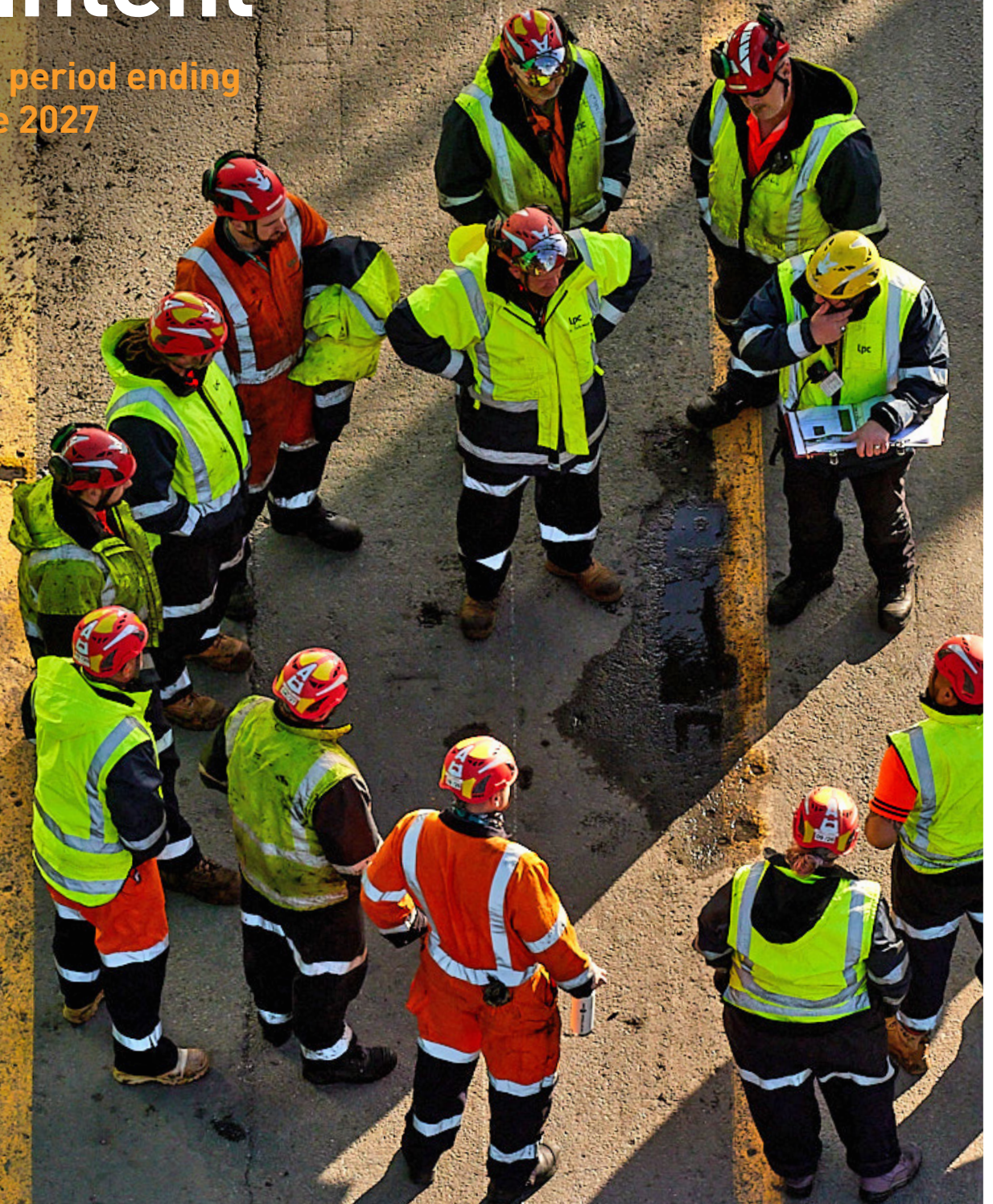


Statement of Intent

For the period ending
30 June 2027



Mihimihi

Tihei Mauri ora

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

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

**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.**

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

**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.**

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.

**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!**

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

**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 kaupakihi mō tō ratou manawaroa,
manawanui hoki i runga i ngā piki me ngā heke o te wā.**

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.

**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.**

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.

This is our homeland

He rere ke, he tangata auaha

We are its diverse and innovative people

He angitu, he mea pai mo Te Waipounamu.

