



Christchurch
City Holdings
Limited

A WHOLLY OWNED SUBSIDIARY of CHRISTCHURCH CITY COUNCIL

Statement of intent 2027

Te Tauākī Whakamaunga Atu 2027

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Additional photography: ChristchurchNZ



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 2027 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



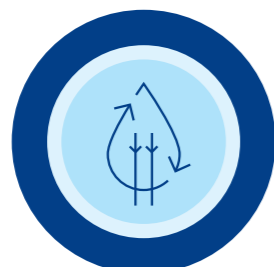
Intellectual



Social



Natural



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





CCHL's role in supporting Ōtautahi Christchurch*

Te wāhi ki a CCHL hei tautoko i a Ōtautahi,
i a Te Pātaka - a - Rākaihautū hoki

Established in 1993, CCHL holds Council's shares in major economic infrastructure assets and service providers. This includes four 100% owned companies, Lyttelton Port Company Limited (LPC), Enable Networks Limited (Enable), City Care Limited (Citycare) and EcoCentral Limited (EcoCentral), as well as two organisations that are majority owned, Orion New Zealand Limited (Orion) (89.275 %) and Christchurch International Airport Limited (CIAL) (75 %).

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.

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

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

How we work

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 for our community and region, 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.

* Includes Te Pātaka o Rākaihautū Banks Peninsula

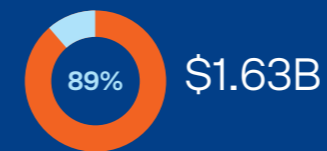
The portfolio

Te kohinga



Ownership/Investment Value*

Orion New Zealand Limited



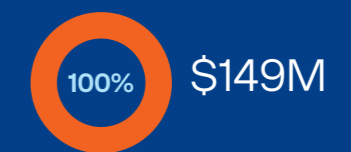
Lyttelton Port Company Limited



Christchurch International Airport Limited



City Care Limited



Enable Networks Limited



EcoCentral Limited



Development Christchurch Limited and RBL Property Limited were amalgamated with CCHL during FY26.

* Independently valued as at 30 June 2025

Value creation through responsible ownership

Te waihanga wāriu mā te pupuritanga haepapa

Our actions and decisions are guided by our Responsible Ownership Framework.

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.

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.



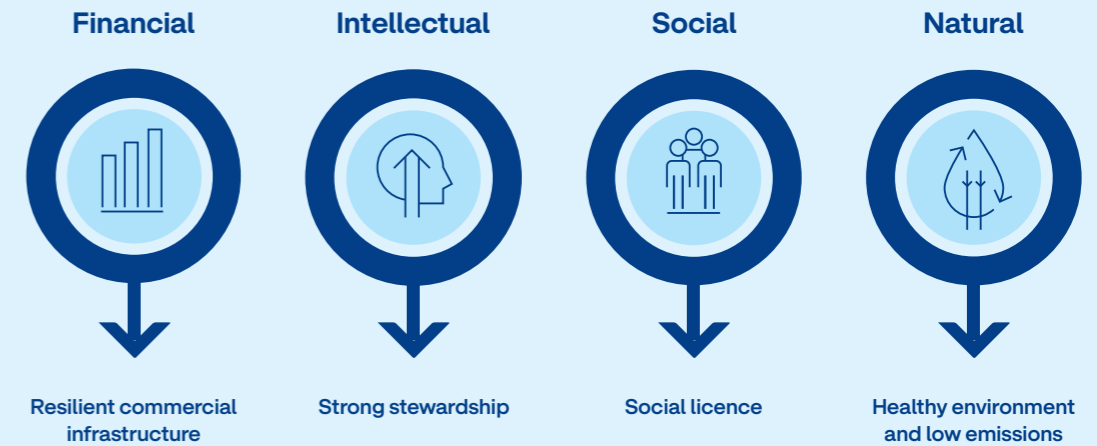
UN Principles for Responsible Investment

- 1. Incorporation** We will incorporate Environmental, Social and Governance (ESG) issues into investment analysis and decision-making processes.
- 2. Active ownership** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3. Appropriate disclosure** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4. Promote acceptance** We will promote acceptance and implementation of the Principles within the investment industry.
- 5. Working together** We will work together to enhance our effectiveness in implementing the Principles.
- 6. Report activities** We will each report on our activities and progress towards implementing the Principles.

Responsible Ownership Framework

Te Anga o te Pupuritanga Haepapa

- 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 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:



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

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.

Value creation

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

We will operate with a transparent and rigorous governance appointments process, promote diversity in governance, undertake regular board reviews, and support director development.

Transparency and accountability

We will deliver open, honest, compliant reporting, while demonstrating our values-led ethical behaviour, ensuring stakeholders are well informed.



Social

Culture, Values and Equity

Invest in people, culture, safety and relationships to create engagement and a strong social license within the communities we serve.

Stakeholder engagement

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.

People

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

Environmental Management and Climate Response

Recognise the impact and dependency of the Group's operations on the natural environment. Lead the Group's transition to a healthier environment and low-emission economy.

Carbon reduction

We will minimise greenhouse gas emissions in support of CCHL and Council's carbon emissions reduction targets, while managing climate risk and reporting in a transparent manner.

Resource management

We will protect the environment.

We will focus on efficiency and diversion from landfill to reduce the Group's use of natural resources and generation of waste.



Financial year 2027 priorities

Ngā Whakaarotau o te Tau Ahumoni 2027

1. Embed the Group's strategic approach to responsible ownership

Explore portfolio opportunities, options and risks to develop recommendations to Council with respect to the portfolio composition. Council will ultimately decide any material changes, with the people of Christchurch part of any engagement.

