

INTERIM FINANCIAL STATEMENTS

Interim Income Statement for the six months ended 31 December 2023

		Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	Note	\$000	\$000
INCOME			
Operating revenue	3	115,452	96,347
Interest income	-	224	129
Total Income	-	115,676	96,476
EXPENSES			
Operating costs	4	47,909	38,121
Financing and interest costs		16,357	14,596
Depreciation, amortisation and impairment	-	21,691	21,449
Total Expenses		85,957	74,166
Surplus before tax		29,719	22,310
Total taxation expense	-	8,201	6,247
Net Operating Surplus after income tax	-	21,518	16,063

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Comprehensive Income for the six months ended 31 December 2023

		Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	Note	\$000	\$000
Surplus after income tax		21,518	16,063
Other comprehensive income			
Items that may be reclassified subsequently to the income statement:			
Changes in fair value of cash flow hedges (net of deferred tax)	11 _	(6,251)	7,187
Other comprehensive income for period, net of tax		(6,251)	7,187
Total Comprehensive Income for the period	<u>-</u>	15,267	23,250

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Interim Statement of Changes in Equity for the six months ended 31 December 2023

		Share Capital	Reserves	Retained Earnings	Total Equity
N	lote	\$000	\$000	\$000	\$000
Balance at 1 July 2022		57,600	848,027	480,474	1,386,101
Total comprehensive income for the period		-	7,187	16,063	23,250
Dividends paid to shareholders	_	-	-	(2,838)	(2,838)
Balance at 31 December 2022	_	57,600	855,214	493,699	1,406,513
Balance at 1 July 2023		57,600	949,276	500,484	1,507,360
Total comprehensive income for the period		-	(6,251)	21,518	15,267
Dividends paid to shareholders	_	-	-	(13,140)	(13,140)
Balance at 31 December 2023	_	57,600	943,025	508,862	1,509,487

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Financial Position as at 31 December 2023

		Unaudited As at 31 Dec 2023	Audited As at 30 June 2023
	Note	\$000	\$000
EQUITY			
Share capital		57,600	57,600
Reserves		943,025	949,276
Retained earnings		508,862	500,484
TOTAL EQUITY		1,509,487	1,507,360
NON-CURRENT LIABILITIES			
Term Borrowings	5	230,000	479,000
Derivative financial instruments	11	-	-
Deferred taxation		197,609	200,040
Trade and other payables		328	379
TOTAL NON-CURRENT LIABILITIES		427,937	679,419
CURRENT LIABILITIES			
Current Portion of Borrowings	5	343,983	97,381
Trade and other payables		23,324	27,227
Taxation payable		17,887	9,982
Derivative financial instruments	11	1,332	2,923
TOTAL CURRENT LIABILITIES		386,526	137,513
TOTAL EQUITY AND LIABILITIES		2,323,950	2,324,292
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,509,932	1,517,427
Investment Properties	10	757,135	752,873
Intangible Assets		2,769	3,209
Trade and other receivables		4,175	4,249
Derivative financial instruments	11	11,742	20,417
TOTAL NON-CURRENT ASSETS		2,285,753	2,298,175

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Interim Statement of Financial Position as at 31 December 2023 (continued)

		Unaudited As at 31 Dec 2023	Audited As at 30 June 2023
	Note	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents		8,137	4,370
Trade and other receivables		28,492	20,224
Derivative financial instruments		1,254	1,196
Inventories		314	327
TOTAL CURRENT ASSETS		38,197	26,117
TOTAL ASSETS		2,323,950	2,324,292

For and on behalf of the Board

Sarah Ottrey Chair Andrew Barlass Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these Interim financial statements.

