FY24
Sustainability
Report





Your end-to-end water infrastructure partner

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This Sustainability Report, the sixth annual report developed by coNEXA, reports on its environmental, economic and social impacts for the financial year 1 July 2023 to 30 June 2024.

coNEXA Infrastructure Partners (coNEXA) is the name given to the coNEXA group of companies that is headed by coNEXA TopCo Pty Ltd.

The following formed the coNEXA group during the reporting period:

- coNEXA TopCo Pty Ltd
- coNEXA MidCo Pty Ltd
- coNEXA Pty Ltd
- Willunga Basin Water Co Pty Ltd
- Lightsview ReWater Supply Co Pty Ltd
- Kooragang Water Pty Ltd
- coNEXA WA Holdings Pty Ltd
- coNEXA Sydney Holdings Pty Ltd
- AquaNet Sydney Pty Ltd
- Rosehill Network Pty Ltd
- Local Utility Pty Ltd
- coNEXA Projects & Operations Pty Ltd

#### Disclaimer



## Welcome

We are pleased to present our FY24 Sustainability Report which highlights our commitments to sustainability, and our focus on continuous improvement across all aspects of our business.

In FY24 we celebrated a major milestone for our Willunga Basin Water business – 25 years of operation, over which time we have delivered 100GL of recycled water. This business is an exemplar of sustainability through reducing the impacts of treated effluent on the receiving environment, providing water security to >250 customers, and supporting >\$500m/year of economic activity in McLaren Vale – a world class wine production region. Through embedding this business in the local community, we are able to support local sporting clubs and biodiversity initiatives.

Our sustainability goals and activities are aligned with those of our suppliers, customers, partners and regulators. We are acutely conscious, that only by working collaboratively with our stakeholders, can we realise our ambitious targets and maintain a leadership position in sustainability.

With the support of our shareholder, Igneo Infrastructure Partners, and the coNEXA team we will continue to exceed Igneo's Five Minimum Standards for ESG performance and continuously reflect on the United Nations Sustainable Development Goals.

In coNEXA we are not satisfied with the status quo / business-as-usual when it comes to sustainability. We will continuously challenge our business to strive for more. In this report you will see what we have achieved in FY24 and what we have planned for FY25 and beyond.

Dhall

**Kurt Dahl**Chief Executive Officer

**Danny Latham** Chair



From the Chair



From the Chief Executive Officer



## About coNEXA

coNEXA is a unique platform in Australia. We are focussed on the active development and ongoing management of water infrastructure.

Our vision is to be a long-term partner in water infrastructure that continuously seeks to improve outcomes for our clients and communities.

We collaborate with our clients to develop creative technical and commercial solutions to complex infrastructure challenges.

Our core values of safety, innovation and sustainability are aligned with those of our clients.

coNEXA TopCo Pty Ltd (ACN 616 144 471) is the head of the coNEXA group. coNEXA TopCo Pty Ltd is 100% owned by First Sentier Investors (Australia) RE Limited (ACN 006 464 428) as trustee for the Global Diversified Infrastructure Fund (Active).

Igneo Infrastructure Partners manages the Global Diversified Infrastructure Fund.

During FY24 coNEXA owned the following assets:

- Willunga Basin Recycled Water Scheme
- Lightsview ReWater Scheme
- Kooragang Industrial Water Scheme
- Rosehill Recycled Water Scheme
- coNEXA Projects & Operations

We have resources in South Australia. New South Wales. Northern Territory, Victoria and Western Australia where we provide local and rapid support to our clients and assets.

Our Chief Executive Officer, together with our Senior Management Team are responsible to the Board for the execution of all coNEXA's business, in accordance with approved plans, budgets, policies and good management practices.

Under the direction of our Chief Executive Officer, our Senior Management Team prepare and deliver the co-ordinated and well-structured documents, actions and plans that are needed by coNEXA.

Our Senior Management Team consists of managers from the Corporate, Growth, Operational and Technical departments of our business.

Together, our Senior Management Team have over 125 years' experience, or an average of 16 years' experience each in the water industry and are experts in their respective fields.

Our staff are passionate about securing water resources for future generations and contributing to the circular economy.



