

MODERN SLAVERY STATEMENT - HEARTLAND GROUP HOLDINGS LIMITED

This Modern Slavery Statement is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (Aust).

Identity of the reporting entity

- The reporting entity is Heartland Group Holdings Limited (company number: 6937955) (**Heartland**). This is a joint submission, and all reporting entities have been consulted in preparing this statement.
 - Heartland Group Holdings Limited (NZ) Company Number 6937955
 - Heartland Bank Limited (NZ) Company Number 3152425
 - Heartland Bank Australia Limited (Au) ACN 54 087 651 750

This statement is submitted December 2025 for the period July 1st, 2024, through to June 30th, 2025.

Heartland's position

Heartland recognises that slavery is a real yet hidden issue in society and is committed to ensuring there is no modern slavery or human trafficking in its business and supply chains.

Heartland's structure, operations and supply chain

Structure

Heartland is an Australasian financial services group providing specialist banking products to New Zealanders and Australians. Heartland is listed on the New Zealand and Australian stock exchanges under the HGH ticker (NZX/ASX: HGH). Through its various predecessors, Heartland has a long history in financial services, stretching back to Ashburton, New Zealand in 1875.

Today, Heartland is the listed holding company for two banks – Heartland Bank in New Zealand and Heartland Bank Australia. Each bank is focused on providing specialist banking products to enable better lives for New

Zealanders and Australians. In both countries, these products include Reverse Mortgages, Livestock Finance, and Savings and Deposits. In New Zealand, Heartland Bank also offers Motor Finance and Asset Finance.

Heartland Group's role as the listed parent company is to ensure capital is allocated to the parts of its business which generate strong returns, and to set the strategy and risk appetite within which the group operates. This enables Heartland to maximise shareholder returns and for each bank to enhance the value it offers customers by helping more New Zealanders and Australians with their specialist banking needs.

Operations

Heartland has operations in New Zealand and Australia.

In New Zealand:

Heartland Bank Limited is a registered bank that focuses on 'best or only' banking products in three key markets:

1. Household (which includes investment products, consumer lending, reverse mortgages and motor vehicle lending).
2. Business; and
3. Rural.

HBL's other subsidiaries include Heartland PIE Fund Limited (the issuer of the Heartland Cash and Term PIE Fund) and Marac Insurance Limited (which concluded its runoff in January 2025 and cancelled its insurer licence in June 2025).

In Australia, Heartland Bank Australia operates both under the Heartland Bank and StockCo brands, providing savings and deposit products as well as being a specialist provider of:

- Retirement finance (predominantly, Heartland Reverse Mortgages).
- Livestock Finance.

Heartland and the entities it owns and controls employ approximately 616 people based in offices across New Zealand and Australia. This is made up of 493 staff in New Zealand and 127 in Australia.

Supply chain

Our suppliers provide us with goods and services that we need to support providing banking services to our customers. Heartland's supplier arrangements largely involve stable longer-term relationships, and are primarily for infrastructure and support services, such as software, physical premises and telecommunications.

Heartland's supply chain is largely domestically and regionally based out of New Zealand and Australia, with some software services provided from the USA and India. Oversea based suppliers have responded to Heartland Assessments to understand policies, processes and controls in place.

Key services include software (including SaaS and PaaS), telecommunications, agency banking services, consumer credit reporting, identity verification services, administration, collections activity, property leasing and insurance and professional services. While not material from a financial spend perspective, other services have also been considered, including cleaning, catering and printing/postage services.

Risks of modern slavery practices in Heartland's operations and supply chains, and actions taken by Heartland to assess and address these risks

Heartland's¹ potential exposure to modern slavery practices (through causing, contributing to, or being directly linked to modern slavery), is through the potential for direct malpractice by Heartland to our employees, contractors and suppliers, indirectly through practices by third parties engaged by

¹ Reporting in this section regarding the risks of modern slavery practices in Heartland's operations and supply chains and the actions taken to assess and address these risks relates both to Heartland and the entities it owns and controls.

