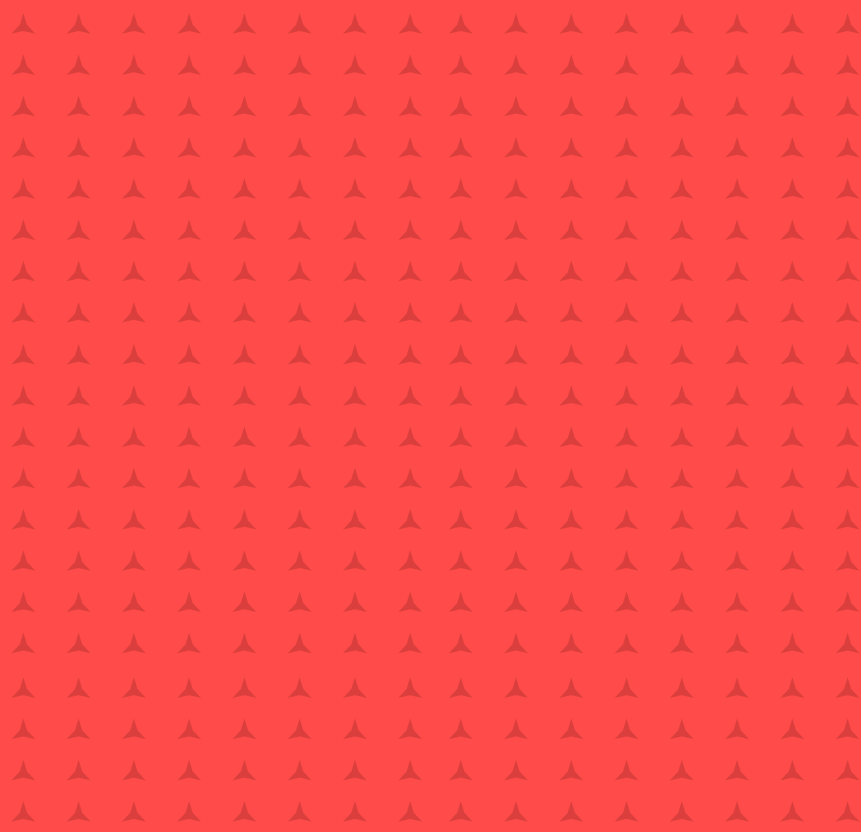


Harmony

Modern Slavery Statement

2024





INTRODUCTION

This Modern Slavery Statement (**Statement**) is made by Harmony Corp Limited (New Zealand company number: 5177041 / ARBN: 645036595) (**Harmony**), in accordance with Section 13 of the Modern Slavery Act 2018 (Cth) (the **Act**). This is Harmony's second Modern Slavery Statement and covers the reporting period between 1 July 2023 and 30 June 2024.

This Statement sets out Harmony's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its business and supply chains.

Harmony takes a proactive stance towards ensuring ethical practices throughout our operations and supply chain. We firmly believe in promoting transparency, accountability, and respect for human rights. Our approach involves thorough due diligence to identify and mitigate the risks of modern slavery, both within our organisation and among our suppliers. We continuously engage in open communication with stakeholders to foster a culture of awareness and responsibility.

Harmony's structure, operations and supply chains

Harmony is a New Zealand incorporated company that is listed on the ASX (ASX:HMY). Harmony's registered office is Level 3, 110 Customs Street West, Auckland 1010, New Zealand.



Structure

Harmony is the parent company of a group with subsidiaries in New Zealand and Australia. The list of subsidiaries, as well as related group entities, as at the reporting date is provided in Appendix A (**Group Entities**).

To develop this Statement, and implement our modern slavery response program, Harmony consulted with its Group Entities and key stakeholders from relevant parts of the business (including legal, compliance, operations, finance and human resources). Harmony discussed details of the Act's reporting requirements, information regarding the actions we intend to take to address these requirements, and (where necessary) provided relevant materials and updates. In addition, all Group Entity staff were required to undertake mandatory modern slavery training.



Operations

Harmony is the only 100% consumer-direct personal lender operating across Australia and New Zealand. Harmony provides customers with unsecured and secured personal loans that are fast, easy, competitively priced (using risk-adjusted interest rates) and accessed 100% online. Harmony comprises a team of ~75 full-time employees predominantly based in Auckland, New Zealand, half of whom are engineering, data science and product professionals. Harmony's purpose is to help people achieve their goals through financial products that are fair, friendly, and simple to use.



Supply Chains

Harmony's supplier arrangements largely involve stable longer-term relationships. Key services include marketing, software licences and customer support.

Harmony assesses all suppliers and determines whether they are significant based on the size of the contract and whether the supplier provides business critical support.

For completeness, we also considered our funding partners as suppliers for the purposes of this Statement.

Modern Slavery Risks

Harmony could potentially be exposed to modern slavery practices (in the sense of causing, contributing to, or being linked to modern slavery) due to direct malpractice against Harmony by our employees, contractors and suppliers, or indirectly through the practices of our suppliers.

However, we consider the risk of modern slavery within our business and supply chains as being **low**, due to the nature of our business as a provider of personal loan products, and because we maintain a relatively small and centralised supply chain of mainly professional services companies to help deliver our services.

We nevertheless continue to evolve our processes to better identify, understand and reduce potential risks.



