

Statement of Intent



Christchurch
City Holdings
Limited

Te Tauākī Whakamaunga Atu

For the
period ending
30 June
2026



A wholly owned subsidiary
of Christchurch City Council



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About this report

Mō tēnei pūrongo

This Statement of Intent (SOI) for Christchurch City Holdings Limited (CCHL) sets out how it will operate over the 2026 financial year.

It outlines the organisation’s performance targets and provides clarity on its operating objectives, including how it will work with the subsidiary companies it owns on behalf of Christchurch City Council (Council).

CCHL is a Council controlled organisation under the Local Government Act 2002 (LGA).

This SOI has been developed in partnership with Council as the owner of CCHL. It is CCHL’s commitment to its shareholder.

CCHL adopts the principles of Integrated Reporting and this SOI reflects the organisation’s four core operating capitals – the inputs from which CCHL delivers value.

These four capitals are:



Financial



Intellectual



Social



Natural

This SOI meets the priorities set under the LGA Act for Council controlled organisations and all relevant legislative requirements, including the LGA and its provisions relating to subsidiary companies.



CCHL’s role serving Ōtautahi Christchurch¹ Te mahi a CCHL hei hakarato i a Ōtautahi

Vision

Enhancing value from publicly owned infrastructure for the people of Christchurch and Banks Peninsula.

Mission

To support the future growth of Christchurch and Banks Peninsula by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

Who we are

Established in 1993, CCHL holds Council’s shares in major economic infrastructure assets and service providers critical to the regional economy.

This includes four 100"% owned companies, Lyttelton Port Company Limited (LPC) Enable Services Limited (Enable), City Care Limited (Citycare) and EcoCentral Limited (EcoCentral) and two that are majority owned Orion New Zealand Limited (Orion) (89.275"%) and Christchurch International Airport Limited (CIAL) (75"%).

In addition, CCHL also holds investments in RBL Property Limited and Development Christchurch Limited (includes a majority shareholding in the Christchurch Adventure Park). Refer to ‘The portfolio’ on page 6.

What we do

CCHL’s strategic intent reflects Council’s desire to establish independent oversight and management of these commercial entities. CCHL’s mandate and annual performance targets are established by Council through an annual letter of expectation and CCHL’s **Statement of Intent** (this document).

CCHL takes an active and prudent approach to managing the subsidiaries within the CCHL Group. This reflects the expectations of Council, the ratepayers of Christchurch, and managing the assets with an intergenerational approach; balancing the needs of today, together with investing in the future.

CCHL has developed a **Responsible Ownership Framework** to guide its direction and programme of work.

¹ Inclusive of Banks Peninsula



The portfolio

Te kohinga

Ownership / Investment Value²

Orion New Zealand Limited
89% / \$1.47B

Christchurch International Airport Limited
75% / \$1.30B

Enable Services Limited
100% / \$722M

Lyttelton Port Company Limited
100% / \$393M

City Care Limited
100% / \$128M

EcoCentral Limited
100% / \$11M

Other

Development Christchurch Limited
100% / \$25M

RBL Property Limited
100% / \$22M



² Independently valued as at 30 June 2024

Value creation through responsible ownership

Te waihanga wāriu mā te rangatiratanga haepapa

At CCHL, we support the current and future growth of Christchurch through our stewardship of Christchurch City Council’s investments in local infrastructure companies that are commercially, environmentally and socially sustainable.

We take our role as stewards of these intergenerational investments seriously. We understand that how we operate and behave as an organisation matters, and that the decisions we make today will have impacts well into the future.

Our approach is built on a foundation of strong leadership and long-term value creation that balances financial and non-financial performance with evolving social, ethical and environmental considerations.

Our actions and decisions are guided by our Responsible Ownership Framework. The Framework aligns with the UN’s Principles for Responsible Investment (shown below) that promotes long-term thinking and establishes a broad view of stakeholder value creation.

It supports the strategic priorities and community outcomes outlined in Council’s ‘Long-Term Plan’ and is aligned with the ‘Christchurch Economic Ambition’ report, further detailing the pathway to intergenerational prosperity and well-being for Ōtautahi Christchurch.

