

Statement of Corporate Intent

For the period ending 30 June 2027

This Statement of Corporate Intent (SCI) is for Port of Auckland Limited and its subsidiaries (referred to singularly or collectively as “POAL” or “the Company” . POAL is wholly owned by Auckland Council, referred to as “the Shareholder” . This SCI covers the period from 1 July 2024 to 30 June 2027 and has been prepared in accordance with Section 9 of the Port Companies Act 1988.

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Our Vision

From the construction of Queen Street wharf in the 1850s until now, Auckland's port has connected the world to Tāmaki Makaurau. As New Zealand's largest import port, Port of Auckland has developed hand in hand with Auckland, bringing in goods we've needed to thrive.

From Singapore and Rotterdam, through to Sydney and Shanghai, thriving global cities depend on reliable supply chains. So, it's no coincidence these are just some of the powerhouse cities depending on port operations.

Island nations like New Zealand need comprehensive port strategies. Ports create jobs, they enable business, they reduce carbon emissions compared to other import options, and in the case of Auckland, the port provides a dividend to Auckland Council.

Most of the port's inbound cargo is for Auckland. We are proud of the role we play in Auckland's economy and how we support Aucklanders through our dividends.

We're proud to represent New Zealand and facilitate the sustainable growth of trade across the upper North Island, and especially proud to be Auckland's port.

We are Port of Auckland.

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Strengthening our Mana - Our Strategy Toitū te Mana

Vision Port of Auckland Limited will be a port that is sustainably profitable, delivering a fair return to Auckland Council, whilst remaining the preferred port of our customers and our people.

Purpose Facilitate the sustainable growth of trade for Auckland and the North Island.

Focus Areas



Customer at the core

- Focus on what our customers value
- Broaden and grow our revenue streams
- Embed a customer centric culture
- Deliver consistent and reliable operations



Infrastructure for the future

- Upgrade our core systems (Digital and operational)
- Prepare us for future growth
- Build the right things in the right way
- Commercial model delivering a fair return
- Future appropriate business structure



Whanaungatanga

- Operate safely and sustainably
- Invest and retain our talent
- Celebrate our diversity
- Leadership development
- Leverage the power of our people working together
- Make informed decisions

Sustainability Pillars



Caring for Aucklanders



Genuine harbour health



Meaningful climate action



Driving towards a circular economy



Sustainable business in Auckland

Financial

F25 \$65m NPAT
\$45m Dividend

F26 \$85m NPAT
\$52m Dividend

F27 \$100m NPAT
\$60m Dividend

Health, Safety and Wellbeing

Our ambition is to have a safety culture that is the envy of many. We will be each other’s keepers, caring for each other and helping others thrive.

We have an ambitious and forward-thinking strategic plan to facilitate safe, efficient, and profitable port operations.

We will work closely with Maritime NZ to adopt the requirements of the Approved Code of Practice for Stevedoring.

We will enhance our approach to monitoring safety performance through adopting a Health & Safety Performance Index (HSPI), an advanced balanced suite of leading measures which ensure safe working conditions.

Our approach to managing critical safety risks will include regularly verifying the presence and effectiveness of critical controls.

Safety leadership will be strengthened, with leaders demonstrating integrity and commitment to solving problems. Our workforce will be actively engaged and empowered to voice concerns, with Health and Safety representatives playing a key role.

We will collaborate with stakeholders to drive safer outcomes, ensuring clarity and agreement among different organisations at the port.

We will ensure our people are fit for work and our workplace fits their needs, supported by physical and mental wellbeing programs.

Key performance measures	F24 Actual	F25 Target	F26 Target	F27 Target
Number of fatalities and serious work-related illnesses or injuries*	0	0	0	0
Health and Safety Performance Index (HSPI) annual average**	New	≥80%	≥80%	≥80%

*Serious work-related illnesses or injuries as defined by WorkSafe – injuries or illnesses that require (or would usually require) a person to be admitted to hospital for immediate treatment and therefore require notification to WorkSafe.

** HSPI score is derived from measures and targets set annually by the POAL Board Health, Safety and Wellbeing Committee.

Turning Auckland Council Long-term Plan into Action

As part of Auckland Council's 2024-2034 Long-term Plan, we committed to support the Mayor's vision set out in the Plan to Make the Most of Auckland's Port and Waterfront, including:

Deliver strongly enhanced profitability

We are committed to improving profitability with a pathway of \$65 million, \$85 million, and \$100 million Underlying Net Profit After Tax (NPAT) over the next three financial years (FY25- FY27) and increasing beyond. By FY27, we will deliver a fair return of ~10 per cent on equity.

In May 2024, we completed town hall briefings for customers and industry bodies to outline a significant increase in access fees across all terminals, providing clear advance notice so customers can build POAL pricing into their business models.

