

# Statement of Intent

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# 25/26

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# Nau mai, haere mai

KIA ORA KOUTOU.

Nau mai ki te Tauākī  
Whakakoro o Citycare  
2025/26.

Kei tēnei puka ngā whāinga  
me te āhua o ngā mahi ka  
whāia e mātou o Citycare.

Ka whakaatu hoki i te puka  
nei ngā paearu me ngā  
paeine e tohu nei mena ka  
tutuki rānei ngā whāinga o te  
kamupene nei.

The Statement of Intent (Sol) is a public and legally required document, reviewed and agreed annually with the Shareholder, Christchurch City Holdings Ltd (CCHL) and covering a three-year period. The Sol is prepared in accordance with Section 64(1) of the Local Government Act 2002.

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

The Sol specifies the objectives, nature and scope of activities, performance targets and other measures by which the performance of Citycare (or the Company) may be judged for the period 1 July 2025 to 30 June 2028.

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**Contact details for the Chair and Chief Executive Officers  
are Citycare's registered office:**

Address: 818 Wairakei Road, Harewood, Christchurch  
PO Box 7669, Christchurch

Phone: 0508 248 922

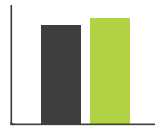
Email: [info@citycareproperty.co.nz](mailto:info@citycareproperty.co.nz)

# Our Business Landscape

What we achieved in 2023/2024...

## CitycareProperty

Citycare Property provides a range of social infrastructure services, including facilities management, open space maintenance and construction works to central and local government.



Employee engagement: positive shift from 73 to 81



Gender pay gap: reduced to 1%

## Spencers

Building & Property Maintenance

Spencers provides a range of property repair, maintenance and upgrade services within the social housing sector.



Employees: 65%F 35%M  
Leaders: 54%F 46%M  
SLT: 58%F 42%M



91%

91% Customer satisfaction

## Citycare Water

Citycare Water provides three waters maintenance, construction and digital services that support our customers to deliver safe drinking water and environmentally sound wastewater and stormwater services.



92%

92% Customer satisfaction



Waterways managed: 1,023 kilometres

## Apex Water

Apex Water specialises in the design and build of water and wastewater treatment plants within both the local government and commercial sectors.

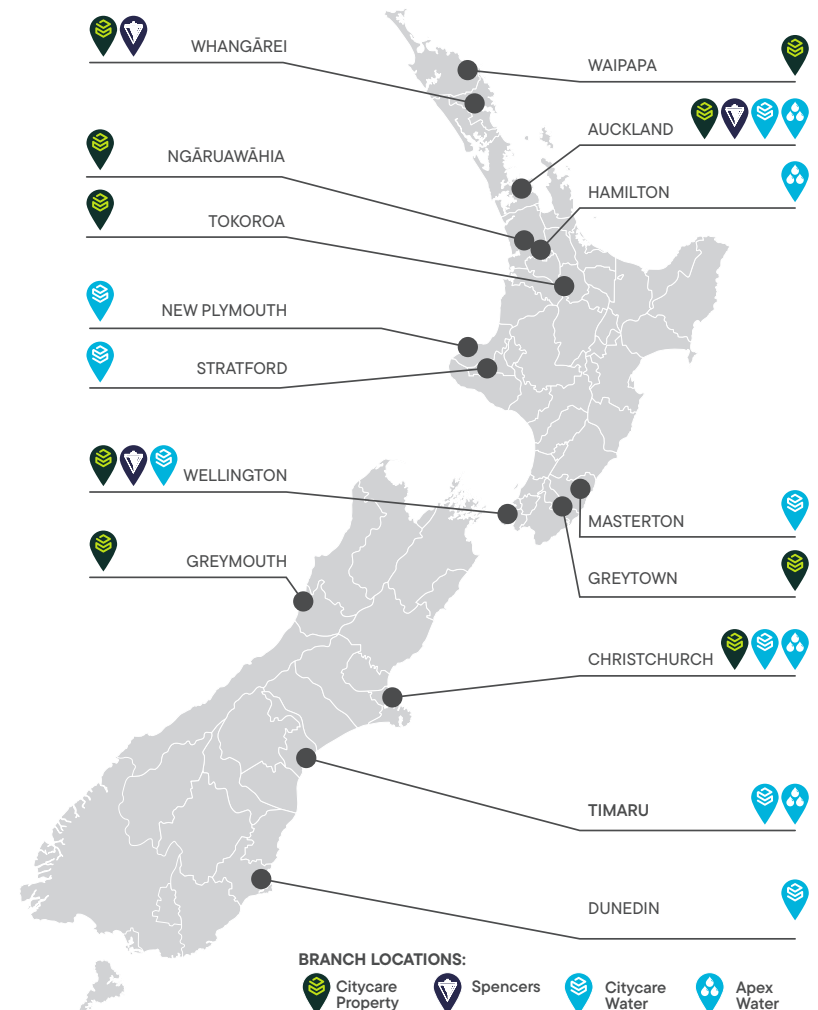


76

Customer NPS up from 53 in FY22/23

32%

Revenue growth



# Citycare Governance

## THE BOARD OF DIRECTORS

Directors are appointed to the Citycare Group (the Company) Board by the Shareholder, Christchurch City Council. The Board of Directors (the Board) sets the strategic direction of the Company and participates in developing strategic plans, approves budgets and monitors Company performance monthly.

The Board is responsible for corporate governance of the Company. The Board and management are committed to ensuring the Company operates to the recognised principles of best practice governance and adheres to high ethical standards. Regular reporting is provided to the Shareholder on the Company's performance.

## BOARD OPERATION

The Board endorses and adheres to the principles of the Institute of Directors of New Zealand and the Four Pillars of Governance Best Practice for New Zealand Directors.

The role and responsibilities of the Board are formalised in the Board Charter. Some of the Board's responsibilities are delegated to Board Committees but the Board retains ultimate accountability for any Committee's actions.

The Chair leads the Board, its relationship with the Shareholder, and facilitates the Board's interface with the Chief Executives. The Board has delegated to the Chief Executives the day-to-day leadership and management of the businesses. The Chair maintains informal communication between the Board and the Chief Executives and is available to the Chief Executives to provide counsel and advice where appropriate.

Upon appointment to the Board, all new Directors undergo a tailored induction programme to familiarise them with the Company's business and strategy.

## BOARD MEETINGS

The Board has regular meetings throughout the year and meets as required between scheduled meetings.

The Chair and the Chief Executives establish meeting agendas in consultation to ensure adequate coverage of all key issues. The Directors generally receive Board papers one week in advance of Board meetings. The Executive Leadership Teams and other leaders in the Company are regularly involved in Board discussions and the Board also holds regular Director-only sessions, without the Chief Executives or other management present.

Directors are entitled to have access to all relevant Company information and to the Company's management teams. Any Director is entitled to obtain independent professional advice.

## BOARD PERFORMANCE REVIEW

The Board regularly reviews its own performance and the performance of the Chief Executives. The process includes one-on-one meetings between the Chair and each Director, as well as regular Board discussions on governance and performance issues.

