

STATEMENT OF CORPORATE INTENT



Port Marlborough

Objectives

Port Marlborough operates as a Port Company under the Port Companies Act 1988, maintaining a commercial focus to deliver dividends to the Shareholder. Profits are distributed as dividends to our sole shareholder, MDC Holdings Limited, ultimately benefiting the residents and ratepayers of Marlborough through the Marlborough District Council.

As well as delivering value to our shareholder and facilitating Marlborough’s key industries, our strategic direction is aligned to sustainability best-practice principles. Our strategy is clear - and our success is measured against key goals in the Health, Safety and Wellbeing of the People in our workplaces; environmental sustainability and the natural resources of our Planet; facilitating economic performance and regional Prosperity; and ongoing engagement and Partnerships with our iwi partners, customers, communities and stakeholders.

Through this approach, we know our operations are sustainable and can continue to drive success for our region long into the future.



OUR VISION

Port Marlborough’s vision is to lead the way as an environmentally restorative port, driving success for Marlborough.

OUR MISSION

We connect and protect over land and sea, so that our communities, environment and economies thrive.



OUR VALUES

HAUORA
VALUE WELL-BEING

We work together to sustain what keeps us healthy: physically, mentally, socially and culturally.

KAITIAKITANGA
PROTECT THE FUTURE

We consider the environmental, economic, community and cultural impacts of our decisions everywhere we operate.

MAHI TAHI
WORK TOGETHER

We operate as one team, at the heart of our community. We share ideas, understand, collaborate and celebrate.

PONO
ACT WITH INTEGRITY

We keep our promises and do what we say we will do.

KAIRANGATIRA
DELIVER EXCELLENCE

We deliver excellent customer service and excellent commercial results.



Nature and Scope of Activities

Port Marlborough provides vital port, marine, and marina infrastructure and services that drive both regional and national economic activity. We measure our success against key goals in Health and Safety, environmental sustainability, economic performance, customer satisfaction, and stakeholder engagement.

Port Marlborough is central to the region’s economy, supporting its core trade sectors. Positioned at the heart of the Marlborough Sounds, we play a significant role in enhancing the region’s overall wellbeing and prosperity.

FREIGHT AND PASSENGER TRANSPORTATION

Port Marlborough plays an integral role in the New Zealand’s national transport network, by supporting Cook Strait freight and passenger ferry services. We provide specialised marine and landside-based infrastructure, including roll-on/roll-off berths, marshalling yards, and passenger terminals. As part of State Highway 1, this infrastructure ensures efficient national connectivity, facilitating the smooth inter-island movement of goods and people across the Cook Strait.

The MIHL concept offers Marlborough cargo owners an alternative route to international markets via Wellington, through Picton. Development of the Riverlands site will continue in line with freight and market demand.

CARGO AND SHIPPING

Our natural deep-water berths in Waitohi Picton and Shakespeare Bay accommodate a wide range of vessels, including fishing and aquaculture vessels, bulk cargo carriers, and cruise ships.

Our marine services division ensures maritime safety in the Marlborough Sounds and the safe berthing and unberthing of vessels in Waitohi Picton harbour. Our marine fleet comprises a fleet of the Pilot boat “Endeavour” and three harbour tugs. The recently added tug “Kaiana,” has a bollard pull of 50T and is Marpol Tier III compliant.

AQUACULTURE AND FISHING

Port Marlborough facilitates Marlborough’s growing aquaculture and fishing industries in Waitohi Picton, Havelock Marina in the Pelorus Sound, and via remote marine sites in the Marlborough Sounds at Oyster and Elaine Bays.

These facilities feature dedicated landing areas, cranes, and berths specifically designed to meet the needs of fishing vessels, freight barges, and marine farming operations.

Our infrastructure portfolio includes commercial properties and specialised marine infrastructure, covering the entire value chain from farming operations to processing facilities. These services are essential for sustaining the region's aquaculture sector, which plays a significant role in both the regional economy by sustaining the operations of 150 businesses with over 940 local jobs, and contributing around \$108M in GDP to the national economy.

