

03

*sustainability*

**Sustainability for Heartland is about creating long-term value for its customers, people, communities and shareholders. Guided by its sustainability strategy, Heartland is committed to managing its climate-related risks and opportunities, supporting its people to thrive, and improving the financial wellbeing of the customers and communities it serves.**

During FY2026, Heartland continued to strengthen its approach to embedding sustainability across its business and operations. A key milestone was achieved by Heartland Bank Australia in June 2026 with the introduction of its Sustainability Strategy and Sustainability Position Statement, alongside the establishment of its Management Sustainability Committee earlier in FY2026. Together, these developments further strengthened sustainability governance, oversight and accountability across Heartland.



**Environment**

- Integrate climate-related risk into lending decisions.
- Fund borrowers' transition to a net-zero economy.
- Embed sustainability into the way Heartland operates.



**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

## Supporting the transition to a low-emissions and climate-resilient future

Heartland Bank's environmental work is underpinned by three key priorities: integrating climate-related risk into lending decisions, funding borrowers' transition to a net-zero economy, and embedding sustainability into the way Heartland Bank operates. Collectively, these priorities help Heartland Bank support the transition to a low-emissions and climate-resilient future.

Heartland Bank continued to identify, assess and manage its climate-related risks and opportunities in FY2026. Highlights against each commitment included:

- Integrate climate-related risk into lending decisions: used an enhanced physical risk assessment with more advanced modelling capabilities which better identified the bank's exposures to multiple natural hazards.
- Fund borrowers' transition to a net-zero economy: a significant increase in the proportion of the year's Motor Finance lending attributed to new generation vehicles.
- Embed sustainability into the way Heartland operates: the introduction of two schemes to encourage lower-cost, lower-emission employee commuting – WorkRide for cycling and scooters, and Extraordinary for public transport.

Heartland and Heartland Bank's joint FY2026 climate statement provides a comprehensive view of progress to-date, including key achievements, current challenges, and future targets. To explore the full statement, visit [heartlandgroup.info/sustainability](https://heartlandgroup.info/sustainability).





# People

## Growing our people

Heartland is committed to creating a pathway and place for its people to grow, thrive and be empowered to achieve Heartland's goals as one team. In FY2026, this commitment was reflected in improving employee engagement outcomes, investment in future talent and a continued focus on diversity and inclusion.

Heartland's annual culture survey recorded a significant, balanced uplift in employee engagement and sentiment across both New Zealand and Australia in FY2026. Participation remained exceptionally high at 90% in New Zealand and 88% in Australia, demonstrating employees' willingness to share feedback and contribute to continuous improvement. Employee engagement significantly increased in both countries, rising to 63% in New Zealand (up from 51% in FY2025) and 59% in Australia (up from 51% in FY2025).



Employees from Heartland Bank Australia's Melbourne office celebrating International Women's Day, March 2026.

01

02

03

04

05

06

07

## Creating pathways into banking

Heartland continued to invest in future talent through the Heartland Bank internship programme - Manawa Ako, designed to provide meaningful pathways into the banking industry, with a particular focus on attracting Māori and Pasifika rangatahi (youth).

In FY2026, Heartland Bank welcomed 17 interns into the programme, with 59% identifying as Māori or Pasifika. Since its inception, 186 interns have participated in the internship, reflecting the programme's enduring impact and growing reputation. The FY2026 cohort included students from a range of educational institutions, including InZone Education Foundation, King's College, the University of Auckland, the University of Canterbury and the University of Otago.

## Expanding pathways into technology

This year, Heartland Bank welcomed eight graduates into the Digital Transformation team as part of its new DigiTech Graduate Programme. Joining between May and July 2026, the graduates are part of an initiative to create technical career pathways for talented young people and provide opportunities to put their technology qualifications into practice.

The initiative has focused on graduates who, despite having relevant technology qualifications, had been unable to secure roles in the sector and had taken employment in other industries. The graduates have brought an outstanding work ethic, commitment to learning and valuable customer service experience to their roles.

