

Statement of Corporate Intent

For the period ending
30 June 2028

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Tihei Mauri ora.

**Me mihi whakawhetai ki te Rūnga Rawa nāna
nei ngā mea katoa.**

**Ngā mate, kua wehe atu ki te pō, haere ki te
Pūtahi nui o Rehua, haere ki tua o Paerau,
haere ki te okiokinga, haere, haere, haere.**

**E ngā mana, e ngā reo, e ngā lwi, e rau
rangatira mā, huri noa ngā tāngata katoa
e noho ana i Te Waka O Aoraki, tēnā koutou
katoa. Me mihi hoki ki te Mana Whenua o
Whakaraupō me Ngai Tahu whanui.**

**Kā mihi nunui ki ngā kaimahi hei mahi nui
i a rā, i a pō, i te Kamupene Whakaraupō.
Mā te whiritahi, ka whakatutuki ai ngā
pūmanawa ā tāngata!**

**Ka nui o ngā wero i ngā tau, ā ko te tautoko
i te rangai te tino aronga mō te Kamupene
Whakaraupō. Ka nui te mihi i ō mātou hoa
me ngā kaipakihi mō tō ratou manawaroa,
manawanui hoki i runga i ngā piki me ngā
heke o te wā.**

**Ka 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.**

**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.
Whakaraupō! He wāhi mo te katoa.**

Give praise and thanks to that which is the source
of everything.

To those passed on, departing to the constellation
of the stars, travel to the place beyond, go to your
resting place, farewell, farewell, farewell.

To all people, all speakers, all the chiefly
speakers, all groups who live in the South Island.
Greetings to you all. We acknowledge Mana Whenua
and their tribal authority in Lyttelton harbour South
Island.

We recognise the important work that our
staff manage, day and night at Lyttelton Port
Company. Collectively weaving the realisation
of potential!

It has been a challenging time over the years
and supporting the sector has been a major
focus for LPC. We acknowledge and thank our
partners and businesses for their resilience and
responsiveness as we navigate through these
uncertain times.

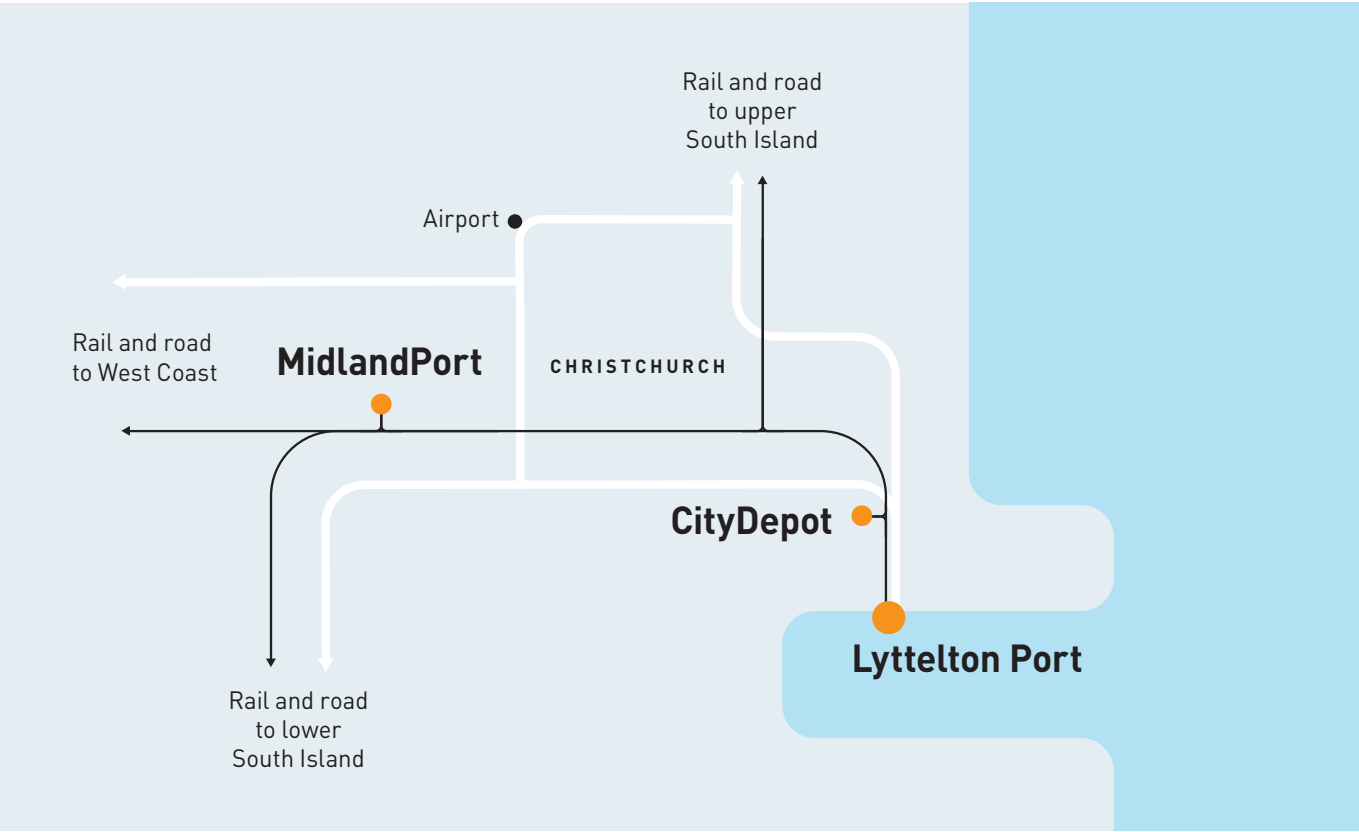
The Board and staff of Lyttelton Port Company
are working together to support the visions and
aspirations of all those who live here.

