

A decorative graphic on the left side of the page consisting of a grid of circles. The top 5 rows have 5 light blue circles each. The remaining 20 rows have 5 dark blue circles each. The circles are arranged in a 5x25 grid.

STATEMENT OF INTENT

For the period ending 30 June 2026

UN Global Sustainable Development Goals (SDGs)

The UN’s 17 SDGs provide a valuable blueprint for a better and more sustainable future for all by addressing the global challenges we face.

While all 17 SDGs are important, some are more relevant than others for our business, especially when we get down to the level of setting specific targets. These are the main SDGs our work has a relationship to:



Mihimihi

Tihei Mauri ora
Me mihi ki te Runga Rawa nāna nei ngā mea katoa

I sneeze it is life
Give praise to that which is above us for all things
are from that source

Tēnei te karanga
Tēnei te tangi
Kia tūwhera ngāi tatou i te whai-ao
Ki te Ao Marama
Me haere koe ki reira
Tihei mauri ora
E te Rakatira a Donald,
haere ki te Putahi nui a Rehua,
Haere koe ki tua o Paerau
Takoto i roto i te rika kaha o te Ruka Rawa,
nana nei i huka ka mea katoa
Haere ki te po, haere ki te taha o tou tipuna
Haere, haere, haere

This is the calling
This is the cry
Open the spiritual world
To the physical world
So that you may pass through
Tis the breath of creation
To our esteemed leader Donald
Go to the constellation of the stars
Go to the place beyond
Rest in the hands of that above us all
who is the source of all things
Go to the night, to be with your ancestors
Farewell, farewell, farewell

Ki ngā mate, pupu ake te mahara i o mātou hinengaro, hāere
koutou kua wehe atu ki te pō, ki te okiokinga, hāere, hāere,
hāere.

To those passed on, memories well up in our thoughts
because you have departed from here to the night, to your
resting place, farewell, farewell, farewell.

Te hunga mate ki te hunga mate, te hunga ora ki te hunga
ora, apiti hono, tatai hono.

The dead to the dead, the living to the living,
the lines are joined.

Ki te hunga ora, he mihi tenei ki ngā maunga tapu me ngā
marae maha o Te Waipounamu huri noa i ngā tangata katoa e
noho ana.

To the living, greetings to the sacred mountains,
marae and all the people living throughout the
South Island.

Kā nui te mihi hoki ki ngā kaimahi hei mahi nui i a rā, i a pō,
i te Kamupene Whakaraupō.

Big acknowledgements to all our staff working
day and night at Lyttelton Port Company.

Kei runga i tō tātou huarahi, i hāere mai tātou i Ōhinehou.
I kimihia e tātou ngā mahi me te mātauranga hei oranga mō
ngā whānau me ngā tāngata o Waitaha.

On our journeys, we have come to Lyttelton seeking
work and knowledge for the future well-being of our
families and the people of Canterbury.

Tae mai ki tenei rā, kei te mahi tahi te Poari me ngā Kaimahi
o Te Kamupene Whakaraupō ki te whakatinana i ngā
moemoea me ngā wawata o ngā tangata e noho ana i konei.

Today, the Board and Staff of Lyttelton Port Company
are working together to support the visions and
aspirations of all those who live here.

Ko to mātau kāinga tēnei
He rere ke, he tangata auaha
He angitu, he mea pai mo Te Waipounamu
Kia toitū te taiao mo ake tonu atu
Whakaraupo! He wāhi mo te katoa.

This is our homeland
We are its diverse and innovative people
Driving opportunity, enterprise and prosperity for the South Island
Building a legacy of sustainability for the environment and the future
Lyttelton Harbour a place for everyone.

Introduction

The Statement of Intent (SOI) sets out for Lyttelton Port Company Ltd (LPC) and its subsidiaries the objectives, nature and scope of its activities. It also sets out performance targets and other measures by which the performance of LPC may be judged in relation to its objectives and other requirements.

LPC is the largest port by container volume in the South Island and sits at the nexus of a key supply chain. We sit at the heart of a growing hub and spoke model, with cargo arriving via both coastal shipping and rail for transshipment to larger vessels for international export.



LPC has a natural two-way flow of imports and exports, and is the hub for imports into the South Island, handling 70% of all imports.

- This system is built on the following:
- Inland facilities such as MidlandPort and CityDepot, facilitating rail and conglomeration of cargo
 - VBS, smoothing the flow of cargo and reducing congestion on arterial routes
 - A channel, berths and terminal space for over 500,000 TEU.
 - Consents in place for expansion of facilities to well over 1m TEU per year and increased vessel sizes.

The process of negotiation and determination of the SOI is a public expression of the accountability relationship between the company and its shareholder.

This SOI covers the 3-year period from 1 July 2023 to 30 June 2026.

LPC is a port company governed by the Port Companies Act 1988. This SOI is prepared in accordance with LPC’s obligations under the Act. LPC remains committed to meeting its principal obligation under s.5 of the Port Companies Act to be a successful business while ensuring we are a good employer, environmentally responsible and take into account our impact on the community.

This SOI also draws on key aspects of integrated reporting, presenting our **business strategy, business model and value chain**. Each section of this report is linked to the various forms of capital we depend on for our success: **financial, manufactured, human, social and relationship and natural**.

- We believe this framework lines up with the priorities that Local Government Act 2002 lays out for Council-Controlled Organisations (although note LPC is a Port Company under the Port Companies Act 1988, not a CCO). We also believe it lines up with the Christchurch City Council’s strategic priorities of:
- resilient communities
 - a liveable city
 - a healthy environment
 - a prosperous economy

In 2019, LPC set a firm future direction with the adoption of our sustainability strategy and clear targets to improve our performance in three key focus areas: **prosperity, people and the planet**.

A significant part of our 2019 Sustainability Strategy is moving towards an integrated reporting model. Integrated reporting is about promoting a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation over time.

We chose the integrated reporting framework in 2019 because it focuses on and communicates the ability of an organisation to create value in the short, medium and long term and includes transparent reporting on the preservation and/or erosion of this value.