Interim Statement of Cash Flows for the six months ended 31 December 2023

		Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	Note	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		109,549	92,840
Interest received		224	129
Net Goods and Services Tax received		1,791	395
		111,564	93,364
Cash was applied to:			
Payments to suppliers and employees		(50,183)	(43,290)
Financing and interest costs		(16,709)	(14,223)
Net Goods and Services tax paid		-	-
Net income tax paid		(295)	(1,602)
		(67,187)	(59,115)
Net Cash Flows from Operating Activities		44,377	34,249
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets		(17,351)	(17,284)
Purchase of investment properties		(6,119)	(4,704)
Net Cash Flows from Investing Activities		(23,470)	(21,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Borrowings		14,000	52,000
Cash was applied to:			
Borrowings		(18,000)	(64,000)
Dividends paid	8	(13,140)	(2,838)
Net Cash Flows from Financing Activities		(17,140)	(14,838)

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Interim Statement of Cash Flows for the six months ended 31 December 2023 (continued)

	Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	\$000	\$000
Net (Decrease)/Increase in Cash Held	3,767	(2,577)
Add cash and cash equivalents at beginning of the period	4,370	4,388
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,137	1,811
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	21,518	16,063
Non-cash items		
Amortisation of capitalised borrowing costs and fair value hedge ineffectivened	ess 38	(40)
Amortisation of lease surrender and incentives	(108)	328
Accrued interest within derivatives	(65)	(809)
Depreciation, amortisation and impairment	21,691	21,449
	21,556	20,928
Items Not Classified as Operating Activities		
Capital items included in trade payables and accruals	4,135	863
Capital items included in prepayments	1,391	
Net gain on asset disposals	-	8
	5,526	871
Movements in Working Capital		
Increase/(decrease) in trade and other payables	(3,897)	(1,037)
(Increase)/decrease in trade and other receivables	(8,245)	(7,251)
(Increase)/decrease in inventories	13	30
Increase/(decrease) in taxation payable	7,906	4,645
	(4,223)	(3,613)
Net Cash Flows from Operating Activities	44,377	34,249

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2023 have been audited. The accompanying notes form part of these interim financial statements.

Notes to the Interim Financial Statements for the six months ended 31 December 2023

Basis of Preparation and Accounting Policies

Christchurch International Airport Limited (CIAL) is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The interim financial statements presented are for Christchurch International Airport Limited and its wholly owned subsidiaries. As the wholly owned subsidiaries were not trading and held no assets and liabilities during and at the end of the period of review, the financial statements for the group are the same as that of the parent.

These interim financial statements were approved by the Board of Directors on 27 February 2024. The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Local Government Act 2002, the Financial Reporting Act 2013, the Companies Act 1993 and the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Debt Market Listing Rules of NZX Limited. These unaudited interim financial statements comply with New Zealand equivalents to International Accounting Standards NZ IAS 34. Christchurch International Airport Limited is designated as a profit-oriented entity for financial reporting purposes.

These interim financial statements are not required to and do not make disclosure of all the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Christchurch Airport's Annual Report for the year ended 30 June 2023 ("2023 Annual Report").

The accounting policies set out in the 2023 Annual Report have been applied consistently to all periods presented in these interim financial statements, except for the adoption of new standards effective for periods commencing on or after 1 January 2023. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

Key Estimates and Judgements

During the preparation of the interim and annual financial statements, several estimates and judgements are made that impact the carrying value of underlying assets and liabilities – with key estimates relating to the carrying value, and impairment assessments, of Property, Plant & Equipment and Investment Property.

Based on the company's performance in the most recent six months to 31 December 2023, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary for this six-month period (see further commentary in Notes 9 and 10). No revaluation of the fair value of these asset categories has been performed as at 31 December 2023.

CIAL uses underlying forecast cash flows when making some of its estimates and judgements based on forecasts of passenger and visitor growth trajectories using information available at the time of preparing these interim financial statements. As with all reasonable assumptions made at a point in time it is likely that the actual outcome will differ over time.

Climate-Related Reporting

In 2021, the New Zealand Government passed legislation to enable mandatory climate-related disclosures for certain classes of entities including those with listed debt instruments. Consequently CIAL will fall within the scope of this mandatory reporting regime, which becomes effective for periods beginning on or after 1 January 2023. This means that CIAL will be required by law to publish annual climate related disclosures for the financial year ended 30 June 2024.