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 Corporate Intent (SCI) 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 80% of all imports.

This system is built on the following:

- Inland facilities such as MidlandPort and CityDepot, facilitating rail and conglomeration of cargo
- A Vehicle Booking System (VBS) smoothing the flow of cargo and reducing congestion on arterial routes
- A channel, berths and terminal space for over 520,000 TEU per year
- Lyttelton Port Recovery Plan enabled consents to expand facilities up to 1.5m TEU per year and to receive increased vessels sizes.

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

This SCI covers the 3-year period from 1 July 2025 to 30 June 2028.

LPC is a port company governed by the Port Companies Act 1988, wholly owned by Christchurch City Holdings Ltd on behalf of the community. This SCI 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, take into account our impact on the community and operate safely and efficiently.

This SCI 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 six strategic priorities as expressed in the 2024-34 Long Term Plan, and the Economic Ambition adopted on October 2023.

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 was 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. Subsequently, this framework was adopted by CCHL as the standard across the group.

While our 2019 sustainability strategy set long-term targets for the organisation in key areas, it has not meant that we have not taken the opportunity to review and update our approach. In FY24 we adopted new emissions targets, in line with the Science-Based Targets Initiative, informed by a refreshed emissions reduction plan. We also reviewed our waste targets, setting new interim targets.

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:



Our Strategy

Vision
To be New Zealand’s most sustainable and innovative maritime gateway, enriching our communities and driving economic prosperity.

Purpose
To facilitate the growth of trade for Christchurch, Canterbury and the wider South Island.

Strategy
Profitably, safely and collaboratively deliver an efficient import and export maritime gateway using the ability to expand our already unique infrastructure capacity, connected landside supply chains, improved systems and technology. This will be driven by a performance culture.

KEY THEMES			
			
Sustainable Profitability Financial Capital	Whanaungatanga Human and Intellectual Capital	Infrastructure for the Future Manufactured Capital	Manākitanga and Kaitiakitanga Social and Relationship Capital Natural Capital
We will deliver sustainable profitability that enables LPC to deliver customer, cultural and commercial excellence while providing a fair return to our shareholder.	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 employee relations, staff development and the management of talent.	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.	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 positive effect on biodiversity, and waste minimisation and avoidance.
Material issues • Sustainable financial performance • Business continuity planning • Sustainable funding for growth	Material issues • Health, safety and wellbeing • Culture and values • Future of work • Employee attraction, development and retention	Material issues • Infrastructure investment • Efficient allocation of Port space • Asset management	Material issues • Communication and relationship management • Collaboration and partnerships • Industry engagement • Social licence to operate • Biodiversity • Environmental and community impacts
SDGs 	SDGs  	SDGs 	SDGs     