We believe the framework will drive integrated thinking within our organisation, with the consideration creation of value across all five of our capitals, leading to better decision making and long-term sustainable development for both LPC and our local community and region.

Our business strategy

LPC’s Leading the Way strategy was developed in 2020 as a five-year change plan. It laid out how LPC’s cultural and commercial turnaround would occur over the period FY21-FY25 and consisted of three key pillars: Sustainable profitability, Whanaungatanga and Infrastructure for the Future. Since then, we have reviewed the strategy, focusing on better reflecting the value creation model and the capitals we had adopted as we set out on the Integrated Reporting journey in FY21 to drive Integrated Thinking within the organisation. The review led to the adoption of a fourth pillar, Manākitanga and Kaitiakitanga, to reflect our commitment to value creation in the Social and Relationship Capital, and Natural Capital.

Sustainable Profitability

We will deliver sustainable profitability that enables LPC to deliver customer, cultural and commercial excellence while providing a fair return to our shareholders.



Material issues

- Sustainable Financial Performance
- Business Continuity Planning
- Corporate Governance

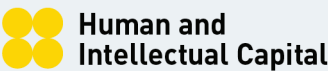
SDGs



In the second half of FY22, the Board and Executive also began the process of developing our long-term strategy for beyond the end of Leading the Way. This process has looked at the long-term freight growth for the Canterbury and South Island regions, considered the impact of climate change and the beginning of the work by AECOM on our Climate Risk Assessment, and the opportunities presented by change and adaptation. These have fed into both our assessments of infrastructure needs for the future, as well as our ambitions around our environmental performance and our impact on biodiversity.

Whanaungatanga

We will build relationships at LPC through shared experiences, working as one LPC team where everyone feels they belong and can contribute to building a stronger LPC whānau together. We will achieve this through improved safety, a cooperative approach to high performance high engagement (HPHE), staff development and the management of talent.



Material issues

- Health, Safety and Wellbeing
- Culture and Values
- Future of Work
- Employee Attraction Development and Retention

SDGs



The strategy work recognises the shift now underway towards a hub and spoke model for shipping in New Zealand. As one of New Zealand’s three major international trade gateways, LPC has a responsibility to ensure that we deliver the infrastructure necessary to facilitate the future international shipping needs on the South Island and the lower North Island.

This work has highlighted:

- The growth profile ahead for the South Island economy means we risk becoming a block and congestion point in the New Zealand network if we do not continue to invest in infrastructure to support that growth.
- The logic of moving the Port to the East and continuing to develop infrastructure in Te Awaparahi Bay and progressively free up public use space in the Inner Harbour remains valid.

Infrastructure for the Future

We will ensure LPC has the right infrastructure it needs, at the right time and at the right cost to deliver sustained profitability and growth.



Material issues

- Infrastructure Investment
- Efficient Allocation of Port Space

SDGs



- LPC has natural advantages that underpin its importance to the New Zealand economy:
 - Connected to and serving the largest commercial and population base in the South Island
 - At the heart of an extensive regional export economy, helping drive economic growth of all New Zealand, safely, efficiently and responsibly.
 - The capacity and capability to accommodate future regional growth within our consented footprint.

In FY24, we will be working to develop business cases and capital plans to support the region’s strategic infrastructure needs. We will work with CCHL to ensure that any future developments as a result of this work add to shareholder value and deliver sustainable long-term returns.

Manākitanga and Kaitiakitanga

We are committed to contributing positively to our communities and working in partnerships to value and protect the natural environment. We are focused on addressing climate change, delivering a net positive effect on biodiversity, and waste minimisation and avoidance.