UN Principles for Responsible Investment

Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry
Principle 5	We will work together to enhance our effectiveness in implementing the Principles
Principle 6	We will each report on our activities and progress towards implementing the Principles

Responsible Ownership Framework

Objective	Shape resilient, sustainable and accountable businesses that enhance long-term value and positively contribute to Christchurch’s economic, social and environmental well-being.			
Purpose	Establish the guidelines for responsible corporate behaviour for CCHL and the subsidiaries by balancing Economic, Social and Governance (ESG) considerations in their corporate practices and culture that aligns financial performance with positive community impacts.			
Inputs	Decisions and behaviours are guided by four core capitals based on our value creation model. These reflect our values, culture and ambition as a responsible owner. They align with what we, our owner – Christchurch City Council - and our subsidiary companies care about:			
	 Financial	 Intellectual	 Social	 Natural
Outputs	Resilient commercial infrastructure	Strong stewardship	Social license	Healthy and low-emission environment

Responsible Ownership Strategies

	Financial: Intergenerational Investment Manage assets transparently and sustainably to deliver long-term value, balancing current operational needs with growth to benefit generations of the people of Christchurch.
Sustainable Growth	Value Creation
We will manage the portfolio to ensure there is a fair return to our owner today, while balancing the reinvestment needs of the assets to ensure financial and operational resilience.	We will work actively with subsidiaries to make thoughtful, future focused investment decisions that achieve long-term value creation for the Group, ensuring sustainable intergenerational benefits.
	Intellectual: Governance and Leadership Transparency and Accountability Provide highly effective governance and leadership with strict adherence to compliance, regulations and ethical standards.
Governance and Leadership	Transparency and Accountability
We will operate with a transparent and rigorous governance appointments process, undertake regular board reviews, and support director development.	We will deliver open, honest, compliant reporting, while demonstrating our values-led ethical behaviour, ensuring stakeholders are well informed.
	Social: Culture, Values and Behaviour Invest in people, culture, safety and relationships to create engagement and a strong social license within the communities we serve.
Stakeholder Engagement	People
We will actively engage with local communities, iwi, government bodies and stakeholders to understand their needs in support of fostering strong, open and transparent, working relationships.	We will foster a culture of safety, fairness, well-being and respect for all staff through developing equity, diversity and inclusivity across the Group.
	Natural: Tiaki Recognise the environmental impact of CCHL's assets and will lead the Group's transition to a healthier environment and low-emission economy.
Carbon Reduction	Resource Management
We will prioritise environmental sustainability to minimise carbon emissions in support of CCHL and Council's carbon emissions reduction targets, while reporting on our impact in a transparent manner.	We will focus on reduction and diversion in support of reducing the Group's use of resources and waste.





Financial year 2026 priorities Ngā Whakaarotau o te Tau Ahumoni 2026

1. Align the Group’s strategic approach to responsible ownership

A framework including the principles underpinning our conduct as responsible owners is now in place (see page 8). The next step is ensuring Group alignment and embedding across operational matters.

2. Retain resilience in our infrastructure

Strong financial management is required through a deep understanding of Group capital needs over coming years to achieve balance between sustainable dividends, asset quality, resilience and growth.

3. Build shared understanding of commercial risks and opportunities across the portfolio

This is inherent to navigating the challenge we face in balancing financial returns with a long-term view of evolving infrastructure threats and needs to best serve our communities now and into the future.

4. Protect our Natural capital as part of our commitment to kaitiaki

CCHL is committed to Council’s targets to reduce emissions in Christchurch and the district, and this is reflected in the Group’s Climate Strategy and a focus on fulfilling our climate-reporting obligations.

5. Prioritise people and impact with a focus on health and safety, equity, diversity and inclusion

Uphold our commitment as a good employer and honour the communities we are connected with across the Group, through CCHL’s Impact programme.

Underpinning our progress is CCHL’s performance measures, structured by our integrated reporting framework encompassing four capitals (Financial, Intellectual, Social, and Natural) as outlined in this document.

