

ECO CENTRAL



STATEMENT OF INTENT

FOR THE YEAR ENDED 30 JUNE 2027



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Rawā ā-Whare
Furniture

From vacuum cleaners to kettles

Tools to mowers

Kākahu Clothing

Find out the other stuff you can drop off at: ccc.govt.nz/ecodrops

Bin Good with our handy bin app

All lids in the red bin

Containers over 3 litres go in the red bin
Thanks for bin good.

STATEMENT OF INTENT

1. Introduction

This Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002 (LGA).

The SOI specifies for EcoCentral Limited (EcoCentral), the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives, amongst other requirements.

1. The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the company and its Shareholder, Christchurch City Holdings Limited (CCHL) and its ultimate owner, being the Christchurch City Council (CCC).

Contact details for both the Chair and Chief Executive are EcoCentral's registered office:

Address: Ground Floor,
9 Baigent Way
Middleton
Christchurch

Telephone: 03 336 0080

Website: www.ecocentral.co.nz

EcoCentral is a Council-Controlled Trading Organisation (CCTO) for purposes of the Local Government Act 2002.



2. Our Vision

An economically sustainable circular economy for New Zealand in which EcoCentral plays a leadership role.

3. Our Mission

To lead and support best practice waste minimisation, to provide enduring refuse and recycling services for South Island councils, businesses and communities.

4. Our Objectives

Influence Behaviour – Inspire and enable positive waste minimisation behaviours through leadership, education, and trusted partnerships across all our stakeholders.

Minimise Waste – Continually minimise landfill volumes and carbon emissions by optimising service delivery, improving asset performance, and embedding sustainable, circular economy practices.

Maximise Value – Enhance the quality, efficiency, and value of recovered materials through innovation, process excellence, and strong market alignment.

Build Relationships – Strengthen EcoCentral's future through purposeful stakeholder engagement, regional collaboration, and investment in shared environmental and economic outcomes.

Grow Our People – Create an engaging, inclusive and safe workplace where people thrive, lead, and drive EcoCentral's purpose forward.