The graduates are already contributing across Heartland Bank, including during the implementation of Heartland Bank's Reverse Mortgages automation project, where they worked as floorwalkers to assist the Reverse Mortgage team with the transition to the new technology platform. A programme of foundational learning beginning in September 2026 will further support their development and build their technical capability.

The early success of the graduate cohort provides a strong foundation for Heartland Bank to continue expanding pathways for emerging talent, while informing the development of a broader graduate programme.



Heartland Bank's DigiTech Graduate Programme cohort.

## Diversity and inclusion

### Pay equity and opportunity

Throughout FY2026, Heartland continued to focus on creating equitable opportunities for its people and paying equitably for comparable roles, while acknowledging factors such as experience and skills of individuals. In New Zealand, Heartland Bank's overall median gender pay gap across all roles is 26%<sup>1</sup>. However, this figure reflects the different composition and remuneration levels of roles across the entire organisation and does not provide a meaningful like-for-like comparison. A more meaningful view is provided by comparing employees in similar remuneration bands. For employees earning up to \$100,000, the median gender pay gap is 0%, while for employees earning \$100,000 and above, the median gender pay gap is 8.2%.

While the same basic percentage formula is used to calculate the gender pay gap in New Zealand and Australia, the remuneration data captured differs between the two countries.

Heartland Bank Australia is required to report its gender pay gap under the Workplace Gender Equality Agency (**WGEA**). Over the year, Heartland Bank Australia reduced its median gender pay gap from 20.3% to 7.5%<sup>2</sup>, a significant improvement driven by targeted remuneration reviews, enhanced role banding and a stronger focus on succession planning and talent development.

This progress reflects Heartland's commitment to creating a fair and inclusive workplace and ensuring opportunities for career growth and advancement are accessible to all employees.

### Recognition and inclusive practices

Heartland Bank is pleased to have retained its accreditation as a Living Wage Employer and Hearing Accreditation from the National Foundation for the Deaf and Hard of Hearing. Heartland Bank is currently mid-submission to retain accreditation as a Rainbow Tick employer.

Led by Heartland Bank Australia's Rainbow Committee, Heartland Bank Australia fosters a culture where gender and sexuality diversity are actively celebrated. Employees have access to practical tools and resources, including Rainbow Tick educational guides, interactive Minus18 training, and external wellbeing support networks, helping to embed everyday inclusion across the bank.

### Building a culture of belonging

Driving cultural momentum for Heartland Bank Australia are the Culture Champions: a dedicated, employee-led group focused on fostering everyday inclusion and belonging. A cornerstone of their work is facilitating the bank's Buddy System, a catered onboarding experience that paired over 40 new starters with existing colleagues for coffee, lunches, office tours, and cultural orientation in one-on-one and group settings.

Throughout FY2026, the Culture Champions also delivered an engaging social and educational calendar. Highlights included 10 monthly 'Know Your Colleague' spotlight videos, Board & Governance 'Lunch and Learn' sessions, and celebrations uniting employees around shared values and community causes, including Harmony Week, Lunar New Year, National Ag Day, social bowling, and raising awareness through the White Shirt Campaign for ovarian cancer research.

01

02

03

04

05

06

07

1 New Zealand (Stats NZ) – Based on median hourly earnings (base salary only). Stats NZ uses hourly earnings to remove the impact of differences in hours worked, enabling comparison based on a consistent hour of labour.  
2 Australia (WGEA) – Based on annualised total remuneration, including base salary, superannuation and bonuses. WGEA uses annualised earnings to reflect total remuneration over a full year.

Further information on diversity metrics, including gender diversity across governance and leadership roles, is outlined in the table below.