FORESTRY

The region’s forestry export trade is catered to at Waimahara Wharf at Shakespeare Bay, where extensive log storage facilities and natural deep-water berths serve as a vital hub for this sector. Our port yard is equipped to efficiently manage and store large volumes of logs, with recent investment providing for increased storage density, and further paving to provide improved environmental outcomes.

In partnership with C3/Pedersen Group, we have recently implemented a state-of-the-art debarking facility at Shakespeare Bay. This facility eliminates the need for export fumigation, supporting international biosecurity requirements. This aligns with our own commitment to sustainability. Port Marlborough's collaboration in this industry partnership is an enhancement of our forestry export services. It enables Picton to be a finishing port, attracting a larger forestry catchment than before and enabling us to deliver greater value and efficiency for our customers.



Nature and Scope of Activities

RECREATIONAL BOATING AND TOURISM

Through our subsidiary Marlborough Sounds Marinas, Port Marlborough operates the largest marina network in New Zealand, with facilities in Picton, Waikawa, and Havelock. Our marina operations cater to both the commercial and recreational boating community by providing a comprehensive suite of services, including wet berths, trailer boat launch, storage and parking and a marine centre with haul out and hardstand facilities

The marinas are essential in supporting recreational and commercial tourism, which are vital to Marlborough’s thriving tourism sector. Many of these operators rely on marina services and are tenants within Port Marlborough’s extensive waterside commercial properties. Strategically located in Picton, Waikawa, and Havelock, the marinas provide easy access to the Marlborough Sounds—one of New Zealand’s premier tourist destinations—encompassing over 20% of the country's coastline with its secluded bays and waterways.

COMMUNITY

For residents of the Marlborough Sounds, particularly those with limited or deteriorating road access, our marinas are vital lifelines. They provide essential berths and facilitate access to critical services. Through our support of mail boat services, water taxis, and barges, we ensure that remote communities remain connected and well-supplied, helping to sustain the unique way of life in the Marlborough Sounds.

Port Marlborough is committed to being a valued partner within the community, working closely with various local groups to enhance regional wellbeing. Each year, we contribute over \$160,000 in sponsorships to support initiatives that align with our strategic pillars, as detailed on page 7.

By connecting and supporting our community and local initiatives, we reinforce our commitment to the wellbeing and resilience of our region.

MARINE ENGINEERING AND BOATBUILDERS

The Waikawa Marine Centre has been operational for over a decade, featuring a 35-tonne Marine Travelift and hardstand facilities with space for 45 vessels. Local commercial and recreational vessels up to 35 tonnes can use these facilities. The Waikawa Marine Centre provides boat owners with access to a network of maintenance and service providers, supported by a 7,000m² full-service hardstand. At the Centre, you’ll find boat repairers, painters, marine engineers, riggers, boat brokers, charter services, chandlery, and outboard motor sales and repairs. Boat owners are also welcome to work on their own vessels on the hardstand. The Waikawa Marine Centre services vessels from all three of the Marlborough Sounds Marinas, and additional servicing facilities available at Picton and Havelock with established boat-builders and marine engineering companies with private slipways.

To protect the region from marine pests, we work closely with Marlborough District Council’s biosecurity team. Both Waikawa and Havelock marinas are certified as “Ports of First Arrival” by MPI and Customs NZ, and the Waikawa Hardstand is a certified decontamination facility.

INFRASTRUCTURE DEVELOPMENT

By actively collaborating with our customers and continually strengthening our partnerships, Port Marlborough is committed to developing and enhancing resilient infrastructure that meets and anticipates the ongoing needs of the Marlborough region. Our investment approach is customer-driven and guided by a commitment to ensuring that projects are feasible, and provide return on investment.