## Citycare Governance cont...

### BOARD COMMITTEES

The Board has three standing committees:

- the Risk, Audit and Finance Committee provides independent assurance and assistance to the Board on the Company's risk, control and compliance framework, and its financial and regulatory information, liaising with the external auditor.
- the Health and Safety Committee provides independent assurance and assistance to the Board and Chief Executives on the Company's health and safety performance, systems and processes, compliance and reporting responsibilities.
- the People and Culture Committee provides independent assurance and assistance to the Board on the Company remuneration strategy, the Company's people related strategies and the Chief Executives' and Executive Leadership Team's employment conditions and remuneration.

### DIRECTOR AND OFFICER INSURANCE

The Company has arranged liability insurance for Directors and Officers within the limits and requirements of the Companies Act 1993. The Company also indemnifies the Directors and Officers within the limits and requirements of the Act.

### STATEMENT OF INTENT (SOI) REPORTING

In accordance with the Local Government Act 2002, the Company will submit to the Shareholder a draft Sol in February each year, for the coming financial year. The Sol sets out the objectives, activities, intentions, financial and performance targets.

After due consideration and discussion with the Shareholder and completion of annual business planning and budgeting, the final Sol is approved by the Board of Directors and delivered to the Shareholder in June each year.

### ANNUAL REPORT

An Annual Report will be submitted to the Shareholder and will include audited financial statements and other information necessary to enable an informed assessment of the Company's performance and financial position during the reporting period.

The report will outline the Company's objectives and performance in terms of financial, environmental and social outcomes, as well as performance against the stated Sol targets.

### NO SURPRISES

The Company will continue to operate on a 'no surprises' basis in respect of significant Shareholder related matters, to the extent possible in the context of commercial sensitivity and/or confidentiality obligations.



# Citycare Property



## OUR PURPOSE - TŌ MĀTOU KAUPAPA

Enhance the wellbeing of our communities.  
Te Whakamarohi i ō Mātou Hapori.



## VALUES - Ō MĀTOU UARA

**We Discover - Ka Tūhuratia Mātou**

**We Deliver - Ka Puakina Mātou**

**We Care - Ka Kumanutia Mātou**



## OUR STRATEGY - RAUTAKI

Citycare Property creates value for our customers, people, shareholder and the wider community through five key strategic priorities. We call these our "High 5" and they include:

- We are for Social Infrastructure
- We are a Good Kiwi Company
- People and Their Safety are at the Heart of Everything we Do
- We Deliver a World-Class Service
- We Build, Operate, Maintain and Renew



## ABOUT CITYCARE PROPERTY - MŌ MĀTOU

Citycare Property is a nationwide business that employs over 700 kaimahi at nine locations throughout New Zealand.

We are proudly trusted partners for local and central government and a range of other public and private owners of social infrastructure assets.

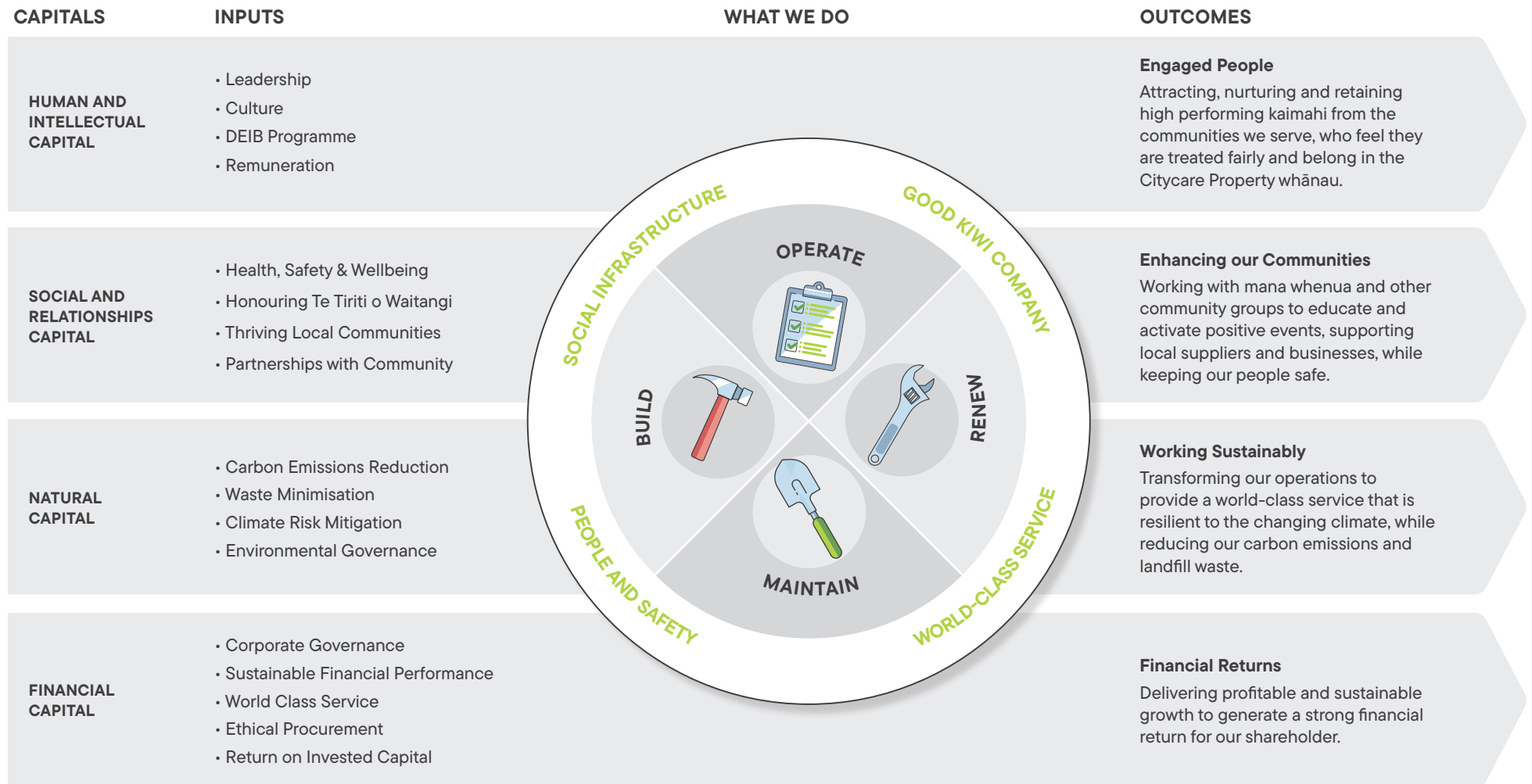
The Company's current area of operations is solely in New Zealand, and our New Zealand ownership is a unique selling point amongst our competitors which are largely owned internationally.



## NATURE AND SCOPE OF ACTIVITIES - TE ĀHUA O NGĀ MAHI

We honour our purpose by providing facilities management, open space maintenance and capital project services across the Social Infrastructure environment in Aotearoa.

# Value Creation Model



The United Nations Sustainable Development Goals (SDGs) were selected as the reference framework to assess sustainability at Citycare Property. The SDGs not only focus on environmental sustainability, but social and economic goals as well. The UN SDGs have guided our ESG Strategic Framework and through a process of review we have identified our closest synergies with five of the seventeen goals.



## Human and Intellectual Capital - Ngā Rawa Tāngata

Citycare Property is reliant on, and highly influenced by, the relationships we hold, the behaviours we demonstrate and the success of cooperation and collaboration between our stakeholders including kaimahi, customers, suppliers and the members of our communities. We will continue to grow this area of our operations to deliver diversity and inclusion.