The drafting of our reporting is well underway for inclusion in the 2024 Annual Report. CIAL's wider sustainability initiatives and progress against targets, are reported each year in our Sustainability Report as a part of our Annual Review document published on our website.

CIAL's assessment of the potential impacts of climate change and the transition to a lower carbon economy will continue to evolve. When there is sufficient evidence-based support, the potential financial impact is incorporated into CIAL's underlying forecast cash flows for any relevant asset valuation and impairment models e.g. impact on demand, capital and operating expenditure associated with climate change initiatives and use of appropriately risk adjusted discount rates as necessary.

2. Segment Reporting

Reportable Segments

The company's reportable operating segments have been based on the monthly internal reporting that is received by the Chief Executive, as the chief operating decision maker. This information is used to assess performance and determine the allocation of resources.

The operating segments are based on the type of services rendered. Discrete financial information is presented to the Chief Executive to a Net Profit Before Tax level, which is used to assess segment performance. An allocation of all corporate revenues and expenses (except tax), is included within each operating segment.

Operating Segments - Services provided

<u>Planes</u>

This area of the business offers services that facilitate the movement of aircraft, cargo and passengers on the airfield.

Passengers

The passenger operating segment provides services to the terminal retailers, provides ground transport solutions to staff and the public and includes the terminal portion of the aeronautical charge.

Property

The property operating segment earns revenues from the provision of investment properties to landside airport campus tenants and operating the Novotel Christchurch Airport.

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2023	\$000	\$000	\$000	\$000
Total segment income	18,442	54,072	43,162	115,676*
Total segment expenses	15,922	42,216	27,819	85,957*
Segment Net Profit before Tax	2,520	11,856	15,343	29,719*
	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2022	Planes \$000	Passengers \$000	Property \$000	Total \$000
Unaudited six months to 31 Dec 2022 Total segment income		•		
	\$000	\$000	\$000	\$000

^{*}Agrees to total income, total expenses, and surplus before tax on the Interim Income Statement.

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2022: nil).

3. **Operating Revenue**

	Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	\$000	\$000
Revenue from contracts with customers		
Landing and Terminal charges	42,092	37,467
Ground transport and other trading activities	19,888	16,048
Total Revenue from contracts with customers	61,980	53,515
Other Income		
Rent and Lease income	43,624	37,388
Gain on disposal of assets	-	10
Other revenue	9,848	5,434
Total Other Income	53,472	42,832
Total Operating Revenue	115,452	96,347

4. Operating Costs

	Unaudited 6 months to 31 Dec 2023 \$000	Unaudited 6 months to 31 Dec 2022 \$000
Staff	13,332	12,626
Asset management, maintenance and airport operations	8,806	8,075
Rates and insurance	8,177	7,592
Marketing and promotions	1,615	843
Professional services and levies	2,946	1,900
Commercial entity running costs	5,677	4,020
Other	7,356	3,065
	47,909	38,121

5. Borrowings

As at 31 December 2023, the Company has committed bank funding facilities for an aggregate \$375,000,000 (2022: \$375,000,000) with six banks. In addition, the Company has an overdraft facility of \$1,000,000 (2022: \$1,000,000).

Total bond funding at 31 December 2023 is \$250,000,000 (2022: \$250,000,000). \$100,000,000 (2022: \$100,000,000) of the bond funding (maturing May 2024) is held at amortised cost, adjusted by the fair value of the designated hedge risk instrument. Additionally, the Company has a \$50,000,000 bond and \$100,000,000 bond, maturing in April 2027 and May 2028 respectively.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 3.4% to 6.9% (2022: 2.6% to 5.5%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior periods, there were no defaults or breaches on any of the borrowing facilities.

CIAL was in compliance with all its current financial covenants during the current and prior periods.