The Cook Strait inter-island ferry connection is essential to NZ’s supply chain and economy. PMNZ remains actively engaged with government and other stakeholders to determine the optimal solution for port infrastructure to ensure facilities meet future needs.



Strategy

OUR COMMITMENT TO SUSTAINABILITY

Sustainability is at the core of our strategy. As a member of the New Zealand Sustainability Business Council and the first port in New Zealand to report sustainability metrics in accordance with Global Reporting Initiative standards, we are committed to leading by example in our region and industry, and continuously improving our efforts.

Kaitiakitanga, or environmental stewardship, is a core value at Port Marlborough, and is addressed in the “Planet” pillar of our strategy. We are dedicated to protecting and enhancing the environment in our areas of operation, which is essential for the wellbeing of our communities, and the long-term sustainability of both commercial and recreational maritime activities in the Marlborough Sounds.

Environmental management practices centre on the “Plan-Do-Check-Act” continuous improvement model. This is a systematic approach in which we enhance our environmental performance through identifying opportunities, setting targets, implementing initiatives, monitoring our progress and making the necessary adjustments to continuously improve. In-house efforts by our Environment Team continue to align our Environmental Management System to the International ISO14001 standard.

By prioritising kaitiakitanga, looking at how our decisions affect our future abilities to do business, and reducing our environmental footprint, we can ensure that the environment we operate in, and the industries that we facilitate can continue to thrive into the future.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Our sustainability efforts are guided by a clear understanding of the key issues affecting our stakeholders, the environment, and our long-term business success.

Building strong relationships with our stakeholders is essential to our sustainability journey. We regularly engage with employees, customers, local communities, iwi, and regulatory bodies to ensure that our sustainability initiatives meet their expectations and needs.

Through ongoing materiality assessments, we identify and prioritise the environmental, social, and governance (ESG) factors that are most important to our stakeholders and which are critical to our business. In 2024, we conducted a comprehensive double-materiality assessment, building on our previous work with sustainability consultants Proxima. This process allowed us to pinpoint the ESG factors that have the greatest impact on both our stakeholders and business, and to develop our strategic priorities.

This focused approach ensures that we invest our resources in initiatives that can make the most significant positive impact. We establish specific targets to track our progress on these key Material Topics, from which key targets are summarised in the SCI Table on page 6 and which are detailed further to Global Reporting (GRI) standards in our integrated Annual Report.

People Ngā tāngata katoa



We look after the hauora of all people in our workplace

We have the right skills to deliver now and into the future

We are one high performing team

Planet Te Ao Tūroa



We demonstrate continuous improvement in our environmental performance

We innovate to produce better environmental outcomes

We support the protection and restoration of Marlborough Sounds ecosystems

Prosperity Tōnuitanga



We deliver long-term value through integrated investments

We deliver excellent customer experience and outcomes

We ensure our success is shared by facilitating sustainable growth for the region

Partnerships Taukaea (Tāngata)



We communicate and engage openly with our communities

We are a trusted iwi partner

We work collaboratively to produce better outcomes



Measuring Success

PEOPLE				
KEY PERFORMANCE INDICATOR	ACTUAL	TARGET		
	23/24	24/25	25/26	26/27
Preventative Action to Incident Ratio	5:1	10:1	15:1	20:1
LTI's – Zero/100,000 hours	1.2	0	0	0
Critical Risk Framework Compliance	Unmeasured	100%	100%	100%
Fatigue Risk Management Framework Compliance	Unmeasured	100%	100%	100%
Wellbeing Package available to all employees	Unmeasured	✓	✓	✓
Living Wage Accreditation	✓	✓	✓	✓
Increase representation of women in workforce year-on-year	32%	34%	36%	38%
Create opportunities for students including Internships, Apprenticeships & Cadetships	4	≥4	≥5	≥6
Employee engagement score	68%	+2%	+2%	+2%