CCHL is focused on delivering the outcomes requested by Council for FY26, on behalf of the city. Our commitment in this Statement of Intent affirms our alignment in purpose to support thriving communities, now and into the future.



Our performance commitments

Ō mātou takohanga whakatutukinga

Financial

Objective	How	Targets / Projections	2026	2027	2028
Long term value creation, stability, and improving returns over time	Sustainable dividends paid to the shareholder	Dividends (\$m)	65	65	66
	Growing returns and maintaining balance sheet strength	Earnings before interest, tax,depreciation, amortisation and impairment (\$m)	509	551	600
		Net profit after tax (\$m)	131	146	167
		Return on capital (%)	5.9%	6.1%	6.5%
		Return on equity (%)	4.6%	5.0%	5.5%
		Debt to EBITDA (times)	5.0	4.8	4.6
		Shareholders' funds/total assets (%)	45.8%	45.7%	45.6%
	Ensuring CCHL maintains its interest cover requirements	Parent interest cover ratio covenant >1.5x (EBIT/interest)	2.5	2.7	3.0
	Effective monitoring and meaningful reporting	Assess portfolio performance by undertaking annual benchmarking and report this to the Board	Achieved/not achieved		
		Quarterly portfolio reporting to Council	Achieved/not achieved		



Intellectual

Objective	How	Target / KPI
Development of diversity in leadership	Successful delivery of Te Puna Manawa – CCHL Women’s Leadership Development Programme	100% of participants recommend programme to others
Diverse, high performing boards across CCHL Group	Robust appointment process, through strategic recruitment and succession planning of boards of directors	A 40/40/20 male/female/any ratio Directors’ skills matrix reported and reviewed annually
Development of future governance skills and expertise in Christchurch	Through the CCHL Associate Director Programme	Associate Directors (7) appointed across the CCHL Group



Social

Objective	How	Target / KPI
Continued improvement in health and safety	Health and safety-focused organisational culture Clear process for each subsidiary for management and mitigation of organisational risk	Quarterly subsidiary near miss reporting to CCHL Zero serious harm incidents across the group
A strong social license to operate	To understand the issues most important to its stakeholders CCHL companies will deliberately engage with a wide range of stakeholders Honour Te Titiri o Waitangi and enhance partnerships with mana whenua	CCHL and each subsidiary will hold a current stakeholder engagement plan Materiality matrix completed by subsidiaries and reported to CCHL (6) Deliver programme of work to enhance cultural understanding and competency of the CCHL Group
Demonstrable progress on gender, diversity and equity	Progress towards gender diversity ratio across all employees of 40:40:20 Reduce the Gender Pay Gap for the CCHL group All CCHL subsidiaries publicly report their Gender Pay Gap and provide their action plan to close any gap	1% more female across the CCHL Group on prior year Progress towards goal of at least 1% p.a. across the CCHL Group Subsidiaries publicly report their gender pay gap (6)
Strong employee engagement and culture	Subsidiaries to undertake a regular (at least annual) staff engagement assessment	Subsidiary staff engagement outcomes reported to CCHL (6)



Natural

Objective	How	Target / KPI
Tangible climate action	Robust measurement of scope 1, 2 and material scope 3 emissions across the Group Risk assessment of scenarios to test the resilience of the current strategy Ongoing investigation into alternative technologies, operating procedures and asset upgrades	Scope 1 and 2 emissions reductions targets are set across CCHL align with Council’s interim target Climate report is published informed by consistent, accurate and timely data and subsidiary reporting Each subsidiary (6) has an emissions reduction plan in accordance with the targets
Transparent reporting of social and environmental outcomes	Monitor a range of performance data aligned with UN Sustainable Development Goals Align to UN Principles of Responsible Investment (UNPRI)	Evidence-based integrated report Become a signatory to UNPRI
Identify long term environmental enhancement opportunities	Recognise environmental impacts, assets, indicators and mitigation/enhancement opportunities	Coordinated approach to nature and biodiversity outcomes making use of international frameworks

Corporate Governance

Te anga o te mana urungi ā-rangatōpū

This statement contains an overview of the company’s main corporate governance policies, practices and processes adopted or followed by the CCHL board.