CIAL has a \$100m bond maturing in May 2024 and \$245m of bank facilities maturing between October and December 2024. Refinancing activities are underway and align to the Board approved refinancing strategy, which includes extension of existing bank facilities and the investigation of debt capital market issuance options both domestically and offshore.

The company remains confident that any further refinancing will be secured given current market appetite for corporate debt, positive market engagement and discussions with existing facility providers.

	Unaudited As at 31 Dec 2023	Audited As at 30 June 2023
	\$000	\$000
Less than 1 year	343,983	97,381
1 > 3 Years	60,000	269,000
3 > 5 Years	170,000	210,000
	573,983	576,381
Total available funding	625,000	625,000

Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties;
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The New Zealand Government is the majority owner of Air New Zealand, a major customer of CIAL from both an aeronautical and rental and lease perspective. Pricing agreements are renegotiated for aeronautical charges with all airline customers of CIAL, including Air New Zealand, every five years. Air New Zealand also leases several properties within the terminal and the wider CIAL campus.

	Unaudited 6 months to 31 Dec 2023	Unaudited 6 months to 31 Dec 2022
	\$000	\$000
Transactions with owners during the period to 31 December		
Purchases from CCC and subsidiaries	3,785	3,988
Rates paid to CCC	3,944	3,856
Revenues from CCC and subsidiaries	271	385
Amounts payable to CCC and subsidiaries	386	651
Amounts receivable from CCC and subsidiaries	5	6
Dividend to CCC and subsidiaries	9,855	2,129

Non-Shareholder Related Party Transactions

Some directors of the company are, or have been during the period, directors of other companies or organisations with whom Christchurch International Airport Ltd may transact. Such transactions are all carried out on an arm'slength basis and are conducted on normal commercial terms.

No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

7. Commitments

As	Unaudited at 31 Dec 2023	Unaudited As at 31 Dec 2022
	\$000	\$000
Total capital expenditures committed to, but not recognised in, the financial statements		
Property, Plant and Equipment and Intangibles	6,793	3,385
Investment Properties	1,702	11,359

Cashflows associated with the purchase or construction of Property, Plant and Equipment, Intangibles and Investment Properties are included in the Statement of Cashflows.

8. Dividends

	Unaudited	Unaudited
	6 months to	6 months to
	31 Dec 2023	31 Dec 2022
	\$000	\$000
2022 Final dividend paid (4.9 cents per share)	-	2,838
2023 Final dividend paid (22.8 cents per share)	13,140	-

9. Property, Plant & Equipment

The company carries land, buildings, terminal facilities, hotel business assets, sealed surfaces, infrastructure and car parking assets at fair value. Car parking, sealed surfaces, infrastructure and terminal assets were revalued at 30 June 2023, as outlined in the 2023 Annual Report. Land, commercial buildings and hotel assets were last revalued at 30 June 2022, as outlined in the 2022 Annual Report. No revaluation of these assets has been performed as at 31 December 2023.

The company has assessed that it has one core cash generating unit ('CGU') across its PPE asset base which comprises of its terminal and airfield assets, together with two other cash generating units – the hotel and car parking assets. CIAL has performed an impairment assessment of all of these CGUs as at 31 December 2023, with no indication of impairment identified.

Motor vehicles, plant & equipment, office & computers and work in progress are carried at cost.

Additions to property, plant & equipment were \$13,700,000 for the six months ended 31 December 2023 (31 December 2022: \$16,800,000).

10. <u>Investment Property</u>

The company carries investment property at fair value. The company last revalued investment property at 30 June 2023 as outlined in the 2023 Annual Report. No revaluation of investment property has been performed as at 31 December 2023. CIAL has also performed an impairment assessment of its Investment Property Portfolio as at 31 December 2023, with no indication of impairment identified.

Additions to investment property were \$4,200,000 for the six months ended 31 December 2023. (31 December 2022: \$4,700,000).

