

**Environmental,  
Social &  
Governance (ESG)  
Report**

**FY25**



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# About This Report

This report presents the environmental, social and governance (ESG) performance of Hydroflux in the financial year 1 July 2024 to 30 June 2025 (FY24-25), aligned with the organisation's financial reporting cycle.

This publication represents the first ESG report produced by Hydroflux and establishes a baseline for sustainability reporting across the Group. The report has two primary objectives. First, it aims to increase transparency regarding the organisation's impacts on the environment and people. Second, it supports ongoing efforts to measure, manage and improve sustainability performance over time.

Hydroflux intends to publish this report on an annual basis, progressively expanding the scope and maturity of disclosures in future reporting cycles.

## Reporting Scope & Boundary

This report covers the operations of Hydroflux Pty Ltd and its subsidiary entities, including:

- » Hydroflux Industrial Pty Ltd
- » Hydroflux Epco Pty Ltd
- » Hydroflux Utilities Pty Ltd
- » Hydroflux Industrial NZ Ltd
- » Hydroflux Epco NZ Ltd
- » Hydroflux Utilities NZ Ltd
- » Hydroflux Pacific Pte Ltd
- » Cress Consulting Pty Ltd

Unless otherwise indicated, data presented in this report relate to activities across these entities during the FY24-25 reporting period.



## Reporting Frameworks

This report was prepared following applicable legislation, frameworks and certifications, and Hydroflux aims to evolve its approach in line with global best practices.

- **Global Reporting Initiative (GRI) Standards**  
Informing selected disclosures
- **European Sustainability Reporting Standards (ESRS)**  
Informing the double materiality approach
- **AASB S2 Climate-related Disclosures**  
Referenced for climate-related metrics and disclosures
- **Relevant International Guidance**  
Including the United Nations Sustainable Development Goals (SDGs) and the UN Guiding Principles on Business and Human Rights (UNGPs), informing sustainability priorities and the approach to responsible business practices, including modern slavery risk management.

Questions regarding the content of this report can be directed to:  
[info@hydroflux.au](mailto:info@hydroflux.au)

# Leading with Purpose: A Message from Our CEO

Hydroflux's work has always been closely linked to sustainability. The solutions we design and deliver support the protection of water resources, ecosystems and communities. This report formalises how we measure and communicate that contribution.

FY25 marks our first ESG report, establishing a baseline for understanding our impacts, risks and opportunities across environmental, social and governance areas, in line with growing expectations for credible and transparent reporting.

Over the past year, we strengthened the foundations to support this transition. We conducted our first double materiality assessment to identify priority ESG topics and formalised governance structures, including Board oversight and a cross-functional Sustainability Committee.

Our performance reflects both progress and areas for improvement. We reduced total emissions by 15% from our FY23 baseline, supported by the transition to 100% renewable electricity across Australian offices, and maintained Climate Active certification for the fourth consecutive year. Across our projects, we continued to deliver water and wastewater treatment outcomes across industrial and municipal operations, supporting regulatory compliance, enabling water reuse and improving access to safe water in remote communities.

We have also continued to invest in our people and culture. Our workforce remains stable and highly engaged, with an 87% retention rate. Maintaining and developing technical capability remains critical in a specialised and competitive sector, and we continue to invest in training and professional development, delivering 437 hours of training in FY25.

Our approach to governance continues to mature. We strengthened our approach to responsible sourcing through the introduction of a zero tolerance for inaction approach in our Modern Slavery Policy. We also maintained our ISO-certified management systems across all entities. Our cybersecurity remains strong with zero data breaches recorded during the year.



**John Koumoukelis**  
Hydroflux Group Chief Executive Officer (CEO)

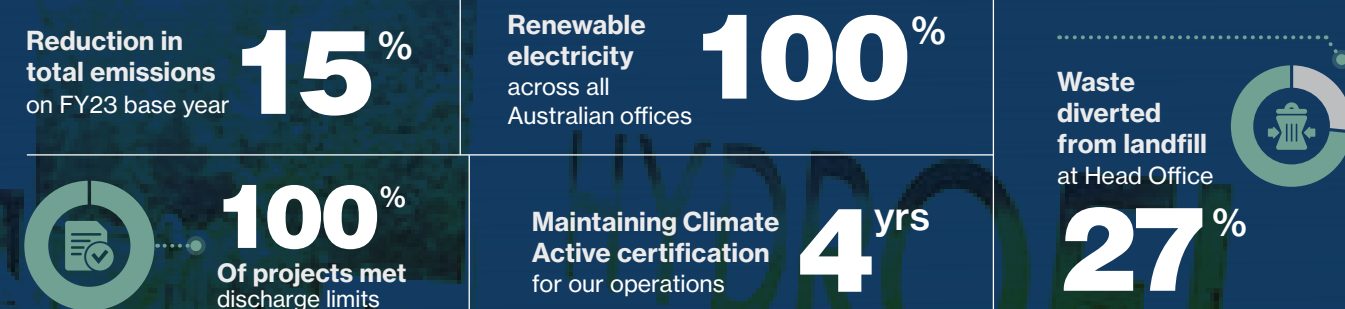
We also recognise the broader challenges shaping our operating environment – climate change, increasing water scarcity, evolving regulation and the need for more resilient infrastructure. These challenges reinforce both the relevance of our work and our responsibility to deliver solutions that are technically effective and environmentally and socially responsible.

This report represents the beginning of a longer journey. Our 2030 Sustainability Goals set the direction ahead, and we remain committed to strengthening our disclosures, expanding our data and deepening our understanding of the positive and negative impacts we create and enable.

JK | John Koumoukelis

## FY25 Highlights

### Environment



### Social



### Governance



# About The Hydroflux Group

Hydroflux is a privately owned Australian group of companies, providing specialised products and services in water, wastewater, sludge management and water reuse throughout the ANZ-Pacific region.

Our team combines technical expertise with regional presence to deliver solutions across diverse sectors. We maintain offices across Australia, New Zealand, and the Pacific Islands, giving us the regional reach and local knowledge to work closely with clients in diverse sectors, delivering tailored solutions and long-term operational support wherever it is needed.

## Protecting Our Most Valuable Resources

Water is a critical resource. Access to clean water, the safe treatment of wastewater, and the effective management of water resources are fundamental to the health of ecosystems, communities and economies. Climate change is increasing pressure on these systems, reinforcing the importance of responsible water management across all sectors.

Hydroflux's activities directly contribute to these outcomes. Treating wastewater before it is returned to the environment, enabling water reuse, recovering resources from sludge, and supporting clients to better understand and manage their water-related impacts are core to the services provided.

These activities reflect the inherent link between Hydroflux's work and sustainability outcomes, as they support improved water quality, reduced environmental impacts and more efficient use of resources.

“Sustainability is embedded in our thinking, guiding how we design, deliver and operate responsibly.”

