian bittern) which needs wetland to survive, Matuku Link aims to restore and protect wetland habitat in West Auckland. Heartland volunteers spent the day with conservationists from the reserve, weeding large vines from the ground, bushes and trees that strangle native plants and stop them from growing.

It was a fulfilling day spent in nature, where Heartland volunteers from across the business came together to connect, collaborate and contribute to the local environment - leaving with a strong sense of pride and accomplishment in giving back to the community.





FY2026 targets

- Continue to give back to the communities Heartland Bank operates in through Heartland Trust donations.
- Increase the use of volunteer days which support Heartland's customers and the communities that it operates within – both in New Zealand and Australia.

Building strength on and off the mat

Reo is a dedicated karate-ka from Christchurch and has experienced significant growth over the past year through the Tātai Whetū Waitaha programme.

When Reo first joined Tātai Whetū Waitaha, he was under immense pressure. Balancing intense training loads with difficult weight cuts and struggling to gain momentum in senior competitions, he was close to burnout. “That first session with Programme Lead, Ged, was a turning point,” Reo reflects. “It helped me understand my values, what I need to perform well, and what I’d been missing.”

Since then, Reo has tapped into the programme's full support network, including mental skills coaching, nutrition advice, strength training and personal development. Working with a mental wellbeing coach has been particularly transformative. “He’s helped me reset how I prepare mentally before competitions. Now I can recognise when I’m in the zone, stay focused, and read what’s happening around me during a match. That awareness has changed the way I compete.”


Nutrition guidance has also been vital for Reo, who competes in a weight-class sport. The programme’s nutritionist helped him develop a balanced and strategic approach to weight management, keeping him healthy and energised without sacrificing performance.

When asked what stands out most about being part of Tātai Whetū Waitaha, he said, “the South Island can feel isolating when you’re trying to make it in sport. Tātai Whetū Waitaha made me realise that I’m not alone, and that with the right support, anything is possible”.



Heartland’s commitment:  
Heartland cares for its customers.

HOW: Heartland provides competitive and flexible products that aim to improve the lives of its customers.

FY2025 TARGET	FY2025 PROGRESS
<p><b>Continue to be recognised for exceptional value and innovation</b> through maintaining its streak of <b>Canstar NZ recognition</b></p> 	<p><b>Savings Bank of the Year</b> Heartland Bank has been awarded Canstar New Zealand’s Savings Bank of the Year for eight consecutive years.<sup>2</sup> The Canstar Bank of the Year – Savings Award is awarded to the institution that provides the strongest combination of products, accounting for the price positioning, features, savings tools and flexibility of the products assessed within Canstar’s rating profiles, as well as supporting savers through a competitive Term Deposit offering.</p> <p>Four of Heartland’s savings accounts were also awarded Canstar Outstanding Value awards, each with a 5-Star Rating:</p> <ul style="list-style-type: none"><li>• <b>Direct Call Account:</b> Outstanding Value Savings Account, 2018 – 2025</li><li>• <b>90 Day Notice Saver:</b> Outstanding Value Savings Account, 2023 – 2025</li><li>• <b>32 Day Notice Saver:</b> Outstanding Value Savings Account, 2022 – 2025</li><li>• <b>Digital Saver:</b> Outstanding Value Savings Account, 2025.</li></ul>
<p><b>Recognition in the Australian market</b> for its Reverse Mortgage product.</p>	<p>Heartland Bank Australia has demonstrated its commitment to gaining industry recognition and contributing meaningfully to sector-wide progress through its active membership in the Seniors Equity Release Industry Forum (<b>SERIF</b>), led by the Finance Brokers Association of Australia.</p> <p>SERIF is a collaborative initiative aimed at enhancing awareness and understanding of reverse mortgage products across the broader financial services ecosystem, including brokers, government bodies, and policy makers.</p> <p>In November 2024, Heartland Bank Australia proudly hosted the annual in-person SERIF event in Melbourne, bringing together key stakeholders to share insights and drive thought leadership. Heartland Bank Australia’s involvement in SERIF demonstrates its commitment to shaping the future of equity release products and advocating for responsible lending practices for older Australians.</p>

FY2025 other achievements

- Launched Village Access Loans, a new product designed to offer older New Zealanders a solution to some of the barriers associated with moving into retirement living.

FY2026 target

- Heartland Bank aims to provide exceptional value and innovative banking solutions to its customers, and will aim to maintain its consistent recognition by Canstar NZ.

<sup>2</sup> Announced July 2025.





# Financial wellbeing

**Heartland's commitment:**  
Support the financial wellbeing of Heartland's customers and communities.

HOW: Ensure customers can benefit from Heartland's digitalisation journey through enhanced economic outcomes.	
FY2025 TARGET	FY2025 PROGRESS
Support Motor Finance borrowers to <b>self-manage their loan repayments and avoid arrears</b> through in-app functionality.	Heartland Bank successfully implemented new 'manage loan' app functionality in October 2024. This feature provides overdue Motor Finance customers the flexibility to self-manage their loan repayments digitally via the Heartland Mobile App. Since implementation, over 5,300 customers have self-managed their way out of arrears amounting to almost \$2.4 million repaid via the Heartland Mobile App.
Release further features to the Heartland Mobile App.	<p><b>Update loan repayment date and frequency</b></p> <p>Heartland Bank released a feature within the Heartland Mobile App enabling Motor Finance customers to update their direct debit or direct credit date and frequency.</p> <p><b>Successfully implemented Confirmation of Payee (CoP)</b></p> <p>The Confirmation of Payee initiative led by the NZBA went live in November 2024. CoP aims to enhance the security of online banking transactions by verifying the payee's account details before completing a payment.</p> <p><b>Other updates</b></p> <p>Other updates to the Heartland Mobile App included allowing users to select their preferred method of contact with Heartland Bank. Almost half (46%) of accounts have been set to receive communications via online channels, reducing Heartland Bank's requirement to print and post letters.</p>
Introduce a solution to provide <b>fraud detection for customers</b> interacting with Heartland Bank in New Zealand.	Heartland Bank has implemented a fraud detection and mitigation system, with coverage being progressively extended. A progressive approach is being taken to manage appropriate customer experience and support integration with Heartland Bank's broader fraud and scam mitigation programme of work, ensuring alignment with industry standards and commitments.

## FY2026 targets

- Continue the roll out of fraud prevention improvements at Heartland Bank, including fraud detection, monitoring and management capabilities to protect Heartland Bank's customers against unauthorised dealings when interacting with the bank's ecosystem.
- Ensure older New Zealanders have financial certainty for retirement village entry, while supporting their ability to remain in their own homes until they choose to transition - promoting financial wellbeing, autonomy and housing flexibility.

HOW: Ensure Heartland's values and commitments are shared by its suppliers.	
FY2025 TARGET	FY2025 PROGRESS
Heartland will analyse survey data from key New Zealand landlords and major suppliers to gain insights into their emissions and reduction targets, aiming to align sustainability practices across the Group.	<p>Heartland Bank made progress in assessing the sustainability commitments of its key suppliers. Of the 25 suppliers assessed in 2025, 60% are measuring their emissions and have emission reduction targets, and 32% have transition plans, or have taken initial steps toward developing a transition plan to support a low-emissions economy.</p> <p>Of those who were not measuring their emissions, 70% had sustainability policies or initiatives in place to reduce their impact on the environment. This analysis and engagement will continue as part of Heartland's supplier engagement to better align Heartland's key sustainability practices with its suppliers.</p>