11. Fair Value of Financial Instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2023.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2023. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

12. Contingent Assets and Liabilities

As at 31 December 2023 there were no contingent assets or liabilities (2022: nil).

13. Events Subsequent to Balance Date

On 26 February 2024, the directors approved the payment of a fully imputed interim dividend of 32.9 cents per share amounting to \$18,980,000. There were no other events occurring after balance date that could significantly affect these interim financial statements.

COMPARISON OF FORECAST TO ACTUAL RESULTS

The company prepares an annual Statement of Intent which is approved by shareholders and incorporates financial and performance measures for the ensuing year.

A comparison of the company's actual performance for the six months ended 31 December 2023 with those measures are as follows:

TARGETS	FY 2024 FY Target \$000	HY 2024 Actual \$000	HY 2024 Target \$000
a) FINANCIAL			
Total Revenue*	219,585	115,452	108,723
EBITDAF* (Earnings before interest, tax, depreciation, amortisation and fair value movements)	130,715	67,543	64,538
EBITF* (Earnings before interest, tax and fair value movements)	86,005	45,852	42,011
Interest Expense *	31,219	16,357	15,802
Net Profit (Loss) after tax*	41,034	21,518	20,027
EBITDAF as a % of Revenue	59.6%	58.5%	59.4%
Return on Invested Capital (EBIT/(Equity+Debt)) *	4.3%	2.2*	2.1%*
Note: HY24 actuals include accounting adjustments relating to IFRS 16 and revenue and expense gross up related to reimbursement of costs by third parties			
b) PASSENGER NUMBERS *	FY 2024 FY Target	HY 2024 Actual	HY 2024 Target
Domestic	5,031,405	2,472,688	2,489,671
International	1,414,070	666,016	688,955
Total	6,445,475	3,138,704	3,178,626
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS	FY 2024 FY Target	HY 2024 Actual	HY 2024 Target
Debt	588,000	575,000	573,000
Equity	1,416,200	1,509,487	1,414,266
Shareholder Funds / Total Assets %	64.3%	65.0%	64.4%
Gearing (debt / (debt + equity)) %	29.3%	27.6%	28.8%
EBITDAF Interest Cover x	4.2	4.1	4.1

^{*} the half year actual and target amounts are based on performance for the six-month period to date, and hence will be proportionately lower than the full year target shown in the first column.

d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures		
	2024	Progress to 31 December 2023	
Health, Safety & Wellbeing			
1. Culture - continue to develop a positive culture that enables the health, safety and wellbeing of our people.	 Achieve 75% or more in our annual culture and engagement survey. 	 Ongoing - annual culture & engagement survey scheduled for end of Q3 FY24. 	
	Delivery of bespoke safety leadership training to all people leaders.	Safety leadership workshops that combine health & safety fundamentals with wellbeing principles for all people leaders are scheduled to commence Feb 24. These will be facilitated by experts in this field.	
	■ Embedding safety leadership conversations throughout all areas.	 Safety Leadership conversation coverage improving, focus is on achieving greater consistency across all areas. 	
 Safety Management – continuous improvement in systems to manage safety and wellbeing. 	 Utilisation of new HSW management software for risk management, auditing and assurance functions. 	 Configuration of risk, audit & reporting modules of new software 75% complete with the audit module also live. 	
	 Delivery of updated induction/refresher SMS training to all staff and relevant stakeholders. 	 Induction / refresher HSW & SMS training material updated and active for all Airport Identity Card Holders. 	
3. Wellbeing – refocusing and activating our strategy to support our people to	Creating a shared understanding of Wellbeing at CIAL.	Revised wellbeing framework developed and communicated to wider team.	
thrive at work.	 Mental health protection Framework implementation continues. 	Activations planned or underway across all pillars.	
Sustainability			
Climate 4. We set long-term emissions reduction targets based in science, aligned with keeping global temperatures within 1.5	 Maintain trend with our milestone emissions reduction goal of 84% reduction in Scope 1 & 2 by 2035 (using FY2015 carbon baseline). 	Scope 1 & 2 emissions for FY23 period were 94% reduced against our 2015 baseline year.	
degrees. Our goals are as follows; to be net zero by 2030	Renew ACA Level 4/4+ or above and look for opportunities to demonstrate continued climate leadership.	 CIAL achieved ACA Level 5 as at 6 December 2023, amongst the first 10 airports globally. 	
 to be absolute zero emissions for our Scope 1 and 2 by 2050 to influence reductions in our Scope 	 Demonstrate continued responsibility and leadership in aviation transition. 	CIAL is on national Sustainable Aviation Aotearoa, and global aviation transition working groups.	
3 stakeholder's emissions where possible.	 Actively seek to influence airport Scope 3 emissions reductions. 	 CIAL have developed a Stakeholder Partnership Plan to influence our Scope 3 emissions, including our Kowhai Park development and 	
	 Develop physical climate risk adaptation plan and timeline for investment. 	Hydrogen Consortium partnership.Our climate risk adaptation plan is in progress.	
	 Continue the project to prepare for public Climate Risk Disclosures in FY24. 	On track for disclosure in FY24 Annual Report	