### HYDROFLUX WATER | SCIENCE | TECHNOLOGY

#### HYDROFLUX industrial

##### Hydroflux Industrial

Provides water and wastewater treatment solutions to organisations across industrial sectors, including hygienic process water systems, advanced treatment technologies, and water reuse solutions.

#### HYDROFLUX epco

##### Hydroflux Epco

Provides water, wastewater and sludge management, solutions and equipment to municipal clients, contractors and consultants.

#### HYDROFLUX UTILITIES

##### Hydroflux Utilities

Provides support services, including servicing, original equipment manufacturer (OEM) spare parts, chemicals, and operation contracts to industrial and municipal water and wastewater customers.

#### HYDROFLUX PACIFIC

##### Hydroflux Pacific

Provides water and wastewater treatment solutions across the Pacific region, including resorts, mining, municipalities and other industries, with a focus on supporting remote establishments.

#### cress consulting

##### Cress Consulting

Provides sustainability consulting services, including climate strategy, carbon accounting, modern slavery, and broader ESG reporting.

# Our Approach To Sustainability

Our vision is to deliver the highest level of engineering and scientific acumen to the emerging issues of sustainability, climate adaption and environmental protection with a specific focus on water and wastewater.

Hydroflux's approach to sustainability is supported by a clear governance structure that connects board-level oversight with day-to-day operational accountability. Since the formalisation of our Sustainability Policy in 2022, we have progressively built the systems and processes needed to embed sustainability across the Group.

## Sustainability Committee

To oversee and coordinate the Group's sustainability actions, Hydroflux maintains a Sustainability Committee that meets quarterly. The Committee brings together seven members drawn from across the Group's subsidiaries and regional offices, ensuring cross-functional perspectives are represented.

The Committee is chaired by the Group's CEO, who also serves as a member of the Board. This dual role directly connects sustainability governance to Hydroflux's highest level of strategic leadership. The Committee's responsibilities include:

- 

Monitoring progress against the Sustainability Roadmap to 2030

1
- 

Identifying and managing sustainability risks and opportunities

2

## Sustainability Governance

|                                                                                       |                               |                                                                                      |
|---------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------|
|  | Strategic view & oversight    | Board of Directors                                                                   |
|  | Coordination & implementation | Sustainability Committee                                                             |
|  | Supporting                    | WHSE Committee<br>People & Culture Committee<br>Technology Committee<br>IT Committee |

## Materiality: Identifying What Matters Most

We conducted our first double materiality assessment for this reporting period to identify and prioritise our most significant sustainability impacts, risks and opportunities.

The assessment was developed with reference to the Global Reporting Initiative (GRI) Standards to capture Hydroflux's impacts on the environment and society and incorporates a financial risk and opportunity lens aligned with the Australian Sustainability Reporting Standards (ASRS).

Concepts of double materiality, as reflected in the European Sustainability Reporting Standards (ESRS), were applied to ensure that both impact and financial dimensions were considered in a structured and consistent way.

The process was based on a review of our operations and project delivery activities, as well as applicable ESG regulatory requirements and sustainability practices within the water and wastewater sector.

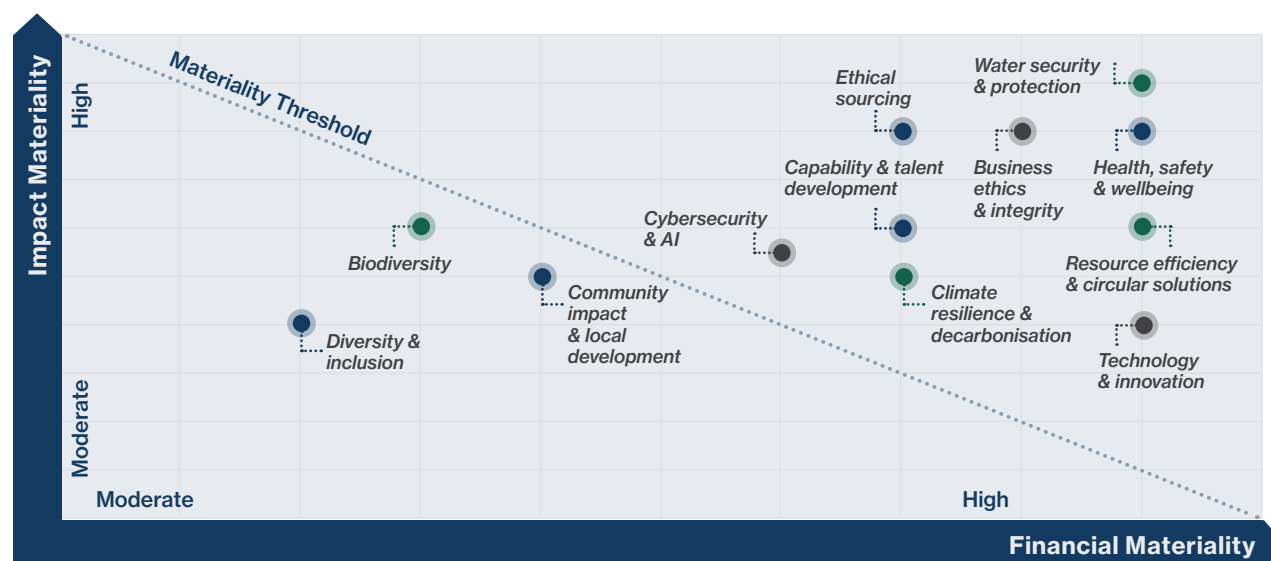
Stakeholders were engaged to validate and prioritise these topics. This included surveys, interviews and targeted consultations with employees, customers, suppliers and other relevant stakeholders across the regions in which Hydroflux operates.

The outcomes of this assessment provide the basis for the development of our 2030 Sustainability Roadmap.



The final list of material topics identified for this reporting period is presented below. These topics represent the most significant impacts, risks and opportunities (IROs) for Hydroflux and form the focus of this report.

## Double Materiality Matrix



Location of a topic on the materiality matrix reflects the relative importance of topics to one another, not an absolute performance measure. Topics above the materiality threshold represent areas where Hydroflux's impacts intersect most strongly with potential financial implications

and should be prioritised in reporting and strategy. Topics below the threshold reflect emerging issues or areas where effective controls already limit risk and may evolve over time as the business and external environment change.