Sale of Captain Cook and Marsden to Auckland Council within 2-5 years

We will consent and construct Bledisloe North Wharf to facilitate the sale of Captain Cook and Marsden Wharves to the city within 2-5 years and allow some public access to Bledisloe Terminal without compromising safety and commercial operations.

Cruise as world class for Auckland and NZ Inc.

Bledisloe North Wharf will accommodate the largest cruise vessels.

It will initiate a staged exit of cruise ships from the ferry basin, reducing potential commuter ferry conflicts and improving Quay Street traffic congestion.

Become big ship capable

We will complete the Fergusson North Wharf to existing dolphin, to enable efficient servicing of larger vessels.

Consented reclamation of Fergusson container terminal to be completed. This is the last consented reclamation project.

We will deepen the shipping channel and key berths to ensure we remain a key New Zealand port.

We will increase container terminal capacity by converting to 4-high straddle operations and upgrading our terminal operating and rostering systems.

The construction of Bledisloe North Wharf and the completion of Fergusson North Wharf will complete the port's footprint, allowing for the sale of Captain Cook and Marsden Wharves. We will construct these wharves without further reclamation, continuing to honour our 2017 commitment of no further reclamation.

Tripartite heads of agreement

Auckland Council, MUNZ on behalf of unions, and POAL committed to work together to achieve the Mayor' Plan to Make the Most of Auckland's Port and Waterfront.

POAL will collaborate in this work in good faith and ensure it is prioritised and appropriately resourced to be successful.

Longer-term strategic opportunities

We are committed to working with Auckland Council, Eke Panuku, and other stakeholders to:

- complete master planning for the central wharves, so it can progress to a publicly endorsed plan.
- develop a longer-term future port strategy (infrastructure and precinct plan), considering port location, inland supply chain, port commercial model, and any transition.

We are also committed to exploring how Auckland and POAL can establish a viable business model for a freight and passenger link between Asia and Latin America.

Other commitments

We will identify options and trade-offs for improving competitiveness of rail and coastal shipping relative to road transport, for discussion with Auckland Council and other stakeholders such as cargo-owners.

We will continue to collaborate with Auckland Council on improving financial and non-financial monitoring.

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Financial Deliverables

Key performance measures	F24 Forecast	F25 Target	F26 Target	F27 Target
Underlying Net Profit After Tax (excluding revaluations and unusual items)	\$52-\$55m	\$65m	\$85m	\$100m
Dividend (subject to trading and solvency requirements)	\$35m	\$45m	\$52m	\$60m
Free Cash Flow to Sales (revenue) ((EBITDA-CAPEX)/Revenue %)*	19.3%	8.2%	-6.6%	2.6%
Revenue growth (year on year revenue % growth)	6%	10%	8%	7%
Return on assets (EBIT / total assets)	6.2%	7.2%	8.5%	9.4%
Return on Equity (NPAT / average equity)	5.5%	6.5%	8.5%	10.0%
Ratio of consolidated shareholders' funds to total assets	63%	65%	62%	61%
Capital expenditure	\$44m	\$84m	\$164m	\$159m
Net debt (prior to any capital recycling)	\$380m	\$400m	\$541m	\$586m

*Free Cash Flow is negatively impacted by generational investment in long-term infrastructure, funded by POAL.

Customer at the Core

Our customers are key to us Strengthening our Mana, with our focus squarely on what customers value, and working to deliver a seamless customer experience.

We are deeply committed to a customer-centric approach that prioritises the needs of both our external and internal customers. We will consistently and seamlessly deliver what customers value and are prepared to pay for.

We will be the port of choice for all imports and exports in Auckland and the upper North Island.

Our customer centricity programme will establish a clear understanding across all business trades of who our customers are, their end-to-end experiences, what they value and what they are willing to pay for.

We will create synergy between customer expectation and our service delivery.

We will utilise Customer Relationship Management (CRM) platforms and customer insights to assess trends, improve customer interactions and manage customer activities.

We will continuously improve and diversify our revenue streams whilst maintaining a robust operational and billing process to achieve revenue growth and sustained margin improvement.

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Infrastructure for the Future

We are setting up the port to handle Auckland's freight for the next generation.

The city of Auckland and the Port of Auckland have grown together on the Waitematā and Manukau Harbours for more than 175 years. Port of Auckland is part of the special character of our city and plays a vital role in our economy, delivering the things we need and enjoy. Our location on Auckland's doorstep means the delivery of goods is quick, the cost of goods is low, and our carbon footprint is small.

We operate on the smallest site possible and have already returned 125 ha or around 60 per cent of wharf and land space back to Auckland Council.

We expect to sell Marsden and Captain Cook wharves to Auckland Council, further reducing our footprint, but we can't do this without constructing the Bledisloe North Wharf.