### Key Focus Areas

- Developing our Leadership Capability (Te Mana Tangata)
- Growth
- Diversity, Equity Inclusion and Belonging
- Technology and Innovation

### DEVELOPING OUR LEADERSHIP CAPABILITY

Te Mana Tangata (How We Lead @ Citycare Property) sets out our core leadership attributes and, articulates how these attributes are demonstrated in practical terms.

### GROWTH

We will continue to invest in our people and systems to ensure resilience, depth and growth.

### DIVERSITY, EQUITY, INCLUSION AND BELONGING (DEIB)

We will increase levels of collaboration and trust among our kaimahi to build a supportive workplace that is noted for strong performance and low kaimahi turnover.

### TECHNOLOGY AND INNOVATION

Our people are supported and encouraged to enable a culture of innovation and empowered to be decisive, to take appropriate risk and to make change that delivers a better outcome for the business.



## Social and Relationships Capital - Hononga Pāpori

We are committed to contributing to thriving local communities through impactful partnerships and community projects focused on wellbeing, the environment, inclusion, equity and to increasing opportunities for community economic development. This is good for our people and good for the places where we live, work and play.

### Key Focus Areas

- Health, Safety and Wellbeing
- Honouring Te Tiriti o Waitangi
- Broader Outcomes and Thriving Communities

### HEALTH, SAFETY AND WELLBEING

Health and Safety remain at the heart of our business. Citycare Property is committed to enhancing the maturity of our safety culture with a strong programme in place to deliver on this commitment.

### HONOURING TE TIRITI O WAITANGI

We continue to embed tikanga Māori principles into our everyday practices, acknowledging iwi as tangata whenua, honouring te Tiriti o Waitangi principles and continuing to participate in the CCHL He Huanui Māori Pathways programme.

Citycare Property's Mātauranga Māori Strategy outlines how it will achieve the goals in its Honouring Te Tiriti o Waitangi Policy – through equipping, informing and empowering its people.

Our Cultural Advisory Rūnanga, Te Whakaroopu, provides kaimahi with a clear pathway to offer advice that helps ensure a safe and supportive work environment where people are confident to be themselves.

### BROADER OUTCOMES AND THRIVING COMMUNITIES

We enhance the wellbeing of our communities by creating employment and business opportunities and by creating better places to live, work and play.



## Natural Capital - Rawa Taiao

Our Environmental, Social and Governance strategy (ESG) commits Citycare Property to long term strategic targets across four guiding principles: Tangata | People, Kaitiakitanga | Planet, Kawanatanga | Governance and Auahatanga | Innovation.

### Key Focus Areas

- Greenhouse Gas Emissions Reductions
- Waste Minimisation
- Climate Risk Awareness and Mitigation

### GREENHOUSE GAS EMISSIONS REDUCTIONS

Strive towards achieving reduction targets aligned with keeping global warming within 1.5 degrees.

### WASTE MINIMISATION

We will continue to improve our waste minimisation practices based on the 3 Rs (Reduce, Reuse, Recycle) with a focus on our long-term maintenance contracts and construction projects (minor and major capital works). We will actively measure our waste to landfill and diversion of waste from landfill via recycling and composting. Our waste data will be managed in our carbon management software, and we will be targeting a goal of 50% diversion across our operations by 2030.

### CLIMATE RISK AWARENESS AND MITIGATION

Citycare Property will continue engagement with our leaders and kaimahi / workers to better understand key climate change related physical and transition risks and the implications of these on business continuity and our financial outcomes and we will continue to support the development of the CCHL group climate statement, in line with the Aotearoa New Zealand Climate Standards.



# Spencers

Building & Property Maintenance



## ABOUT SPENCERS - MŌ MĀTOU

Spencers' purpose is to provide a full range of maintenance and refurbishment services to social housing organisations, delivering warm, dry and safe homes to Kiwi families. With teams and regional offices in Auckland, Wellington and Northland, Spencers employs over 200 staff and engages a network of over 3,300 contractors, covering all trades and services needed to annually deliver over 200,000 maintenance interventions – we support local trades and businesses within our communities. Spencers maintains approximately one-third of New Zealand's social housing stock, with over 30,000 Kiwi families counting on us to maintain their homes, keeping their whānau warm, dry and safe.



## OUR STRATEGY - RAUTAKI

Spencers is a niche business with a well-defined and executed operating model. Business development opportunities are limited in the world of social housing maintenance in New Zealand, so our strategies are focused on retaining and growing our significant share of that market.

To achieve these goals, we will:

- **Focus on retaining our existing contracts through continuing to provide an excellent service to our customers, ensuring we are their maintenance partner of choice.**
- **Pursue opportunities to gain other maintenance/refurbishment contracts within our customer base.**
- **Pursue maintenance contract opportunities with other Community Housing Providers (CHPs).**



## OUR PURPOSE AND ACTIVITIES - KOTAHITANGA

Spencers is a values driven organisation with positive working environments that connect with its communities. Having highly engaged staff leads to better customer outcomes. Spencers is committed to supporting its people and investing in our diverse contractor network, developing loyal, long-term successful partnerships and relationships that lead to enhanced social outcomes.

Spencers has an established reputation for contributing to its communities and making them better places to work in and live in. Spencers' people initiate, deliver and participate in a range of community-oriented projects that make a difference for their customers and their whānau. Ngā kāinga hauora / healthy homes is the best platform for thriving local communities.

Our value creation is achieved through building partnerships that deliver services focused on wellbeing, our environment and on opportunities for personal, professional and economic development. Our strength is our people, their cultural, gender and age diversity, mutual respect, trust and equity.