## Our Material Topics

| Material Topic                                         | Our Impacts, Risks, & Opportunities (IRO) |                                                                                                                                                                                                 |
|--------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate Change Resilience &amp; Decarbonisation</b> | I                                         | Reduction of operational greenhouse gas emissions through renewable electricity procurement, alternative business travel and commuting practices, and broader emissions management initiatives. |
|                                                        | R                                         | Regulatory exposure and loss of stakeholder trust without credible emissions management.                                                                                                        |
| <b>Water Security &amp; Protection</b>                 | I                                         | Delivery of tailored treatment solutions that improve water quality, increase efficiency, and support the protection of surrounding environments and ecosystems.                                |
| <b>Resource Efficiency &amp; Circular Solutions</b>    | I                                         | Reduce waste across projects through design, material selection and the development of practices that support material recovery and reuse.                                                      |
|                                                        | R                                         | Environmental contamination and human health risks arising from improper handling or disposal of waste during project delivery.                                                                 |
| <b>Health, Safety &amp; Well-Being</b>                 | I                                         | Promotion of well-being at work through health and mental health initiatives and appropriate WHS mechanisms.                                                                                    |
|                                                        | R                                         | Potential for serious or fatal incidents, regulatory breaches, project disruption, and reputational damage arising from inadequate safety management.                                           |
| <b>Capability &amp; Talent Development</b>             | I                                         | Positive employee experience and engagement resulting from access to training and development and supportive workplace practices.                                                               |
|                                                        | R                                         | Loss of specialised knowledge through staff turnover, difficulty attracting engineers to a niche sector, and the pace at which technology and regulatory requirements continue to evolve.       |
|                                                        | O                                         | Sustained investment in technical expertise strengthens Hydroflux's competitive differentiation, supporting premium pricing and long-term client retention.                                     |
| <b>Ethical Sourcing</b>                                | O                                         | Strengthened client confidence and competitive positioning through ethical and sustainable sourcing practices.                                                                                  |
| <b>Business ethics &amp; compliance</b>                | R                                         | Failure to prevent misconduct or manage compliance obligations can result in financial loss, regulatory action, loss of contracts, and reputational damage.                                     |
| <b>Technology &amp; innovation</b>                     | O                                         | Stronger customer retention and growth through proprietary technologies, exclusive technology partnerships and carbon-neutral products.                                                         |
| <b>Cybersecurity &amp; AI</b>                          | R                                         | Cyber incidents or system failures may disrupt operations, compromise sensitive information and damage customer trust.                                                                          |

# Our 2030 Sustainability Goals

We prioritise the following areas to guide our actions and focus our efforts where we can have the greatest impact.

## Environment Goals

**Goal 01** Reduce organisational emissions in alignment with a net zero by 2050 pathway

**Short-term target:** **60%**  
Reductions in scope 1 & scope 2 emissions by FY26.

**Goal 02** Embed climate resilience into business strategy, risk management & operations

**Short-term target:** Identify and assess climate related risks & opportunities.

**Goal 03** Quantify & demonstrate Hydroflux's contribution to water security.

**Short-term target:** Define methodology to measure Hydroflux's contribution to water security.

**Goal 04** Zero waste to landfill at head office

**Short-term target:** Conduct waste audit & implement waste reduction initiatives.

Climate Change Resilience & Decarbonisation  
Water Security & Protection  
Resource Efficiency & Circular Solutions

## Social Goals

**Goal 05** Maintain a strong safety culture in the office & on site

**Short-term target:** Maintain zero lost time injuries (LTi) across all entities in FY26.

**Goal 06** Create an inclusive workplace where everyone can thrive

**Short-term target:** Develop & implement a Diversity, Equity & Inclusion Policy.

**Goal 07** Contribute to positive social outcomes in the communities we operate

**Short-term target:** Refine & strengthen the Community Giveback Program to improve consistency & impact.

**Goal 08** Invest in our people to support long-term careers & professional growth

**Short-term target:** Design & implement an employee mentorship program.

**Goal 09** Work with our supply chain to increase transparency & respect for human rights

**Short-term target:** Establish a Supplier Code of Conduct & develop a Sustainable Procurement Policy.

Business ethics & compliance  
Technology & innovation  
Cybersecurity & AI

## Governance Goals

**Goal 10** Foster stakeholder trust through ethical & responsible business practices

**Short-term target:** Develop & implement a Code of Conduct.

**Goal 11** Deliver innovative solutions to address emerging water challenges

**Short-term target:** Continue participation in industry events & initiatives to support innovation & knowledge sharing.

**Goal 12** Maintain robust cybersecurity practices to safeguard client & operational data

**Short-term target:** Maintain alignment with Essential Eight & NIST cybersecurity frameworks.

Health, Safety & Well-Being  
Capability & Talent Development  
Ethical Sourcing



# Climate Action & Decarbonisation



## OUR GOAL

Reduce organisational emissions in alignment with a net zero by 2050 pathway.



First water treatment and technology company in Australia to achieve Climate Active Carbon Neutral certification <sup>1</sup>

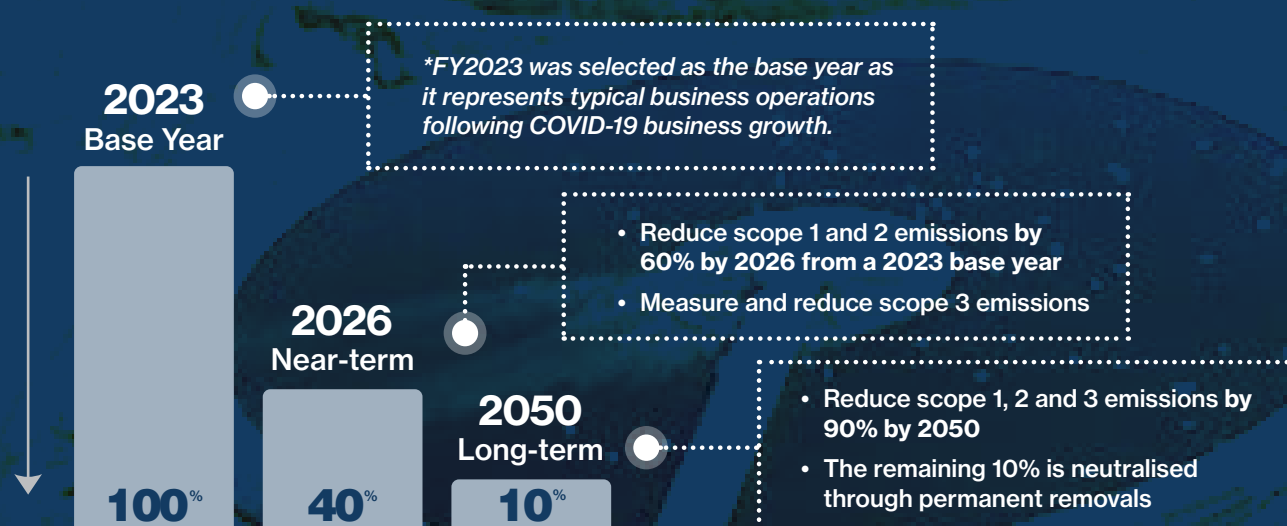


For Hydroflux, managing our emissions is integral to operating responsibly and supporting our clients in transitioning to more sustainable water and wastewater systems. We have maintained Climate Active Carbon Neutral certification since 2022, covering our operations across Australia, New Zealand and the Pacific. Climate Active is an Australian Government-backed program that recognises organisations that measure, reduce and offset emissions to achieve carbon neutrality. Our future goal is to achieve net zero without the need for carbon offsets.