Circularity

- 5. Waste is a by-product of operating a large and diverse organisation. We aim to minimise waste by redesigning our approach to better support a circular economy.
- Continue to implement CIAL waste minimisation strategy.
- Create separated waste streams with known waste stream destinations.
- Undertake waste minimisation projects to reduce emissions and minimise waste.
- In progress
- In progress, with the initial focus remaining on diverting organic streams from general waste.
- The waste sortation facility remains active and continues to positively impact our diversion and emissions reduction goals.

Energy

- 6. Energy efficiency has multiple benefits for CIAL; we reduce our carbon footprint, reduce our operating costs, and minimise our demand on the national grid.
 - Beyond this, we understand the importance of clean renewable electricity generation and resilience, and the role critical infrastructure assets play in supporting the national energy transition.
- Actively pursue energy transition from fossil fuel to clean energy sources.
- Expand understanding οf the infrastructure requirements to cater for a renewable energy transition within
- Make an impact beyond Christchurch Airport terminal boundaries to create partnerships and demonstrate leadership to encourage faster energy transition uptake.
- Continue to seek further energy efficiency projects, including LED lighting upgrades.

- In progress and on-going.
- Kowhai Park renewable energy precinct has progressed with joint venture partners. Additionally master planning is underway to increase distribution capacity on campus.
- CIAL has on-going involvement in the Hydrogen in Aviation Consortium, Sustainable Aviation Aotearoa, and the International Working Group on Alternative Aviation Fuels.
- Our Building Management System continues to find energy efficiency improvements, and LED lighting upgrades are in progress.

Noise

- 7. Historically, noise has heen the environmental issue of greatest focus at airports around the world.
 - responsibility and preference are to collaborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts.
- Noise complaints are limited to 10 per 10,000 aircraft movements annum.

- Actively participate in the public consultation across Canterbury on how the latest noise contours are integrated into the Regional Policy Statement.
- Offers of acoustic mitigation to noise impacted properties currently eligible.
- Long term and ongoing program to protect CIAL from noise reverse sensitivity affects.

- Noise Complaints are 12.16 per 10,000 movements for the 6 months ending Dec 23, the high number of noise complaints is due to a small number of regular complaints. Set up and delivery of real time Noise Monitoring terminals delivered in within FY24, it is expected public access to real time noise information will impact the number of noise complaints.
- CIAL is actively engaging with ECan to review the Regional Policy Statement, seeking CIAL is notated as a key transport, employment, energy node and sufficient airport safeguarding to enable international airport and campus operations.
- Additional offers of Acoustic Treatment as per results of the 2023 noise monitoring report (published in March 23).
- As per above Regional Policy statement comment

Biodiversity

- 8. Our Place is an area of unique natural beauty. We have a responsibility to protect to encourage biodiversity, and our native species.
 - We aim to maintain improve our land and remediate contaminated land.
- Understand and enhance our unique dryland habitat.
- Undertake Campus landscape planning to celebrate native species and include plant succession planning.
- This work is on-going as we collect the data to inform what our biodiversity footprint baseline looks
- Landscape planning and emphasis on natives is on-going.