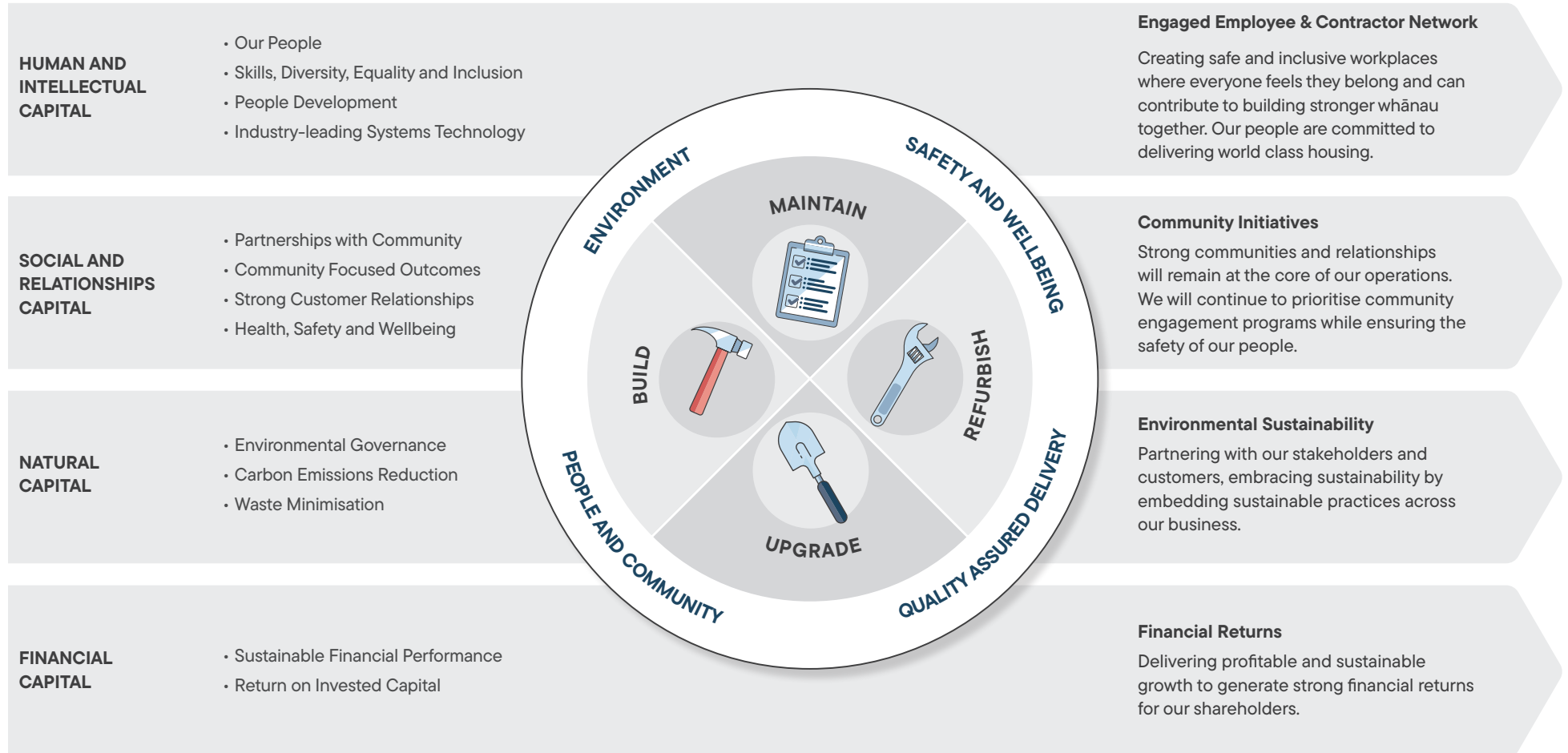
# Value Creation Model

## CAPITALS

## INPUTS

## WHAT WE DO

## OUTCOMES



The United Nations Sustainable Development Goals (SDGs) were selected as the reference framework to assess sustainability at Spencers. The SDGs not only focus on environmental sustainability, but social and economic goals as well. The UN SDGs have guided our ESG Strategic Framework and through a process of review we have identified our closest synergies with five of the seventeen goals.



## Human and Intellectual Capital - Ngā Rawa Tāngata

### Whanaungatanga / Manaakitanga

Our smart, capable and caring kaimahi/staff improve lives locally through better housing. Our network of people who understand and connect with the purpose of our work, bring their personal ethics that are congruent with the principles of whanaungatanga and manaakitanga.

Communication, cooperation, collaboration and trust are at the forefront of relationships with all stakeholders.

#### Key Focus Areas

- Engagement
- Inclusion
- Remuneration

### ENGAGEMENT

Spencers completed its first eNPS (Employee Net Promoter Score) survey in September 2023, providing a baseline score for future comparisons. Post-survey engagement action planning based on feedback and suggestions resulted in several initiatives. These efforts were rewarded with not only a 20% increase in participation rate for the 2024 eNPS, but also a 22% lift in the engagement score.

The largest section of our workforce comprises our trades contractors. Connection with those organisations and people is an

essential engagement goal. Each quarter of each year, and in each of our regions, we hold an event that provides opportunities to share kai and conversation with our trades workers.

### REMUNERATION

Spencers is conscious of its public accountability in the setting of remuneration which is closely managed by the Board. Our key employee remuneration principle is to ensure that we maintain remuneration at levels that succeed in attracting, rewarding and retaining the best people for our organisation.

Everyone in our business is paid above the Living Wage.

### DIVERSITY AND INCLUSION

Our workforce reflects the diversity and richness of our communities, and of Aotearoa, by including local cultures and cultures from around the globe.

We select kaimahi to join us, based on them being the best possible fit for our roles, teams and contacts.

The sector we operate in is traditionally a male-dominated industry. So we're proud of the gender balance of our maintenance supervisors and team leaders, and the lack of any gender pay gap.



## Social and Relationships Capital - Hononga Pāpori

### Kotahitanga

Spencers is a values driven organisation that builds positive working environments that connect with our communities. Engaged staff and engaged communities lead to great customer outcomes. This drives our commitment to supporting our people and our communities and investing in our contractor network, developing loyal, long-term successful partnerships and relationships that lead to enhanced social outcomes.

#### Key Focus Areas

- Health, Safety and Wellbeing
- Thriving Local Communities

hazards that have the potential to cause harm to the health and wellbeing of our people.

### THRIVING LOCAL COMMUNITIES

Our Community Contribution Plan sets out our strategic direction and focus areas, which include:

- **Building Better Businesses:** Focused on wrap-around support for local businesses
- **A Helping Hand for Local Youth:** Apprenticeships, apprentice scholarships, and a cadet scheme connecting with local high schools.
- **Being a Good Neighbour:** Neighbourhood events and initiatives

### HEALTH, SAFETY AND WELLBEING

Our goal is to influence improvements to the physical, and mental health and wellbeing of our people across our business. We aim to build a resilient workforce by empowering people to live their life at optimum health. To protect the health and safety of our people, Spencers works to create an environment that allows our people to flourish and achieve their full potential for both their benefit and the organisation's. We will ensure all reasonably practicable steps are taken to remove or reduce work-related risk or



## Natural Capital - Rawa Taiao

### Kaitiakitanga

Spencers is committed to our people and our communities and to protecting the environment. The three are inextricably linked. Reducing our negative environmental impact and being a positive influence on New Zealand's social housing, the people and surrounding communities are key drivers for the business.

We collaborate with our customers and stakeholders to become sustainable across our value chain. Our Environmental Management Plan (EMP) ensures we build strong relations with our customers, trades network and wider community to deliver positive and sustainable change.

### Key Focus Areas

- Waste Minimisation
- Carbon Emissions Reduction
- Renewable and Efficient Energy Utilisation
- Education, Increased Awareness and Training

### WASTE MINIMISATION

Spencers is committed to the Auckland regional waste minimisation target of Zero Waste by 2040 and supports the ongoing development of a circular economy within the construction sector.

### CARBON EMISSIONS REDUCTION

Spencers has adopted an environmental plan with initiatives and targets to reduce greenhouse gas emissions.

### RENEWABLE AND EFFICIENT ENERGY UTILISATION

Spencers has committed to a vehicle purchase policy that excludes all vehicles other than hybrid or EV.

### EDUCATION, INCREASED AWARENESS AND TRAINING

Our full-time Environment and Sustainability Lead is focused on managing and executing our Environmental Management Plan to achieve our natural capital goals.



# Citycare Water



## ABOUT CITYCARE WATER - MŌ MĀTOU

Citycare Water is a nationwide business that supports our customers to deliver safe drinking water to local communities and to transport wastewater and stormwater to be treated and managed in an environmentally sound and culturally appropriate manner.



## VALUES - Ō MĀTOU UARA

Citycare Water's values support and guide the organisation in all our interactions with stakeholders and the communities we work in.