Under this approach:

- emissions are measured annually across scope 1, 2 and 3 following Greenhouse Gas Protocol
- reduction initiatives are prioritised where Hydroflux has the greatest level of control or influence
- residual emissions are offset using high-integrity carbon credits

As part of our Climate Active certification, we have set the following targets aligned with a science-based pathway consistent with limiting global warming to 1.5C°. In FY25, we achieved our scope 1 and 2 emissions reduction target one year ahead of schedule and will maintain this performance while continuing to monitor emissions and identify further reduction opportunities.



<sup>1</sup> The scope of this certification covers operations of Hydroflux Pty Limited throughout Australia, as well as its international operations in New Zealand and the Pacific Islands. All Hydroflux offices have been included in the emissions boundary. The organisation boundary has been defined based on an operational control approach.



## Emissions Reduction Strategy

Hydroflux is committed to:

|                     |                                                                                       |
|---------------------|---------------------------------------------------------------------------------------|
| Scope 1-2 emissions | Transition our owned fleet vehicle to an <b>electric vehicle by 2030</b>              |
|                     | Continue purchasing <b>100% renewable electricity</b> for our owned and leased office |

|                   |                                                                                                                   |
|-------------------|-------------------------------------------------------------------------------------------------------------------|
| Scope 3 emissions | <b>Zero waste to landfill at our head office by 2030</b> supported by our waste management program                |
|                   | Develop & implement a <b>Sustainable Procurement Policy</b> across the group of companies <b>by December 2026</b> |

## FY25 Emissions Performance

We recognise that meaningful emissions reduction action takes time, so we review our goals annually to track our performance and focus on where we have the greatest potential to influence emission reduction. Understanding our carbon inventory and our hotspots allows us to focus our resources.

The organisational boundary has been defined using an operational control approach. Product-level emissions are excluded from this boundary.

### Scope

- Fuel we burn ourselves**  
Refrigerants and fleet vehicle fuel use
- Electricity we purchase**  
Electricity consumption across office locations
- Emissions in our supply chain**  
ICT services & equipment, employee commuting and business travel.  
Top emission hotspots:

Total organisational emissions

**FY25 814.05**  
**↓ ↓ ↓ 15%**  
From FY23

Total organisational emissions for FY25 were 814.05 tCO<sub>2</sub>-e, representing a 15% decrease from our FY23 base year. The most significant reduction in FY25 was in scope 2 emissions from office electricity use.

### Carbon inventory <sup>2</sup>

| Emissions (tCO <sub>2</sub> e) | FY22-23 | FY23-24 | FY24-25 |
|--------------------------------|---------|---------|---------|
| Scope 1                        | 11.99   | 6.52    | 3.18    |
| Scope 2 <sup>3</sup>           | 96.29   | 93.83   | 1.21    |
| Scope 3                        | 858.11  | 872.10  | 809.67  |
|                                | 966.39  | 972.45  | 814.05  |

Scope 2 emissions are presented using both the market-based and location-based methods. The location-based method reflects average grid emissions, while the market-based method considers our GreenPower electricity purchases.

### Scope 2 emissions of Australian offices

| Emissions (tCO <sub>2</sub> e) | FY22-23 | FY23-24 | FY24-25 |
|--------------------------------|---------|---------|---------|
| Location-based                 | 127.11  | 147.61  | 107.06  |
| Market-based                   | 94.91   | 92.20   | 0.00    |

<sup>2</sup> For Climate Active purposes, FY25 scope 2 emissions are reported as zero as electricity consumption at international offices is accounted for through an uplift factor applied to total emissions. An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions that cannot be reasonably quantified or estimated. In this report, electricity consumption at international offices is reported under scope 2 emissions for transparency.

<sup>3</sup> Total scope 2 emissions are reported using the market-based approach.



## Emissions Reduction Initiatives

### Renewable Electricity

We transitioned to 100% renewable electricity across our Australian offices through the purchase of GreenPower. GreenPower is a voluntary Australian Government-managed program that enables organisations to support renewable energy generation through accredited electricity purchases.

We purchased 100% Greenpower renewable electricity for lighting in our owned offices. A portion of our electricity consumption relates to base building services (e.g. central air conditioning) that are not directly controlled by us. We purchased an additional 89,509 kWh of GreenPower through an independent provider to cover our proportion of base building electricity consumption at all Australian offices.

Electricity consumption across our Australian offices and renewable electricity proportion (grid + non grid)

|         | Energy Consumption (kWh) | % Renewable Electricity |
|---------|--------------------------|-------------------------|
| FY22-23 | 170,915                  | 24%                     |
| FY23-24 | 210,900                  | 46%                     |
| FY24-25 | 160,981                  | 100%                    |

### Business Travel

We supported lower-emission business travel through:

|                                                 |                                                                                                                |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Electric vehicles</b><br>hire where feasible | <b>+336<sup>k</sup></b><br>km were flown under <b>carbon neutral programs</b> with Qantas and Virgin Australia |
| <b>Carpooling</b> to project sites              |                                                                                                                |
| Prioritising <b>carbon neutral flights</b>      |                                                                                                                |

### Employee Commuting

We support lower-emission commuting through the Green Transport Initiative, introduced in 2021. The initiative provides financial support for employees to use public transport for travel between home and office locations.

By reducing reliance on private vehicles, the program contributes to lowering indirect emissions associated with employee commuting.



### Supplier Engagement

We incorporated environmental considerations into supplier assessment processes through the Contractor, Fabricator and Consultant (CFC) procedure. This supports improved visibility of supplier practices and enables engagement on emissions, resource use and broader sustainability performance.

### Waste

We also implemented practical waste reduction initiatives at our Head office. Further details on waste management and circularity are provided in the resource efficiency section and circularity are provided in the resource efficiency section.

### Carbon Neutrality & Offsetting

Hydroflux offsets 100% of its organisational emissions. Offsetting is applied in accordance with an emissions reduction hierarchy, with priority given to reducing emissions across operations before addressing residual emissions through offsets. As technologies and reduction pathways mature, Hydroflux will continue to reduce reliance on offsets and progressively prioritise carbon removal projects over avoidance-based offsets.

Offset projects are selected based on environmental integrity and transparency; alignment with water, climate and ecosystem outcomes; and delivery of social and community co-benefits.

Projects supported include:

- » Methane gas capture & energy generation at a wastewater treatment plant, reducing waste & generating renewable energy
- » Wind power projects, supporting clean energy development while contributing to local employment & education initiatives
- » Improved cookstove initiatives, reducing pressure on forests & improving indoor air quality & access to education
- » Ecosystem conservation & restoration projects, protecting critically endangered biodiversity & supporting local communities

### Building Climate Resilience



#### OUR GOAL

Embed climate resilience into business strategy, risk management & operations

Climate-related disclosures are becoming mandatory in Australia under the Corporations Act, with the Australian Sustainability Reporting Standards (ASRS) – AASB S2 setting the disclosure requirements. While these do not yet apply to Hydroflux, we conducted a gap analysis as part of the development of this report to assess alignment with AASB S2 and identify priority areas for improvement. A key next step is the application of climate scenario analysis to test business resilience under different climate pathways.