## Gender diversity

| Positions                            | Female      | Male        | Gender diverse | Not stated | Total      |
|--------------------------------------|-------------|-------------|----------------|------------|------------|
| <b>As at 30 June 2026</b>            |             |             |                |            |            |
| Board - Heartland                    | 1 (20%)     | 4 (80%)     | 0              | 0          | <b>5</b>   |
| Board - Heartland Bank               | 2 (33%)     | 4 (67%)     | 0              | 0          | <b>6</b>   |
| Board - Heartland Bank Australia     | 2 (33%)     | 4 (67%)     | 0              | 0          | <b>6</b>   |
| Management <sup>3</sup>              | 9 (53%)     | 8 (47%)     | 0              | 0          | <b>17</b>  |
| All People Leaders (excl Management) | 46 (40%)    | 71 (60%)    | 0              | 0          | <b>118</b> |
| All staff (excl Board)               | 310 (49.6%) | 311 (49.8%) | 1 (0.2%)       | 3 (0.5%)   | <b>625</b> |

|                                      |           |           |          |          |            |
|--------------------------------------|-----------|-----------|----------|----------|------------|
| <b>As at 30 June 2025</b>            |           |           |          |          |            |
| Board - Heartland                    | 1 (20%)   | 4 (80%)   | 0        | 0        | <b>5</b>   |
| Board - Heartland Bank               | 2 (33%)   | 4 (67%)   | 0        | 0        | <b>6</b>   |
| Board - Heartland Bank Australia     | 3 (43%)   | 4 (57%)   | 0        | 0        | <b>7</b>   |
| Management <sup>1</sup>              | 8 (44%)   | 10 (56%)  | 0        | 0        | <b>18</b>  |
| All People Leaders (excl Management) | 46 (41%)  | 66 (59%)  | 0        | 0        | <b>112</b> |
| All staff (excl Board)               | 308 (50%) | 302 (49%) | 1 (0.2%) | 1 (0.2%) | <b>612</b> |

## FY2027 priorities

- Heartland Bank will continue to provide career opportunities for youth by continuing the new graduate programme.
- Heartland aims to increase its employee engagement results from the FY2026 engagement scores of 63% for Heartland Bank and 59% for Heartland Bank Australia.
- 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.

<sup>3</sup> Management represents the Group's Officers for the purposes of the NZX Listing Rules.

## Supporting Heartland's communities

Heartland seeks to create positive outcomes in the communities in which it operates. The Heartland Trust's<sup>4</sup> mission is to help New Zealanders reach their potential by investing in programmes that make a meaningful difference in local communities. Throughout the year, the Heartland Trust distributed \$328,000 in grants to organisations and initiatives focused on education and learning, arts and culture, mental health and wellbeing, and sport and physical wellbeing.



Mid Canterbury primary and intermediate choir students getting ready to perform at the Heartland Bank Schools Music Festival in Ashburton NZ, June 2026.

01

02

03

04

05

06

07

41

<sup>4</sup> The Heartland Trust is a registered charitable trust that is independent from, but closely supported by, Heartland Bank.

## A partnership making a difference

A significant milestone was reached during the year through Heartland Bank's ongoing support of the InZone Education Foundation (**InZone**). An FY2026 contribution from the Heartland Trust brought Heartland Bank's total support of InZone to more than \$1 million since the partnership began in 2017.

InZone supports Māori and Pasifika rangatahi to pursue educational opportunities and develop as future leaders. Through its kāinga (hostel) model, students are provided accommodation and support that enable them to attend leading Auckland secondary schools, helping remove geographical and financial barriers to education. Heartland Bank's partnership with InZone reflects a shared commitment to creating pathways for success and supporting future generations to thrive.

In Australia, StockCo by Heartland Bank, Heartland Bank Australia's livestock finance offering, sponsored the RMA conference for independent agencies across every state and territory, as well as young farmer groups and regional community events across the country, supporting connection and long-term resilience in rural communities.



Employees from Heartland Bank with InZone students the annual InZone Dinner, September 2025.