**We Discover - Ka Tūhuratia Mātou**

**We Deliver - Ka Puakina Mātou**

**We Care - Ka Kumanutia Mātou**

**We are Safe - Ka Haumarua Mātou**



## MISSION - WHAKATAKANGA

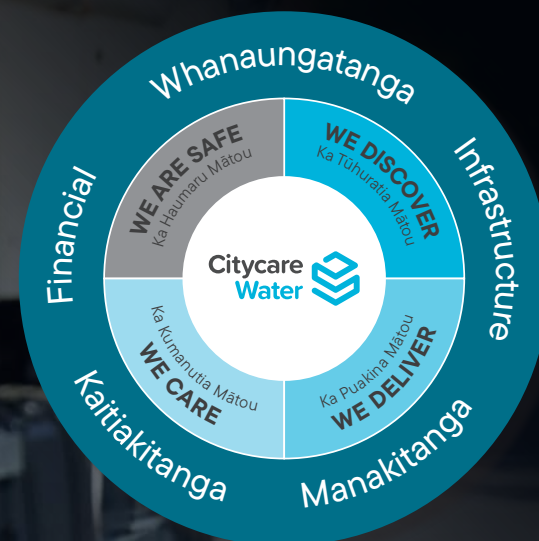
Citycare Water's Mission is 'to protect and care for the health of our water' - 'tiaki me te tiaki i te hauora o to mātau wai'. Our vision is that 'every community has access to safe water for life' (Wai Ora).



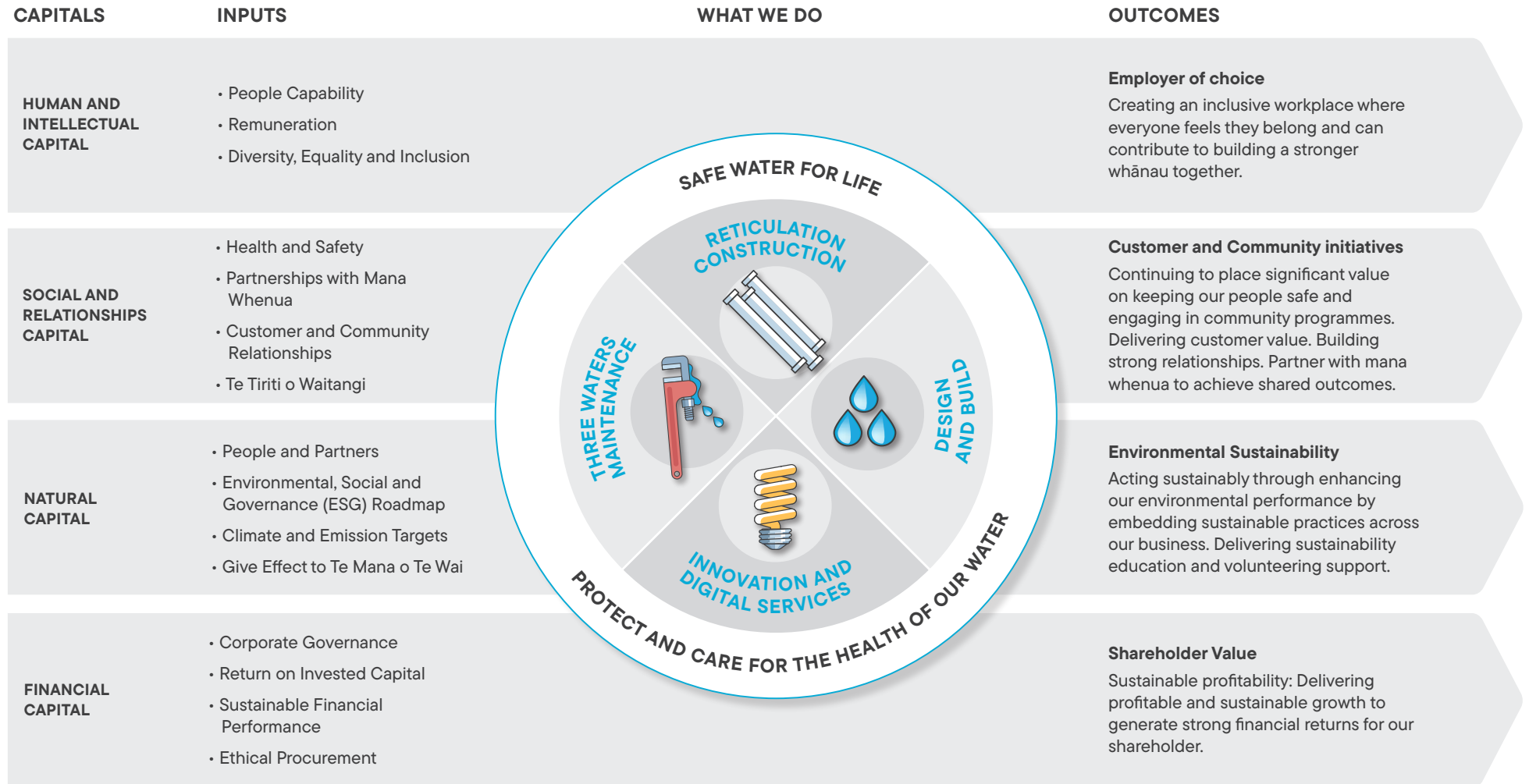
## NATURE AND SCOPE OF ACTIVITIES - TE ĀHUA O NGĀ MAHI

The Citycare Water sector-led operational delivery model spans the delivery of three waters design, construction and maintenance solutions, asset management and optimisation services, network management and resilience solutions, ensuring a safe and sustainable three waters network.

**Our vision is that  
'every community has  
access to safe water  
for life.'**



# Value Creation Model



The United Nations Sustainable Development Goals (SDGs) have guided our strategic goals from which we have identified those with the closest synergies with the seventeen SDGs goals.



## Human and Intellectual Capital - Ngā Rawa Tāngata

Citycare Water will continue to build a culture of diversity, equality and inclusion to support our vision and values. We remain focused on ensuring our people are well trained, kept safe and have room to grow within their roles.

### Key Focus Areas

- Employee Attraction, Development and Retention
- Remuneration
- Workforce Diversity

### EMPLOYEE ATTRACTION, DEVELOPMENT AND RETENTION

We continue to invest in current and future talent to ensure we have a fit-for-purpose workforce.

### REMUNERATION

Our remuneration drivers are to attract, retain and motivate suitably competent employees whilst also being fair and equitable, flexible and transparent.

Citycare Water continues to measure and actively address pay inequity and gender pay gap inequities. We are working towards zero gender pay gap by 2030. Citycare Water has implemented the Living Wage across the business.

### WORKFORCE DIVERSITY

Citycare Water continues to progress its diversity strategy through the engage, educate, attract model. Attracting people with different backgrounds and perspectives will lead to better decision-making, greater innovation and higher engagement in the workplace.



## Social and Relationships Capital - Hononga Pāpori

Continuous improvement in our operational health and safety. Honouring the principles of Te Tiriti o Waitangi and giving effect to Te Mana o te Wai by engaging meaningfully with mana whenua are core to our mission.