Value creation and chain

FY24 Outputs

Capitals	Inputs	FY24 Outputs		Material issues	Outcomes	Work ons
Sustainable Profitability 	- Banks - CCHL - Retained earnings - History of investment	Underlying NPAT \$15.5m -18.0%	Total NPAT \$9.9m	- Sustainable financial performance - Business continuity planning - Sustainable funding for growth	Profit and loss <i>Sustainable profitability:</i> Return dividend for our shareholder and the people of Canterbury. Facilitated over \$10 billion of two-way trade and the creation of employment in our region.	- Return on equity - Profitability - Efficiency
		Exports \$7.56b -15.4%	Imports \$6.31b -4.7%			
Whanaungatanga 	- Our team - Unions - Expertise - Skills - Development	EBITDA \$52.4m +13.8%	Containers 448,364 TEU -1.6%	- Health, safety and wellbeing - Culture and values - Future of work - Employee attraction, development and retention	Jobs and employment <i>Whanaungatanga:</i> Create a safe and inclusive workplace where everyone feels they belong and can contribute to building a stronger LPC whānau together.	- Health and safety culture - Workplace culture - Diversity - Onboarding
		Imports	Exports			
Infrastructure for the Future 	- Assets - Infrastructure	 Fuel 1,034,235t -2.1%	 Logs 394,376 Jas -12.2%	- Infrastructure investment - Efficient allocation of Port space - Asset management	New infrastructure <i>Resilient infrastructure:</i> Create and maintain long-term assets to support the region's economy and future demand.	- Digital systems - Asset management - Future planning
		 Cars 34,198 -25.1%	 Coal 1,270,172t -6.6%			
Manākitanga 	- Partnership with mana whenua - Community - Whakawhanaungatanga	 Bulk 671,449t -17.9%	 Refrigerated containers 33,765 TEU -4.1%	- Communication and relationship management - Collaboration and partnerships - Industry engagement - Social licence to operate	Community initiatives <i>Business for good:</i> Being a good neighbour that is responsive to our community's needs. Support and grow community initiatives and continue our commitment to partner with mana whenua to achieve our shared objectives.	Noise mitigation
Kaitiakitanga 	- Whakaraupō/ Lyttelton Harbour - Areas set aside for restoration including Port Saddle and Gollans Bay - All renewable and non-renewable environmental resources	Other services	 Cruise 82 vessels + 3 vessels	- Biodiversity - Environmental and community impacts	Biodiversity improvements <i>Biodiversity and climate action:</i> Achieve a net positive effect on biodiversity. That means we're working to actively improve biodiversity, rather than maintaining the status quo as well as biodiversity protection and regeneration and climate change action.	- Bulk loading processes - Carbon reduction - Biodiversity positive
		Other vessels - Antarctic research vessels - Military vessels Dry Dock Only civilian dry dock in New Zealand Recreational vessels 189 berths at Te Ana Marina				



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.

LPC has not generated sufficient returns on its capital base, and we have been underperforming against our peers for at least the last decade. Over the period our goal is to be able to fund replacement capital and pay an acceptable dividend to our shareholder.

This requires us to operate safely, efficiently 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 service delivery 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, fiscal restraint, increased returns and delivering prosperity to our region.
- We have an emphasis on effective cost control and revenue optimisation. We continue to focus on cost reduction through decreasing fixed costs, exercising restraint, reducing overhead costs and prudent price increases to reflect the cost of delivering services.

- 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, and we recognise our shareholder’s requirement to deliver real growth in dividends over a 10-year planning period. We also maintain an approved facility to provide a contingency in case of a one-off business continuity threat such as foot and mouth.
- We have expanded our non-financial reporting through the recognised standards of integrated reporting. We are also focused on other non-financial measures such as remuneration (for example, gender and other internal differentials)
- LPC will exercise continued careful discipline around capital expenditure control over the period. Capital investment will be justified and prudent and subject to appropriate levels of approval escalation, ensuring the right balance between maintenance and growth of assets and acceptable dividend levels for our shareholders.

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. This statement is published in our Annual Report.
- Risk is actively managed in the various business units, functions and departments across LPC. The Board and senior management have followed a rigorous process (including external challenge) to identify LPC’s strategic risks. Risk mitigation is developed and delivered by LPC management and staff, and these risks are subject to ongoing oversight and monitoring by the Audit and Risk Committee and Board.
- We will ensure that appropriate business continuity planning is in place, as well as maintaining a critical incident management function. LPC also maintains appropriate levels of fit-for-purpose insurance.

Notes to the table

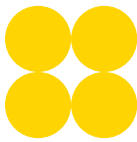
The dividends proposed below relate to the respective financial years. Cash timing differs as LPC typically pays an interim dividend during each financial year, and a final dividend after the end of each financial year.

Forecast volatility

LPC operates in a dynamic commercial environment, influenced by short, medium and long-term global volatility and uncertainties. LPC maintains a long-term plan and produces regular forecasts and best estimates of business outcomes for our shareholder and for group financial planning purposes. In the short term LPC provides quarterly, half yearly and annual forecasts. These forecasts are informed increasingly by the use of scenario planning to enhance longer term decision-making and resource allocation. The Board is required to balance competing demands on capital investment and operating expenditure, as well as manage debt to prudent levels.

As a matter of prudence, any surplus funds will be used to manage down debt.