Heartland, through our operations as a bank in New Zealand and Australia, and through the Heartland Trust.

Risks of modern slavery practices in operations

The assessment of the risk of modern slavery practices in Heartland's operations has covered the activities outlined in the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, with key observations as follows:

- Heartland faces potential exposure to modern slavery practices through the direct engagement of workers, but strong mitigants are in place, presenting a very low residual risk of modern slavery practices in this area. Key mitigants include:
 - Heartland has processes in place to comply with all laws, including employment and labour laws. Both New Zealand and Australia have strong legislative protections, considered to significantly supersede the practices associated with modern slavery.
 - Heartland is an NZX/ASX listed entity, and certain of its subsidiaries are subject to various regulatory licences requiring maintenance of internal processes and policies covering vendor engagement such as the Procurement and Outsourcing Policy.
 - Heartland has strong compliance and risk management practices, policies and systems. These include controls to ensure compliance with obligations, such as labour laws, activities to provide assurance that this is occurring, and processes for identifying and rectifying incidents and issues. These include Heartland's "Speak Up" programme, which includes an external independent whistleblowing service, and vetting of potential employees.
 - Heartland's values (mātāpono) include 'doing the right thing' (Mahi Tika) and being 'one team' (Mahi Tahi) and are embedded into a culture that supports good conduct, and an intolerance for malpractice.
 - In New Zealand, Heartland Group and HBL have implemented a Flexi Work Policy requiring staff to work in the relevant office, unless otherwise agreed, and minimising the engagement of contractors who reside offshore. Where contractors are engaged offshore, there are controls in place and/or engagement is via reputable third-party suppliers.
- Heartland's exposure to the risks of modern slavery practices through its banking services, and its provision of credit, is relatively limited. This is based on these services being domestically focused on New Zealand and Australia, and the nature of products offered, such as lending to reverse mortgage and consumer finance customers, being for personal use, and unlikely to support or link to modern slavery practices. Where Heartland lends to businesses or consumers it has controls in place to identify the purpose of the loan. Heartland has provided education to staff to identify and escalate potential concerns related to Modern Day Slavery and forced labour. Customer screening processes include coverage of convictions that may include Modern Day Slavery and labour abuses.
- Heartland provides some limited and targeted charitable activities, such as through the Heartland Trust. These are domestically focused on sponsorship of community related events within New Zealand and Australia, presenting a low risk of linkage to modern slavery practices. Established processes are in place to consider and screen for the risk of exposure to Modern Slavery or labour

abuses within funding applications. Each application is reviewed against an established checklist designed to identify heightened risk of Modern Slavery (included in Annex).

- Assessments of leasing of property, products and/or services, processing and production, provision and delivery of products or services, distribution, purchasing, marketing and sales, and research and development elements are covered by assessments over direct employment of workers, contractors or supply chain.

Risks of modern slavery practices in supply chain

In assessing Heartland's supply chains for risks of modern slavery practice:

Each supplier has undergone a 'top-down' risk assessment according to the key criteria below, to assess their overall modern slavery risk profile based on known information. These key criteria have been identified as indicators that Heartland considers relating to the degree of risk of modern slavery practices.