### Key Focus Areas

- Health, Safety and Wellbeing
- Te Tiriti o Waitangi
- Customer and Community Relationships
- Innovation and New Technologies
- Provision of Essential Services

### HEALTH, SAFETY AND WELLBEING

To keep our people safe, we have focused on placing individuals at the centre of their own safety environment and ensuring that all employees have the required competencies to perform their tasks safely. Critical risk management is the primary focus of all Citycare Water teams who take responsibility for identifying and mitigating the areas and activities with the most potential for harm.

### TE TIRITI O WAITANGI

Te Tiriti o Waitangi is the foundation for our relationships with Māori, in the way we engage, partner, provide services, and the way we operate.

We also seek to engage with hapū in local communities where we work throughout Aotearoa, New Zealand.

### CUSTOMER AND COMMUNITY RELATIONSHIPS

Strong communities and customer relationships are at the core of Citycare Water's operations.

Citycare Water's focus is on facilitating and enabling partnerships and action, that are aligned with positive community, social, cultural, environmental and economic outcomes.

### INNOVATION AND NEW TECHNOLOGIES

Citycare Water is committed to optimising and leveraging new technology to add value to customers and grow productivity.

### PROVISION OF ESSENTIAL SERVICES

Citycare Water's role as a provider of essential services is called upon during natural disasters, weather events and pandemics. Citycare Water is responsible for ensuring the provision of three waters services across the country.



## Natural Capital - Rawa Taiao

We are committed to contributing positively to our communities and working in partnerships to value and protect the natural environment.

### Key Focus Areas

- Sustainability Approach
- Environment, Social and Governance (ESG) Roadmap
- Climate and Emissions
- Te Mana o Te Wai

### SUSTAINABILITY APPROACH

Citycare Water's approach to sustainability aligns with the Integrated Reporting Capitals and supports progress towards achieving relevant UN Sustainable Development Goals.

Our commitment to creating healthy environments, preventing pollution and sustainability of natural resources is reflected through our ISO14001 environmental management certification and our focus on water quality, biodiversity, and regenerative planting.

Citycare Water has a strong focus on the sustainability of its workforce and is investing in a number of programmes, including leadership, building our knowledge and understanding of Mātauranga Māori, Tikanga Māori, and Te Reo Māori, diversity, equity and inclusion.

Citycare Water works with Tread Lightly and Conservation Volunteers NZ to assist with environmental management and its impact on New Zealand waterways.

### ESG ROADMAP

The Citycare Water Environment, Social and Governance (ESG) Roadmap focuses on our four key pillars: caring for communities; safe water for life; climate action; and wellbeing of our people.

### CLIMATE AND EMISSIONS TARGETS

We are committed to taking action to address the climate emergency.

With over 95% of our direct emissions deriving from our fleet, the cornerstone of our emissions reduction plan is to decarbonise our vehicle fleet. We have implemented ESP's BraveGen carbon management software to provide a centralised platform for our greenhouse gas emissions and sustainability information.

### TE MANA O TE WAI

How we help protect and care for the waterways we manage is at the core of Te Mana o Te Wai and what we do as a business. By protecting the health and wellbeing of our waterways we are helping to protect the health and wellbeing of the communities in which we operate.





## ABOUT APEX WATER - MŌ MĀTOU

Apex Water is an Engineering, Procurement and Construction (EPC) business operating across Aotearoa, New Zealand completing water and wastewater treatment plants, ensuring communities are provided with safe drinking water and that wastewater discharges into our environment are sustainable and culturally appropriate.



## VALUES - Ō MĀTOU UARA

- **Building Partnerships**
- **Challenge and Respect**
- **Drive to Improve**
- **Passion for our Environment**
- **Safety is Built In**



## MISSION - WHAKATAKANGA

Our mission is "Safe Water by Design."  
We are committed to guaranteeing environmental performance in water and wastewater treatment.

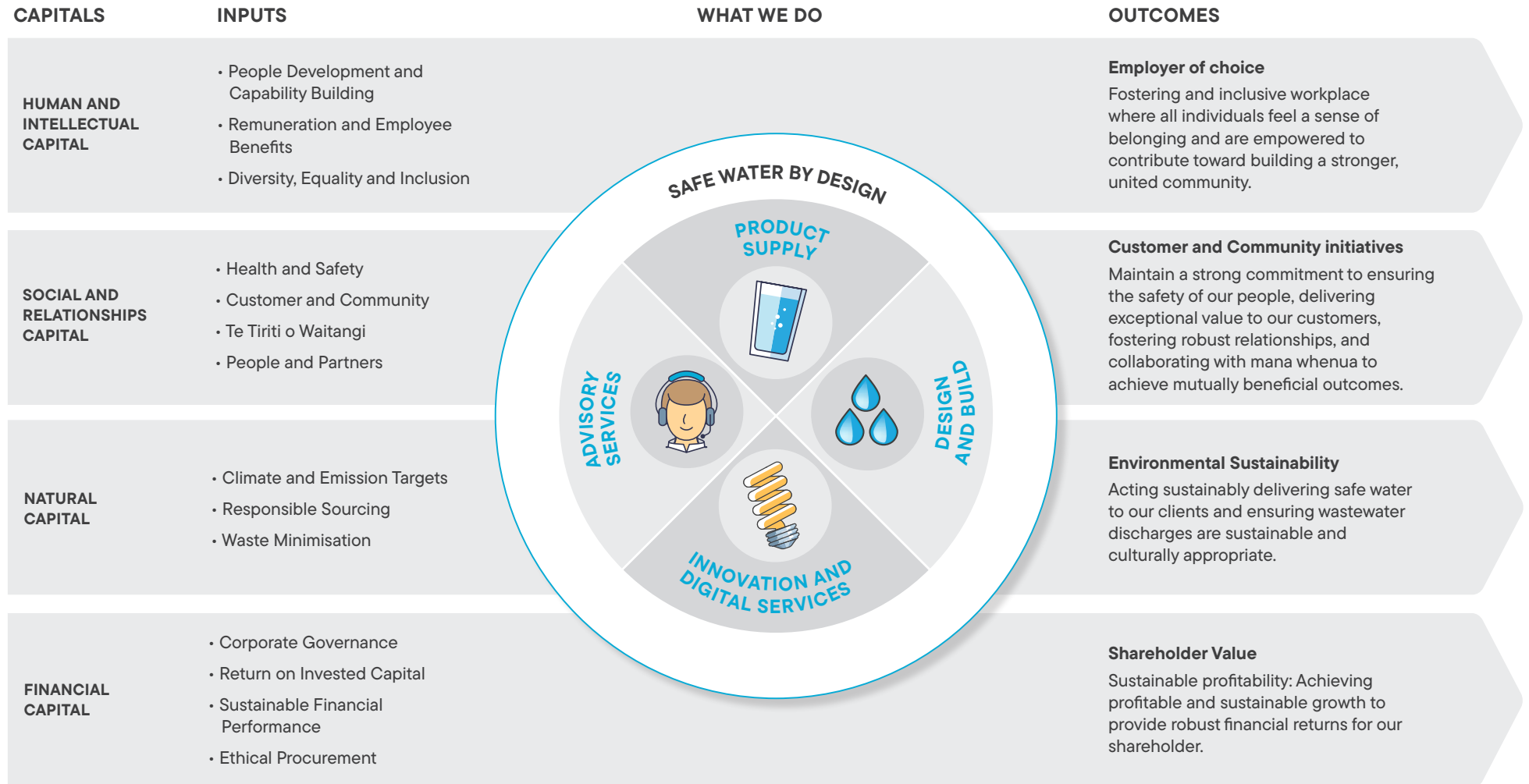


## NATURE AND SCOPE OF ACTIVITIES - TE ĀHUA O NGĀ MAHI

Apex Water designs and constructs water and wastewater treatment systems for local authorities and industrial clients across New Zealand. Apex provides advisory services to inform plant optimisation and to make recommendations about future upgrades. Apex also offers plant operation and maintenance services and supplies a range of products to support project delivery.