Driving opportunity, enterprise and prosperity for the South Island

Kia toitū te taiao mo ake tonu atu

Building a legacy of sustainability for the environment and the future

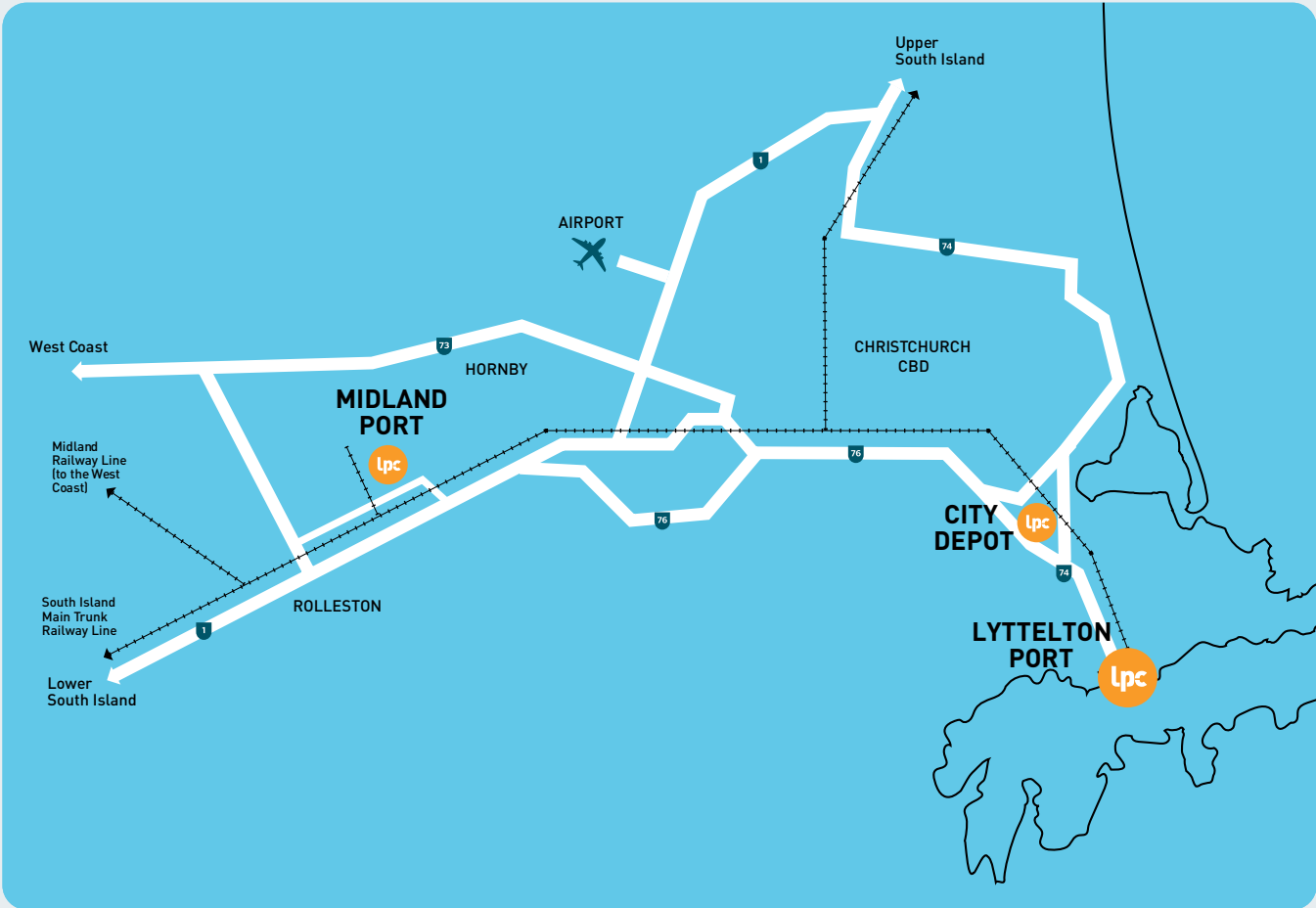
Whakaraupo! He wāhi mo te katoa

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 per year
- Consents in place for expansion of facilities to 1.5m 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 2024 to 30 June 2027.

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.

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 the 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 of the 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.

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

Our business strategy for FY25 is firstly built on measures to improve profitability and returns for our shareholder, operational efficiency and safe productivity while reducing our effects on the environment. This involves transforming the way we work to be safe, more productive and offering better value for our customers. It also means actively engaging with mana whenua and the community to minimise the environmental impact of our activities.