- ***Location:*** where the supplier or services are principally based. Domestic or similar jurisdictions are reputed to have lower incidences of modern slavery practices, contrasted with higher risk jurisdictions.
- ***Risk of non-compliance with local labour laws:*** assessment of the risk of the supplier not complying with local labour laws. This assessment builds on the location criteria, considering that non-compliance with local labour laws is expected to be potentially more egregious in areas that are at heightened risk of modern slavery practices. While the modern slavery reporting requirement is focused on serious exploitation and does not include practices like substandard working conditions or underpayment of workers, we recognise that non-compliance with local labour laws can provide an indicator of heightened modern slavery risk, and such practices may also escalate into modern slavery if not addressed.
- ***Type of service/product:*** the kind of service or product sourced through the supplier or operation. Services that involve a low direct labour content, such as renting of office premises or using scalable digital intellectual property, are of lower risk of modern slavery practices. Similarly, services involving specialists and highly skilled labour, have been assessed as lower risk given the market power of such people in negotiating and preserving their employment conditions. Conversely, services that involve unskilled labour (such as hospitality and cleaning services), were considered to be of higher risk.
- ***Level of sub-contracting/outsourcing:*** consideration of the extent of sub-contracting or outsourcing by the supplier. This element recognises that the risk increases with the degree of separation and reduced visibility of extended supply chains. This area especially regarding services provided from overseas is considered one of our highest risk areas however is mitigated in that we have contractual controls on subcontracting and the outsourced service areas are highly skilled services with low volumes of workers.

Additionally, each identified supplier has been subjected to a six-monthly adverse media review through WellCheck incorporating a Modern Slavery List. In addition, Heartland reviews the Owlin Adverse Media Reports of Critical provided through its Third-Party Risk Management Platform Venminder for reports under the Human Rights Violations (which includes Slavery related topics). These have not returned any results that indicate to us a heightened risk of Modern Slavery which supports our overall assessment conclusion.

This assessment has confirmed that Heartland's supply chain is largely domestically and regionally based, considered to have a low risk of non-compliance with local labour laws, weighted towards provision of low-risk services such as software and specialist skillsets, and limited amounts of sub-contracting. Accordingly, we assess Heartland to have a low-risk exposure to modern slavery practices through our current supply chain arrangements.

How Heartland assesses the effectiveness of its actions

Heartland's assessments have been 'top-down', based on known information or information that was able to be readily sourced, as new vendors are engaged, we are also conducting Heartland Internal Materiality Assessments that assess the Modern-Day Slavery Risk of the Services being delivered. Where the Modern-Day Slavery Risk is assessed as above low, we also request the completion of Heartland Modern Day Slavery Risk Assessment Questionnaire by the vendor which assesses vendor maturity. While some engagements will carry risk, we look to ensure that vendors engaged for such activities have corporate policies and controls in place to mitigate such risk.

Heartland assesses that the actions and approach to its assessment of its exposure to modern slavery practices to be effective and appropriate.

To support the ongoing assessment of the effectiveness of Heartland's actions, the assessment methodology, processes and controls developed will continue to be reviewed and further improved over time.

Process of consultation with entities Heartland owns and controls

Heartland has completed consultation across its related entities, as necessary to provide appropriate input to its assessment of its risk of modern slavery practices. This consultation was supported by the close nature of working relationships between key employees across the group. All stated Entities have been involved in the assessment of Modern Slavery Risks and in the authoring of this Statement.

Work since previous statement

Heartland in the period since its fourth modern slavery statement was published, has implemented its Workday Procurement Module across both New Zealand and Australia. This improved and centralised how Vendors are paid by Heartland Bank. This process has required the review of Vendors who had not previously passed through a formal procurement process. In onboarding vendors into the Workday system for payment we conduct a Materiality Assessment and as above we would request the completion of Heartland Modern Day Slavery Risk Assessment Questionnaire. This Questionnaire is automatically scored from immature to mature. The purpose of this process is to ensure that any vendors delivering services considered at risk of Modern Slavery Practices maintain appropriate controls to avoid Modern Day Slavery practices.

Future work

Heartland through 2025/2026 will continue proactive assessment of Modern Slavery risk for new supplier engagements through completion of Materiality Assessments, together with Vendor Questionnaire Assessments where increased risk is identified. Heartland will also re-run the Modern Slavery Assessment of all Critical and Material Vendors undertaken in 2024 so as to assess any changes in vendor maturity.

This activity will sit alongside the below established processes.

1. Adverse Media Reports on Suppliers identified as of higher risk of Modern-Day Slavery
2. Regular survey of supplier base to maintain supplier responses on Modern Day Slavery.