Objectives	Key Performance Measures	Targets		
		2026	2027	2028
Financial	Revenue (\$m)	221.0	229.0	239.9
	TEU Volume (000)	444	461	473
	EBIT (\$m)	48.5	52.2	57.3
	EBITDA (\$m)	72.1	77.3	83.3
	EBITDA %	32.6%	33.8%	34.7%
	Net profit after tax (\$m)	29.2	31.8	34.3
	Shareholder funds to total assets	57.5%	57.3%	59.2%
	Interest cover ratio	5.3	6.4	6.0
	Debt (\$m)	230.7	254.0	244.0
	Equity (\$m)	406.5	425.0	442.2
	Debt/Debt + Equity	36.2%	37.4%	35.6%
	Return on Equity	7.4%	7.5%	7.8%
	Return on Total Assets	4.1%	4.3%	4.6%
	Dividend proposed (\$m)	14.6	15.9	17.2
	Dividend Return on Equity	3.6%	3.7%	3.9%



Whanaungatanga

At the heart of our vision to be New Zealand’s most sustainable and innovative maritime gateway, lies the recognition that our people’s commitment, dedication and expertise are essential to enable LPC to enrich our local communities and drive economic prosperity.

We have a workforce of over 600 staff whose collective effort and sense of purpose facilitates the growth of trade for the people and businesses of Christchurch, Canterbury, and the wider South Island.

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

While safety is, and always will be our number one priority, improving performance across business groups to achieve strategic goals and deliver against global benchmarks is vital to the future aspirations of LPC. Our talented people, supported and encouraged by a performance culture and a spirit of cooperation, will seek to improve efficiency, infrastructure, supply chain, systems and technology.

Our People

LPC’s People & Capability strategy is directly aligned to the overarching organisation business strategy, each element designed to achieve specific outcomes within a holistic approach to development, engagement and partnership with our workforce.

Our strategic priorities for the duration of this SCI are:

- Performance Culture
- Collaborative Relationships
- Operational Initiatives
- Build Internal Capability
- Engagement
- Diversity, Equity, Inclusion and Belonging (DEIB)
- Optimise People & Capability

Performance Culture

The LPC strategy clearly signals the benefit of a performance culture. Culture can be seen in the tools, artefacts, processes, behaviour and decision making in an organisation. Simply put, it is the way things get done here. Our plan is to deliver a performance culture that is modelled and led by our workforce and leaders working cooperatively, always looking for efficiency and performance improvements in safety outcomes, productivity, cost management and sustainability.

- Embed LPC performance culture
- Align organisation KPI’s and benchmarks to individual objectives and key results
- Embed performance values and behaviours in people processes, policies and decision-making
- Ensure the organisation design is fit for the desired performance purpose
- Utilise the high-performance coaching model to support a performance culture

Collaborative Relationships

We believe that working collaboratively will lead to better outcomes both for people and for the business. We will build on the work already done with our Union partners and seek an environment where collaboration delivers improved performance outcomes and problem-solving through good-faith consultation.

- Embed our refreshed approach to collaborative employment relations and problem-solving
- Develop a stakeholder/relationship management approach
- Improve employee/leadership communication tools
- Increase engagement and two-way feedback on workplace practice and policy

Operational Initiatives

The people and capability team will provide employment relations and generalist HR expertise and support for all business initiatives. Our focus will be on delivering business outcomes which drive operational excellence and achieve performance goals. These organisation initiatives will include but are not limited to:

- Transformation
- Security Management
- Workforce Planning
- Training and Competency scheme

Build Internal Capability

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

- Deliver leadership and management development programmes incorporating our safety leadership and management approaches
- Utilise talent mapping and prioritise people investment
- Implement new learning management system
- Explore employee development opportunities for all

Diversity, Equity, Inclusion and Belonging (DEIB)

LPC remains committed to prioritising DEIB as a critical driver of organisational performance. With active engagement from a workplace representative committee, Te Whakaroopu, LPC continues to support and advance DEIB initiatives both within the organisation and across CCHL. These efforts are closely aligned with our values and strategic objectives, reflecting our commitment to growing and enabling a diverse and inclusive workforce.

- Deliver the DEIB framework
- Continue our awareness and education programmes
- Measure, review and report
- Develop and implement our action plan to close the gender pay gap.

Engagement

We believe that meaningful engagement must be championed by our leaders. By working collaboratively, we will foster engagement through the celebration of our LPC Values and the design of enriching employee experiences. We will seek to increase staff engagement and use that momentum to position LPC as an employer of choice to attract, acquire, and retain top talent.

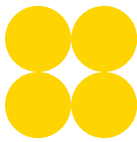
- Embed LPC values
- Support staff with health and wellness initiatives and tools
- Leaders will role model desired behaviours
- We will report quarterly to CCHL on any updated employee engagement results, including participation rates and comparisons to previous relevant periods.

Optimise people and capability service delivery for business success

Alignment of the people strategy to the LPC strategy will deliver targeted outcomes and a clear direction for prioritising effort and attention. The people & capability team can deliver effective results for all stakeholders.