PLANET				
KEY PERFORMANCE INDICATOR	ACTUAL	TARGET		
	23/24	24/25	25/26	26/27
PMNZ Freshwater Withdrawal	TBA	≤ 0% +	≤ 0% +	≤ 0% +
Waste to Landfill Diverted	TBA	70%	75%	80%
GHG Scope 1 & 2 (Carbon Reduction)	TBA	Establish Plan	TBA post-plan	TBA post-plan
GHG Storage	TBA	10% +	10% +	10% +
Biodiversity – area of habitat restored	Unmeasured	5ha	10ha	10ha
Consent Compliance Incidents	Unmeasured	0% non-compliance	0%	0%
International Clean Marinas Accreditation	-	✓	✓	✓

PROSPERITY				
KEY PERFORMANCE INDICATOR	ACTUAL	TARGET		
	23/24	24/25	25/26	26/27
Projected NOPAT ⁴ (excluding asset and derivative revaluations)	\$19.25m	\$9.36m	\$9.56m	\$10.32m
NOPAT ⁴ / Return on average Shareholder's Funds	10.98%	5.42%	5.37%	5.63%
EBITDA ⁵ (excluding asset and derivative revaluations)	\$33.71	\$21.10m	\$21.48m	\$22.09m
Equity Ratio	69.90%	67.00%	67.60%	69.40%

PARTNERSHIPS				
KEY PERFORMANCE INDICATOR	ACTUAL	TARGET		
	23/24	24/25	25/26	26/27
Invest 1% of EBIT ⁶ (three year rolling average) in community sponsorships and programmes	\$196k	≥ \$167k	≥ \$167k	≥ \$168k
Meet Targets of Stakeholder Engagement Strategy	Unmeasured	met	met	met

¹ LTI = Lost Time Injury
² GHG Net Emissions = Scopes 1 + 2 emissions
³ NOPAT = Net Operating Profit after Tax
⁴ EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation
⁵ EBITDA – Earnings before Interest, Tax, 6 Depreciation and Amortisation
⁶ TBA = To Be Advised (pending completion of Annual Accounts)

PERFORMANCE RISK

- Risks to achievement of our objectives are:
- Forestry export market fluctuations
 - A major external event (natural disaster, alpine fault, tsunami, act of terrorism, pandemic or war) impacting Port Marlborough operations or supply chains
 - Timing and quantum of funding requirements for the redevelopment of inter-island ferry facilities.

DIVIDEND POLICY

A Recommendation on the level of any dividend to be paid will be made by Directors each year. Dividends to The Shareholder will be maximised consistent with consideration of the current and future capital requirements of the company and its debt to equity ratio. It is anticipated that distributions will be in the order of 45% of after tax profit as returned to Inland Revenue.

The Board will make best endeavours to distribute the above projections, noting upcoming requirements for funding of significant capital projects that will deliver benefits to the regional economy.

Year	Projected dividend distribution
2025	\$4.21m
2026	\$4.31m
2027	\$4.64m

PROJECTED BORROWINGS

The Directors have adopted a policy of seeking to keep the gearing of the company in a range between 20% and 40% (debt to debt-and-equity) but accept that the debt ratio may fall outside this range at times, that is, prior to, or following, a major planned development.

Year	Projected Gearing Ratio	Level of debt (Current/Projected)
2024	33.38%	\$57m
2025	38.11%	\$67m
2026	36.99%	\$67m
2027	33.18%	\$62m

RATIO OF THE SHAREHOLDER FUNDS TO TOTAL ASSETS

Year	Expected Ratio The Shareholder funds to total assets
2025	66.98%
2026	67.56%
2027	69.43%

ACCOUNTING POLICIES

- Policy application will be made consistent with, and conform to:
- The legal requirements of the Companies Act 1993
 - Generally Accepted Accounting Principles (NZ GAAP)
 - Financial Reporting Act 2013
 - New Zealand equivalents to the International Financial Reporting Standards (NZIFRS)
 - Other applicable regulatory and statutory requirements.
- The latest published Annual Report including the Statement of Accounting Policies is at: www.portmarlborough.co.nz.