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## **Our Commitment to Sustainability**

coNEXA are committed to the sustainable development of our business through the effective management of the economic. environmental and social issues and risks encountered by the Company

#### We will:

- Ensure an appropriate governance system is in place to provide oversight and accountability for strategy development and performance that relates to maintaining a sustainable business
- Support the UN Sustainable Development Goals where appropriate and possible
- Identify and manage risks affecting the interests of coNEXA through its risk management framework
- Proactively assess and address material, social, environmental and economic risks and the impact of our operations, and integrating these considerations into business planning, decision making and implementation processes that ensure sustainable outcomes
- Continue to develop and foster a strong culture of safety, environmental sustainability and social responsibility
- Explore ways to improve efficiency in all operations
- Conduct business activities in an ethical and transparent manner

- Set clearly defined targets and measure and monitor sustainability performance to support continuous improvement
- Comply with relevant legislation, standards and procedures
- Source products and services from local suppliers, where appropriate and possible
- Consult with governments, industry associations, joint venture partners and other stakeholders to develop and implement good sustainable industry practices
- Empower our employees by providing information and training, as required, encouraging the adoption of sustainable principles and practices
- Annually report on our performance towards our sustainability goals

The coNEXA management team is responsible for ensuring this commitment is realised.

Our leaders are accountable to communicate these requirements to all our employees, contractors, suppliers, local community and visitors and to involve them in implementing these commitments.



## **Our Assets – South Australia**

In FY24 we supplied more than 4,900 megalitres of water to nearly 2,400 customers





4,714 ml water supplied



255 customers



264 connection points



12 pump and booster stations



288 km pipelines



water storages – tanks and dams

Water is supplied for a variety of purposes, from irrigating golf courses and playing fields to providing a reliable, recycled water source for multinational viniculture corporations

Treated effluent is received from government owned wastewater treatment plants, then pumped through the Willunga Basin Water network where it is stored in dams and tanks

Water is filtered and pumped to customers where it is received at pressure for use

Residential customers are supplied with water for garden irrigation, toilet flushing and other uses such as car washing to save valuable potable water resources

Non-residential customers use recycled water for open space irrigation

Lightsview ReWater receive treated stormwater from the City of Salisbury which undergoes further treatment by chlorination at the Lightsview pump station

Treated recycled water is stored before being supplied to customers

## REWAT



89 ml residential water supplied



**2,135** customers



113ml non-residential water supplied



pump station



Over 18 km pipelines



storage tank



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## **Our Assets – New South Wales**

In FY24 we supplied more than **4,700 megalitres** of water to our New South Wales customers





2,266 ml recycled water supplied



**1,021** ml potable water supplied



**12.6** MLD treatment capacity



8 km pipelines



2 customers

Water supplied by Kooragang Water is used by customers for dust suppression, manufacturing processes and cooling towers If not for Kooragang Water taking treated effluent, this would otherwise be discharged to the marine environment Treated effluent is received from **Hunter Water** Corporation which is then further treated by Kooragang Water using microfiltration. reverse osmosis and chlorination The treated, recycled water is then pumped to our industrial customers on Kooragang Island via a reticulation pipe

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AquaNet directly provides water for use in irrigating Council reserves as well as selling water to Sydney Water, who act as a wholesaler to several industrial customers in the region AquaNet takes secondary treated wastewater from Sydney Water which would otherwise be discharged to a marine environment High quality water is provided to our customers after ultra-filtration, reverse osmosis and chlorination have been undertaken





**1,479** ml recycled water supplied



7 customers



20 MLD treatment capacity



**20** km pipelines



3 storage tanks



## coNEXA Projects & Operations

coNEXA Projects & Operations are a leading service provider in local water solutions.

We pride ourselves on developing long-term, trusted relationships with our clients by delivering practical, robust and cost effective, best for project solutions in the delivery, and long-term operation of water and wastewater infrastructure.

#### **Investigation and Approvals**

coNEXA Projects & Operations draws on our broad ranging project experience to provide an efficient investigation service including discovery, optioneering, concept development and reference designs. Stakeholder consultation sits at the centre of our approach to securing project approvals.

We have experience in obtaining regulatory approvals across Australia, often in challenging, sensitive and unique locations and circumstances.