Submission

This statement is made pursuant to Part 2 section 16 of the Modern Slavery Act 2018 and constitutes our Modern Slavery Statement for the financial year ending 30 June 2025.

This Statement has been reviewed and approved by the Board of Directors of Heartland Group Holdings Limited.

This Statement was reviewed at the Board Meeting of Heartland Group Holdings Limited held in Auckland on 17 December 2025.

A handwritten signature in black ink, appearing to read 'Gregory Tomlinson', with a long horizontal stroke extending to the right.

Gregory Tomlinson

Chair of Heartland Group Holdings Limited and Non-Executive Director

Date of Signature 17 December 2025

Annex: Heartland Trust Checklist

Heartland Trust grant application checklist

Use the below checklist when reviewing Heartland Trust grant applications to ensure alignment with Heartland, validity of the organisation and that it meets Heartland Trust criteria (including no known connection to modern slavery practices). The checklist below may raise questions to be answered by the organisation in order for us to proceed.

Heartland Trust criteria

- We will consider grants that fit within the following criteria.
- Support the advancement of education and learning.
 - Support mental health and wellbeing.
 - Support the arts and culture.
 - Support the access to sport and physical wellbeing.
- We will **not** fund:
- political or religious causes
 - loans
 - completed projects
 - conferences
 - travel costs

Org. name	Date	Checklist owner	\$ amount requested
Checklist			
Does the application fit within at least one of the Trust's funding criteria? Which one(s)?		✓ or n/a	Commentary
- If no, do not fill out the rest of the checklist – this application should be declined.			
Does the application fit with the three areas of brand awareness, commercial alignment and does it do good?			
Does the application fit strategically with the other initiatives the Trust sponsors OR would approving this grant bring tangible value to the business? Please explain.			
- If no, do not fill out the rest of the checklist – this application should be declined.			

Do the details in the Charities Register align with those provided in the grant application? (Search here: https://register.charities.govt.nz/CharitiesRegister/Search).		
If the organisation is a sports club, community group or is not a charity or business, is it		

January 2025 If the organisation is a business, are they registered in the Companies Office : Do the details in the Companies Offices align with those provided in the grant application? (Search here: https://companies-register.companiesoffice.govt.nz/).			1
- If yes, will the funds go towards anything that is for profit rather than charitable?			
If the organisation is a school, are they registered on the Education Counts schools register? https://www.educationcounts.govt.nz/find-school			
How is the organisation funded? Check their latest annual reports, returns or filings from the applicable register. How is their funding generated? Do they list donors or sponsors? If they list "fundraising", how is this undertaken and how are they paid? <i>If an organisation is using paid fundraisers, ask about the conditions of employment, e.g. do they have a collection target to meet before they receive payment? If they are collecting on the street, what provisions do they have to ensure the safety and wellbeing of the collectors, e.g. regular breaks, shade, water etc?</i>			
Who are the other funders/sponsors? Are any in direct competition/conflict with Heartland?			
If the funding is being requested for the purchasing of items, where are the items being sourced from? If the organisation is aware of the supply chain, how is the product made?			
Check out the organisation across Google, their website, social media, GlassDoor etc. Does the content reflect that supplied in the application and look reputable? Is there any adverse commentary in media or online about the organisation or the event the funding is being requested for? Are there any recent adverse reviews which may impact on the organisation's validity or alignment with Heartland, or which may suggest modern day slavery practices? <i>Approach these reviews with caution as they may not be correct or there may be more to the story, and don't be afraid to contact the organisation for more info.</i>			
Check employment websites (e.g. Student Job Search, Seek, TradeMe etc) to see if there are any "fundraising" jobs advertised for the organisation. <i>Jobs like this may work on a targeted collection amount before payment is made to the collector – this is a red flag.</i>			

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Based on the checklist, do you recommend the Trust proceed with this grant?	Yes/No	Please briefly explain your recommendation