Our second priority is to prepare the case for growth by developing future infrastructure plans that meet regional economic needs while being affordable and prudent, as well as ensuring we proactively manage the risks associated with climate change. The growth of the South Island economy in future years means LPC faces continued increases in container volumes over the medium to long-term. A key part of our work over the

period of this SOI will be to ensure that we can manage this growth for as long as we can within the infrastructure footprint that we have today, through increased productivity and efficiency in the way we work, careful planning and execution of operations and the best use management and use of the assets we currently have.

However, LPC is well placed to deal with this growth over the longer term, as we have plans and consents in place to enable us to extend our berth and terminal capacity to meet regional needs. Part of our work over the period will be to develop plans that ensure that we have sustainable funding for this growth, while ensuring value and a fair return to our shareholder.

FY25 will see us following these strategies to ensure we deliver on our key role as the South Island’s trade gateway:

- Developing, monitoring and reporting performance against agreed operational KPIs and goals.
- Optimising integrated business planning and reporting across the business and key focus areas, including operations, digital and maintenance.
- Ensuring infrastructure resilience through careful asset management planning.
- Establish LPC’s governance and leadership structures for managing climate change risk responses and priorities, identifying and managing infrastructure assets at risk, and setting the adaptation plan and approach for mitigating climate risk.

We will also work with CCHL to ensure that future infrastructure developments and their associated capital are necessary, add to shareholder value and deliver sustainable long-term returns. Long-term capital planning will be appropriately managed to ensure shareholder returns continue, recognising the significant capital requirements associated with future port development.

In FY23 we updated the four pillars developed in 2020 as part of the *Leading the Way* strategy. Initially it consisted of three key pillars: Sustainable profitability, Whanaungatanga and Infrastructure for the Future. It was updated in FY23 to include a fourth pillar, Manākitanga and Kaitiakitanga, which reflects our commitments to growing our social licence and value to our customers, and our ambitions around our environmental performance. It also reflects the key material issues raised during the last round of materiality work we undertook, in FY22.

Sustainable Profitability

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



Material issues

- Sustainable Financial Performance
- Business Continuity Planning
- Sustainable funding for growth

SDGs



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 employee relations, 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



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
- Asset management

SDGs



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.