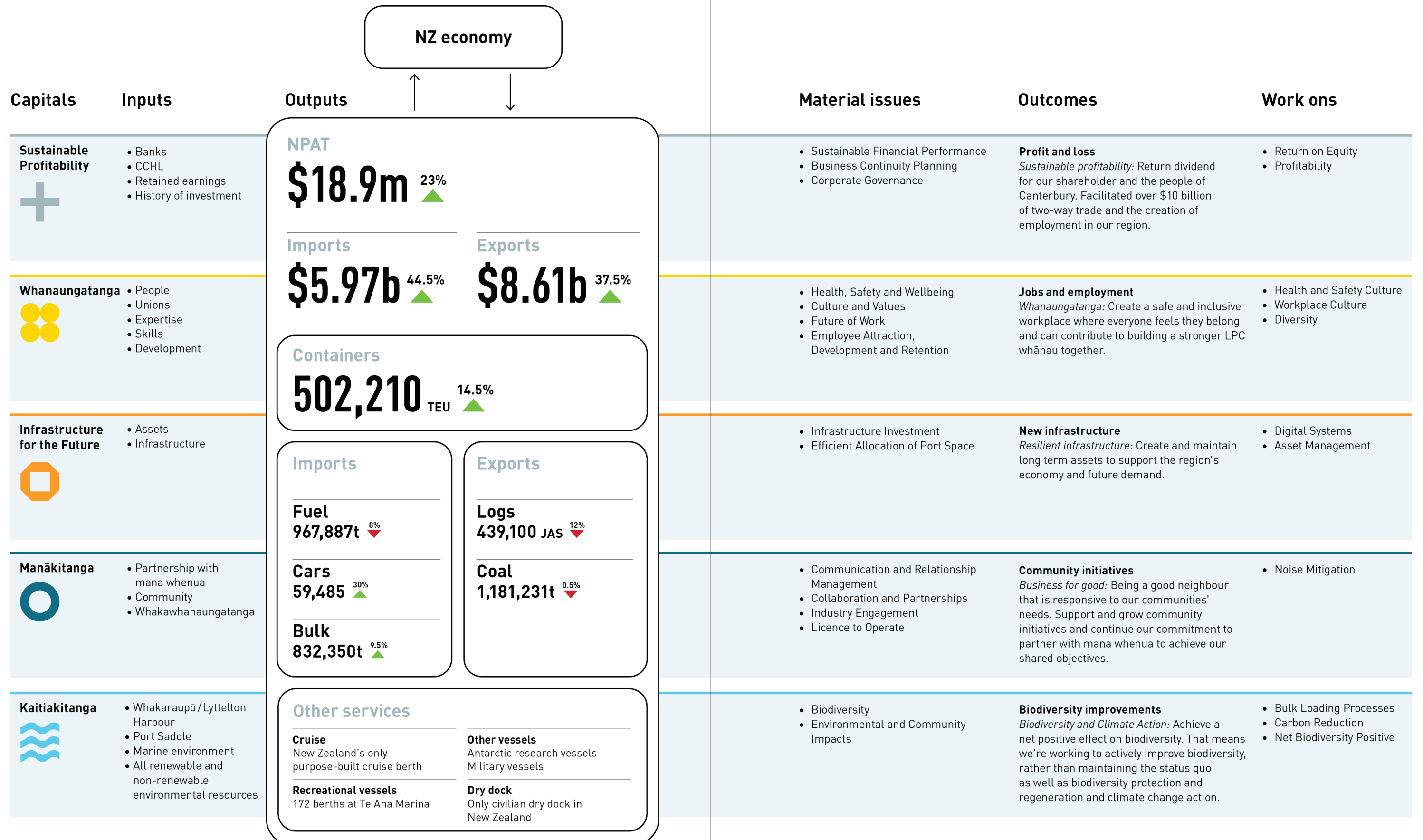
Material issues

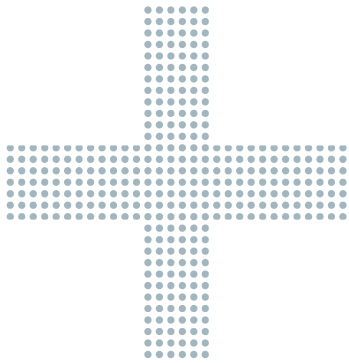
- Communication and Relationship Management
- Collaboration and Partnerships
- Industry Engagement
- Social License to Operate
- Biodiversity
- Environmental and Community Impacts

SDGs



Our value chain





Sustainable Profitability

Our purpose is to facilitate the sustainable growth of trade for Christchurch, Canterbury and the wider South Island. To do this, we must increase the profitability of the Port, guarantee long-term trade connections for the South Island and ensure that LPC remains economically sustainable.

We are committed to ensuring that the Port is able to handle strong projected growth in volumes, delivers a fair return to its shareholder and is sustainably profitable in the long term. We need to provide the infrastructure, services and connectivity that our customers require while ensuring good shareholder returns.

This requires us to operate efficiently, safely and sustainably. It requires us to focus on our efficiency and reliability to ensure port operations provide customers with the service they need, delivered cost-effectively. Continued evolution and innovation in both the delivery of services and product pricing will form a core part of our work over the period.

Our services are critical to the success of a diverse range of exporters and importers, and consequently, the lifestyle and prosperity of all people living in the South Island. The Port supports thousands of jobs, and the creation of billions of dollars of wealth.

We are dedicated to delivering operational excellence, optimising the use of LPC’s infrastructure assets and developing infrastructure at the right time and at the right cost to deliver sustained profitability and growth.

Profitable and financially sustainable

- LPC continues to develop initiatives to increase our profitability. We will have a strong focus on sustainable financial performance, increased returns and delivering prosperity to our region.
- We have an emphasis on effective cost control and revenue optimisation.
- LPC monitors its current and forecasted debt levels on a regular basis. LPC ensures that it has enough debt headroom to meet all of its financial obligations and enable capital investment back into the company. This is balanced against shareholder requirements for dividend certainty over the short and medium term. We also maintain an approved facility to provide a contingency in case of a one-off business continuity threats such as foot and mouth.
- We have expanded our non-financial reporting through the recognised standards of integrated reporting.
- Great connectivity to the South Island and global markets
- LPC will continue to invest in new equipment, technology and infrastructure to meet the evolving needs of our customers. We will focus on innovative methods of service delivery.
- LPC owns two inland ports, which gives importers and exporters a range of options for transporting cargo within the region. We are focusing on increasing volumes and profitability through our inland ports, as well as delivering increasingly sustainable services through the modal movement of freight from roads to rail.

Maintain efficient and reliable port operations

- Our customers care about their cargo moving through our port and inland ports in an efficient way. We are focused on constantly improving the performance of our operations while ensuring:
 - all operations are focused on meeting customer needs;
 - we use our labour as efficiently as possible;
 - we develop and utilise innovative and disruptive technology.

Risk Management

- Managing risk spans all levels of governance, leadership and operations, and is managed under the LPC Risk Management Framework which provides overall guidance and methodology. The Board has also approved the appropriate risk appetite statement for LPC. This statement sets out the areas with little or no appetite for risk, and provides guidance as to the expected mitigation responses from management when responding to and managing identified risks.
- While risks are actively managed in the various business units, functions and departments across LPC, the Board and senior management has established, with independent facilitation to ensure appropriate rigour, the top strategic risks requiring ongoing monitoring by the Board and the Audit and Risk Committee, and mitigation by LPC management and staff.

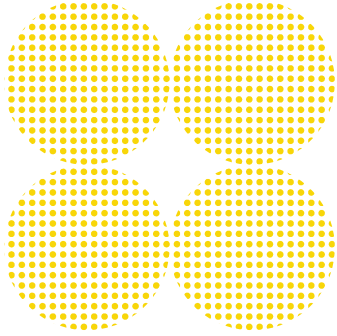
Note the dividends proposed below relate to the respective financial years. Cash timing differs as LPC has typically paid an interim dividend during each financial year and a final dividend after the end of each financial year.

Forecast volatility

LPC operates in a dynamic commercial environment and is continually enhancing our long-term plan. While LPC makes every attempt to provide accurate forecasts, volatility is unavoidable. Therefore, LPC commits to providing regular forecast updates to our shareholder to ensure there is a clear picture for them of the group’s financial position. This reporting is annual, quarterly and interim.

The Board intends to use any surplus funds, not in the forecast to manage debt levels.