- Develop a detailed work plan to deliver our strategic priorities and associated initiatives
- Implement trend reporting for people and performance data and metrics
- Seek to automate people processes and create efficiencies
- Align people team structure to effectively support business performance goals
- Ensure compliance with legislation and policy, i.e. Holidays Act

Key Performance Measures		2026	2027	2028
Staff turnover	Turnover total	7% - 12%	7% - 12%	7% - 12%
	Turnover CEA	7% - 12%	7% - 12%	7% - 12%
	Turnover IEA	7% - 12%	7% - 12%	7% - 12%
	Turnover Female	7% - 12%	7% - 12%	7% - 12%
Gender Balance	Female % All Staff	15.3%	15.8%	16.2%
	Female % CEA Staff	4.8%	5.0%	5.2%
	Female % IEA Staff	49.4%	50.6%	51.3%
	Female Headcount Total	100	103	105
Gender Pay Gap	Median	14.4%	13.4%	12.4%
Engagement	Engagement Score	≥ 66	≥ 67	≥ 68
	Belonging (DEIB)	≥ 70	≥ 71	≥ 72
	Participation	≥ 70%	≥ 70%	≥ 70



Health, Safety and Wellbeing

At the core of our approach to Health, Safety and Wellbeing is our care for our people. We are committed to working safely and promoting workforce participation. This same care extends to protecting the environment and our assets, and we act when we observe hazards or unsafe behaviours.

Our collective mindset to health, safety and well-being focuses on the reduction of operational risk across all business activities. LPC has embarked on a multi -year Critical Risk Assurance Program which empowers operational leaders to spend time in field understanding how work is done. The emphasis is on Safe People, Safe Plant and Safe Process in everything we do moving us continually closer to ensuring a well-controlled work environment.

LPC promotes workforce engagement and visibility of our leaders, accepting the responsibility to call out unsafe practices and behaviours.

Safety KPIs are part of what we do, they are measured against, and safety expectations are outlined in every leader’s employment agreement.

As our Critical Risk programme continues to mature it has expanded to cover 18 specific risks that we encounter in the Port environment.

In FY26 we will develop and deliver wider near miss and response reporting and include it in quarterly reporting to CCHL.

We work with staff and our Union partners to uphold our life-saving commitments that are non-negotiables. FY25 will continue build on these life-saving commitments seeing a stronger focus on:

- Safety Leadership
- Accountability
- Identification of significant hazards
- Fitness-to-Work
- Fatigue Management system

Over the period, we will deliver a programme to promote safety accountability and broader Health, Safety and Wellbeing initiatives, supported by our strategic health and safety objectives of visible safety leadership, fundamental risk management, simplified systems, and wellbeing. The strategic objectives are defined as:

Visible safety leadership

- Safety is our first priority.
- Empower our employees, health and safety representatives and union partners to ensure we are preventing and controlling hazards and risks.
- Coordinate, collaborate and cooperate with our PCBU and their operations at LPC
- Embedding our Fitness for Work & Fatigue Management programmes
- Enhancing our people’s wellbeing at work and at home
- In Field Critical Control Checks
- Adherence to our Life-Saving Commitments
- Refresh of Health and Safety general and site-specific inductions
- Safety recognition awards

Simplified systems

- New Safety Management System with integrated reporting Contractor management
- PCBU management, Framework and Level 1 & Level 2 Assurance
- Critical Risk Assurance Program and Due Diligence reporting to Senior Leadership

Fundamental risk management

- Continued improvement to Asset Management including Works planning, Safe equipment, and work environments.
- Identifying opportunities for Technology safety improvements.
- Permit to Work and Authority to Work integration with GIS.

Wellbeing

- Embedding the LPC Fitness for Work programme
- Health monitoring – workforce annual monitoring
- Personal Fatigue Assessments
- Workplace Exposure Monitoring
- Manual handling programme



Key Performance Measures	Targets		
	2026	2027	2028
Reportable injuries/incidents	0	0	0
Total recordable injury frequency rate	<1.8	<1.6	<1.4
Lost-time injury frequency rate	<1.8	<1.6	<1.4
Health and safety interactions per year	>800	>1000	>1000
Senior Leaders Critical Control Checks	>500	>600	>600



Infrastructure for the Future

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

The aim of LPC’s asset management policy is to ensure all assets are managed consistently throughout their lifecycle to cost-effectively achieve LPC’s strategic business objectives.