We also have a responsibility to our wider stakeholders understand climate risks and mitigation, as well as airport hazards such as bird strike.

- Monitor and understand bird migration patterns to mitigate bird strike risk.
- Insert bird strike management areas in the regional and district planning framework.
- Ongoing, off airport avifauna surveys conducted monthly.
- Successful insertion of bird strike risk management procedures within the CCC stormwater management plans.

Community Engagement

- 9. To make a positive contribution to the social and community outcomes of our City and the South Island
- Demonstrate support for the city, its image and activities. Provide promotional space at the airport to showcase events and activities across the region.
- Offer community groups and projects support through the Community Fund.
- Senior leaders participate in and address events and functions, sharing expertise and skills across the city, region and country in person, plus wider online.
- Support local and national charities by hostina collections within the terminal, and active engagement by staff in charity events.

- Respectfully engage with local communities, iwi mana whenua and stakeholders in respect of our project to explore the potential for a new airport in Central Otago.
- Engagement and communication with stakeholders led by the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, panels, addresses and workshops, both in person and online as required.

- Returning international airlines plus the additional new service non-stop to San Francisco all receive a welcome which highlights Christchurch. Welcome functions highlighting Christchurch and including the mayor as a VIP speaker, with significant media coverage.
- We offered community and charity groups financial support through donations from the Community Fund and also offered staff with specialist expertise to assist community/charity programmes.
- Senior leaders have lead and addressed events, workshops and conferences in Christchurch, across New Zealand, overseas and online.
- We continue to "light up" our walls in colours which highlight and support charity events and national awareness campaigns. We host two fundraising collections a month in the terminal. Airport staff have given time to support biodiversity and other projects across the city, as well as other activities including raising funds for Gumboot Friday and cooking for Ronald McDonald House.
- Engagement with our local communities and others continue, including three days of drop-in sessions in Central Otago.
- Engagement and communication is ongoing with a wide variety of groups on a many topics, some with a more local focus and some with a much broader focus, such as sustainability.

Our People

Talent

- 10. Execute the talent Management specifically workforce Strategy planning under H30, strategic value talent mapping and succession Update Development planning approach - documented pathways,
- Identification of CIAL's future H30 talent requirements and pipeline of emerging leaders developed.
- Improved retention of critical talent.
- First cohort of emerging leaders have completed external development through an external training provider. Next intake is planned for 2024.
- Succession planning completed for all Tier 2, critical roles and in progress

study assistance, future of work Reward & recognition framework linked		for areas which may experience turnover in future due to retirement.
to values & purpose.		A new performance management system is in the final stages of implementation which will enclose individual development agreements.
		A review of our reward and recognition programme attached to our values is underway by our internal Culture and Engagement Working Party.
	 Increase of baseline capability with visible links to Talent Strategy. 	 Improvement of the coordination of training and development through an online application and completed activity process in our Learning Management System.
	 Succession plans confirmed and pathways actioned. 	360 feedback has been utilized to inform development. Internal progression, coaching and external development, work programme support and flexibility have been
		afforded to our critical talent
Leadership 11. Review tiered leadership development framework aligned to skills and attributes. Development opportunities through H30, Te Whariki, mentoring.	Improved Leadership measures in engagement survey.	 Leadership development framework refresh is still in progress however in the meantime all leaders have been invited to participate in Diversity, Inclusion and Belonging training, Cultural Competency and Communication skills training.
Investigate appropriate 180/360 feedback mechanism for leaders.		A Leadership Hui is scheduled for early 2024 which will have an equal focus across strategy/performance, education and determining what exemplary leadership looks like in 2024.
	Incremental improvement in leadership performance in personal development and performance reviews.	• Leadership Performance in our latest Engagement Pulse check showed a slight dip across confidence level and how well the purpose of the organization motivated team members. Various initiatives have begun which should see this result improve in the full survey planned for the first quarter of 2024.
Build a workforce of the future	Future oriented talent planning is	Recruitment levels have increased as
12. Unlock capacity through agility and digital transformation.	embedded into operational and strategic planning.	have application numbers which indicates our employment brand is as strong as ever.
Build people's resilience capabilities.	There is enhanced understanding of the skills we have today and the skills we will need in the future.	 In progress, workforce capability review is underway and anticipated to be complete by the end of FY24.
	 We attract, recruit and develop a diverse and highly skilled workforce. 	The People and Culture team completed an Unconscious Bias training programme and have since made minor adjustments to a small number of processes and advertising.