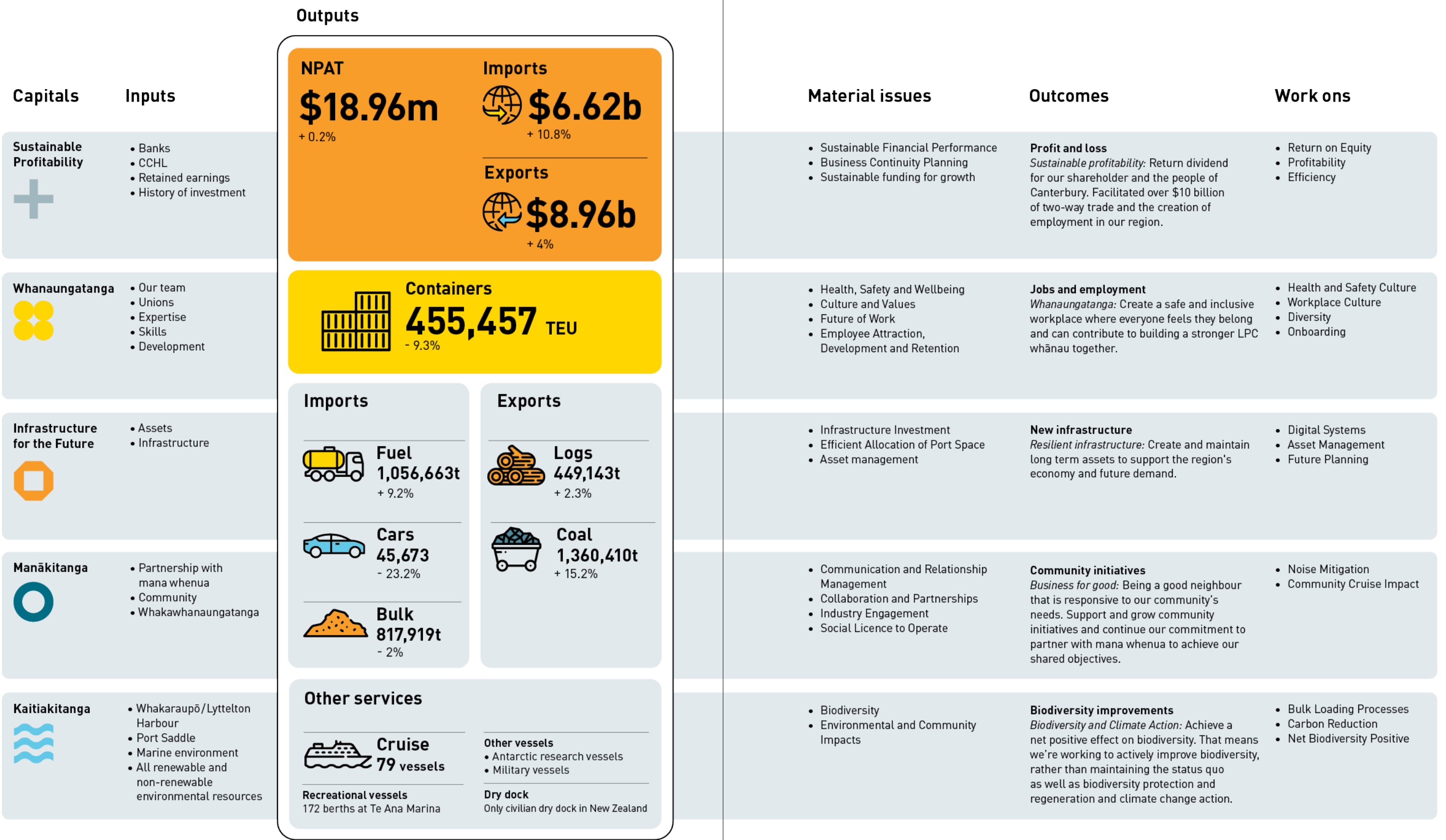
Material issues

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

SDGs



Value creation and 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. We continue to focus on cost reduction through decreasing fixed costs, reducing overhead costs and prudent price increases to reflect the cost of delivering services. We are also committed to delivering the outcomes of the Port transformation work begun in FY24.

- 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.
- LPC will exercise continued careful discipline around capital expenditure control over the period. Capital investment will be justified and prudent, 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.

- While risks are actively managed in the various business units, functions and departments across LPC, the Board and senior management have 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.
- 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.

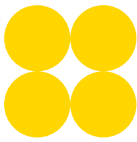
Note the dividends proposed above relate to the respective financial years. Cash timing differs as LPC typically pays an interim dividend during each financial year, and a final dividend after the end of each financial year.

Forecast volatility

LPC operates in a dynamic commercial environment and is continually enhancing our long-term plan. While LPC makes every attempt to provide accurate forecasts, but 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 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		
		2025	2026	2027
Financial	Revenue (\$m)	202,603	210,352	218,052
	EBIT	39,267	41,136	42,654
	EBITDA	61,252	64,613	68,309
	Net profit after tax (\$m)	22,977	25,570	26,779
	Shareholder funds to total assets	58.46%	57.94%	57.41%
	Interest cover ratio	5.3	7.3	7.8
	Debt (\$m)	219,457	211,355	205,002
	Equity	403,489	413,072	426,462
	Debt/Debt + Equity	35.23%	33.85%	32.46%
	Return on Equity	5.69%	6.19%	6.28%
	Return on Total Assets	3.33%	3.67%	3.81%
	Dividend proposed (\$m)	11,489	12,785	13,390
	Dividend Return on Equity	2.85%	3.10%	3.14%



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 SOI, 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 SOI 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 productivity, safety compliance, cost management and sustainability.

- Define LPC performance culture
- Align organisation KPI’s and benchmarks to individual objectives and key results
- Create a roadmap for implementation
- 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.

- Review and refresh our approach to collaborative employment relations and problem-solving
- Develop a stakeholder/relationship management approach
- Employee/leadership communication strategy

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
- Mandatory Health Monitoring
- Fatigue Management



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 has worked hard to develop a DEIB framework over the last two 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 DEIB Committee Te Whakaroopu. We believe that growing and enabling a diverse workforce will enhance decision making and improve performance.

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

Engagement

We believe that engagement must be meaningfully led by our leaders and not seen as the responsibility of the people team only. We will seek to increase our staff engagement score annually and use this success to position LPC as an employer of choice to attract, acquire and retain talented people.