The core stated outcomes of the policy include:

- Safe, sustainable and environmentally friendly operation and maintenance of assets.
- Realising maximum value from each asset.
- A fit-for-purpose Asset Management System, continually improved to match business maturity.
- Strategic plans and focus areas for short-term and long-term implementation to achieve LPC’s organisational strategies and objectives.
- Identification and mitigation of asset risk creating resilient assets and infrastructure to ensure business continuity, linked to asset criticality.
- Data-driven decision-making to provide assurance and optimise timing of interventions.
- Financial certainty through predictable and stable cash flows associated with asset maintenance, repairs and replacements.

Thanks to the range of consents that came out of the Lyttelton Port Recovery Plan process, LPC remains in a good position to deliver critical national infrastructure needs in the future. All requisite consents (including for reclamation) are in place to enable LPC to meet projected volume growth over the next few decades.

We are commencing the next stage of reclamation work in Te Awaparahi Bay, which is vital to ensure that the Port can handle the volume demands of the Canterbury and South Island economy, and to enable resilience for the Port in the event of another major seismic event. The timely delivery of this next stage of this work is necessary to meet the timetable required to deliver the new Te Awaparahi Bay Wharf by the early 2030s, when it will be crucial to delivering the forecast container vessel berth requirements.

The reclamation of Te Awaparahi Bay has been ongoing in phases since being first authorised by an Order-in-Council in July 2011. 16 hectares of reclamation, along with the engineered seawall for the new container berth, have already been constructed, and the full reclamation was consented in 2018.

The future development of the wharf and terminal infrastructure associated with the new berth at Te Awaparahi Bay is a major capital investment that will require approval at a shareholder level. The business case for the investment will be completed over the period of this SCI, in cooperation with the CCHL Board and Christchurch City Council.

Infrastructure to meet demand

Optimise the use of land and infrastructure assets

- Safety, sustainability and environmental management remain at the core of all development projects
- Deliver infrastructure to meet capacity and customer needs in a timely way that is affordable and does not compromise shareholder value or returns.
- 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. All capital expenditure will be carefully scrutinised for affordability, and we will engage with CCHL on long term capital planning to appropriately manage the significant capital requirements associated with future port development.
- We have an asset maintenance and replacement programme to maintain our assets
- The programme includes digital systems 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

Key Performance Measures	Targets		
	2026	2027	2028
Tier One Asset/Equipment Availability	85%	85%	85%
Tier Two Asset/Equipment Availability	95%	95%	95%
Te Awaparahi Bay Development	Reclamation construction underway	Complete reclamation	Start Berth Construction (subject to business case approval)

Tier 1 assets – critical with little/no redundancy. Tier 2 assets – critical with some redundancy.





Manaakitanga



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 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 those effects such 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.

We are committed to becoming a more productive and efficient port, recognising our obligation to customers to be an enabler for their business success. Over the period of this SCI, we will focus on initiatives to deliver productivity and efficiency on the Port, particularly in container operations, as well as working closely with customers and Port User to ensure we are delivering to their expectations.

In FY25, we will develop a KPI to reflect global best practice in ship turnaround time, reflecting the key priority for our shipping-line customers.

LPC will continue to have 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.

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/ The Treaty of Waitangi in our day-to-day work, and we have increasingly incorporated matauranga Māori, particularly in environmental management. The recognition and valuing of Te Ao Māori continues to be a part of the way LPC operates.

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 Lyttelton Harbour/Whakaraupō.

LPC will continue to work with CCHL’s He Huanui Ropu, and will work to help deliver CCHL’s FY25 KPIs developed by the Ropu. 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 continues to be our biggest impact on those who live near us.

Considerable progress was made in FY24 through the New Zealand Port’s Noise initiative in collaboration with

other New Zealand ports. This collaboration has seen the introduction of a noise register and monitoring, and we are already seeing noisy vessels decreasing on New Zealand shipping rotations.

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. We also retain a key focus on supporting environmental work around Whakaraupō, to support our commitment to having a positive impact on biodiversity in the Harbour.

LPC also supports 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 SCI. We also continue to support the Christchurch Economic Ambition, and will work with City partners to help enrich our local communities and drive economic prosperity.

We will maintain our regular community engagement, including:

- Free monthly Port boat tours during summer, supplemented by week-long programmes of bus tours twice-yearly.
- Our community newspaper, LPC Update, delivered to nearly 10,000 homes and regular monthly email newsletters to the community and key stakeholders
- The Port Liaison Committee will meet to discuss community issues and includes representatives from the local community, port users, Environment Canterbury and Christchurch City Council
- LPC will develop and maintain a Stakeholder Engagement Plan, and in FY26 we will update our materiality assessment and report it in our annual report.

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.

Key Performance Measures	Targets		
	2026	2027	2028
Port Liaison Committee Meetings per year	>3	>3	>3
MAG Meetings per year	>6	>6	>6
Landside turnaround time	<22min	<21min	<20min
Port Turnaround (hours)	<35	<33	<31
Gross Crane Working Rate	>23.3	>23.5	>23.7



Kaitiakitanga

LPC is committed to the protection and enhancement of our natural environment. As a port, LPC has a special responsibility for the environments in which we operate, 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.