We are making generational investment in our infrastructure.

We are consenting and constructing the Bledisloe North Wharf to enable on-going port operations, the sale of Captain Cook and Marsden Wharves and reduce use of the ferry basin for cruise.

We are extending the Fergusson North Wharf and completing capital dredging to become big-ship ready at the container terminal.

A new straddle workshop will provide a step-change in modern fit-for-purpose plant maintenance facility.

Whanaungatanga

Our people ambition is to create a safe, collaborative and engaged workforce that is equipped for the future.

Engaged and collaborative workforce

We will work collaboratively with our employees and unions to meet our objectives using High Performance, High Engagement (HPHE) principles.

Leadership is critical to our success.

We foster a collaborative leadership style which leverages the power of our people working together. Succession happens from within through focused efforts on investing and in retaining our talent.

Our Taura Herenga Waka (Māori Outcomes Framework) recognises our history and outlines our commitment to more meaningful engagement with Iwi and Māori. Utilising the strength of our Taumata, a rōpu of representatives from across the business, we are developing cultural, reo, and leadership programmes for all our people.

We continue our programme of Iwi engagement across the 19 Tāmaki Makaurau Iwi. We have developed an internship programme to encourage more Māori to consider careers at POAL.

Recognising our diverse workforce (including 11 % Māori, and 32% Pasifika) we are proud to have developed a Pasifika Champions Network to drive a Pasifika workforce strategy; underpinned by our drive to support people to reach their full potential.

Taura Herenga Waka and the Pasifika Workforce Strategy will reinforce our Whanaungatanga focus on investing in and retaining talent and leveraging the power of our people working together.

Taura Herenga Waka | Māori Outcomes Framework is founded on three strategies:

1. toitū te ao Māori – inclusion of Māori tikanga in our business practices.
2. toitū te reo Māori – ensuring that Māori language is spoken, heard, visible, and accessible by all.
3. toitū whanaungatanga – fostering and strengthening relationships with stakeholders such as Iwi, council, unions, industry, and community.

A Pasifika Champions Network has been established to drive a **Pasifika workforce strategy**, developed by the people through a talanoa process. Five focus areas have been identified to develop Pasifika engagement and workforce development. These are:

- career journeys to support people to reach their full potential
- communication to create understanding and collaboration
- capability building to develop technical and soft skills
- community engagement to foster a sense of belonging and support
- networking to build internal connections across the business

These initiatives ultimately support diversity, equity, and inclusion for our team members.

Our Kaitiakitanga – Our Sustainability Pillars

Our ambition is to become a more sustainable port and progress towards our long-term sustainability targets.

Over the next three years, we will continue to balance caring for Aucklanders, improving the health of Waitematā Harbour, drive the development of a more circular economy, and implement meaningful climate action whilst supporting sustainable business across Auckland.

Caring for Aucklanders



- Meet or exceed all regulatory requirements.
- Maintain independent 3rd party certification for Environmental Management System and Green House Gas emissions.
- Embrace community conversations relating to the port’s environmental and sustainability performance.
- Support delivery of projects within the Auckland Climate Plan: Te Tāruke-ā-Tāwhiri to maintain / improve future resilience.
- Replant Mahanihāni on the South Head of the Manukau Harbour in native bush.

Genuine harbour health



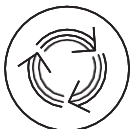
- Help restore the moana by adapting the Port to become a marine nursery.
- Partner with Ngāti Whātua Ōrākei and other stakeholders to improve marine biodiversity in the lower Harbour and inner Hauraki Gulf.
- Support and fund projects which will directly improve / restore the mauri (essential energy / life force) of Te Moananui o Toi (the Hauraki Gulf) via the Trust jointly established in 2023.
- Support community action to promote thriving mahinga kai by actively publicising the harbour health improvement techniques implemented and our monitoring results.

Meaningful climate action



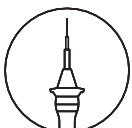
- Maintain and implement decarbonisation roadmap.
- Increase staff awareness of climate risk and options to reduce individual footprints.
- Foster continuous improvement of port operations to improve efficiency and reduce emissions.
- Maximise generation of renewable energy at POAL sites.
- Partner with suppliers to influence our scope 3 emissions.
- Develop and implement a Climate Adaptation Plan to adapt to the changing climate.

Driving towards a circular economy



- Actively involve staff in identifying future challenges and opportunities to benefit businesses and the environment.
- Drive behaviour change to reduce waste and improve diversion from landfill.
- Support innovation in the development of POAL’s future infrastructure.

Sustainable business in Auckland



- Demonstrate and encourage sustainable leadership amongst POAL customers and the freight supply chain.
- Enable importers and exporters businesses to grow and prosper by playing our part in the turnaround of the Auckland economy.
- Embrace a circular mindset in design and procurement processes.
- Working with others to drive beneficial reuse of dredged material.