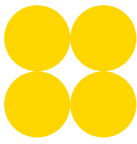
- Refresh LPC values, top down, bottom up
- Support staff with health & wellness initiatives
- Leaders will role model desired behaviours
- Increase engagement with wider stakeholders including community, investors

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	Targets		
	2025	2026	2027
Inclusion Index	≥ 66	≥ 68	≥ 70
Gender balance male/female	85/15	82/18	78/22
Engagement Score	≥ 66	≥ 68	≥ 70
Gender Pay Gap	10.2%	9.8%	9.5%



Health, Safety and Wellbeing

Our approach to health, safety and well-being focuses on the reduction of operational risk across all business activities. LPC has embarked on a three-year Critical Risk Verification Program incorporating the Safe People, Safe Plant and Safe Process to ensure a well-controlled work environment.

LPC has empowered its workforce to be visible safety leaders, accepting the responsibility to call out unsafe practices and behaviours. All senior managers will have safety KPIs that they are measured against, and safety expectations are outlined in every leader’s employment agreement.

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.

As our Critical Risk programme continues to mature it has expanded to cover 17 specific risks that we encounter in the Port environment.

We have worked with staff and our Union partners to develop a set of life-saving commitments that are non-negotiables. FY25 will build on these life-saving commitments seeing a stronger focus on:

- The identification of significant hazards
- The implementation of mandatory Fitness-to-Work programme and the final implementation of a comprehensive Fatigue Management system
- The development of a programme to promote safety accountability

Broader Health, Safety and Wellbeing initiatives are supported by our strategic health and safety objectives of visible safety leadership, fundamental risk management, simplified systems, and wellbeing

Visible safety leadership

- Ensure that safety is our first priority.
- Coordinate, collaborate and cooperate with LPC’s employees, health and safety representatives and union partners to ensure we are preventing and controlling hazards and risks.
- Concluding Fitness for Work & Fatigue Management programs
- Enhancing our people’s wellbeing at work and at home
- Critical Control Checks
- Life-saving Commitments
- Refresh of Health and Safety general and site-specific inductions
- Promotion of Safety recognition awards

Simplified systems

- Further developing our contractor management
- Further develop our PCBU management
- Critical Risk Assurance Program to provide Due Diligence reporting to Senior Leadership

Fundamental risk management

- Development of comprehensive reporting on compliance with Fitness to work and Fatigue Management programmes
- Lifting hazard identification and incidents/events.
- Significant Incident investigations are peer / independently reviewed.
- Improvements to Asset Management including Works planning, Safe equipment, and work environments.
- Review of our equipment and workplace to identify safer alternatives.
- Embrace Technology safety improvements.
- Permit to Work and Authority to Work enhanced to incorporate GIS.

Wellbeing

- The implementation of a mandatory Fitness for Work programme
- Health monitoring – workforce annual monitoring
- Personal Fatigue Assessments
- Workplace Exposure Monitoring
- Manual handling programme

Key Performance Measures	Targets		
	2025	2026	2027
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

“

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.

”



Infrastructure for the Future

LPC’s infrastructure is ultimately a shared asset for the entire region. Strategic maintenance, management and development is 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 regard 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.

Key Performance Measures	Targets		
	2025	2026	2027
Critical Asset Availability	Finalise critical asset availability KPI and begin reporting against it by the end of FY25.	Report against identified KPI	Report against identified KPI

- 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 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.
 - 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
 - Sustainability and environmental management remain at the core of all development projects



“ Thanks to the range of consents that came out of the Port Recovery Plan process, LPC remains in an excellent position with regard to future infrastructure development. ”



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 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 SOI, 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.

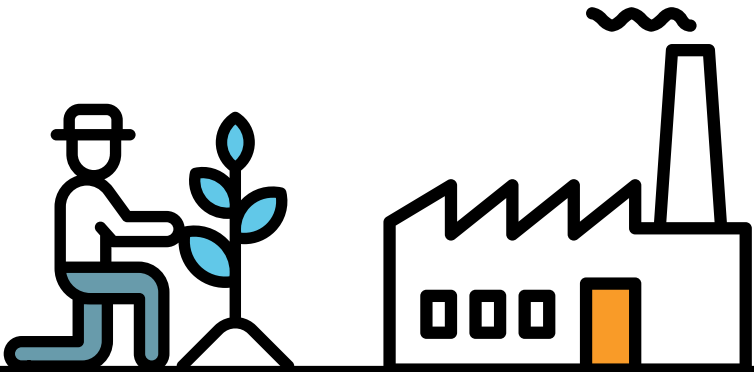
We will continue to place importance on our partnership with iwi in Whakaraupō. LPC takes seriously the obligation to reflect the partnership created by Te Tiriti o Waitangi/ The Treaty of Waitangi in our day-to-day work, and we have increasingly incorporated matauranga Māori, particularly in environmental management. We continue to better integrate Tikanga into our employment practices and more generally in our business, and 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 be part of 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. The register and monitoring developed by the group has been introduced 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 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 and regular monthly email newsletters to the community and key stakeholders
- 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.