Role of the Board of Directors

The CCHL board is responsible for the strategic direction and control of the company’s activities. The board guides and monitors the business and affairs of CCHL on behalf of its shareholder Christchurch City Council, within the strategic framework and objectives that are set out in this Statement of Intent.

The Chief Executive is responsible for the day-to-day management of the company.

All directors are required to comply with a formal Code of Conduct, which is based on the New Zealand Institute of Directors’ Principles of Best Practice.

The Chair conducts a board effectiveness review with the board biennially.

Responsibility to shareholders

Te haepapa ki ngā kaiwhaipānga

Statement of Intent

In accordance with the LGA, the company submits a draft SOI for the coming financial year for consideration by CCHL’s shareholder, the Council.

The SOI sets out the company’s overall objectives, intentions and financial and performance targets.

Information flows

The board aims to keep Council informed of all major developments affecting the company’s and group’s state of affairs while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

CCHL will provide quarterly updates to Council on SOI performance.

Board composition and fees

The board comprises not more than eight directors – two Councillors and six independent directors.

All Councillor directors are required to retire by rotation within three months following the triennial local government elections, but are eligible to be re-appointed. Where there are four or more independent directors, two of those directors must retire by rotation annually, but may offer themselves for re-appointment.

Appointments to CCHL are made in accordance with Council policy on Appointment and Remuneration of Directors’ to Council Organisations. Fees for the CCHL board and all subsidiary boards are set triennially.

In relation to the CCHL board fees, CCHL recommends fee levels to Council, based on commercial norms, but reflecting a public service element. In relation to subsidiary board fees, CCHL will approve the board fees, based on commercial norms, but discounted to reflect a public service element.

The CCHL board generally meets on a six-weekly basis.

Board committees

Audit and Risk Management Committee (ARMC)

The responsibilities of the ARMC include reviewing the company’s accounting policies, treasury policy, reporting practices, financial statements, managing the debt capital market programme and oversight of CCHL’s sustainable finance programme.

The committee will also consider external audit reports, audit relationship matters and fees, and risk management issues. The CCHL Chair cannot be the Chair of the ARMC.

CCHL acknowledges the importance of independence on ARMC and has appointed a Chair who is not a current director of the company.

Governance and Appointments Committee (GAC)

The GAC is responsible for recommending new and renewals of Chair and director appointments to the subsidiaries.

Impact Committee

The Impact Committee was established in 2023 to advise the board on CCHL’s strategies, policies and practices in relation to the Group’s approach to Environmental, Social and Governance (ESG) issues, including external reporting on those areas.

Other committees

The board establishes other committees as needed to deal with issues as they arise.



Remuneration policy

Remuneration is managed by the CCHL board and made publicly available via its annual report.

CCHL has policies and procedures in place to ensure remuneration levels are set at responsible limits that are able to attract and retain the people needed to manage and operate the business. These include:

- Delegated financial authorities for hiring of new employees and remuneration setting.
- An annual staff appraisal and pay review process.
- Market appraisal of remuneration levels of key staff.

Subsidiary companies

Monitoring

Each subsidiary submits its own draft SOI annually for review by CCHL and sharing with Council for their consideration.

Representatives of the subsidiary board and management meet with CCHL regularly, to discuss the company’s strategic direction, performance, and any significant issues that arise, including the content of CCHL’s Letter of Expectation to subsidiary companies.

The board also receives other reports as are necessary to perform its monitoring function.

Board appointments

All directors of subsidiary companies are selected for their commercial expertise and aptitude in accordance with Council’s Appointments Policy, with specific consideration to supporting CCHL’s diversity and inclusion policy.

When identifying the skills, knowledge, and experience required of directors of a subsidiary, CCHL will consider how knowledge of tikanga Māori may be relevant to governance of the entity.

NZX listing rules

CCHL has listed Bonds on the NZX Debt Market. With this comes additional reporting requirements including:

- Continuous Disclosure requirements, including material information in relation to CCHL that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of the Bonds.
- Compliance with the Financial Reporting Act 2013 and Part 7 of the Financial Markets Conduct Act.