PROVISION OF INFORMATION TO THE SHAREHOLDER

- The following information will be provided to The Shareholder:
1. An annual report as required by Section 16(3) of the Port Companies Act 1988. The report will contain such information as is necessary to enable an informed assessment of the operations of the company and its subsidiaries, including a comparison of the performance of the company and its subsidiaries with this Statement of Corporate Intent and it will state the maximum dividend recommended to be paid by the Company to its The Shareholder. The report will include:
 - a) A report of the operations of the Port Company and those of its subsidiaries during the financial year; and
 - b) Audited consolidated financial statements for that financial year consisting of:
 - i) Statement of Comprehensive Income, Balance Sheet and Cash Flow Statement; and
 - ii) Such other statements as may be necessary to show the financial position of Port Marlborough and its subsidiaries and the financial results of the operations during the financial year; and
 - iii) The audit report on those financial statements.
 2. A half-year report covering a Statement of Financial Performance, abbreviated Statement of Financial Position, Statement of Cash flows, performance indicators, commentary on activities and such other information as the Directors may consider necessary.
 3. Briefing to be provided to the Shareholder, following circulation of Annual and Half Year reports.
 4. The shareholder will be regularly briefed on significant new capital projects.
 5. Any other information reasonably required by the shareholder.

PROCEDURES FOR SHARE SUBSCRIPTIONS OR PURCHASES

The company will only invest in another business when it is consistent with the nature and scope of activities and objectives contained in this SCI.

In cases where the company intends to acquire an interest in another business as listed below, either by single transaction or any series of transactions, through the purchase of shares or by other means, it will give the The Shareholder prior written notice of its intention.

- A business outside the company’s current nature, scope and objectives; and/or
- 20% or more of a business; and/or
- An activity where the cost is more than 10% of the company’s shareholder funds; and/or
- A business or activity outside the Marlborough District;

DIRECTORS’ ESTIMATE OF COMPANY VALUE

The Directors estimate that the opening balance of Shareholder’s Funds in the annual accounts will represent the value of the company. The Directors will advise the The Shareholder on an annual basis if they believe the value to differ materially from this state.

As part of adoption of IFRS, land, buildings and port infrastructure are valued on a regular basis by independent valuation.

The opening balance of Shareholder Funds at 1 July 2024 is \$183.39m (2023: \$167.06m).

APPENDIX 1

Subsidiaries and Associated Companies

- The Group consists of
- Waikawa Marina Trustee Limited
 - PMNZ Marina Holdings Limited
 - Marlborough Inland Hub Ltd - Joint Venture
- Waikawa Marina Trustee Limited and PMNZ Marina Holdings Limited were incorporated in September 1997 to facilitate the sale of long-term berth entitlements in the Waikawa Marina extension.
- The company shall ensure at all times that in the case of new subsidiaries:
1. Control of the affairs of every subsidiary of the company is exercised by a majority of the Directors of that subsidiary.
 2. A majority of the Directors of every subsidiary of the company are persons who are also Directors or Employees of the company or who have been approved by the The Shareholder for appointment as Directors of the subsidiary.
 3. Without the prior consent of the The Shareholder, neither the Company nor any subsidiary of the Company shall sell or otherwise dispose of, whether by a single transaction or any series of transactions and whether by sale of assets or shares, the whole or any substantial part of the business or undertaking of the Company and its subsidiaries (taken as a whole).
 4. Where the Company or its subsidiaries hold 20% or more of the shares in any company or other body corporate (not being a subsidiary of the company) it will not sell or otherwise dispose of any shares in that company without first giving written notice to the The Shareholder of the disposition.
- The term “share” has the same meaning as in Section 2 of the State-owned Enterprises Act 1986 and the term “subsidiary” has the same meaning as in Section 155 of the Companies Act 1993.