Objectives	Key Performance Measures	Targets		
		FY24	FY25	FY26
Financial	Revenue (\$'000s)	205,992	220,685	231,319
	EBIT	45,946	50,042	52,890
	EBITDA	66,946	73,042	76,890
	Net profit after tax (\$'000s)	23,994	27,264	29,673
	Shareholder funds to total assets	58.7%	60.5%	62.3%
	Interest cover ratio	3.6	4.1	4.5
	Debt (\$'000s)	230,588	221,692	211,630
	Equity	400,711	414,343	429,179
	Debt/Debt + Equity	36.5%	34.9%	33.0%
	Average Equity	6.1%	6.7%	7.0%
	Average Total Assets	3.5%	4.0%	4.3%
	Dividend proposed (\$'000s)	12,500	13,632	14,837



Whanaungatanga

The importance of our people means we are committed to creating quality employment opportunities, attracting and developing talented people and maintaining the health and well-being of everyone in our workplace. It also means LPC is committed to building and growing a diverse and inclusive workforce where the unique strengths of individuals are valued and celebrated.

We have a workforce of over 600 dedicated and committed staff who are focused on delivering the highest levels of service and performance to the people and businesses of the South Island who depend on the Port.

Over the period of this SOI, we will be focused on the implementation of a new people and culture strategy, that delivers capable leadership, staff that feel valued and engaged, and a workforce that looks like the community we serve. This will ensure we have access to a wide pool of talent and we are an employer of choice in the Canterbury region.

LPC has developed a range of initiatives to support the health, safety and well-being of our people, and we see health and safety as an enabler of great business performance. We have identified twelve critical risks, established baseline systems and implemented a PCBU framework. Over the period of this SOI we will continue to roll out our eight life-saving commitments, developed over the last two financial years.

Our people

LPC's new people and culture strategy is built on four key pillars: Aspirational culture, talent attraction, retention and development, collaborative employment relationships and diversity targets. In order to deliver these, we have developed six key strategic priorities:

- Build internal capability
- Build culture
- Build a diverse and inclusive workforce
- Strengthen collaborative relationships
- Attract, acquire and retain the right talent
- Optimise people and culture service delivery for business success

Build internal capability

We will focus on building leadership capability to leverage our employee potential. This means identifying what the business needs in the leadership space, as well as identifying and developing talent.

Over the period of the SOI we will:

- Deliver leadership framework
- Deliver talent management framework and tools
- Deliver learning and development framework and tools
- Deliver a new performance management model

Build culture

LPC has made a significant investment in cultural transformation work over the last three years, and we are now focused on moving beyond the work in our previous Workplace Culture Action Plan. Our plan now is to deliver an aspirational culture that is defined, articulated and led by our leaders, and not seen as the responsibility of the People team.

Over the period of the SOI we will:

- Confirm the completion of Workplace Culture Action Plan and report that to the Board
- Design and support delivery of a "next-step" culture roadmap
- Embed values and behaviours in people processes, policies and decision making

Build a diverse and inclusive workforce

LPC has worked hard to develop a Diversity, Equity, Inclusion and Belonging (DEIB) framework over the last two financial years, including auditing where we were at, undertaking gender balance research (in collaboration with the CCHL group), developing an action plan and establishing an internal Inclusion Committee Te Whakaroopu. We believe this will mean:

- Our workforce makeup looks like the community we serve.
- We attract and have access to a wider pool of talent.
- The diversity will improve culture, teamwork, decision-making and ultimately performance.

Over the period of the SOI we will:

- Deliver the developed DEIB framework
- Continue our awareness and education programmes
- Align people practices, culture and decision-making
- Continue to measure, review and report
- Develop as a priority an action plan to close the gender pay gap, following LPC's participation in the CCHL Group Gender Balance Research Programme

Strengthen collaborative relationships

We believe improved engagement and culture will lead to better outcomes both for people and for the business. We will build on the work already done developing the HPHE Charter with our Union partners and create an environment where collaboration delivers positive outcomes through joint interest problem-solving.

Over the period of the SOI we will:

- Review and refresh of HPHE
- Develop a stakeholder/relationship management approach
- Employee/leadership communication strategy

Attract, acquire and retain the right talent

We want a system that delivers LPC access to the best talent, and ensures that we have an agile and future-focused approach to our changing labour needs.

Over the period of the SOI we will:

- Create a workforce plan for the short and medium term
- Create and manage established budgeted headcount
- Develop employer brand and sourcing strategies
- Develop and deliver pipeline plan for critical roles

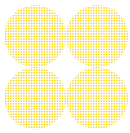
Optimise people and culture service delivery for business success

The creation of a clear strategy and a work plan to deliver it is core to this. We will also focus on delivering quality data and metrics to the business to enable strong decision-making.

Over the period of the SOI we will:

- Develop the detailed work plan to deliver the strategy
- Investigate the digitisation of people processes and create a roadmap
- Invest and build the Human Resources Services function

Key Performance Measures	Targets		
	2024	2025	2026
Leadership and Talent development	Develop and deliver a leadership and talent framework	Embed leadership and talent framework	
Gender balance male/female	85/15	80/20	78/22
Engagement Pulse Survey per year	<3	<4	<5
Gender Pay Gap	10.2%	9.8%	9.5%



Health, safety and well-being

Our approach to health, safety and well-being focuses on the reduction of operational risk across all business activities. Empowering all staff to be visible safety leaders, supported by our strategic health and safety objectives of fundamental risk management, simplified systems and processes and fitness to work.

We care for our people and we are committed to working safely. We protect the environment and our assets, and we act when we observe hazards or unsafe behaviours.

Our Critical Risk programme continues to mature and has expanded to cover the range of specific risks that we face in the Port environment. We will be continuing to work over the period to roll-out and embed these critical risks.

We have worked with staff and Unions to develop a set of life-saving commitments which were introduced to the business over the last financial year. A key part of our work over FY24 will be embedding these life-saving commitments and ensuring that it is understood these are non-negotiable.