# Value Creation Model





## Human and Intellectual Capital - Ngā Rawa Tāngata

Apex Water will continue to build a culture of diversity, equity and inclusion to support our vision and values. We remain focussed on ensuring our people are trained, kept safe and have room to grow within their roles.

### Key Focus Areas

- People Development and Capability Building
- Remuneration and Employee Benefits
- Diversity, Equity and Inclusion

### PEOPLE DEVELOPMENT AND CAPABILITY BUILDING

We remain committed to investing in both current and future talent to ensure a workforce that is aligned with our needs and objectives.

### REMUNERATION AND EMPLOYEE BENEFITS

Our remuneration and employee benefit strategies are designed to attract, retain, and motivate highly capable employees, while ensuring fairness, equity, flexibility, and transparency.

### DIVERSITY, EQUITY AND INCLUSION

Apex Water continues to advance its diversity strategy using the engage, educate, and attract model. By bringing in individuals with diverse backgrounds and perspectives, we aim to enhance decision-making, foster greater innovation, and increase employee engagement.



## Social and Relationships Capital - Hononga Pāpori

Ongoing enhancement of our project delivery and safety practices. Integrating the principles of Te Tiriti o Waitangi and by actively engaging with project stakeholders who are central to our mission.

### Key Focus Areas

- Health And Safety
- Te Tiriti o Waitangi
- Customer and Community Relationships
- Innovation and New Technologies

### HEALTH AND SAFETY

To ensure the safety of our people, we prioritise placing individuals at the heart of their own safety environment, ensuring all employees possess the necessary competencies to carry out their tasks safely. Managing critical risks is a key focus for all Apex Water teams, who are responsible for identifying and mitigating areas and activities with the highest potential for harm.

### TE TIRITI O WAITANGI

Te Tiriti o Waitangi is the foundation for our relationships with Māori, in the way we engage, partner, provide services, and the way we operate.

We also seek to engage with hapū in local communities where we work throughout Aotearoa, New Zealand.

### CUSTOMER AND COMMUNITY RELATIONSHIPS

At the heart of Apex Water's operations are strong communities and customer relationships.

Apex Water is focussed on delivering robust, cost-effective treatment solutions to Local Government to support healthy, growing communities.

### INNOVATION AND NEW TECHNOLOGIES

Apex Water is dedicated to optimising and utilising new technology to enhance the value of the projects we deliver and the products we offer to the market.

# Natural Capital - Rawa Taiao

The safety of community water supplies and protection of our natural environment from wastewater discharges as at the heart of what we do.

## Key Focus Areas

- Sustainability Reporting
- Climate and Emissions
- Waste Minimisation
- Responsible Sourcing

## SUSTAINABILITY REPORTING

Reporting for Apex Water currently fits within overall reporting for the City Care Group. We currently monitor and report on our energy consumption per office, flight miles and fuel consumption.

We operate under an environmental management system certified to ISO 14001.

## CLIMATE AND EMISSIONS

Apex Water is committed to minimising emissions from our vehicle fleet through operating modern vehicles that are, at a minimum, fuel-efficient, but hybrid and full EV where appropriate.

## WASTE MINIMISATION

Apex Water's goal is to transition to zero waste to landfill by 2050 by avoiding waste, focusing on making better purchasing decisions, collaborating with suppliers and considering how we deal with products at end of life.

## RESPONSIBLE SOURCING

We will also work with suppliers of our materials and equipment to understand their future plans and work to inform them of our requirements as a customer. We will evaluate suppliers against responsible sourcing criteria noted in our sustainable purchasing policy.

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# Financial Capital - *Tahua*

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# Financial Capital

## - *Tahua*

Delivering a sustainable financial performance and a strong return to our shareholder.

The consolidated Company financial performance targets, detailed in the Financial Performance Section to follow, show the revenue, profit and key financial ratio expectations for the period 2025 - 2028.

### Key Focus Areas

- Sustainable growth with changing customer demands and a new government agenda
- Sustainable financial performance in an environment of rising compliance costs
- Efficient use of capital for competing investment priorities

### FINANCIAL AND COMMERCIAL PERFORMANCE

Delivery of a strong financial performance and a return to our shareholder, relative to sector benchmarking and competitor performance, is a core measurement of the Company's business success. The goal is to deliver a commercial rate of return on invested capital without compromising Citycare's commitment to prosperous communities. The forecast period sees continued pressure from key economic drivers with ongoing resourcing and costs pressures

The change in government has, and will continue to, adversely impact our local and central government customers' budgets and spending priorities for the 2025 – 2028 SOI period. Furthermore, the Water sector will continue to navigate reform changes over the next one to two years.

### PROFITABILITY AND FINANCIAL SUSTAINABILITY

Citycare continues to develop initiatives to grow our profitability. We will maintain our focus on delivering sustainable financial performance and returns to our shareholder. We will have an emphasis on effective cost control and revenue optimisation.

### CAPITAL INVESTMENT

In line with the delegated authorities, all new capital investment (including acquisitions) requires presentation of a sound business case, including the associated risk profile and projected ROI and NPV where appropriate. The capital investment during the forecast period closely aligns with the annual depreciation charge and does not include any additional capital investment that may be required to achieve our carbon reduction plan.

### CONTROLLING AND MANAGING RISK

Citycare has a formal risk management framework which identifies the key risks and outlines appropriate risk management and mitigation plans. The risk management framework is reported to, and reviewed by, the Board and delegated to the Risk, Audit and Finance and Health and Safety Committees where appropriate. Mitigation plans are controlled and administered by management.



## Financial Capital cont...

### MEDIUM-TERM FINANCIAL TARGETS

\$000's	FY26	FY27	FY28
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)	32,548	36,015	40,582
NPAT (Net Profit After Tax)	11,686	13,594	16,466
Net Debt / EBITDA	0.30	0.28	0.12
Net Debt / (Net Debt + Equity)	9.5%	9.3%	4.2%
Shareholder Funds / Total Assets	49.7%	53.9%	56.2%
ROIC (Return on Invested Capital)	15.4%	16.0%	18.4%

### OPERATING NET PROFIT AFTER TAX

The reporting period 2025 – 2028 sees continued revenue and margin pressure from local and central government budget restrictions. Cost reductions and productivity improvements are continually assessed to minimise the impact but, there remains downside risk in the reporting period.

### RETURN ON INVESTED CAPITAL

During the three-year forecast period, the Company's financial gearing is expected to remain at an acceptable level while paying down debt, which results in a strong balance sheet to support funding of growth opportunities and appropriate investment in new technologies, plant and equipment as these opportunities arise.

### DEBT MANAGEMENT

CCHL demonstrated its endorsement of the Company's strategy by debt-funding the acquisition of Spencer Henshaw in FY23 with a loan of \$56m to the Company.