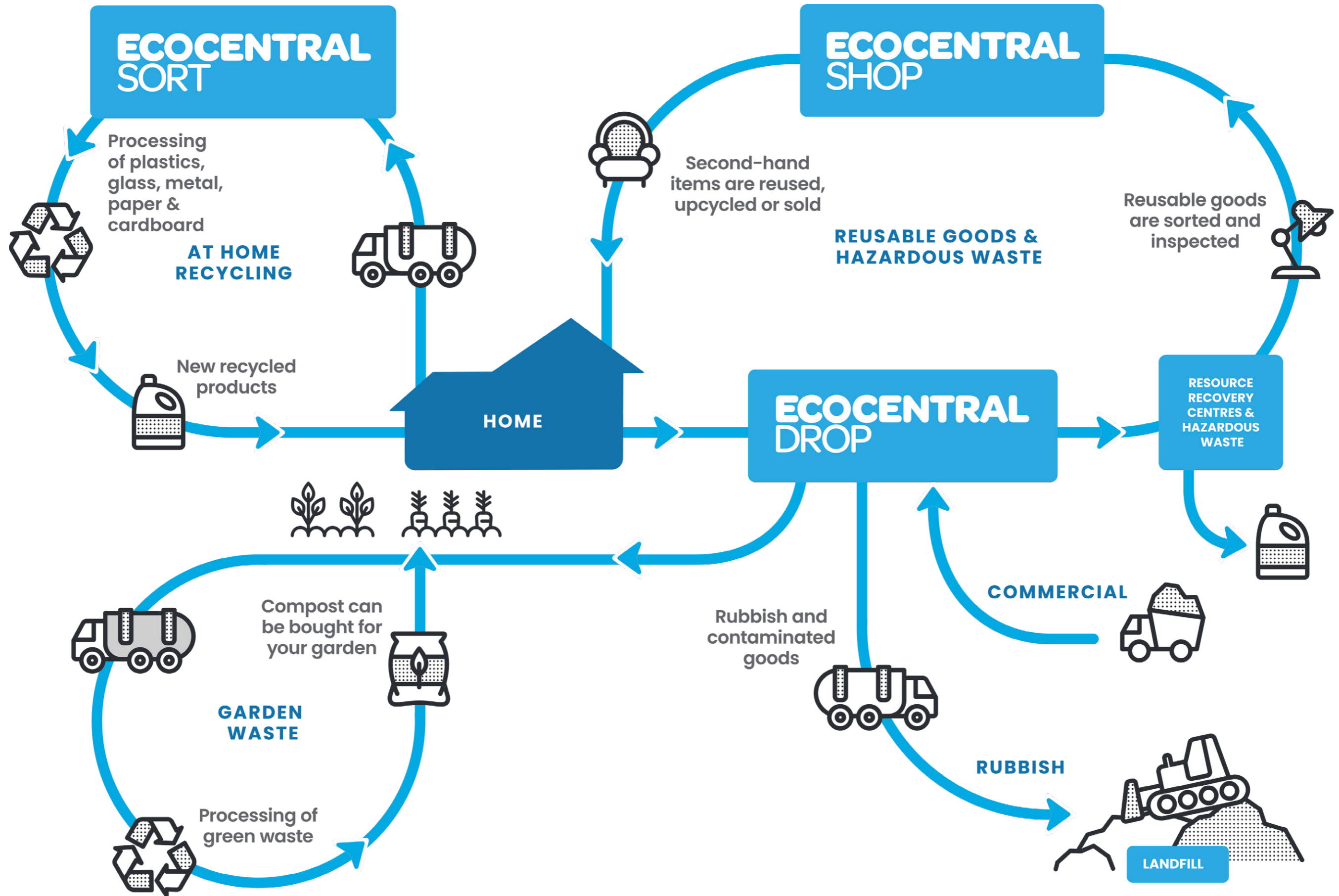
5. Our Values

Future Focused – We focus on sustainable growth for today and for future generations.

Relationships Matter – We value and respect People, working together with openness and integrity.

Act Responsibly – We take ownership, delivering quality and reliable services.

Leading the Way – We demonstrate, inspire, educate, and advocate for a sustainable approach to everything we do.



6. Nature and Scope of Activities

EcoCentral has been delivering essential waste and recycling services to Christchurch and the wider Canterbury region since 2009. Through our network of EcoDrop Transfer Stations—each with integrated Resource Recovery Centres (RRCs)—the EcoSort Materials Recovery Facility (MRF), and our EcoShop retail outlet, we provide a comprehensive waste handling and circular recycling solution that serves both residential and commercial customers.

EcoCentral holds a contract with CCC to:

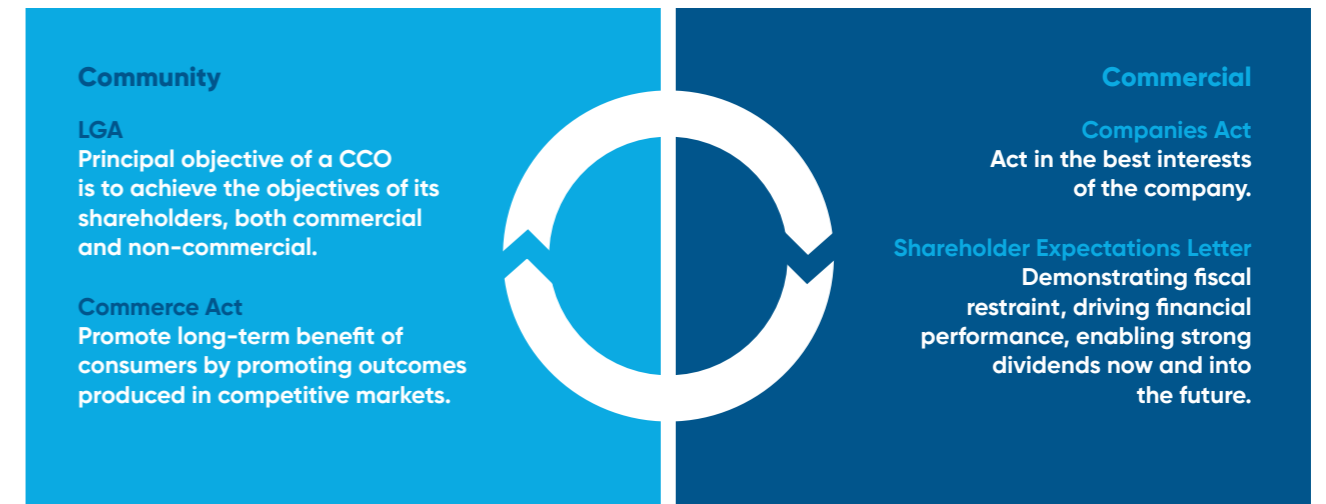
- Operate and maintain the EcoSort Materials Recovery Facility.
- Run the three CCC-owned EcoDrops at Styx Mill Road, Metro Place, and Parkhouse Road.

This contract is currently in place until 31 March 2029.



Community and Commercial Trade-Offs

One of the challenges embedded within EcoCentral's ownership structure, particularly with its ultimate public ownership, is the need to balance community and commercial outcomes. The following chart has been developed to acknowledge the company's ongoing need to manage this balance.



EcoCentral is made up of three divisions:

EcoSort

This is the company's Materials Recovery Facility (MRF), located on Parkhouse Road. It is a large semi-automated processing plant for the yellow-bin recycling collected from across the region. **EcoSort** processes recyclable materials such as paper, glass, plastics, and metals, and sells the resulting products commercially to external parties.

EcoDrops

EcoCentral is contracted by CCC to operate three solid waste transfer stations at Parkhouse Road, Metro Place, and Styx Mill Road. Each site includes Resource Recovery Centres where people can drop off items for reuse or recycling, as well as household hazardous waste. The **EcoDrops** also provide responsible disposal services for rubbish and green waste. These facilities are open to both the public and commercial customers for most household and general commercial waste.

EcoShop

This is a reuse retail warehouse operating in conjunction with the **EcoDrop** Resource Recovery Centres. It is a shop where checked-over, reusable goods supplied by the Resource Recovery Centres are sorted, priced, and sold to the public at our Blenheim Road location.



In recent years, the waste sector has undergone a fundamental shift. The sustainability conversation has moved beyond recycling to focus on rethinking how waste is generated and managed. Influenced by growing climate change pressures and sustainability commitments at all levels of society, the emphasis is higher up the waste hierarchy: Refusing, Reducing, Reusing, and Replacing—before Recycling. To remain relevant and deliver value, EcoCentral will continue to adapt its role, evolving from a receiver and sorter of waste to a proactive enabler of waste avoidance and circular economy outcomes.





7. Strategic Initiatives

EcoCentral’s strategic initiatives for the coming year are anchored around a single overarching priority: positioning the organisation to win the next Christchurch City Council (CCC) Waste Management and Minimisation Contract. All strategic goals – operational, people, sustainability, and stakeholder engagement – now explicitly support this outcome. Our focus is on demonstrating excellence in current contractual delivery, strengthening performance transparency, and deepening collaboration with Council to ensure EcoCentral is the trusted, high-performing partner for the next CCC contract term.

To support this contract-winning objective, EcoCentral will strengthen business effectiveness through targeted efficiency improvements, practical value-engineering initiatives, consistent performance monitoring, and better use of our people, systems, and technology. These actions will improve service quality, deliver cost-effective outcomes, and reinforce our capability and reliability as the region’s primary waste management and minimisation operator.