## Giving back

Heartland employees are encouraged to make a positive impact in their communities through one paid volunteer day each year. Whether volunteering alongside colleagues or supporting causes individually, Heartland employees continue to contribute their time and skills to organisations that matter to them.

During FY2026, Heartland employees in New Zealand volunteered with a range of community organisations, including Auckland City Mission – Te Tāpui, where they sorted donated clothing to support people experiencing hardship, and Mercy Hospice, where teams created handmade items for bereavement services and to support fundraising through Mercy Hospice shops.

Volunteer day uptake in New Zealand totalled 20 days in FY2026 (FY2025: 34). While utilisation was lower than anticipated, Heartland remains committed to encouraging its people to take advantage of this benefit in the year ahead.



Heartland Bank Credit Consultant (middle) volunteering at Auckland City Mission - Te Tāpui Atawhai.

01

02

03

04

05

06

07

## Caring for customers

Heartland is committed to delivering products and services that provide value, simplicity and certainty for customers. In FY2026, this commitment continued to be recognised through industry-leading customer outcomes and award-winning savings products.

Heartland Bank was named Canstar New Zealand Savings Bank of the Year for the ninth consecutive year, recognising the strength and consistency of its savings offering. Four savings products also received Canstar Outstanding Value Awards and 5-Star Ratings. Heartland Bank's Direct Call Account achieved this recognition for the ninth consecutive year, the 32 Day Notice Saver for the fifth consecutive year, and the 90 Day Notice Saver for the fourth consecutive year. Digital Saver secured a 5-Star Rating for the second consecutive year.

Heartland Bank also received Consumer Trusted accreditation in FY2026 for its Reverse Mortgage product, the ninth consecutive year the product has been recognised by Consumer NZ for its commitment to customer service, transparency and consumer protections.

Heartland Bank Australia strengthened its customer-centric approach in FY2026 by introducing structured customer feedback programmes for its core products, Reverse Mortgages, Deposits, Livestock Finance and broker channels. This enhanced focus yielded strong, tangible results in the June 2026 Voice of the Customer survey, which drew feedback from over 1,000 active Reverse Mortgage borrowers to record an 85% CSAT score and a NPS of +49. A standout 90% of Reverse Mortgage customers confirmed the product met their expectations, praising process ease, fast turnaround times, and empathetic support.

Positive sentiment carried through to Heartland Bank Australia's deposit suite. Savings and term deposit customers achieved a 77% CSAT and an NPS of +20, while Heartland Bank Australia also received a Canstar Outstanding Value Award for its savings accounts.

## FY2027 priorities

- 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.
- Continue to deliver exceptional value and innovative banking solutions to Heartland Bank and Heartland Bank Australia customers, with the goal of maintaining recognition by Canstar in New Zealand and Australia, and Consumer NZ.



# Financial wellbeing

## Supporting financial access, confidence and security

Heartland's purpose-led approach to banking is centred on helping customers achieve greater financial certainty and wellbeing. This includes providing specialist financial solutions designed around the needs and circumstances of customer groups that may not always be well served by conventional lending models.

Across New Zealand and Australia, Heartland's specialist reverse mortgage and livestock finance products support access to finance at important stages of customers' lives and businesses. During FY2026, this was complemented by initiatives focused on customer education, protection from scams and fraud, and research to build understanding of the financial needs of older Australians.

## Supporting financial wellbeing in retirement

For many older Australians and New Zealanders, a significant proportion of their wealth can be held in the family home, while their income and access to funds may reduce in retirement. Heartland's reverse mortgages provide eligible older homeowners with a way to access some of this equity without having to sell their home.

Customers can access funds in different ways depending on their needs, including through a lump sum, regular advances or funds held for future use. These funds can help meet a range of needs later in life, including day-to-day living expenses, home improvements, debt consolidation, medical costs, and in-home or aged care.