# Water Security & Protection



Water is central to Hydroflux's business. Our role is to design, deliver and support water and wastewater treatment solutions that enable our clients to meet regulatory requirements, improve operational efficiency and reduce environmental impacts.

Our water-related impacts are primarily delivered through client sites rather than through our own operations. As a result, our contribution is best understood through the outcomes enabled by our technologies and services, including improved water quality, increased reuse, and reduced pollution entering the environment.

### Delivering Water Solutions

Our activities are delivered through three core business lines.



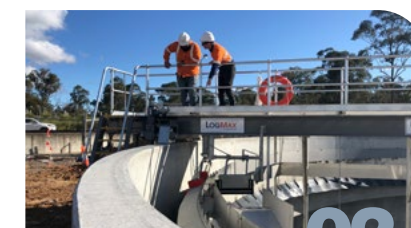
#### Industrial Business

We deliver water and wastewater treatment systems across sectors, including mining, food and beverage, manufacturing and infrastructure. These systems are designed to treat process water and industrial effluent, remove contaminants, and meet discharge requirements.



#### Municipal Business

We partner with municipalities and communities to deliver potable water, wastewater and sludge treatment infrastructure. These systems are designed to meet regulatory standards, protect receiving environments and support reliable service delivery.



#### After Market Business

We provide operational support, maintenance, optimisation and chemical solutions to existing treatment plants. This includes plant audits, performance improvement and operator support to maintain compliance and system reliability.



### Our Approach

Across all business lines, our approach focuses on:



Achieving compliant discharge outcomes



Improving treatment efficiency



Supporting water reuse and recovery where feasible



Reducing environmental risks associated with untreated or poorly treated water

While our projects deliver meaningful outcomes across all three business lines, as a first-year report, our ability to quantify water-related outcomes is still developing. Improving the measurement of these outcomes is a priority, and we are building a more structured approach to data collection to enable clearer reporting over time.



#### OUR GOAL

Quantify & demonstrate Hydroflux's contribution to water security

Delivering Water Solutions (continued)

The following examples illustrate how our technologies and services are applied to address water quality, compliance and operational challenges across industrial and municipal settings<sup>4</sup>

| Project Overview                                                                   | Deliverables                                                                                                                                                                                                                              | Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |  <b>Industrial Wastewater Treatment</b><br> <b>Fiji</b>                 | We delivered a wastewater treatment plant for the Goodman Fielder poultry facility with a design capacity of 1.5 ML/day to manage increasing production volumes and meet national discharge requirements. The system incorporates screening, balancing, dissolved air flotation and biological treatment, and is designed to accommodate variable loads and future expansion.<br><b>This enables compliant discharge and reduces the risk of impacts on sensitive local waterways.</b>                                                   |
|    |  <b>Potable water supply</b><br> <b>Papua New Guinea</b>                | We delivered a packaged drinking water treatment plant in the Oro Province with a capacity of 200,000 litres per day to supply potable water to a local community and hospital. The system was assembled in partnership with a local provider and commissioned in a remote location.<br><b>This improves access to safe drinking water and supports public health outcomes.</b>                                                                                                                                                          |
|    |  <b>Energy-efficient treatment technology</b><br> <b>W.A</b>            | We supplied aeration technology as part of a wastewater treatment plant upgrade, reducing energy demand by approximately 20%, equivalent to around 1,400 MWh per year. The system also delivers an extended operational lifespan compared to previous equipment.<br><b>This contributes to reduced energy use associated with wastewater treatment processes.</b>                                                                                                                                                                        |
|   |  <b>Ultrapure bore water treatment</b><br> <b>New Zealand</b>         | We delivered a combined pure water and ultrapure water treatment system for the Goodman Fielder dairy facility to supply two distinct process water qualities – one for boiler operations and one for production lines. The system incorporates multimedia filtration, ion-exchange softening, reverse osmosis, and electro-deionisation (EDI), a chemical-free process.<br><b>This delivers reliable process water quality across the facility while reducing energy demand.</b>                                                        |
|  |  <b>Healthcare wastewater treatment</b><br> <b>Papua New Guinea</b> | We delivered a wastewater treatment system for a remote hospital in the Enga Province with a capacity of 250 m³/day, serving approximately 1,000 population equivalent (EP). The system includes biological treatment, filtration and multi-stage disinfection to manage contaminants, including pharmaceutical compounds. Sludge is treated on-site and reused for composting.<br><b>This supports the protection of downstream communities and the surrounding environment.</b>                                                        |
|  |  <b>Wastewater treatment upgrade</b><br> <b>Papua New Guinea</b>    | We upgraded an existing wastewater treatment plant processing approximately 1.8 ML/day of sewage to improve effluent quality and meet updated discharge limits. Post-upgrade testing confirmed that discharge results were below regulatory limits.<br><b>This reduces environmental discharge impacts and supports compliance with evolving regulatory requirements.</b>                                                                                                                                                                |
|  |  <b>Emerging water challenges: PFAS</b>                                                                                                                | PFAS are persistent contaminants that are increasingly detected in water sources and subject to tightening regulatory controls due to their environmental and health risks. We have delivered PFAS treatment solutions across industrial and infrastructure projects, applying technologies suited to site-specific conditions and regulatory requirements.<br><b>These treatments reduce PFAS concentrations in water prior to discharge or reuse, reducing potential impacts on receiving environments and downstream communities.</b> |
|  |  <b>Water reuse infrastructure projects</b>                                                                                                            | The projects we are most proud of incorporate water reuse as a key outcome. This is particularly evident in infrastructure projects delivered across the eastern seaboard and, more recently, South Australia.<br><b>Hydroflux integrates treatment systems that enable on-site reuse for applications such as dust suppression and washdown, with some systems producing water that meets potable-quality standards.</b>                                                                                                                |

<sup>4</sup> Project examples include both FY25 and prior projects and are provided to illustrate typical applications and outcomes.

 Building Skills Across the Pacific

In addition to project delivery, we support improved water management outcomes through capacity building and knowledge sharing across the Pacific region.

▼ Technical engagement in Papua New Guinea

Conducted site visits and delivered technical workshops in Port Moresby and surrounding regions, in collaboration with local partners. Activities included inspections of operational assets such as the Joyce Bay Wastewater Treatment Plant and technical sessions on treatment performance, plant reliability, water reuse and energy considerations. These engagements addressed site-specific operational challenges and supported improved performance and reliability of existing water and wastewater systems.

▼ Industrial trade waste training in Fiji

Delivered technical sessions in Lautoka focused on industrial trade waste management and compliance with Water Authority of Fiji (WAF) requirements. Sessions covered pollutant sources, treatment approaches and practical strategies to achieve and maintain discharge limits in industrial operations. These sessions supported improved understanding of regulatory requirements and strengthened capability to manage trade waste and reduce environmental impacts.