- Water and mass balance
- Concept and reference design development
- Strategic and detailed options analysis
- Risk assessments
- Business case development
- Concept and reference designs
- Preliminary capital and operating costs
- Support for internal approvals
- Regulatory approvals such as planning, health and environmental
- Licencing approvals

#### **Procurement and Delivery**

Building on our previous work in design, approvals and consultation, coNEXA Projects & Operations assists clients with the procurement and delivery of the agreed solution. Our philosophy in procurement and delivery is based on maximum value at minimum risk.

In consultation with our clients, we develop project specific procurement strategies.

Our real world operational and maintenance experience ensures that our advice is based on our deep working knowledge of project delivery across the entire project lifecycle.

- Project delivery strategy
- Detailed process design
- Procurement strategy
- Procurement documentation
- Offer assessment / negotiation
- Technical support and project management
- Contract administration
- Commissioning
- Validation

#### **Operation and maintenance**

Our services range from intermittent support to our customers, through to full, long-term operation and maintenance of assets to meet the individual needs of each project and client.

Our key strength and differentiator is our ability to embed our operational knowledge during the investigation, approvals, design and operations and maintenance phases of project, ensuring objectives are perfectly aligned with clients.

We actively seek long-term relationships with our clients which enables alignment of objectives and moves away from a traditional transactional approach.

- O&M strategy and services
- · Site visits and remote monitoring
- Process optimisation and troubleshooting
- Infrastructure audits
- Operator training
- Asset management and renewal
- Cost benchmarking
- Membrane lifecycle services

#### **Customers include:**

- Public water utilities
- Private water utilities
- Local government
- Premium irrigators

- Property developers
- Resorts

- Mining
- Industrial



## **FY24 Highlights and Achievements**

25 years of operation for Willunga Basin Water

Over 100GL of irrigation water – equivalent to 40,000 Olympic sized swimming pools delivered by Willunga Basin Water since inception

100% of our operating risk registers reviewed in FY24

Sponsorship of 7 community organisations in the communities we operate in

100% compliance with technical standards

94% and 84% of services and products procured within 50km of our Willunga Basin Water and Lightsview operations respectively

76% QHSE targets achieved

13% of our workforce working part-time hours to accommodate personal and family commitments

6.6% increase in employee safety culture survey

39 staff across 11 locations in 5 states territories

17% reduction in scope 2 emissions from FY23

44% reduction in reported safety incidents **22** sites supported by Projects & Operations staff

1,030 proactive prestart risk assessments undertaken



## **United Nations' Sustainable Development Goals**

- coNEXA continue to make made positive progress in our contribution to the United Nations' (UN) Sustainable Development Goals(SDGs)
- Subsequent to our FY23 medium term targets, in FY24 we developed interim targets to guide our long-term 2030 targets
- Following are our focus areas and 2027 interim targets





Increase the supply of recycled water and maximise the volume diverted from ocean or river discharge

Increase the volume of recycled water supplied by 20% against 2020 base year







#### **Customer satisfaction**

- Zero contractual or regulatory breaches of water quality specifications at all times
- Commence 'fit-for-purpose' customer satisfaction surveys or assessments for at least one business unit where practical

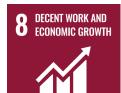


#### Sustainability reporting

• Produce ISSB disclosures with associated third-party audit



## **United Nations' Sustainable Development Goals**



#### **Health and safety**

- Have zero medical treatment injuries
- Ensure mental health considerations are considered in the corporate risk assessment
- Annual third-party certification of ISO 45001 with no major non-conformances



### **Training and development**

• All staff to have a development plan in place, which includes formal and informal training



#### Staff engagement





#### **Modern slavery**

• Incorporate appropriate modern slavery assessment into procurement policies

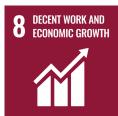
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• Complete high level modern slavery risk assessment of supply chain where practical and identify any areas of improvement





## **United Nations' Sustainable Development Goals**





### Gender equality

- Establish gender equality policy settings and practices (eg recruitment, promotion, parental leave, flexible working arrangements)
- Participate in bias training





#### **Governance of climate change impacts**

• Develop implementation plan to deliver recommendations from the Climate Change Impact Assessment





- Adopt a business strategy that includes an emissions reduction plan consistent with a < 2 degree future, in accordance with the Paris Agreement)
- Investigate energy efficiency initiatives



#### Ethical business, transparency and compliance

- Zero regulatory incidents resulting in fines or other nonfinancial consequences
- Full compliance with all company policy positions
- Full compliance with an industry best practice complaints policy



## **Our Material Topics**

coNEXA's material topics reflect our significant economic, environmental and social impacts which may substantively influence the assessment or decisions of our stakeholders.