		to ensure a diverse pool of candidates are attracted and supported through all stages of the application and selection cycle. To improve this experience and to ensure optimal recruitment outcomes, a new candidate management system has been implemented and went live in December.
Diversity, equity and inclusion 13. Establishment of Diversity Framework, policy and measurements. Raise the understanding and profile of D&I across the business including training and workshops. Ongoing gender pay reviews and audits to be completed Cultural Capability program delivered for all employees. Flexible Work practices are well defined and supported throughout CIAL where possible	 Diversity metrics and targets to be developed. D&I audit to be completed annually and continued delivery of training and Workshops. Gender Pay Gap is understood, reported and actions to reduce are Underway. Flexible work guidelines embedded, to become a normalized way of working. Our people will have an understanding of the principles of Te Tiriti and how they can be honoured through CIAL's work. 	 75% of our team have completed an externally facilitated Inclusion and Belonging development programme focused on the neuroscience of human behaviour, bias and how to create a more inclusive culture. Diversity metrics to be approved and audit to be completed. First gender pay audit completed with a second scheduled for early Feb 2024. A plan to address findings will be agreed with our board. Approach to flexible working is more consistent with guidelines now in place. Visually office occupancy indicates that onsite working is preferred by most. Two workshops on the principles of Te Tiriti o Waitangi have been held and two visits to Tuahiwi Marae attended by 25% of our team. More opportunities to build cultural competency will be offered in the new year.

OTHER INFORMATION

Nature of Business

CIAL owns and operates Christchurch International Airport. The company operates predominantly in the business of providing airport facilities and services to airline and airport users. The nature of the company's business has not changed during the period.

For the current and previous reporting period, the results are for Christchurch International Airport Limited and its five wholly owned subsidiaries. As the wholly owned subsidiaries do not trade and hold no assets or liabilities, the results and financial position for the CIAL group are the same as that for the CIAL parent company.

Stock Exchange Listings

The company has two series of bonds ("CHC010" and "CHS020") which were quoted on the NZDX on 25 May 2018 and 19 May 2022 respectively. Each issue was for \$100 million of unsecured, unsubordinated, fixed rate bonds, with "CHC010" maturing on 24 May 2024 and "CHC020" maturing on 19 May 2028.

Credit Rating Status

Christchurch International Airport Ltd.'s (CIAL) issuer credit rating is A-, with outlook 'Stable'. This rating is unchanged as at 31 December 2023.

Regulatory Environment

The company is regulated by, amongst other legislation, the Airport Authorities Act 1966 and the Civil Aviation Act 1990. The company is an 'airport company' for the purposes of the Airport Authorities Act 1966. The company has consultation obligations under the Airport Authorities Act 1966.

On 5 April 2023, the Civil Aviation Bill received Royal assent and became the Civil Aviation Act 2023. The new Act will be in force from 5 April 2025, repealing and replacing the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single, new statute covering safety, security and economic regulation of civil aviation into the future.

The company is required to comply with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, with disclosure financial statements required to be published in November each year.