Resource Use & Waste Reduction

In Our Operations

Resource efficiency in our operations focuses on improved waste management and reduction across office activities. Through project delivery, resource efficiency is primarily achieved by enabling improved waste management, sludge reduction and resource recovery within client operations.

Waste generation and recycling are currently tracked at our Sutherland head office and estimated across other locations based on employee distribution. Waste diversion from landfill increased by 7% in FY25.

Waste diversion from landfill  
**↑7% FY25**

Recycling streams include aluminium cans, cardboard, coffee cups and lids, coffee pods and paper. These are managed through a combination of internal separation practices and external recycling programs, including:

- ▼ Coffee cups and lids recycled through external collection programs
- ▼ Coffee pods recycled via supplier take-back schemes
- ▼ Aluminium cans returned through container deposit programs
- ▼ Cardboard and paper separated and recycled
- ▼ Battery and uniform recycling through an independent service



OUR GOAL

Zero waste to landfill at head office.

We are continuing to review waste streams and data collection processes to improve performance and support progress towards our 2030 target.

Waste generation & diversion performance overview

|                                  | FY22-23 | FY23-24 | FY24-25 |
|----------------------------------|---------|---------|---------|
| Generated waste (T)              | 1.01    | 1.53    | 1.83    |
| Total waste recycled             | 0       | 0.40    | 0.69    |
| Waste diverted from landfill (%) | *       | 20      | 27      |

\*Recycling was not tracked in FY22-23

In addition, we continue to implement our laptop management policy which extends the replacement period of ICT equipment and requires the reuse of end-of-life equipment, reducing e-waste to landfill.

## Through Project Delivery

Resource efficiency in project delivery is achieved through the design of treatment systems that reduce waste volumes, improve material handling and enable resource recovery within client operations. As a technology equipment provider, these outcomes are primarily realised at client-owned sites, and measurement of these impacts continues to be developed.

## Sludge Management



A key focus area is sludge management, where treatment processes are designed to reduce volume and improve handling efficiency.



Sludge thickening, dewatering and drying processes can reduce sludge volumes by 70 to 80%, lowering transport and disposal requirements while improving operational efficiency.

Sludge treatment processes can also support the recovery of resources from waste streams, including the production of biosolids and the generation of biogas.

## Refurbishing Equipment

Hydroflux also supports customers to refurbish existing equipment where feasible, rather than building new. This approach prioritises the retention and reuse of functional components and reducing consumption of unnecessary resources.

We also implement circular solutions in our operations through the reuse of intermediate bulk containers (IBCs) used for chemical storage and transport. Where viable, we offer a take back program for IBC packaging, enabling reuse and reducing packaging waste.

## Circular Design & Materials



Treatment systems are designed with a minimum design life of 20 years, reducing the need for replacement and associated material consumption over time.

This is particularly relevant for municipal and industrial infrastructure, where long-term asset performance supports more efficient use of materials and resources across the lifecycle of the system.

Our ongoing product development, improvement and innovation sees our equipment in a constant state of evolution, optimising material consumption and energy efficiency. As technological advancements are made in the production of green steel and other low carbon materials, we will investigate and commit to uptake of these materials.

## Woodman Point Water Resource Recovery Facility

### Western Australia

## Project Overview

At the Woodman Point Water Resource Recovery Facility (Western Australia), Hydroflux contributed to an upgrade increasing sludge treatment capacity to **120 tonnes of dry solids per day (tDS/day)**. The project enables the production of biosolids for beneficial use and the generation of biogas as part of the treatment process.



## Outcomes

The broader upgrade is expected to contribute to emissions reductions of approximately **5,600 tCO<sub>2</sub>-e per year**, demonstrating how sludge processing can support resource recovery and energy efficiency outcomes.

# Our People



## OUR GOAL

Create an inclusive workplace where everyone can thrive.

Hydroflux employs a highly skilled, multidisciplinary workforce to support the delivery of water and wastewater solutions across Australia, New Zealand and the Pacific. Our employees are at the heart of what we do - clients continue to return to us because of our people's deep knowledge of the technology and products we deliver. We are proud that our team is rich in technical expertise; that is our differentiator in the sector.

As of FY25, the Group employed 103 people across its entities. The organisation has maintained a stable workforce in a competitive labour market. During FY25, 14 new employees were hired, and our retention rate was 87%.

Hydroflux's workforce is predominantly full-time, with only 5% of our staff working part-time.



Women represent approximately 25% of Hydroflux's workforce. We recognise the importance of improving gender diversity and continue to assess opportunities to strengthen representation over time.

From 2026, Hydroflux will commence reporting under the Workplace Gender Equality Act 2012 (Cth). This will enable more structured monitoring of gender equality indicators, including workforce composition and pay equity, and support the identification of improvement actions over time.

Hydroflux maintains a range of policies and practices to support an inclusive and accessible workplace. These include flexible working arrangements, parental leave, return-to-work programs and broader leave provisions, which support employees with caring responsibilities to participate fully in the workforce. We reinforce this commitment through our annual Sexual Harassment Prevention training, which supports all employees in understanding appropriate workplace behaviour, how concerns can be raised, and the shared responsibility every person carries in contributing to a respectful environment.

## Employee Engagement

We conduct annual employee engagement surveys to assess workforce sentiment, identify areas for improvement and inform people-related initiatives. Participation increased to 91% in 2025, up from 81% in 2024, indicating a high level of engagement and willingness to provide feedback. Survey results demonstrate a consistently positive employee experience:



These results align with strong retention outcomes and indicate a stable and engaged workforce. Maintaining this level of engagement is critical to retaining technical capability and supporting the delivery of specialised projects across Hydroflux's operations.

## Community Engagement



## OUR GOAL

Contribute to positive social outcomes in the communities we operate.

At Hydroflux, we believe that an engaged workforce extends its values beyond the workplace. Our Community Give Back Program reflects this, putting the power of community investment directly in the hands of our people.

Through our Community Give Back Program, a dedicated annual fund of AUD \$50,000 is available to all employees across the Hydroflux Group. Our people direct our community investment toward causes they and their families are passionate about, from local sporting clubs to national fundraising events.

In FY25, Hydroflux supported the Love Mercy Foundation in Northern Uganda, contributing to their work increasing access to clean water, healthcare and food security for communities where safe water remains out of reach for millions. We also supported the Cancer Council's Relay for Life, raising funds for cancer research and support services that affect communities across Australia.

In the coming years, we will review and strengthen the Community Give Back Program, as part of our 2030 roadmap, defining focus areas that reflect our values and the communities we operate in to deliver more consistent and measurable impact over time.

# Supporting Capability Development



## OUR GOAL

*Invest in our people to support long-term careers and professional growth.*

Hydroflux takes a structured and intentional approach to learning and development, supported by our Educational Assistance Policy and supported by formal accreditation pathways, early career programs and role-specific training. We recognise that in a highly specialised sector, the ability to grow and retain technical expertise over time is what sustains both our people and our business, and we invest accordingly.