Visible safety leadership from LPC leaders:

- Lead by example and ensure that safety is prioritised.
- Actively and collaboratively engage with LPC’s employees, health and safety representatives and union partners to ensure we are preventing and controlling hazards and risks.
- Work with LPC’s employees to enhance their well-being at work and at home.
- Critical Control Checks to further identify opportunities to reduce operational risk
- Embedding Life-saving Commitments
- Re-induction of all staff on Health and Safety general induction
- Safety recognition awards

Simplified systems and processes

- Introduction of a One LPC Integrated Safety Management Software System
- Enhanced contractor management
- Enhanced PCBU management
- Critical Risk Assurance Reviews - a critical control assurance programme is in place to monitor the effectiveness of our critical risks.

Fundamental risk management

- Strong reporting is in place for hazard identification and incidents/events.
- Effective incident investigations are in place.
- Safe equipment and work environments are fundamental to how we manage risk.
- Constant review of our equipment and workplace to identify safer alternatives.
- Continued expansion of the Permit to Work and Authority to Work system established in FY22.

Fitness for Work

- Health monitoring – annual workforce monitoring
- Personal fatigue assessments
- Workplace exposure monitoring
- Manual handling programme

Key Performance Measures	Targets		
	2024	2025	2026
Reportable injuries/incidents	0	0	0
Total recordable injury frequency rate	<2.0	<2.0	<1.8
Lost-time injury frequency rate	<2.0	<2.0	<1.8
Health and safety interactions per year	800	>800	>1000
Senior Leaders Critical Control Checks	500	>500	>600

The eight Life-Saving Commitments

Working at Height

Always use correct, certified equipment when working at height.



Ships Lines

Always stay clear of snapback zones of ship lines under tension.



People vs Plant

Always establish positive communication. Stay clear of exclusion zones. Keep to designated walkways.



Working on or Near Water

Always stay clear of the water's edge, use walkways, gangways and PFDs as required.



Isolation

Always isolate and verify energy is controlled.



Container Stacks

Always maintain a safe distance as required from stacked containers.



Cranes and Lifting

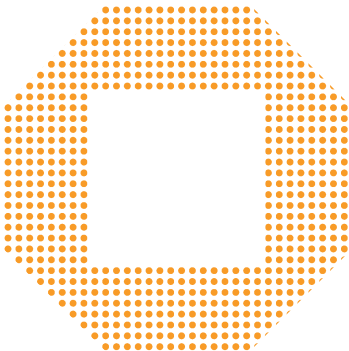
Always look for and stay clear of suspended loads. Follow safe work procedures.



PPE Personal Protective Equipment

Always use the correct PPE for the task. Ensure that PPE is correctly fitted and in good condition.





Infrastructure for the Future

LPC’s infrastructure is ultimately a shared asset for the entire region. Strategic maintenance, management and development are essential to meeting the needs of Christchurch and Canterbury, today and beyond.

Thanks to the range of consents that came out of the Port Recovery Plan process, LPC remains in an excellent position with regards to future infrastructure development. We have all the consents needed to meet projected volume growth over the next few decades, including reclamation consent.

With the completion of the Eastern Development and the new straddle workshop, our focus now moves to new projects to deliver safety and environmental upgrades to the Inner Harbour and our CityDepot facility in Woolston. We are also continuing the planning and other work associated with the Te Awaparahi Bay container wharf and terminal, the next step in our strategy to move East and deliver the berth and terminal capacity to support the South Island economy.

Infrastructure to meet demand

Optimise the use of land and infrastructure assets

- LPC has significant land holdings at Lyttelton Port and at our two inland ports: CityDepot at Woolston and MidlandPort at Rolleston. These will be developed to meet increased demand in a timely and affordable manner

- We have resource consent to extensively reclaim additional land over the next 30 years. Our intention is to turn this area into our primary container terminal facility, as demand requires it
- We will embed asset management principles at the core of our approach to business, to ensure we are planning and maintaining our assets to maximise asset life
- We have an asset maintenance and replacement programme to maintain our assets
- Deliver infrastructure to meet capacity needs in a timely way
- This work will be driven by demand and the programme will be developed in a way that is affordable and delivers an appropriate level of return
- The programme includes digital systems upgrades to ensure we are able to meet customer and planning needs and run our business efficiently
- Scope will be continually monitored to ensure projects remain on scope, on programme and on budget
- Sustainability and environmental management remain at the core of all development projects

Key Performance Measures	Targets		
	2024	2025	2026
Programme delivery – percentage of programme delivered more than one week over operational requirement	>15%	>10%	>10%
Asset management plan development and implementation	All critical assets under asset management plans with actions. 50% of all assets under asset management plans.	75% of all assets under asset management plans.	100% of all assets under asset management plans.
Programmes with full sustainability analysis and plans	100%	100%	100%





Manākitanga

Our ambition is to grow social capital by creating long-term meaningful value for our communities across a range of parameters. We are also focused on developing a strong customer culture, ensuring we deliver a great experience and value.

Being a good citizen is a responsibility LPC takes very seriously. We act on this duty through a balance of activation, monitoring and transparent communication. Activation means contributing to our communities through sponsorships and programmes that create long-term, meaningful value. Monitoring means being conscious of how port operations can affect local communities and working to minimise such effects as noise, light, and air emissions to the extent possible.

We are constantly looking to improve our customer engagement, and deliver innovative solutions for the region’s supply chain. Collaboration is key to developing supply chain opportunities, and we are committed to a transparent and open relationship with our port user community.

Threading through all of this is a focus on communication. By having open, candid conversations with people around us we are building trust. By understanding what our communities and customers need, we are creating lasting value.

Whether receiving honest feedback or making a real difference, positive relationships are good for us all.

We will continue to place importance on our partnership with iwi in Whakaraupō. LPC takes seriously the obligation to reflect the partnership created by Te Tiriti o Waitangi/Treaty of Waitangi in our day-to-day work, and we have increasingly incorporated mātauranga Māori, particularly in environmental management. Part of our Workplace Culture Action Plan (WCAP) is to better integrate Tikanga into our employment practices.