Our sustainability strategy recognises three key priorities for LPC: greenhouse gas (GHG) emissions reduction, waste minimisation and biodiversity positive. Our GHG emissions reduction targets are aligned with the net-zero standard defined by the Science Based Targets Initiative (SBTi). climate change and play our part in supporting Aotearoa’s commitment to reaching net-zero carbon emissions by 2050. In FY24 the Board approved our updated GHG reduction plan, adopting short (2030) and long-term (2050) science aligned targets for Scope 1 and 2 emissions to keep global temperatures within 1.5 degrees. In FY24 we expanded our Scope 3 boundary to align with the GHG protocol categories 1-15, reflecting our increased focus on assessing emissions within our value chain. LPC committed to reducing Scope 1 and 2 emissions by 50% by 2030, on a 2018 base year.

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

We recognise the importance of collaboration and partnering with our peers, including CCHL companies. We are committed to working with the CCHL Group to determine appropriate GHG emissions reduction targets and will continue to play a leading role in the Group’s sustainability working group. 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.

In FY24 LPC produced our first Climate-related Disclosures (CRD) report, in line with the New Zealand External Report Board (XRB) Climate Standards 1, 2 and 3, and as required for CCHL reporting purposes. We will continue building on and integrating our climate risk adaptation and transition plans into the business.

LPC’s long-term goal is to transition to zero solid waste to landfill by focusing on making better purchasing decisions, collaborating with suppliers, and considering how we deal with products at end of life. In FY25 we focused on education and training across the business and updated our bins to match the waste streams we produce. We also began a partnership with Workwear Recycled, they turn our old PPE into products. Textiles are processed into packing mats and signage. Plastics from helmets and glasses and processed into bench tops.

LPC has a biodiversity positive ambition, with the goal to ensure we undertake our activities in a way in which positive outcomes for nature outweigh the negative impacts. This is an extremely ambitious goal, and in October 2024 we published our first Task Force for Nature-related Financial Disclosures (TNFD) report. To meaningfully address our biodiversity positive ambition, we will align with the Science-Based Targets for Nature (SBTN) guidance to set biodiversity recovery targets for Whakaraupō / Lyttelton Harbour and its land catchment and are developing metrics to report future progress against.

Within the next three years, we will focus on:

- Integrating climate risks and opportunities into our business strategy, working alongside CCHL.
- Continuing our Integrated Reporting, refining and developing on the model put in place in FY23
- Actively contributing to the CCHL Group emissions reduction strategy in line with the Christchurch City Council’s carbon reduction targets to halve emissions by 2030, compared with 2016-2017 levels, and to achieve net zero greenhouse gas emissions by 2045, with at least a 50% reduction in methane emissions by 2045.
- Ongoing implementation of the Whaka-Ora/Healthy Harbour Plan aimed at restoration of the ecological and cultural health of Lyttelton Harbour/Whakaraupō,
- Undertaking a baseline ecological survey and improving instream habitat and fish passage at our Inland depots. Continuing to develop and refine our GHG reduction strategy and targets ensuring they are in alignment with science-based targets, as capital availability allows.

- Measuring and monitoring Scope 3 emissions, including from all vessels visiting the Port. Over the period of the SCI we will continue to develop partnership plans and work CCHL, the Christchurch City Council and all relevant stakeholders to accelerate impact in supplier emission reductions.
- Developing and implementing a Biodiversity Positive Roadmap with aspirational targets and robust metrics for measuring progress over time.
- Continuing ecological enhancement of LPC land including the 17 ha Port Saddle and 10 ha Gollans Bay Covenant 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 and applying circular economy principles that can be owned by the operational teams.

Key Performance Measures	Targets		
	2026	2027	2028
Carbon reduction	• Achieve 2026 science aligned target for Scope 1 and 2 emissions reductions • Actively influence Scope 3 emissions reductions	• Achieve 2027 science aligned target for Scope 1 and 2 emissions reductions • Actively influence Scope 3 emissions reductions	• Achieve 2028 science aligned target for Scope 1 and 2 emissions reductions • Actively influence Scope 3 emissions reductions
Waste	• Continued implementation of Waste Management Framework • Develop 2-3 circular waste stream programmes	• Continued implementation of Waste Management Framework • Develop 1-2 circular waste stream programmes	• Continued implementation of Waste Management Framework • Develop 1-2 circular waste stream programme
Biodiversity positive	• Develop SBTN (avoid, reduce, restore/regenerate and transform) roadmap for the business • Continue ecological enhancement work of Port owned land	• Assess biodiversity impacts of value chain • Continue ecological enhancement work of Port owned land • Marine and freshwater habitat enhancement	• Continue ecological enhancement work of Port owned land • Continue marine and freshwater habitat enhancement
Environmental	• 100% compliance against resource consent monitoring	• 100% compliance against resource consent monitoring	• 100% compliance against resource consent monitoring
Responsible sourcing	• 10 audits completed against the ethical procurement declaration. • All suppliers requested to provide emissions created in service of LPC, supplying materials and/or services	• 10 audits completed against the ethical procurement declaration. • All suppliers requested to provide emissions created in service of LPC, supplying materials and/or services.	• 10 audits completed against the ethical procurement declaration. • All suppliers requested to provide emissions created in service of LPC, supplying materials and/or services.
Reporting	• Integrated reporting ongoing	• Integrated reporting ongoing	• 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.