Governance of capability and development sits with our People and Culture Committee, which oversees this topic through three dedicated sub-committees:

Day-to-day accountability rests with line managers, who are responsible for identifying development needs and supporting their teams in pursuing relevant opportunities. The People and Culture Committee provide oversight and reports people-related outcomes to the Board as part of the organisation's annual performance cycle.

We assess the effectiveness of this approach through our annual employee engagement survey, annual review outcomes and internal promotion rates. In FY25, more than **90% of our employees agreed they have access to the learning and development they need to do their jobs well.**

### Recruitment Group

Focused on attracting and onboarding talent aligned with Hydroflux's technical and cultural requirements

1

### Training Group

Responsible for identifying training needs, coordinating delivery and monitoring participation across the organisation

2

### Chartered Engineer Group

Pathway to Chartered Engineer (PCEP) Group, supporting employees pursuing professional engineering accreditation

3

## Development Programs

We support employees to build and maintain technical expertise through structured development pathways, including formal education, professional accreditation and on-the-job learning.

### Educational Assistance Policy

Provides financial support and study leave for employees undertaking further education aligned with their role and career progression within Hydroflux. During FY25, 5 employees received educational assistance, supporting the development of specialised skills across the organisation.

### Chartered Accounting

For our finance staff, we also offered support with their Chartered Accounting certification.

### Pathway to Chartered Engineering Program (PCEP)

This program supports employees in achieving professional accreditation through organisations such as Engineers Australia and IChemE, and includes:

- ✓ sponsorship of membership and accreditation fees;
- ✓ access to experienced mentors to support the accreditation process; and
- ✓ structured work and training opportunities to support continuing professional development.

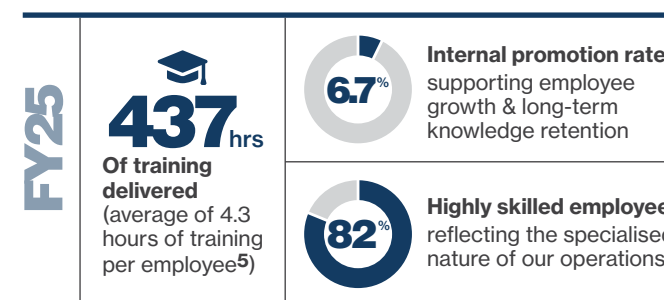
During FY25, 10 employees were awarded their Chartered Engineer status.

## Development Programs

Beyond technical development, we also invest in the professional and personal growth of our people. Each year, we offer a workplace development workshop designed to support employees in reflecting on their strengths, clarifying career aspirations and setting meaningful short and long-term goals. The two-day session encourages staff to consider how their personal values align with their work and professional growth, creating space for the kind of structured reflection that sustains engagement and motivation over time.

We also play an active role in building the next generation of water industry talent. We engaged with university students through industry events, including participation in a University of Sydney Chemical Engineering Society (SUCES) industry night, aimed at increasing awareness of careers in the water and wastewater sector.

Our commitment to development is reflected in the outcomes we see across the Group:



<sup>5</sup>Training hours were calculated based on the number of employees who attended each program multiplied by the confirmed duration of each session.



## Employee Lifecycle

We have an established Employment Lifecycle Procedure covering four stages: engagement, commencing employment, performance reviews, and ceasing employment; applicable across all Group entities.

The procedure outlines a structured onboarding process including induction, health and safety, and introduction to our IMS. It also includes check-ins at one month and three months, focused on training needs, role integration, and any support required. Upon completion of role-specific qualification requirements, employees receive a formal completion letter.

While the procedure provides a foundation for managing the employee journey, we recognise the importance of structured performance review as part of employee development. We are working towards a more formalised framework that provides consistent feedback across all employment categories.

As part of our annual employee review procedures, salaries are evaluated and benchmarked against market rates to support competitiveness and internal equity across the Group.



**As part of our annual employee procedures, salaries are evaluated and benchmarked against market rates to support competitiveness and internal equity across the Group.**

# A Safe & Healthy Workplace

We are committed to protecting the health, safety and wellbeing of our employees and contractors, and to continuously improving working conditions.

This commitment is supported by our safety policies, one per entity, that apply to all employees, contractors, clients and visitors, across both office and site-based activities. These focus on accident prevention and risk reduction and encourage active participation from employees in identifying hazards and improvement opportunities.

Health and safety is managed through our Integrated Management System (IMS), aligned with ISO 45001, and supported by structured processes for risk management, training and performance monitoring. **We've maintained our ISO Safety Management Certification since 2017.**



The IMS covers 100% of Hydroflux employees across all entities. Contractors engaged on projects are also required to operate in accordance with the IMS, as described below.

Oversight is supported through:



#### Internal Audits

Regular internal audits, including monthly reviews of health and safety procedures.



#### WHSE Committee

A cross-entity Workplace Health, Safety and Environment (WHSE) Committee, which meets monthly to monitor compliance with regulatory requirements and internal standards and reports directly to the Hydroflux Board.

Hydroflux manages workplace hazards through a structured risk assessment process embedded within the IMS. Prior to commencing project-based or site activities, employees are required to develop and review Safe Work Method Statements (SWMS) that identify task-specific hazards, assess associated risks and document the control measures to be applied. SWMS are intended as active safety tools used during project delivery, not merely documentation requirements.



#### OUR GOAL

Maintain a strong safety culture in the office and on site

All employees and contractors are encouraged to identify and report hazards through our Corrective Action Request (CAR) process. Any employee can raise a CAR in response to an incident, near miss, audit finding or identified improvement opportunity.



Root causes are addressed



Lessons learned are captured



Improvements are implemented consistently across the organisation



The CAR process supports a culture of accountability, transparency, and continual improvement within the management system. In FY25, 24 CARs were raised and implemented.



#### Safety Performance

In FY25, Hydroflux recorded 189,461 hours worked across all entities. Maintaining zero lost time injuries (LTI) remains our primary safety objective for FY26.

|                                         | FY23-24 | FY24-25 |
|-----------------------------------------|---------|---------|
| First Aid Injury (FTI)                  | 0       | 0       |
| Medically Treated Injury (MTI)          | 0       | 0       |
| Lost Time Injury (LTI)                  | 0       | 1       |
| Lost Time Injury Frequency Rate (LTIFR) | 0       | 5.28    |

The single LTI recorded in FY25 was investigated through our accident and incident process, with root causes identified and corrective actions implemented. We are proud of our long-standing safety record and remain focused on continuous improvement across all our operations.



#### Beyond Physical Safety

We deliver a range of safety and wellbeing training programs designed to support employees in recognising risks, responding to incidents and maintaining a safe and supportive workplace. Training is available across the organisation and aligned to role requirements and operational risk profiles.

#### Training Program

#### Description

##### First Aid

Delivered to all employees to support effective response to workplace medical incidents. Training includes CPR, use of first aid equipment, and management of common injuries and illnesses until emergency services arrive.