#### **People**

- Wellbeing of employees
- Workplace health and safety
- Data security and privacy
- Customer satisfaction
- Procurement and supplier
- Employee retention and talent development



#### **Products**

- Affordability
- Product safety



#### **Places**

- Protection of environment
- Energy management
- Economic development



#### **Practices**

- Protection of environment
- Energy management

#### Our stakeholders:

- **Employees**
- Customers
- Customer groups
- Local communities
- Contractors
- Shareholders
- Governments
- Regulators
- Local authorities
- Suppliers



## **Our Stakeholders**

#### **Employees**



#### **Stakeholder priorities**

- Safe working
- Hazards, both physical and psychosocial eliminated, or minimised as far as reasonably practicable
- Consultation and feedback on QHSE issues
- Job security
- Good company culture
- Reliable and competitive salaries

#### Customers, customer groups and local communities

#### Stakeholder priorities

- Positive brand image
- Clean corporate image
- Reliable service supply
- Affordable product
- Competitive pricing
- Strong communication
- Minimal disruption
- Sponsorship of local community groups

#### **Contractors**



#### **Stakeholder priorities**

- Safe working
- Hazards, both physical and psychosocial eliminated, or minimised as far as reasonably practicable
- Clear instructions
- Fair rates
- Prompt payments

coNEXA are proud to sponsor the Hunter Wetlands Centre Australia: a community run, not-for-profit organisation focused on the restoration and protection of 45 hectares of wetlands in Shortland, New South Wales. Our sponsorship helps to preserve the wetlands, providing a safe haven for a huge range of wildlife.





WaterAid enables communities around the world to access clean water, decent toilets and good hygiene.

coNEXA are an active sponsor of WaterAid, this year alone sponsoring the NSW WaterAid ball which raised over \$430,000 and attending the NSW WaterAid Golf Day which raised more than \$18,500 to aid in WaterAid's mission.







## **Our Stakeholders**

#### **Shareholders**



#### Stakeholder priorities

- Return on investment
- Growth strategies
- Clean corporate image

## Governments, regulators and local authorities



#### Stakeholder priorities

- Compliance with legislation, regulations and obligations
- Operations managed to keep community disruptions to a minimum

#### **Suppliers**



#### Stakeholder priorities

- Fair rates
- Prompt payments

coNEXA are always eager to engage with our stakeholders.

CEO, Kurt Dahl, has attended several events with Igneo Infrastructure Partners where he has showcased his passion for water, shared his wisdom, and provided insights into the work coNEXA are doing.

Kurt has also hosted stakeholder tours at the Kooragang Industrial Water Scheme plant in Mayfield West, NSW.



coNEXA are proud to exhibit at OzWater.

This annual event is always a great opportunity for us to connect with colleagues and share insights.

We believe collaboration is the key to solving the wide-ranging challenges facing the water industry.



October 2023 saw Willunga Basin Water celebrate two major milestones

# 25 years in business and the distribution of over 100 GL of recycled water

We joined with our broader stakeholder group at Chalk Hill Wines to acknowledge these amazing achievements.

As a community focused business, we were pleased to donate to Biodiversity McLaren Vale on the day to assist in regeneration of local waterways.