The Board will approve a Te Tiriti o Waitangi policy for LPC in the period of this SOI, which will recognise Te Tiriti as the founding document of New Zealand and the unique position of Māori as tangata whenua.

The Manawhenua Advisory Group (MAG) has been an important engagement forum for LPC and Te Hapū o Ngāti Wheke since 2014. The purpose of MAG is to provide a regular forum for conversations between LPC and Te Hapū o Ngāti Wheke to recognise and provide the shared vision for Whakaraupō/ Lyttelton Harbour. This will continue in FY24, as we look to continually grow and enhance our partnership.

LPC will continue to take a leading role in CCHL’s He Huanui rōpū, and will work to help deliver CCHL’s FY24 KPIs developed by the rōpū. We also remain committed to ensuring alignment with the Christchurch City Council’s wider strategic partnership with mana whenua.

LPC recognises that low-frequency vessel noise is our biggest impact on those who live near us. We have continued to work hard to minimise and have actively collaborated with other New Zealand ports as part of the development of a ship noise register. This register and monitoring will be introduced over the coming financial and will ensure a common approach by New Zealand ports to noisy vessels.

Our sponsorships range from one-off donations to ongoing partnerships with leading organisations, such as our principal sponsorship of the Banks Peninsula Conservation Trust and our ongoing support for the construction of Te Ūaka The Lyttelton Museum. We currently support a number of local sporting clubs, community groups, projects and other local organisations, with a particular focus on youth development and support.

LPC also continues to support Christchurch’s Antarctic Gateway strategy with particular focus on two of the four priorities of the strategy. We provide world-class logistics for Antarctic vessels and have a clear focus on sustainability as demonstrated in this SOI.

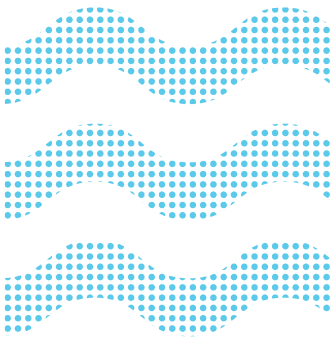
We will continue our regular community engagement, including:

- Free monthly port boat tours
- Our community newspaper, LPC Update, delivered to nearly 10,000 homes
- We have a monthly community email update, Harbourwatch, which has doubled in readership numbers in its first year
- The Port Liaison Committee will continue to meet to discuss community issues and includes representatives from the local community, port users, Environment Canterbury and Christchurch City Council

As outlined in the Port Lyttelton Plan, we are committed to moving the port’s operations east over the long term to free up land and provide increased public access to the waterfront. This remains a key part of our strategy moving forward, and we are focused on building on the public space and access created by Te Ana Marina over time.

As part of the role we play as a citizen of Lyttelton Harbour, we work hard to be a responsible and supportive part of the community.

Key Performance Measures	Targets		
	2024	2025	2026
Port Liaison Committee Meetings per year	<3	<3	<3
MAG Meetings per year	<6	<6	<6
Vessel Rate	45	50	55
% of vessels served within x hours of scheduled window	75%	80%	85%



Kaitiakitanga

LPC is committed to the protection and enhancement of our natural environment. As a port, LPC has a special responsibility for the harbour environment, and we are proud to be a part of Whaka-Ora, the Whakaraupō/Lyttelton Harbour Catchment Management Programme for the ecological restoration of the harbour environment.

Our sustainability strategy, developed in 2019, recognises three key priorities for LPC: climate change, waste and biodiversity. In FY24, the Board will consider an updated plan reflecting advances and developments since the original plan was developed. Our climate change target is to positively contribute to addressing climate change and achieve net-zero carbon emissions for our operations by 2050. It is our intention that this target will be updated to reflect science-based targets in FY24.

We recognise the importance of collaboration and partnering with our peers, including CCHL companies. We are committed to work with the CCHL group to determine appropriate carbon emissions reduction targets and will continue to play a leading role in the group sustainability working group and in the development of the Group Emissions Reduction Plan and it's subsequent implementation plan. We will also continue our involvement in the Sustainable Business Council, the New Zealand Climate Leaders Coalition, World Ports Sustainability Programme and New Zealand ports network.

Our procurement team continues to take a partnership approach with suppliers to identify ways we can accelerate our reduction of carbon emissions. We will continue them to establish timelines for the availability of low and zero-emissions plant, and work to inform them of our requirements as a customer.

In FY23, LPC completed our climate-change risk assessment report, in line with the requirements for the Task-Force for Climate-related Financial Disclosures (TCFD) standards. This coming financial year, we intend to complete our Climate Risk Adaptation Plan, building on the risk work undertaken as part of the FY23 assessment.

LPC's goal is to transition to zero waste to landfill by 2040 by avoiding waste, focusing on making better purchasing decisions, collaborating with suppliers and considering how we deal with products at end of life.

Our goal is for LPC's net biodiversity impact to be positive for the environment. We will have a net restorative and regenerative approach on our harbour environment. This is an extremely ambitious goal, and we know of no port that has such a bold target.

Over the last two years, LPC has been a beta-tester for the Task Force for Nature-related Financial Disclosures (TNFD) framework. This coming year we will pilot the interim Science-Based Targets for Nature (SBTN) guidance to define biodiversity recovery 2050 targets for Whakaraupō/Lyttelton Harbour and its land catchment, allocate LPC's contribution to these targets, and develop metrics to report future progress against.

Within the next three years, we will focus on:

- Developing an updated carbon reduction plan to reflect our move to science-based targets
- Complete our adaptation plan in line with the Task Force on Climate-related Financial Disclosures criteria, working alongside CCHL.
- Continuing our Integrated Reporting, refining and developing on the model put in place in FY23
- Developing a carbon offsetting strategy and actively contributing to the CCHL group reduction strategy in line with the Christchurch City Council's carbon reduction strategy.
- Ongoing implementation of the Whaka-Ora/Healthy Harbour Plan aimed at restoration of the ecological and cultural health of Whakaraupō/Lyttelton Harbour, following the re-signing of the Collaboration Agreement between the five partners in February 2023.
- Investigating the use of incentive schemes to promote the use of more-sustainable vessels by customers.