Employees

Harmony's risk in relation to its employees is **low** as we undertake thorough background checks and comply with all applicable laws. Both New Zealand and Australia have strong labour, employment, and health and safety regimes, which significantly curtail the practices associated with modern slavery in those jurisdictions.



Contractors

Harmony's risk in relation to its contractors is **low**. We have customer contact services staff based in Fiji through an external provider, with whom we have maintained a close relationship for over 10 years. We have a high level of oversight over recruitment and remuneration and benefits, plus on-site Harmony employees to provide direct performance management. We also have engineering staff based in the Philippines through an Australian provider. Both providers have publicly-available Modern Slavery Statements.



Products

Harmony's risk in relation to its lending practices is **low** as lending is limited to New Zealand and Australia, and to personal loans with relatively low lending limits.



Customers

Harmony's risk in relation to its customers is **low** as we employ strict identity verification, fraud prevention, and anti-money laundering and counter-terrorism financing (**AML/CTF**) practices.



Supply chains

Harmony's risk in relation to supply chains is **low** as key services, making up 90% of supplier spend, are with marketing, technology, identity and financial verification, and professional services businesses who are market leaders in their industries. Our six largest suppliers, who make up 67% of our spend, have publicly-available Modern Slavery Statements.

Actions taken to assess and address modern slavery risks, including due diligence and remediation processes

Business



Employee standard of care

Harmony carries out compliance checks on all new employees to ensure they have the appropriate right to work in Australia or New Zealand. Harmony also maintains the highest standard of care for its employees, complies with all applicable laws relating to employment conditions and minimum pay, and ensures that no employee feels obligated to remain employed against their wishes.



Code of Conduct / Whistleblower Policy

Harmony has a Code of Conduct which sets the highest ethical standards for all staff, and requires staff to report any suspicion of non-compliant and/or unethical behaviour (including breaches of the Act) by Harmony or any party with which it has a relation. These obligations are supported by a Whistleblower Policy, to protect any staff who make such a report.



Compliance

Our Legal and Compliance teams monitor for compliance with all applicable laws, including in relation to the Act and our Statement. We liaise with regulators in Australia and New Zealand in relation to our reporting obligations, including International Funds Transfer Instruction and Suspicious Matter reporting in Australia, and our obligations in both countries to collect and verify customer information (onboard screening and transaction monitoring) as part of an AML/CTF compliance program.

Governance

Harmony maintains a high standard of effective and responsible

corporate governance, which supports our modern slavery response program. In addition to those documents already noted in this Statement, these include our publicly-available Corporate Governance Statement, Anti-Bribery and Corruption Policy, and Diversity Policy which further set out the roles and responsibilities of Harmoney's Board, management and staff.



Remediation

If we become aware of an incident involving modern slavery in respect of any of our employees, appropriate disciplinary and remediation action will be taken.

Supply chain



Modern Slavery Statement / Modern Slavery Questionnaire

For significant suppliers (those with whom we spend more than \$200,000 per annum, or who provide us with a material service), Harmoney conducts a search for a publicly-available Modern Slavery Statement, or broadly equivalent policy. Otherwise, Harmoney requests that these suppliers complete an annual Modern Slavery Questionnaire, which provides the suppliers with information about modern slavery, and contains specific questions regarding their staff onboarding practices and whether they conduct any form of risk assessment with respect to their supply chains. This helps us identify any material areas of concern on an ongoing basis.



Remediation

If we become aware of an incident involving modern slavery in respect of any of our suppliers or their supply chains, we will immediately investigate and, together with the relevant supplier, develop corrective action plans to resolve detected issues.

Effectiveness of Modern Slavery Risk Management

Improvements

Harmony is committed to continuously improving its practices to prevent and address modern slavery. Since registering our first Modern Slavery Statement in 2023, we have made a number of improvements.



Wider assessment of suppliers

Harmony has widened its criteria for assessing which suppliers have a publicly-available Modern Slavery Statement, or broadly equivalent policy, or who are otherwise requested to complete a Modern Slavery Questionnaire. In 2023, we assessed all suppliers in our top 40% of spend. In 2024, we assessed all suppliers with whom we spend more than \$200,000 per annum, or who provide us with a material service, as well as all of our funding partners, which accounted for our top 85% of spend.



Staff training

In 2024, we introduced mandatory modern slavery training for all staff. As well as being completed by all existing staff, all new staff will be required to complete the training within a short time of joining Harmony.

Future steps

Harmony expects to further expand the scope of its supplier assessments in the future.

Harmony intends to further engage with those suppliers who do not have a Modern Slavery Statement to communicate Harmony's expectations regarding their responsibility to understand and mitigate the risk of modern slavery and to report any suspected or actual incidents of modern slavery.

Approval

This Modern Slavery Statement was approved by the Board of Directors of Harmony Corp Limited on 20 December 2024.

A handwritten signature in black ink, appearing to read 'David Stevens', with a long horizontal flourish extending to the right.

David Stevens

CEO & Managing Director of Harmony Corp Ltd

20 December 2024

Appendix A - Group entities

New Zealand

Harmony Services Limited

Harmony Warehouse No. 1 Trust

Harmony Warehouse No. 3 Trust

Harmony NZ ABS 2023-1 Trust

Harmony Collections Trust

Australia

Harmony Australia Pty Ltd

Harmony Services Australia Pty Ltd

Harmony Australia Warehouse No. 1 Trust

Harmony Australia Warehouse No. 2 Trust

Harmony Australia Warehouse No. 3 Trust

Harmony Collections Trust