Distributions to shareholder

The CCHL Board will pay dividends to the shareholder subject to the requirement to meeting the solvency requirements of the Companies Act 1993.

CCHL’s distribution strategy is based off consideration of the following key factors:

- Financial performance, actual and projected
- Maintaining balance sheet strength
- Supporting maintenance of CCHL’s credit rating
- Consideration of subsidiary needs (climate action) that may require shareholder capital
- Meeting Council’s needs
- Achieving a long-term sustainable dividend profile
- Potential new investment opportunities
- Meeting dividend projections

CCHL will typically target dividends in a range of 60%-90% of CCHL Parent NPAT depending on the key factors noted above.

The Board’s forecast dividend payments are as follows:

Forecast Dividend Payments	FY26	FY26	FY28
Ordinary dividend (\$ million)	\$65m	\$65m	\$66m

CCHL will advise Council on a ‘no surprises’ basis in the event of any material change in CCHL’s expected dividend profile.

Statutory information requirements

CCHL will provide an annual SOI in accordance with Section 64(1) of the Local Government Act 2002.

CCHL will submit an annual report within three months of each year end to the market and its shareholder, noting the five business day allowance provided by NZX listing rule 3.5.3.

The annual report will include audited financial statements and commentary to permit an informed assessment of the company’s performance and financial position during the reporting period, and to comply with the requirements of the Companies Act, Financial Reporting Act, Financial Markets Authority and the NZX listing rules.

CCHL Group will also prepare audited consolidated financial results within 60 days of each year end, noting the five business day allowance provided by NZX listing rule 3.5.3.

CCHL Group will also prepare an unaudited consolidated interim report to 31 December, which complies with NZ IAS 34 ‘Interim Financial Reporting’. This will be prepared and released to the market within two months of each half year end, subject to the five business day allowance provided by NZX listing rule 3.5.3.

The company will provide regular updates to the shareholder on its activities and that of the subsidiary companies.

It will operate on a ‘no surprises’ basis in respect of significant shareholder-related matters, to the fullest extent possible in the context of commercial sensitivity, confidentiality agreements and NZX listing continuous disclosure requirements.

Acquisition / divestment policy

CCHL

In relation to the potential acquisition or divestment of assets/ investments (i.e. equity interests, shares, or equivalent) held directly by CCHL (parent entity) and in accordance with Council’s Significance and Engagement Policy, CCHL will seek Council approval of any transaction which results in a significant change to the ownership interest held by CCHL.

Subsidiary of CCHL

In relation to the potential acquisition or divestment of assets/ investments (i.e. equity interests, shares, or equivalent) by a subsidiary of CCHL (subsidiary entity), CCHL will adopt the following approach:

If the transaction is a major transaction (as defined by the Companies Act), CCHL will consider the proposal, and as the shareholder of the subsidiary, CCHL is required to either approve or not approve the transaction. CCHL will consult with Council, prior to determining whether or not to approve the proposed transaction.

- If the transaction is material, but not a major transaction, CCHL will request that the subsidiary companies consult with CCHL prior to entering into the proposed transaction, and CCHL will inform Council under the “no surprises” policy.
- If the transaction otherwise requires shareholder approval from CCHL, CCHL will assess the transaction and determine whether or not to approve it, and CCHL will keep Council informed under the “no surprises” policy.
- Before a Council controlled organisation makes a decision that may significantly affect land or a body of water, it must take into account the relationship of Māori and it’s culture and traditions with its ancestral lands, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

Activities for which compensation is sought from any local authority

Currently there are no activities for which compensation will be sought from any local authority. Council has a contingent liability up to \$1.5 billion in respect of uncalled issued capital in CCHL.

There is no current intention to make a call on any uncalled capital.

Commercial value of shareholder’s investment

Council’s investment in CCHL and the subsidiary companies was valued at over \$3.4 billion in June 2024. This valuation is updated annually based on independent advice.



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+64 3 941 6530
info@cchl.co.nz

PO Box 1151
Christchurch 8140
New Zealand