While the immediate focus is on contract readiness rather than near-term expansion, EcoCentral retains a long-term ambition for growth. A key pathway for this growth is increasing volumes processed through the EcoSort Materials Recovery Facility by securing additional South Island processing contracts where this aligns with shareholder expectations and operational capability. These opportunities will continue to inform how EcoCentral builds capability and positions itself for the future, without diverting attention from the pressing priority of securing the next contract.

This strategy is supported by continued investment in people and sustainability. Building capability, strengthening culture, maintaining an inclusive and safe workplace, progressing emissions-reduction commitments, and advancing waste-minimisation initiatives are all essential enablers. These initiatives ensure EcoCentral delivers value to the community today while building the foundations for long-term success within the CCHL group and the wider resource recovery ecosystem.

EcoCentral will exercise fiscal restraint in all expenditure while delivering on these priorities, recognising its responsibility as a publicly owned organisation to balance community outcomes with prudent financial management.

8. Health, Safety and Wellbeing

EcoCentral is committed to providing a safe and healthy environment for all employees, contractors, visitors, and members of the public interacting with its operations. The Board recognises that health, safety, and wellbeing are a top priority across the CCHL Group and a core component of the company’s governance and operational responsibilities.

Notifiable Events Target

EcoCentral will maintain a target of no notifiable events resulting in an Improvement Notice from WorkSafe. This target reflects the company’s commitment to managing critical risks effectively, maintaining strong health and safety controls, and ensuring that any notifiable incidents are responded to promptly and appropriately in accordance with regulatory requirements.

Board and Management Responsibilities

- The Board maintains ultimate accountability for health, safety, and wellbeing across the company.
- Management is responsible for implementing, monitoring, and continuously improving health and safety systems, processes, and practices.
- All employees and contractors are expected to actively participate in health and safety programmes and comply with company policies and procedures.

Reporting and Accountability

EcoCentral ensures timely reporting of health and safety matters, in line with Council and CCHL expectations:

- Any notifiable events are reported immediately to the Board and CCHL.
- Any reportable health and safety incidents are reported to CCHL in a timely manner.
- Quarterly reporting of reportable incidents, risks, and broader health and safety matters is provided to CCHL.
- Key metrics and progress on health, safety, and wellbeing initiatives are included in the company’s annual report.



9. Our People

EcoCentral is committed to supporting our people by fostering a safe, inclusive, and engaging workplace, where every team member is empowered to contribute to EcoCentral's ongoing success.

This is achieved through:

- Sustaining strong employee engagement and open communication, with progress monitored through regular staff surveys to ensure our people feel valued and empowered.
- Upholding our commitment to provide a living wage to all EcoCentral direct employees, supporting fairness and wellbeing across the organisation.
- Delivering targeted learning and development solutions that are aligned with both individual roles and EcoCentral's broader strategic direction, fostering continuous growth and capability.
- Maintaining ongoing measurement and transparent reporting of EcoCentral's pay gap, with continued focus on initiatives to achieve a zero-pay gap outcome.
- Promoting diversity and inclusion—particularly gender diversity—while ensuring the skills and experience required to deliver on EcoCentral's objectives are maintained.

10. Climate Response and Sustainability

EcoCentral recognises CCC's commitment to reduce emissions across Christchurch District by 50% from 2016/17 levels by 2030 and to achieve net zero emissions by 2045, and supports CCHL in contributing to these targets.