- Implementing the action plan for the biodiversity-positive strategy to move LPC towards having a net positive effect on biodiversity, and developing a partnership with mana whenua to reflect mātauranga Māori in our analysis.
- Continuing ecological enhancement of LPC land including the 17 ha Port Saddle site in Lyttelton in partnership with Banks Peninsula Conservation Trust.
- Continuing the development of our strategic partnership with Banks Peninsula Conservation Trust to help further our biodiversity ambitions.
- Setting area-specific goals for waste reduction that can be owned by the operational teams.

Key Performance Measures	Targets		
	2024	2025	2026
Carbon reduction	15% reduction in scope 1 and 2 operational emissions from baseline year 2018. Develop Scope 3 strategy to identify upstream and downstream value chain emissions	20% reduction in scope 1 and 2 operational emissions from baseline year 2018	
Waste	Develop operational area specific waste targets to support increasing diversion from landfill.	Ongoing implementation of waste reduction programmes based on targets across all operational areas	10% reduction in landfill waste from baseline year 2023
Biodiversity positive	Publish our biodiversity impacts and dependencies analysis Continue ecological enhancement work of 17ha Port Saddle site	Implement KPIs of avoid, reduce, restore and transform roadmap across operational areas	Assess upstream and downstream biodiversity impacts of value chain
Responsible sourcing	100% of operational product suppliers evaluated against the ethical procurement declaration.	10 audits completed against the ethical procurement declaration.	
Reporting	Integrated reporting ongoing		

Other important information

Corporate governance

LPC is committed to having best-practice governance. The Board operates in a way that is open and constructive, and in accordance with their guiding principles, recognises that genuinely held differences of opinion can bring greater clarity and lead to better decisions. This, combined with a commitment by Directors to participate fully, frankly and constructively means that all bring the benefit of their particular knowledge, skills and abilities to the Board.

LPC’s Code of Corporate Governance has adopted eight key principles:

- 1. Ethical standards
- 2. Board composition and performance
- 3. Board committees
- 4. Reporting and disclosure
- 5. Remuneration
- 6. Strategy and risk management
- 7. Auditors
- 8. Shareholder relations and stakeholder interests

Remuneration, shareholder relations and stakeholder interests are detailed below, as they are required to be included in this document. Our full Code of Corporate Governance can be found on our website (www.lpc.co.nz).

Remuneration

The LPC Board has a clear policy for setting executive remuneration. Remuneration is fair and reasonable, and competitive in the market for the skills, knowledge and experience required. The company believes all employees should have the opportunity to reach their potential and thrive in an inclusive and diverse workplace. The Board monitors established reporting and trend analysis on age profile, gender profile and employment tenure. The Board is committed to a policy that the remuneration of management is transparent, fair and reasonable.

The company is conscious of its public responsibilities in the setting of remuneration for senior executives, which is closely managed by the Board and made publicly available via the Annual Report. No executives decide their own remuneration.

LPC will continue to report to CCHL on wage relativities for employees annually, and will provide reporting on the average remuneration for the highest paid 10% of employees compared to the average remuneration for the lowest paid 10% of employees. We will also report on the average percentage increase for FY23 and FY24 awarded to the highest paid 10% of employees and the lowest paid 10% of employees.

The Board recognises the importance of full, fair and transparent disclosure of the Chief Executive Officer’s (CEO’s) salary. The CEO receives a total remuneration that reflects skills, experience and contribution to the company and is referenced to the market. It does not include any incentive-related payments. Full disclosure of the CEO’s remuneration is made in the annual financial statements.

The executive leadership team receive total remuneration that reflects their skills, experience and contribution to the company and is referenced to the market. Their remuneration does not include any incentive-related payments.

The shareholder, by ordinary resolution from time to time, sets a total maximum aggregate annual amount payable to the directors in their capacity as directors. That aggregate sum is divided among the directors as they consider appropriate. The fees paid to each of the directors in the previous financial year are detailed in the directors’ interests section of the company’s Annual Report.

LPC discloses its remuneration policy to shareholders via the annual SOI.

LPC pays all staff at least the living wage. Any adjustments in the living wage rate will be reflected in LPC pay rates.

Shareholder relations and stakeholder interests

LPC maintains a positive and proactive relationship with CCHL. As part of our annual SOI, the Board includes clear policies for our communications and interactions with CCHL. The Board endeavours to ensure CCHL is informed of all major developments affecting the company’s state of affairs, while at the same time recognising commercial sensitivity may preclude certain information from being made public. Information is communicated to CCHL through a ‘no surprises’ policy on issues of importance as they may arise, as well as through formal communications.

Annual Report

The Annual Report is provided directly to shareholders, and it includes audited financial statements and other details that are required to permit an informed assessment of LPC’s performance and financial position during the reporting period.

Half-year and quarterly reporting

Half-year and quarterly reporting contain unaudited information.

Statement of Intent

The SOI is prepared based on the requirements within the Port Companies Act 1988 and the Company’s Constitution. The directors include any other information they consider appropriate.

Briefings

The company provides briefings to CCHL and its Board and others as required.

CCHL bonds

LPC acknowledges its responsibilities under the continuous disclosure regime in relation to CCHL bonds and has implemented a policy to manage those disclosure requirements.

LPC publishes up-to-date information on the LPC website providing:

- a comprehensive description of its business and structure
- commentary on its goals, strategies and performance
- key corporate governance documents.
- LPC has a clear focus on the needs of its key stakeholders (including customers, employees, the public, the Council and government) and recognises it is critical to meet their needs to ensure LPC has a successful business.

- LPC takes account of stakeholder interests by:
- having clear policies for LPC’s relationships with significant stakeholders
 - regularly assessing compliance with these policies to ensure conduct towards stakeholders complies with its code of ethics and the law
 - checking that conduct towards stakeholders aligns with current accepted social, environmental and ethical norms

LPC will also be providing regular six monthly in-person briefings to Christchurch City Council, involving the Chair and the CEO, and widening and deepening our engagement with Council. We are also focused on updating our local Banks’ Peninsula Community Board, and we will continue to appear in person at the CEO and Executive level.