Other important information

Accounting policies

POAL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards (NZ IFRS) and other standards issued in accordance with the Companies Act 1993, the Financial Reporting Act 1993 and any amendments thereto.

The Company's accounting policies are set out in the audited annual Financial Statements.

Summary statements will be provided to the Shareholder's Group Financial Planning & Analysis team in accordance with the Shareholder's timetable.

Dividend policy.

Dividends will be based on a percentage range of free cash flows to allow POAL to sustain an optimal capital structure as determined by POAL's Board. Each year, the Board will review its ability to pay dividends after giving consideration to the ongoing needs of the business, the risk environment, the requirements of the Companies Act and the statutory obligation imposed on Directors. Dividends will be paid in two instalments in February and August.

For the purposes of calculating the dividend amount:

- Free Cash Flow is Net Cash Flow from operations less Business as Usual Capital Expenditure. This separates out generational reinvestment capital expenditure, for which it is appropriate to borrow long term to fund, whilst continuing to pay a dividend from trading profits.
- The target range for dividends will be between 40% - 60% of Free Cash Flow.

Investments

The Company's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation is governed by the provisions in the POAL Constitution and the Companies Act 1993.

POAL recognises the importance to the Shareholder of being informed and involved in any of POAL's major capital expenditure decisions.

Compensatory activities

The Port Companies Act requires POAL to operate as a successful business.

If required by the local authority to perform non-commercial activities, the Company will seek compensation for these.

Value of Shareholders investment

The assessed market equity value of Port of Auckland Limited based on an external review undertaken effective 30 September 2020 is \$1.57b to \$1.91b, with a mid-point of \$1.74b. Each 30th June year-end, an internal valuation model is updated and is subject to review as part of the annual audit process.

Information to be provided to the Shareholder

Annual Statement of Corporate Intent (SCI)

POAL will provide the Shareholder with a draft SCI for discussion and a final SCI as required by the Port Companies Act, working with the Shareholder to meet its timetable. POAL's approach will be to provide to the Shareholder all information and data requested in a transparent and timely manner on a no surprises basis.

Annual Report

Within three months after the end of each financial year, POAL will deliver to the Shareholder and the Minister of Transport its Annual Report prepared in accordance with the reporting requirements of the NZ IFRS and the Financial Reporting Act 1993 and will include the audited annual group consolidated financial statements and performance commentary, together with such other information as the Board consider appropriate.

The report will include:

- Performance commentary
- Income statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity
- Notes to the financial statements
- Performance against the SCI key performance targets and other measures
- Auditor's report

Other information requirements

Quarterly reports for Quarters 1 to 3

Within five weeks after the end of quarters 1 to 3, the Company will deliver to the Shareholder a report on the preceding quarter, consisting of the following:

- Financial update as at the end of the quarter showing progress against budget and SCI key performance targets
- Performance against POAL's safety and operational metrics
- Progress against POAL's Strengthening our Mana strategy
- Progress on other initiatives such as Māori Outcomes Framework, and Sustainability Pillars
- Commentary on key issues affecting or likely to affect the business
- Any significant events that have arisen in the quarter
- For Quarter 2 POAL will also provide financial and other reporting information required by the shareholder to meet its interim reporting obligation

Annual Shareholder Meeting

At a time to be agreed with the Shareholder, POAL will present to the Shareholder on the performance of the Company, key issues affecting or likely to affect the business, and any significant events that have arisen.

One-off public and 'no surprises' issues

The Company will inform the Shareholder prior to any significant decisions being made public or the occurrence of any event that could reasonably be anticipated to have a high level of public interest.

The information is to be provided to the Mayoral Office and Auckland Council CEO.

Material financial changes

The Company will confer with the Shareholder's CEO on any material acquisitions, capital expenditure, disposals or other changes which affect the Shareholder's accounting or financial reporting treatment or obligations before contractual commitments are entered into.

POAL will inform the Shareholder's Group CFO immediately of any issues that may require disclosure to the NZX.

Primary line of communications

The Company's primary line of communication, for all formal reports and ad hoc business matters, is direct to the CCO Governance team of the Shareholder. The Company will also have a direct line of communication to the Mayor of Auckland (via the POAL Board Chair) and to the Auckland Council Chief Executive Officer (via the POAL CEO).

Financial reporting requirements

POAL will provide all public benefit entity reporting requirements to the Shareholder as required by the Shareholder's timetable. The information will be provided to the Shareholder's Group Financial Planning & Analysis Team.

POAL will report twice a year to the council's Audit and Risk Committee.

POAL will engage with the Shareholder on compliance with the Task Force on Climate-related Financial Disclosures (TCFD).