EcoCentral has adopted clear emissions reduction targets and pathways, supported by its Board-approved GHG Emissions Reduction Plan, which aligns with CCHL and CCC climate objectives.



ii. Low Emission Vehicles and Equipment

As a key component of its emissions pathway, EcoCentral prioritises the replacement of fossil fuel vehicles and equipment with electric or low-emission alternatives through its Fleet Decarbonisation Strategy.

iii. Scope 3 Emissions and Supply Chain Engagement

EcoCentral recognises that Scope 3 emissions represent the majority of its emissions profile and is actively improving measurement accuracy and engaging with suppliers and value chain partners to identify opportunities for emissions reduction and sustainable procurement.

iv. Climate Resilience and Operational Impacts

EcoCentral considers how climate change may affect its operations, assets, infrastructure, and supply chains, and incorporates these risks into operational planning and risk management to ensure service continuity and resilience to more frequent and extreme weather events.

v. Environmental Management and Reporting

EcoCentral maintains sound and compliant environmental management practices and supports CCHL's climate-related disclosure requirements through transparent emissions reporting and integrated reporting practices.

i. Emissions Reduction Targets and Pathways

EcoCentral has set the following targets based on an FY19 baseline:

- A 42% reduction in Scope 1 and Scope 2 emissions by 2030, aligned with Science-Based Target Initiative pathways.
- An ambition to achieve carbon neutrality for Scope 1 and Scope 2 by 2030.

These targets are supported by defined actions including fleet decarbonisation, operational efficiency improvements, and procurement decisions that prioritise low-emission technologies.

11. Ethical End-Use of Recovered Materials

EcoCentral recognises that environmental responsibility extends beyond the collection and processing of recyclable materials to their ultimate end use.

To support this, EcoCentral operates a structured due diligence programme for exported recyclable commodities. This programme is designed to provide assurance that downstream processors engage in environmentally responsible and ethical practices.

The approach includes verification of processing standards, transparency of material pathways, and engagement with supply chain partners to confirm that exported materials are managed in a manner consistent with societal expectations.

Through this programme, EcoCentral seeks to ensure that materials recovered through local recycling systems contribute positively to global circular economy outcomes and do not create unintended environmental or social harm offshore.

This commitment supports the integrity of Christchurch's recycling system and reflects EcoCentral's role as a responsible steward of the materials entrusted to it.

EcoCentral has chosen to implement this approach proactively to provide additional assurance to its shareholder and community.

12. Innovation and Resilience

This section outlines how EcoCentral leverages innovation and resilience to support CCHL group initiatives, strengthen its operations, and provide leadership in the waste and resource recovery sector.

i. Innovation and Investment in New Technology

Driving operational efficiency and circular economy outcomes

EcoCentral invests in technologies and processes to produce high-quality recyclable commodities, improve operational efficiency, and reduce reliance on exports. Key initiatives include:

- Researching and adopting innovative processing solutions.
- Developing domestic partnerships and value-added processes.
- Enhancing recycling quality and contamination management.
- Providing expert advice to local and central government, either directly or via industry groups, on recycling innovation and sector risks.

- Supporting CCC public education strategies through digital engagement and programmes such as Learning Through Action.

ii. Resilience and Strategic Positioning

Maintaining a stable, future-focused waste minimisation business

EcoCentral strengthens resilience by proactively managing risks in the recycling and waste sector, including export market volatility. Key approaches include:

- Continuous improvement of operational processes and technologies.
- Monitoring and responding to global changes in waste and recycling markets.
- Ensuring robust business continuity planning for Christchurch and surrounding councils in any significant disruption events.



13. Group Initiatives and National Influence

This section outlines how EcoCentral leverages innovation and resilience to support CCHL group initiatives, strengthen its operations, and provide leadership in the waste and resource recovery sector.

i. Supporting CCHL Group Initiatives

Aligning with shareholder priorities and group-wide objectives

EcoCentral actively contributes to CCHL programmes and aligns its strategic objectives with shareholder priorities. Key activities include:

- Participation in CCHL Sustainability Working Group and He Huanui Programme, supporting leadership development and organisational capability across the CCHL group.
- Supporting carbon reduction goals, diversity, inclusion, and Te Tiriti o Waitangi commitments.
- Contributing to CCHL group-wide sustainability targets and integrated reporting.

ii. Sector Engagement and Advisory Roles

Sharing expertise and supporting national initiatives

EcoCentral participates in national advisory groups to provide guidance on recycling and waste minimisation. These activities support the sector and enable EcoCentral to contribute practical experience and informed perspectives to national initiatives. Examples include:

- Participation in WasteMINZ Resource Recovery, recycling and product stewardship sector groups for post-consumer products.