Over the period, we will be reviewing the content and format of our quarterly reporting to CCHL and looking to enhance the information we provide. LPC will also assess what is required to hold public annual general meetings.

Shareholder returns

LPC will work closely with CCHL to provide assurance that LPC’s capital programme, together with other business initiatives, will add shareholder value.

LPC continues to focus on creating long-term shareholder value by:

- keeping a continuing focus on improvement in underlying business performance
- our commitment to sustainable operations and policies
- investing in infrastructure to meet future demand
- ensuring all business investment decisions are subject to rigorous commercial scrutiny.
- In discussion with CCHL, LPC intends to:
 - continue to strengthen our position as a leading and highly competitive New Zealand port servicing the South Island’s importers and exporters
 - seek feedback from CCHL on major capital development spend.

Dividend policy

LPC is seeking to maximise shareholder value through investing available LPC cash resources at the highest and best use, while balancing the needs of its shareholder for cash dividends.

Subject to meeting the solvency requirements of the Companies Act 1993, the Board will continue to assess distributions based on:

- the interests of shareholders
- working capital
- capital expenditure
- the timing of reinstatement and development projects
- free cash flow available for distribution.

The company’s current dividend policy is to pay 50% of normalised net profit after tax to the shareholder each year, or as otherwise decided by the directors.

Estimate of commercial value of shareholder’s investment

LPC uses a long-term discounted cash flow model to estimate the fair market value of its assets. This model is updated each financial year, including review of the key assumptions around trading performance and capital expenditure. As at 30 June 2021 this assessment placed the company’s equity at \$364 million (this number will be updated for the final SOI).

Inherently, there is uncertainty about LPC’s current value, due to assumptions around the ongoing evolution of import and export volumes, and the large capital expenditure forecasted over the next 10 years. The valuation is sensitive to assumed growth rates and forecast margins for key cargos, and the timing and quantum of capital expenditure. LPC uses an independent review process to provide a degree of assurance regarding the reasonableness of assumptions used in the model.

Acquisition and divestment policy

The subscription or acquisition of securities in any company or organisation or a divestment of part of the existing business will only be considered where it is consistent with the long-term commercial objectives of LPC. When the subscription, acquisition or divestment is considered by directors to be significant to the company’s business operations, it will be subject to consultation with the shareholders.

Post-investment review process

All capital investments over \$250k are eligible for a post-investment review. The Board is presented with a list from which significant capital investments are chosen for review. The objective is to identify learnings from projects, and the results are presented to the Board.

Risk Management

The LPC Board ensures there are rigorous risk management processes and internal controls in place.

The Board receives and reviews reports about the risk management framework and internal control processes throughout the year via the Audit and Risk Committee. Material risks are formally communicated to the Board every six months or more regularly if required.

Board reports include a copy of LPC’s risk register and highlight the main risks to LPC’s performance and the steps being taken to manage them. We include a copy of the risk register in the monthly Board pack. It is updated every six months or as required.

Scope of activities

LPC is the fully integrated operator of Lyttelton Port, which includes the South Island’s largest coal export facility and two inland ports including MidlandPort and CityDepot.

Our activities include:

- container terminal handling services – receipt, delivery, transit storage and stevedoring of a wide range of import and export cargoes
- the receipt, delivery and loading of coal
- marine services – pilotage, towage and lines
- providing wharves, land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipment of a wide range of products and the berthing of cruise vessels
- maintenance of wharves, plant and machinery
- ownership of land and facilities necessary to maintain LPC’s commercial assets
- provision of dry dock facilities associated with the repair and servicing of vessels
- ownership and operation of walk-on marina facilities at Lyttelton
- operation of two inland ports, which involve the storage, receipt and delivery, repair and washing of containerised cargo.

Accounting policies

LPC has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards and generally accepted accounting practice and in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and any amendments thereto.

A full statement of LPC’s accounting policies is included in LPC’s Annual Report for 30 June 2022 (available on LPC’s website at www.lpc.co.nz).

Intra-group co-operation, procurement and Strategic Review

LPC recognises the importance CCHL places on intra-group co-operation. LPC recognises the ability such co-operation has to expand group capability, accelerate knowledge transfer and innovation and improve the impact of the group.

LPC has taken leadership roles in the He Huanui and Sustainability Groups, and has been an active participant across all other Group C3 initiatives. This involvement and commitment remain the same for FY24. They will continue to be funded and supported by staff as part of their business-as-usual roles.

LPC will also work closely with CCHL in the development of CCHL Stakeholder Engagement strategy and the development of group-wide partnership principles that will be added to the C3 programme in FY24 and beyond. Again, this work will be supported by relevant LPC staff as part of their business-as-usual work.

We are involved in the Te Whāriki digital platform, which is aimed at sharing cross-company expertise and experience across the group. LPC intends to work with CCHL and the rest of the group to strengthen the use of the platform and drive greater inter-group collaboration.

LPC also acknowledges the strategic review currently underway across the CCHL group, and the request from the Council to CCHL to develop a detailed business case which considers a shift from passive to active management of its investment portfolio. LPC will cooperate with all requests for assistance in the review process. In the meantime, LPC will continue to focus on operational performance that ensures we deliver sustainable dividend payments to our shareholder.

LPC has commercial relationships within the following CCC group entities:

- Orion and Connetics – electricity suppliers to the Port and maintenance contractors on high voltage systems.
- Citycare – facilities management and civil construction works.

LPC will also continue to build on the relationships established with ChristchurchNZ, in particular around cruise, the Antarctic and SailGP.

Role in the growth of the regional economy

The substantial investment resulting from the Development Plan has delivered Christchurch world-class port facilities. There are significant and substantial opportunities for Cantabrians to participate in these projects.

LPC has responsibilities under the Civil Defence Emergency Management Act to build and maintain resilient infrastructure. This has been demonstrated by the performance of the assets after seismic events.

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