## **Regulation and Compliance**





As part of our operations, Willunga Basin Water holds approvals in relation to the supply of treated water to primary producers in McLaren Vale

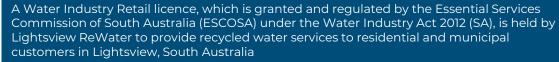
Willunga Basin Water are compliant with the National Recycled Water Quality Guidelines

Jointly with SA Water, Willunga Basin Water holds an EPA licence and EPA exemption in relation to the discharge of treated water to marine or inland water and the discharge of treated effluent to aquifer



LIGHTSVIFW











Working in accordance with the plan ensures the scheme is operated in a safe and reliable manner



An Environmental Protection Licence is held by the operations and maintenance contractor at the Kooragang Water wastewater treatment plant which allows for discharge of treated wastewater and recycled water to waters



A Retail Supplier's Licence and Network Operator's Licence is also held by Kooragang Water which is regulated by IPART



AguaNet Sydney and Rosehill Network respectively also hold a Retail Supplier's Licence and Network Operator's Licence which is issued pursuant to the Water Industry Competition Act 2006 (NSW)



Compliance with our regulatory obligations is evidenced through compliance registers, internal audits and inspections, and external audits. These documents are contained within our integrated management system (IMS) which combines the elements of quality, work health and safety, and environment management systems into one. Our IMS is certified by Bureau Veritas.







## **Our Environmental Impact**

Climate change is creating a more unpredictable and highrisk operating environment for coNEXA across its assets.

With the increase in frequency and intensity of climate extremes expected in the future, it is vital that coNEXA understand the exposure of our assets and develop actions to adapt to, and mitigate, climate related risks.

In FY24, we conducted energy assessments and developed action plans for our New South Wales assets, Kooragang Industrial Water Scheme plant, Mayfield West and **AquaNet Sydney Fairfield Treatment Plant,** Fairfield which will drive our goals in reducing energy usage and seeking opportunities to reduce our emissions at these plants.

Across the two assets a total of 24 efficiency opportunities were identified which may reduce our environmental emissions for these assets.

Following the assessments, smart energy meters were installed on the compressed air systems each plant to monitor compressor performance.

Electrical consumption data from the meters is delivered in real time to our SCADA units which allows workers to investigate, and rectify, inefficiencies as they are uncovered.

To reduce our environmental impact at Willunga Basin Water this FY we installed smart meters at the four largest pump stations and upgraded our existing lighting to LED at seven pump stations. This will further enhance the opportunities for optimisation of pumping through the network.

#### **Anticipated Savings**



#### **Kooragang Industrial Water Scheme plant**

- \$3,000 on energy bills
- 6 tonnes of CO<sup>2</sup>-e
- 5% total compressed air energy consumption





#### **AguaNet Sydney Fairfield** treatment plant

- 5% of total compressed air energy consumption
- 3 tonnes of CO<sup>2</sup>-e
- 4 MW/h per year





#### Willunga Basin Water

- \$12,000 on energy bills
- 22 tonnes of CO<sup>2</sup>-e





## **Green Financing Framework**

As an extension of our commitment to investing in sustainable water infrastructure, coNEXA has developed a green financing framework 'the framework'. This has been developed in line with the February 2023 edition of the Green Loan Principles issued by the Loan Markets Association, Asia-Pacific Loan Markets Association and Loan Syndications and Trading Association.

Funds obtained through this framework will be earmarked for projects that deliver positive environmental outcomes, and which support our vision to be a long-term partner in water infrastructure that continuously seeks to improve outcomes for our clients and communities.

#### **Eligible Green Project Categories**

#### Sustainable water and wastewater management

Investments in water infrastructure such as potable water monitoring, efficiency, treatment and water recycling measures:

- Water management and efficiency
- Water treatment and recycling
- Desalination
- Water treatment (including wastewater treatments for recycling and reuse)
- Research and development of the above areas

This includes pipelines and all ancillary infrastructure that support any of the above







**Under this** framework. our first areen loan was secured in **April 2024** 

#### **Energy efficiency**

Supply green hydrogen operations with water to support green hydrogen research and production





#### Circular economy

- · Water treatment and recycling
- Organic waste treatment and composting
- Biological treatment







## **Our QHSE Commitment**

coNEXA are committed to supplying water infrastructure and utility services in an efficient, safe and environmentally responsible manner.