The role of the Board is to effectively represent and promote the interests of the Company with a view to adding long-term value to the Company and providing a fair return to the Shareholder. Having regard to its role, the Board will direct, and supervise the management of, the business and affairs of the Company including, in particular:

- ensuring that the Company goals are clearly established, and strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from Management);
- establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- monitoring the performance of Management;
- appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the Company;

- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring the Company's financial statements are true and fair and otherwise conform with law;
- ensuring the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring the Company has appropriate risk management/regulatory compliance policies in place.
- ensuring the Company has appropriate health, safety and wellbeing policies and procedures in place.

Remuneration and shareholder relations and stakeholder interests are detailed below, as they are required to be included in this document. Our full Board Charter and other relevant governance information can be found on our website (<https://www.lpc.co.nz/about-us/board-of-directors/>).

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 FY24 and FY25 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 SCI.

LPC pays all staff at least the living wage, unless they are involved in a training scheme. 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 SCI, the Board includes clear policies for our communications and interactions with CCHL.

The Board will 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.

LPC will formally engage with CCHL on any transactions that are considered material to either LPC or the wider CCHL group. LPC acknowledges that we are wholly owned by CCHL on behalf of Christchurch City Council.

We will keep CCHL advised of any significant interactions with key stakeholders in common such as Christchurch City Council, Iwi and Government.

Annual Report

The Annual Report is provided direct 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 Corporate Intent

The SCI 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 we will continue to be involved in regular direct briefing to Christchurch City Council, in line with the timings requested.

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. The business will develop a board-approved stakeholder engagement plan.

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders including Te Hapū o Ngāti Wheke and Te Rūnanga o Ngāi Tahu. The Board recognises that the Company’s long- term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which the Company is seen as a responsible corporate citizen. As part of our approach to Integrated Reporting and understanding what is important to our stakeholders, we undertake a materiality assessment every two years with key stakeholders. The material issues identified in this process are reflected in our business strategy and planning.

Over the period, we will continue to work with CCHL on the refinement of the reporting framework, acknowledging the need to improve both financial and non-financial metric development and reporting.

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 and consistent returns.

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
- prudently 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 the shareholder
- working capital requirements
- capital expenditure programmes
- the timing of reinstatement and reinvestment projects
- free cash flow available for distribution
- funding and covenant headroom constraints

The company’s current dividend policy is to pay 50% of normalised net profit after tax to the shareholder each year.

Estimate of commercial value of shareholder 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 2024 this assessment placed the company’s equity at \$391 million.

Inherently, there is uncertainty about LPC’s current value due to assumptions around the ongoing evolution of import and export volumes, and the timing of large capital expenditure which may be required over the next 10-15 years. The valuation is sensitive to assumed growth rates and forecast margins for key cargoes, commercial decisions by key customers, 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 and the weighted average cost of capital 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 shareholder.

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.

As part of our approach to Integrated Reporting, we include comprehensive information on our risk management approach and key risks.

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, 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
- maintenance of wharves, plant and machinery
- ownership of land and facilities necessary to maintain LPC’s commercial assets
- the berthing of commercial passenger cruise vessels, and associated passenger movement facilitation
- 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 2024 (available on LPC’s website at www.lpc.co.nz).

Intra-group cooperation, procurement and Strategic Review

LPC recognises the importance CCHL places on intra- group cooperation, closer integration, and better group strategic alignment. LPC recognises that such co-operation has the ability to expand group capability, accelerate knowledge transfer and innovation and improve the profitability of the group.

In relation to inter-group co-operation, LPC has taken leadership roles in He Huanui and the CCHL Sustainability Working Group, and has been an active participant across all other Group C3 initiatives. This involvement and commitment remain the same for FY25. They will continue to be funded and supported by staff as part of their business-as-usual roles.

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 Christchurch Antarctic Gateway Strategy and the Christchurch Economic Ambition

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