Key Performance Measures	Targets		
	2025	2026	2027
Port Liaison Committee Meetings per year	<3	<3	<3
MAG Meetings per year	<6	<6	<6
Truck turnaround time	70% <30min	70% <30min	70% <30min
Windows met	95%	95%	95%



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: climate change, waste and biodiversity. Our climate change target is to positively contribute to addressing 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. Also 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.

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 to establish timelines for the availability of low and zero-emissions plant 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 carbon 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 progressed our climate related risk assessments and Climate-related Disclosures (CRD) reporting, in line with the New Zealand External Report Board (XRB) Climate Standards 1, 2 and 3, and as required

for CCHL reporting purposes. This coming financial year, we intend to advance our climate risk adaptation and transition plans, building on the risk review and mitigation work undertaken as part of the FY24 reviews and updates.

LPC's long-term goal is to transition to zero waste to landfill by focusing on making better purchasing decisions, collaborating with suppliers, and considering how we deal with products at end of life. A comprehensive audit of our waste was undertaken in FY24 and in FY25 LPC will implement a Circular Economy Plan focused on projects to minimise both solid and liquid waste.

Our goal is for LPC's net biodiversity impact to be positive for the environment. We will have a net restorative and regenerative approach to our harbour environment. This is an extremely ambitious goal, and after two years as a beta-tester, we signalled our intent in January 2024 to start making disclosures aligned with the Task Force for Nature-related Financial Disclosures (TNFD) framework. The only company in Aotearoa to do so. We have piloted the Science-Based Targets for Nature (SBTN) guidance to define biodiversity recovery targets for Whakaraupō / Lyttelton Harbour and its land catchment, allocate LPC's contribution to these targets, and are developing metrics to report future progress against.

Within the next three years, we will focus on:

- Continuing to implement 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
- Actively contributing to the CCHL Group emissions 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 Lyttelton Harbour/Whakaraupō, 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.

- Continuing to develop and refine our GHG reduction strategy and targets ensuring they are in alignment with science-based targets, as capital availability allows.
- Developing and monitoring Scope 3 emissions, including from all vessels visiting the Port. Over the period of the SOI we will continue to develop plans to help support our customers to reduce their emissions while in Port.
- Implementing the action plan for the biodiversity-positive strategy to move LPC towards having a net positive effect on biodiversity, in partnership with mana whenua to reflect Mātauranga Māori in our analysis.

- 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		
	2025	2026	2027
Carbon reduction	Achieve 2025 science aligned target for Scope 1 and 2 emissions reductions Continue to refine Scope 3 boundary in line with GHG protocol	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
Waste	Implement waste reduction targets based on Circular Economy Plan across all operational areas Develop 2-3 circular waste stream programmes	Continued implementation of Circular Economy Plan	Continued implementation of Circular Economy Plan
Biodiversity positive	Assess biodiversity impacts of value chain Implement SBTN (avoid, reduce, restore and transform) roadmap across the business Continue ecological enhancement work of Port owned land	Continued implementation of SBTN roadmap Continue ecological enhancement work of Port owned land	Continue ecological enhancement work of Port owned land
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 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, 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 SOI, 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.

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 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.

Benchmarking

We are evaluating global bench-marking for port operations, and we will work with CCHL on their wider group bench-marking work.

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.

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 continue to hold public annual stakeholder 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 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, 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 2023 this assessment placed the company’s equity at \$393 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 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 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.

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 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 2023 (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 the ability such co-operation has to expand group capability, accelerate knowledge transfer and innovation and improve the impact, 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.

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 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.

**Lyttelton Port Company Ltd
registered office:**

Waterfront House
27-29 Gladstone Quay
Lyttelton

**Contact details for the Chair
and Chief Executive Officer:**

Private Bag 501, Lyttelton 8841
Telephone: (03) 328 8198
www.lpc.co.nz