Alongside providing access to retirement finance, Heartland Bank Australia continued to focus on helping older Australians make informed financial decisions. During FY2026, Heartland Bank Australia connected directly with older Australians at the Geelong Seniors Expo and Melbourne Seniors Lifestyle and Wellbeing Expo, providing clear education on responsible home equity release.

Heartland Bank Australia also invested in education across its intermediary network, delivering specialised training through major broker networks across six states. Delivered through workshops, roadshows and industry events, the training covered policies, credit criteria, customer eligibility requirements and application processes. This investment supported broker capability and confidence, better-informed customer outcomes and increased understanding of Heartland Bank Australia's retirement finance solutions.

## Supporting access to finance for farmers

Heartland also provides specialist finance designed around the particular needs, cash flows and life stages of rural customers, supporting financial wellbeing through greater flexibility and access to finance.

In New Zealand, Heartland Bank's Livestock Finance provides eligible farmers with up to 100% finance for livestock purchases, with security taken over the livestock being purchased rather than the farm. This means existing security arrangements with a farmer's bank are not impacted. Repayment is not required until the livestock is sold, aligning the financing structure more closely with the underlying farming activity.

01

02

03

04

05

06

07

In Australia, StockCo by Heartland Bank Australia provides specialist livestock finance designed to help eligible producers fund livestock purchases and support working capital. Funding of up to 100% of the purchase price is available for eligible livestock purchases, with security primarily taken over the livestock being financed rather than broader farm assets. Finance is structured around the livestock production cycle, with repayments generally aligned to the sale of livestock.

By using the livestock being financed as security, these specialist products can provide farmers with an additional pathway to capital while preserving existing banking arrangements and working capital. This can give producers greater flexibility to respond to seasonal and market opportunities and invest in the productivity and growth of their farming businesses.

In New Zealand, Heartland Bank also supports the financial wellbeing of farmers as they prepare to transition from farming into retirement. Recognising that much of a farmer's wealth may be tied up in the farm, the Farm Transition Loan enables eligible farmers to access some of this equity before the farm is sold, while continuing to own, operate and live on the property. Funds can be used for purposes such as preparing the farm for sale and providing greater financial flexibility and certainty as farmers plan for the next stage of their lives.

## Protecting customers from scams and fraud

Protecting customers from scams and fraud remains a key priority for Heartland in New Zealand and Australia.

In New Zealand, Heartland Bank adopted the New Zealand Banking Association's new anti-scam commitments in November 2025 and implemented a range of enhancements to help protect customers and strengthen fraud prevention capabilities. Heartland Bank also continues to work closely with industry participants to support collective efforts to identify, prevent and respond to scams, helping contribute to a safer and more secure banking environment for customers.

In Australia, Heartland Bank Australia continued to invest in strengthening its fraud and scam detection and prevention capabilities through its new core banking platform, including the introduction of biometric authentication. Recognising the heightened threat that fraud and scams present to customers, continued investment in prevention and detection capabilities remains a key focus.

## Supporting financial wellbeing through market insights

In March 2026, Heartland Bank Australia partnered with Deloitte, Gateway Bank and Enviva to publish the 2026 Australian Reverse Mortgage Survey, providing a comprehensive analysis of Australia's home equity market. The research highlighted the significant gap between the estimated AU\$3 trillion in residential property owned by Australians aged over 60 and current reverse mortgage utilisation of approximately AU\$5.5 billion, demonstrating the opportunity for home equity to support older Australians later in life.

By contributing independent, data-driven insights into customer demographics, borrowing behaviours and market trends, Heartland Bank Australia is helping to build understanding of the financial needs of older Australians and supporting informed conversations about sustainable retirement funding.

## FY2027 priorities

- Continue to enhance fraud prevention and scam mitigation capability in Heartland Bank and Heartland Bank Australia by delivering stronger customer protections, improved fraud detection and response, and enhanced internal controls to reduce financial crime risk.

# HEARTLAND

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## GROUP

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