Citycare has repaid \$21m of this debt and forecasts to be on track, or ahead of, future scheduled repayments. The Company is committed to prioritising additional repayments where possible to support the Shareholder's cash requirements.

### DIVIDEND PAYMENTS

In accordance with the terms of the loan facility agreement with CCHL, dividend distribution recommenced in FY25.

The Directors have considered the dividend policy and, having regard for the current financial position and the investment required for the business over the forecast period, consider that when reinstated in FY25, a dividend policy of 50% of NPAT is sustainable.

Ordinary dividends are paid in two instalments, in March of each financial year and October of the following financial year. Any dividends will be paid to the Shareholder after taking into account the Company's profitability and future investment requirements.

The Board will determine the dividends payable after considering the Company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.



## Financial Capital cont...

### SHAREHOLDER RETURNS

To assist the Shareholder with budgeting, the forecast debt repayments and ordinary dividends payable to the Shareholder over the period 2025 - 2028 are outlined below:

\$000's	FY26	FY27	FY28
Loan Repaid (a)	10,000	5,000	5,000
Loan Closing Balance	23,000	18,000	13,000
Dividend Paid (b)	4,957	7,163	7,495
Dividend Declared	5,843	6,797	8,233
Funds Returned to Shareholder (a + b)	14,957	12,163	12,495

### INSURANCE

The Board satisfies itself that adequate insurance is in place for the Company's size and risk profile. External advice is received by the Board as appropriate. All the retiring insurance policies were renewed for a further period to 16 December 2025.

### ESTIMATE OF COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

Citycare estimates the commercial value of our Shareholder's investment in the Citycare Group is at least that which is stated as Shareholder's equity in our audited financial statements. The Company reassesses this value annually during preparation of audited financial statements.

### ACCOUNTING POLICIES

Citycare has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group. The detailed accounting policies are available in City Care Limited's most recent Annual Report, which is published on the Company website. (<https://www.citycare.co.nz/information/performance-reports/>)

### ACQUISITION/DIVESTMENT PROCEDURES

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of Citycare.

When the subscription, acquisition or divestment is considered by the Board to be significant to the Company's business operations, it will be subject to consultation with the Shareholder. Major transactions as defined by the Companies Act 1993, Section 129(2), will be subject to Shareholder approval by special resolution. In this instance, the Shareholder will be consulted with as much lead-time as is commercially practicable in the prevailing circumstances.

Where the Company decides to incorporate or subscribe for shares in subsidiaries to undertake its commercial activities, the Company will ensure effective management. Board control of any subsidiary is exercised by Citycare's Directors and staff.



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# Performance Targets

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CAPITAL	FOCUS AREA	2025 – 2028 MEASURES
<b>Human and Intellectual Capital</b> - Ngā Rawa Tāngata	Leadership Development (Te Mana Tangata) Employee Engagement (All In / The Dial)	<ul style="list-style-type: none"> <li>• Increase the number of women in leadership roles.</li> <li>• Improve Māori and Pasifika participation in our workforce.</li> <li>• Improvement in closing the gender diversity ratio and pay gap.</li> <li>• Percentage of employees participating in leadership, learning and development</li> <li>• Achieve an eNPS of &gt; 15%.</li> </ul>
<b>Social and Relationships Capital</b> - Hononga Pāpori	Health Safety and Wellbeing Customer Satisfaction	<ul style="list-style-type: none"> <li>• Increase Concordia Index Score to 68%.</li> <li>• Maintain Customer Net Promoter Score at &gt; 50.</li> </ul>
<b>Natural Capital</b> - Rawa Taiao	Carbon Emissions Reductions Waste Minimisation Climate Risk Mitigation	<ul style="list-style-type: none"> <li>• Percentage of new (non-operational) passenger vehicles purchased or lease that are low-emission vehicles.</li> <li>• Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals.</li> <li>• Annual percentage of waste diverted from landfill.</li> </ul>



CAPITAL	FOCUS AREA	2025 – 2028 MEASURES
<b>Human and Intellectual Capital</b> - Ngā Rawa Tāngata	Leadership Development (Te Mana Tangata) Employee Engagement	<ul style="list-style-type: none"> <li>• Positive Employee Net Promotor Score (eNPS) based on an annual employee survey.</li> <li>• Minimal pay gap discrepancy.</li> <li>• Percentage of employees, leaders and SLT that are female and male</li> </ul>
<b>Social and Relationships Capital</b> - Hononga Pāpori	Health Safety and Wellbeing Customer satisfaction	<ul style="list-style-type: none"> <li>• Grow our health and safety culture through benchmarking using Safe 365 as the foundation.</li> <li>• Achieve Customer KPI Score &gt; 85%.</li> </ul>
<b>Natural Capital</b> - Rawa Taiao	Carbon Emissions Reductions Waste Minimisation Climate Risk Mitigation	<ul style="list-style-type: none"> <li>• Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals.</li> </ul>

## Citycare Water

CAPITAL	FOCUS AREA	2025 – 2028 MEASURES
<b>Human and Intellectual Capital</b> - Ngā Rawa Tāngata	Leadership Development (Te Mana Tangata) Employee Engagement	<ul style="list-style-type: none"> <li>• Increase in the number of women in leadership roles.</li> <li>• Percentage of Māori/Pasifika kaimahi.</li> <li>• Improvement in closing the gender diversity ratio and pay gap.</li> <li>• Percentage of field workers in training or have level 3 qualifications.</li> <li>• Positive Employee Net Promoter Score (eNPS) based on an annual employee survey.</li> </ul>
<b>Social and Relationships Capital</b> - Hononga Pāpori	Health Safety and Wellbeing Customer satisfaction	<ul style="list-style-type: none"> <li>• Grow our health and safety culture through the utilisation of insights from the annual independent Concordia survey.</li> <li>• Net Promoter Score (NPS) based on an annual customer survey.</li> </ul>
<b>Natural Capital</b> - Rawa Taiao	Carbon Emissions Reductions Waste Minimisation Climate Risk Mitigation	<ul style="list-style-type: none"> <li>• 100% of new (non-operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through acquisitions) (subject to vehicle availability).</li> <li>• Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals.</li> <li>• Deliver environmental initiatives and educational support via Conservation Volunteers and Tread Lightly.</li> </ul>

## Apex Water

CAPITAL	FOCUS AREA	2025 – 2028 MEASURES
<b>Human and Intellectual Capital</b> - Ngā Rawa Tāngata	Leadership Development (Te Mana Tangata) Employee Engagement	<ul style="list-style-type: none"> <li>• Employee Net Promoter Score (eNPS).</li> <li>• Identify new products or technologies to bring to market.</li> </ul>
<b>Social &amp; Relationships Capital</b> - Hononga Pāpori	Health Safety and Wellbeing Customer satisfaction	<ul style="list-style-type: none"> <li>• ≤2 lost time injuries.</li> <li>• ≤3 medical treatment injuries.</li> <li>• Customer NPS.</li> </ul>
<b>Natural Capital</b> - Rawa Taiao	Carbon Emissions Reductions Waste Minimisation Climate Risk Mitigation	<ul style="list-style-type: none"> <li>• Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals.</li> </ul>



Citycare  
Group

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 CitycareProperty

 **Spencers**  
Building & Property Maintenance

Citycare **Water** 

 Apex Water

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