CCHL is conducting an ownership review of Enable. This follows the successful delivery of fibre internet infrastructure across the wider Christchurch region. CCHL's role is to engage with Council to ensure understanding of the value, risks and opportunities associated with the city's investment in Enable, and present options and recommendations for consideration arising from the review.

2. Retain resilience in our infrastructure

Strong financial management is required through a deep understanding of Group capital needs.

LPC supports port development at Te Awaparahi Bay to provide for growth, resilience, and ensuring South Island port capability is maintained in coming decades. CCHL is working with LPC to give due consideration to the investment case including developing potential funding solutions.

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.

CCHL is closely following geo-political risks generally, notably the current Middle East conflict. Risk is heightened, however, the fuel situation is currently considered manageable with minor near-term direct impact to subsidiaries. Downside risk remains from prolonged conflict, whether directly via fuel prices, supply chain disruption, or through inflation and related interest rate management.

4. Protect the natural environment and respond to climate change

CCHL and its subsidiaries are committed to exercising leadership on reducing greenhouse gas emissions and contributing to Council's emissions reduction target for the district. This is reflected in the Group's climate change response which is disclosed annually in the CCHL Group Climate Statement.

→ cchl.co.nz/annual-reports

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 FY27, 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	KPI FY27	2027	Forecast 2028	2029
Long term value creation, stability, and improving returns over time	Sustainable dividends paid to the shareholder (Parent)	Dividends (\$m)	65	66	76
	Growing returns and maintaining balance sheet strength (Group)	Earnings before interest, tax, depreciation, amortisation and impairment (\$m)	570	621	659
		Net profit after tax (\$m)*	156	177	193
		Return on average capital (%)	6.2%	6.6%	6.8%
		Return on average equity (%)	4.9%	5.4%	5.7%
		Debt to EBITDA (times)	4.6x	4.3x	4.2x
	Shareholders' funds/total assets (%)	46.3%	46.6%	46.9%	
Ensuring CCHL maintains its interest cover requirements (Parent)	Parent interest cover ratio covenant (EBIT/interest) >1.5x	3.5x	4.0x	4.4x	
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			

* Net profit after tax excludes non-cash investment property revaluation gains/losses





Intellectual

Objective	How	Target/KPI
Diversity in leadership	Build fair and equitable career development pathways and leadership opportunities	Successful delivery of a CCHL led Women's Leadership Development Programme
Diverse, high performing boards across CCHL Group	Robust appointment process, through strategic recruitment and succession planning of boards of directors	Work towards a 40/40/20 male/female/any ratio across all boards Appointments are made in accordance with Council policy
Development of governance skills and expertise in Christchurch	Through the CCHL Associate Director Programme	Associate Directors successfully complete the Associate Director Programme (7)



Social

Objective	How	Target/KPI
Leading health and safety practices	Health and safety-focused organisational culture Clear process for each subsidiary for management and mitigation of critical organisational risks	Quarterly subsidiary health and safety reporting of agreed lead and lag indicators to CCHL Achieve collaboration across the CCHL Group to encourage best practice health and safety practices Zero WorkSafe notifiable injuries 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	CCHL and each subsidiary will maintain and implement a stakeholder engagement plan (7)
Honour te Tiriti o Waitangi	Foster working and strategic relationships with Māori and mana whenua	Deliver programme of work to enhance cultural understanding and competency of the CCHL Group
Demonstrable progress on diversity and equity	Annual monitoring of diversity metrics and documented recommendations for improvement	Progress towards a fair gender diversity ratio across all employees of 40/40/20
	All CCHL subsidiaries publicly report their Gender Pay Gap and provide their action plan to close any gap	Reduce the Gender Pay Gap for the CCHL Group
Strong employee engagement and culture	Subsidiaries to undertake a regular (at least annual) staff engagement assessment	Subsidiary staff engagement outcomes and trends are reported to CCHL (6)



Natural

Objective	How	Target/KPI
Tangible action to mitigate and adapt to climate change	Robust and verified 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 set across CCHL limited to 1.5° warming Subsidiaries promote emissions reduction within their industry and supply chain (scope 3) Each subsidiary (6) has an emissions reduction plan in accordance with the targets CCHL and subsidiaries consider and report on climate change risks related to their investments, operations and infrastructure
Transparent reporting of social and environmental outcomes	Monitor a range of performance data aligned with UN Sustainable Development Goals	Evidence-based integrated report is published
	Align to UN Principles of Responsible Investment (UNPRI)	Satisfy annual UNPRI signatory reporting requirements
Long term environmental enhancement	Recognise environmental impacts, dependencies, risks and opportunities	Investment in positive nature and biodiversity outcomes

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.



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. That Director is eligible to be reappointed.

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 accordance with Council policy.

→ [Appointment-and-Remuneration-of-Directors-Policy-2023.pdf](#)

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.

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 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.



Accounting policies

CCHL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards (NZIFRS), and generally accepted accounting practice (GAAP).

The detailed accounting policies are available in CCHL's most recent annual report as published on its website: <https://www.cchl.co.nz/annual-reports>.

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.

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 targets 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	FY27	FY28	FY29
Ordinary dividend (\$ million)	\$65m	\$66m	\$76m

Statutory information requirements

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

CCHL will release a Results Announcement within 60 days of each year end, 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 will release a consolidated annual report, including unaudited financial statements, within three months of each financial year to the market and its shareholder.

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.

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.

Acquisition/divestment

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), CCHL will seek 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 its 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 \$4.0 billion in June 2025. This valuation is updated annually based on independent advice.



Christchurch City Holdings Ltd

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