14. Approach to Governance

EcoCentral's Board of Directors is responsible for the company's corporate governance. Both the Board and management are committed to ensuring the company operates to the recognised principles of best-practice governance and maintains high ethical standards.

This Statement provides an overview of the company's main corporate governance policies.

Role of the Board of Directors

The Board is responsible for the proper direction and control of the company's activities. It determines purpose and strategic direction and oversees the business and affairs of the company on behalf of the shareholder, CCHL, to which it is accountable. CCHL is, in turn, accountable to its shareholder, CCC.

The Board's primary function is to ensure the company meets its objectives and requirements outlined in the SOI. In addition, the Board has obligations under the Local Government Act 2002, including delivering an annual SOI and relevant half-yearly and annual reports to the shareholder.

All Directors are required to comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

EcoCentral is committed to a "no surprises" approach in its engagement with CCHL and CCC.

Conflict of Interest

Directors are conscious of the need to avoid conflicts of interest – both real and perceived – between the company and their personal interests. Where a conflict exists, the relevant Director must disclose it, excuse themselves from any Board discussions and not receive any Board papers relating to that matter.

Board Composition

Directors are appointed by the shareholder, CCHL, for terms of up to three years. Board membership currently consists of four non-executive directors.

The Board has delegated day-to-day leadership and management of the company to the Chief Executive, who has established a formal delegated authority framework for senior direct reports to sub-delegate as appropriate.

The company may also engage external advisors from time to time to support the Board or management.

The Board is responsible for reviewing accounting policies, reporting practices, and financial statements. It considers external audit reports, audit relationships and fees, and delegated authorities.

Board Committees

Audit & Risk Committee

The Audit & Risk Committee comprises at least two Board members and is governed by approved terms of reference covering membership, functions, responsibilities, authorities, and reporting procedures. The committee is chaired by a Director who is not the Board Chair. Its responsibilities include monitoring risk management processes, overseeing external audit findings, and ensuring legislative compliance.

Remuneration Committee

The Remuneration Committee is conducted by the full Board and meets at least annually to review the Chief Executive's performance and recommend remuneration. In setting remuneration, the Board is mindful of its public accountability and compliance with the Council's expectations, including:

- Ensuring that all staff employed within the Council group receive at least the living wage.
- Encouraging suppliers of goods and services to comply with the living wage where practicable.
- Exercising fiscal restraint in all expenditure, including senior executive remuneration.

EcoCentral ensures that remuneration levels are set responsibly to attract and retain the talent required to manage and operate the business effectively, while aligning with Council policies and expectations.

Health and Safety

The Board considers health, safety, and wellbeing a continuing responsibility. For full details on EcoCentral's approach, targets, reporting, and accountability in this area, see Section 8 – Health, Safety and Wellbeing.

Controlling and Managing Risk

The Board maintains a formal risk assessment framework, identifying potential operational, financial, and climate-related risks, and implementing appropriate mitigation measures to manage them.



15. Performance Targets

Financial Performance Targets

The financial performance targets for the company are as follows:

	2027 \$'000	2028 \$'000	2029 \$'000
Total Revenue	59,638	61,718	63,256
EBITDA	6,933	6,426	7,004
NPAT	1,079	1,298	1,296
DEBT TO EBITDA	–	–	–
Return on Capital	8.2%	9.4%	8.9%

The forecast capital structure for the next three years is:

	2027 \$'000	2028 \$'000	2029 \$'000
Equity	13,379	14,247	15,033
Debt	–	–	–
Shareholder Funds to Total Assets	58.0%	34.3%	37.5%

Performance Targets

In addition to the above financial performance measures, EcoCentral will use the following measures to assess its performance of the 2026/27 financial year:

Capital	Objective	How	Target
Intellectual	To improve performance through a demonstrable commitment to diversity, equity & inclusion and employee engagement	A best practice gender diversity ratio Work towards closing gender pay gap Measure by staff engagement index Annually report against these metrics	Embed retention and recruitment plan to achieve 40/40/20 male/female/any ratio Continue to implement action plan to close gender pay gap by 2030 Maintain staff engagement >70%
Social/ Relationships	Continual improvement in health and safety Effective Stakeholder Engagement	Through execution of the organisational Health, Safety and Environmental plan Through inclusion of clear performance targets in all employment contracts and position descriptions Through proactive lead activity and training Through accurate measurement and timely reporting of health and safety metrics Understanding the issues most important to stakeholders and deliberately engage with them regularly as a matter of course	No notifiable events resulting in an Improvement Notice from WorkSafe Advance the implementation of the board approved stakeholder engagement plan
Natural	Reduce greenhouse gas emissions Provide reduction activity data for reporting purposes	Implement the emissions reduction plan to manage and mitigate emissions in accordance with business strategy to chart emissions reduction paths and climate resilience measures Develop and periodically review climate change scenario outcomes Capture and provide climate-related disclosure information to CCHL as requested	Actively monitor greenhouse gas emissions and proactively implement operational changes to meet 2030 emission reduction targets
EcoSort	Waste minimisation		Divert >32,000 tonnes from landfill, through recycling
Resource Recovery	Waste minimisation		Divert >7,500 tonnes from landfill, through recycling and reuse

16. Dividends

EcoCentral may pay a dividend to its shareholder, CCHL, from residual cash after operating cash flow, capital expenditure, debt servicing, and maintaining sufficient reserves. Dividend decisions are made by the Board in accordance with the Companies Act 1993 and the company's funding requirements, taking into account the need to maintain financial resilience given exposure to commodity and foreign exchange fluctuations.

The Board's target dividend payout ratio is between 30% and 50% of Net Profit After Tax for the previous financial year. Dividends are normally paid in a single instalment in October of each financial year.

	2027 \$'000	2028 \$'000	2029 \$'000
Target Dividend	750	430	510

17. 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 EcoCentral.

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. Any significant investment or acquisition is subject to a post-investment review.

18. Community Engagement

EcoCentral recognises that it operates at the centre of Christchurch's waste and resource recovery system and is closely connected to the communities and natural environment it serves. The company is committed to honouring these connections through transparent communication, collaboration, environmental stewardship, and recognition of Te Tiriti o Waitangi.

Through the operation of EcoSort, EcoDrops, and EcoShop, EcoCentral supports community wellbeing by maximising resource recovery, enabling reuse, and reducing waste to landfill. In partnership with CCC, EcoCentral promotes public understanding of recycling and waste minimisation through education initiatives and community engagement.

EcoCentral maintains constructive relationships with CCC, CCHL, mana whenua, customers, schools, community groups, and social enterprises.

Beyond emissions reduction, EcoCentral maintains ISO14001 Environmental Management System certification, applying sound environmental management practices that minimise impacts on land, water, and surrounding ecosystems, and support circular economy outcomes that reduce pressure on natural systems.

EcoCentral supports community awareness by providing clear information about its services and environmental outcomes through its communication channels.

EcoCentral maintains an active Stakeholder Engagement Plan, which is regularly reviewed and reported to CCHL to ensure ongoing alignment with community, stakeholder, and shareholder expectations.

19. Estimate of Commercial Value

The Board estimates the commercial value of EcoCentral to be at least that which is stated as shareholders' equity in the Company's audited financial statements.

20. Accounting Policies

EcoCentral has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, and generally accepted accounting practice. The detailed accounting policies are available in our most recent annual report on EcoCentral's website.

Refer ecocentral.co.nz/wp-content/uploads/2025/09/EcoCentral-Annual-Report-2025.pdf





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