#### coNEXA will:

- Provide a safe, clean and reliable water supply to our customers
- Maintain and enhance customer focus in all activities we undertake
- Ensure we conduct our business in a way that maintains a safe and healthy workplace for our employees, contractors, customers and visitors, and minimises our impact on the surrounding community
- Implement and maintain systems to prevent injury and ill health
- Where practicable, eliminate hazards and reduce risks
- Identify and proactively manage potential risks
- Use all our resources efficiently in the delivery of water and related utility services
- Prevent or otherwise minimise or mitigate our emission of pollution
- Minimise environmental impacts during all stages of the delivery process
- Provide resources to manage our QHSE performance
- Encourage effective employee participation through effective communication and consultation
- Comply with all relevant legislative requirements, codes of practice, industry sector guidelines, corporate policies and voluntary commitments
- Ensure all workers are suitably trained and know their duties to implement and maintain the management system requirements
- Contribute constructively to sustainable development
- Continually improve our systems, processes and performance

#### **Assessing our Risks**

Our workers understand that under WHS legislation, it is not only coNEXA that are responsible for health and safety at a workplace; each worker also has a responsibility to take reasonable care for their own health and safety.

To be proactive in assessing our risks, each worker completes a Take 5 risk assessment before conducting any task, in conjunction with a SWMS, where required. This ensures all hazards and risks have been adequately controlled and documented for reference by all workers.

If it is found the hazards and risks are not adequately controlled, for instance there has been a change in the work environment, work does not commence. The hazards and risks are reviewed and work will only recommence once the site-specific risk assessment, in the form of a SWMS or Take 5, has been satisfactorily completed with all hazards and risks controlled.

#### **Our Safety Culture**

Each year, our workers are asked to complete an anonymous survey advising of their satisfaction with our safety culture.

This year our overall result rose by 6.6% over FY23.

'I feel safe to work at coNEXA and I believe coNEXA has a strong safety culture within the organisation' comment by anonymous employee from the FY24 safety culture survey



## **Our Supply Chain**

During this financial year we worked with a multitude of suppliers and contractors, from small, locally based service providers to large, national entities.

To ensure smooth engagement with our entire supply chain we use standardised supplier management procedures and forms to ensure all suppliers are contracted in accordance with the requirements of our IMS.

#### **Modern Slavery**

Suppliers and contractors are screened to ensure they comply with the Modern Slavery Act, where required.

Additionally, suppliers are requested to advise if the product being provided, or the country they are providing the product from, has a high risk of slavery.

Where it is determined there is a high risk of slavery, suppliers are to advise how modern slavery risks are addressed within their organisations.

Only suppliers who can provide the necessary information are chosen to work with coNEXA.

#### **QHSE**

To ensure suppliers and contractors used are aware not only of coNEXA's QHSE requirements, but also their work health and safety duties as a PCBU, suppliers and contractors must complete a pre-commencement questionnaire providing information about their QHSE systems and statistics together with provision of any required insurances.

Only once a supplier or contractor has successfully been onboarded by our finance team are they able to undertake work at a coNEXA site.

Before attending site for the first time, contractors must complete a site-specific induction and provide their coNEXA contact with a risk assessment for the work they will be undertaking, together with any training and licence information for the workers undertaking the work.

Contractors are not able to commence on site until the coNEXA worker engaging the contractor is satisfied that all risks have been adequately assessed.



## **Looking Forward to 2025 and Beyond**

We are excited to be looking at a range of initiatives in the coming year to further our sustainability journey.

- \* We are investigating the purchase of green energy to offset our carbon emissions
- \* Review energy assessments previously undertaken to determine the next steps in the implementation
- We will continue working with the Port of Newcastle on their Clean Energy Precinct
- We have pioneered the Sustainable Water Investment Market, a new concept, which has the potential to revolutionise the structuring of recycled water schemes and overcome traditional geographic barriers between the source and sponsor / end user
- \* We are integrating the use of recycled water into community spacesto support resilient green spaces
- We are working with data centres to supply them with recycled water, preventing the use of billions of litres of potable water each year and improving their energy efficiency
- In December 2024 Kooragang Water will be celebrating ten years in operation
- We are working to replicate our Willunga Basin Water Scheme in Victoria to offset the use of potable water for irrigation with recycled water
- We are investigating further capacity at Willunga Basin Water to provide additional recycled water to the community



## Questions about this report

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