Maintaining trained first aiders across our workplaces supports a prompt and practical response to incidents and contributes to overall workplace safety.

FY24-25

49+ employees trained

##### Safe Work Method Statement (SWMS)

Focuses on the development, review and practical application of SWMS, particularly for project-based activities. The training reinforces hazard identification, implementation of control measures, and clear communication of safe work practices prior to task execution.

It emphasises that SWMS are intended to be active safety tools used during project delivery, not just documentation requirements.

FY24-25

22+ employees trained

##### Corrosive 8

Delivered to personnel involved in activities with potential chemical exposure.

Covers hazard identification, safe handling practices and risk control measures.

##### Fire Warden

Prepares nominated personnel to coordinate emergency response and evacuation procedures.

Training includes emergency protocols, communication and responsibilities during incidents.

##### Environmental Awareness Training

Introduces staff to the environmental aspects of our operations and the expectations placed on employees to minimise environmental impact.

Covers responsible resource use, waste management, incident reporting and environmental risk awareness.

We recognise that a safe workplace extends well beyond physical risk. We want to ensure our employees have every opportunity to live a productive, happy and healthy life, and so in addition to our safety training initiatives, we provide a range of support mechanisms designed to protect their mental, physical and financial wellbeing.



#### Employee Assistance Program (EAP)

all employees have access to confidential counselling and support for personal and work-related matters, complemented by annual EAP awareness training so every employee knows how to access the service.



#### Employee Health Check Program (EHCP)

Voluntary and confidential health assessments delivered by an external provider. Hydroflux receives only confirmation of attendance; individual results remain private.



#### Group Life Insurance

Covers eligible employees (from commencement or post-probation), providing financial support to families in the event of death. Coverage applies 24/7, ensuring our employees are covered not only during work hours.<sup>6</sup>



#### Income Protection Insurance

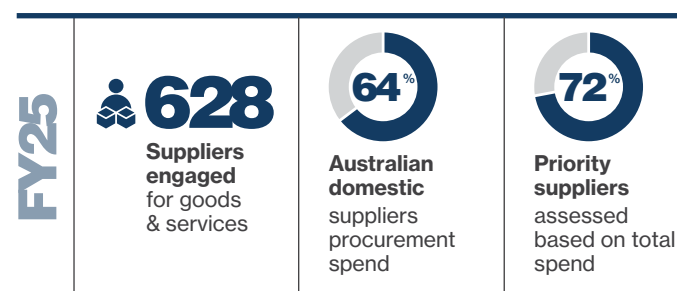
Provides income replacement in the event of illness or injury, including non-work-related conditions, complementing workers' compensation arrangements.<sup>7</sup>

<sup>6</sup> Applies to all permanent and permanent part time Australian and New Zealand residents.

<sup>7</sup> Idem.

# Supply Chain & Ethical Sourcing

Hydroflux operates a complex, project-based supply chain spanning domestic and international markets. In FY25, we engaged 628 suppliers and 64% of total spend was spent on Australian domestic suppliers to source specialised equipment, process chemicals, fabrication services, logistics and professional services to support the delivery of water and wastewater solutions across the Group.



## Our Policies & Commitments

Hydroflux's commitment to addressing modern slavery has evolved over time. We first developed a **Modern Slavery Statement**, which included an initial review of our supply chain and modern slavery risk exposure. In 2025, we formalised this commitment through the introduction of a Modern Slavery Policy, establishing a structured framework to identify, prevent and address modern slavery risks across our operations and supply chains. The policy adopts a zero-tolerance for inaction approach, encouraging suppliers to disclose risks or instances of modern slavery openly and enabling effective identification, reporting and remediation.

Hydroflux Industrial has also established a **Sustainable Procurement Policy**, which integrates environmental, social and ethical considerations into purchasing decisions. The policy includes requirements related to local procurement where feasible, lifecycle cost considerations, environmental impact and broader sustainability performance. As part of our 2030 Sustainability Roadmap, we are committed to expanding this policy across the Hydroflux Group.

Responsibility for supply chain due diligence sits with the IMS Manager, supported by procurement, finance and project teams. Supplier compliance is embedded into our operational processes, including onboarding, contract management and internal audits.

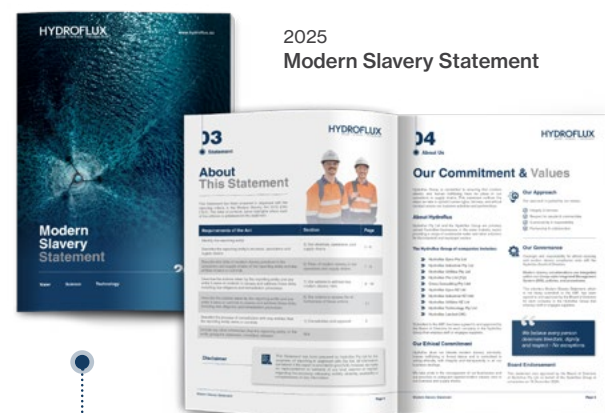


### OUR GOAL

*Work with our supply chain to increase transparency and respect for human rights*

We recognise that with this reach comes responsibility. Our approach to responsible sourcing is centred on ensuring the suppliers we work with uphold ethical labour standards and respect human rights.

We identified 132 suppliers as priority suppliers based on spend, operational dependency and engagement frequency. Together, these priority suppliers represent 72% of total spend for FY25, making them the primary focus of our supplier due diligence and risk management activities.



Hydroflux publishes a voluntary annual Modern Slavery Statement aligned with the Australian Modern Slavery Act 2018 (Cth), available on our website. The Statement outlines our risk assessment methodology, supplier screening outcomes and remediation actions.



## Managing Supply Chain Risk

Before engaging any contractor, fabricator or consultant (CFC), Hydroflux applies a structured pre-qualification process through our CFC Procedure. This acts as a minimum compliance gate across the Group, requiring verification of insurance coverage, relevant Occupational Health and Safety (OHS) mechanisms, quality and environmental certifications, disclosure of governance and compliance practices, including modern slavery considerations. Supplier information is maintained in our internal systems with yearly evaluation undertaken by our IMS manager.

Suppliers are subject to ongoing monitoring through periodic renewal of CFC requirements and supplier performance tracking. Where non-compliance or risks are identified, Corrective Action Requests (CAR) are raised, directly informing supplier performance ratings and triggering follow-up engagement or escalation where required.



### Pre-Qualification Process

Mandatory compliance checks



### Supplier Records

Maintained and reviewed annually



### Performance Monitoring

Ongoing tracking & requirement renewals



### Corrective Actions

Address non-compliance & supplier risks



### Risk Assessment

Identify human rights supply risks

We also apply a risk-based approach to identify and assess human rights risks across our broader supply chain. Priority suppliers are determined based on spend, operational dependency, geographic exposure and sector risk profile, and are assessed annually through either a direct Modern Slavery Questionnaire or desktop review. The questionnaire covers workforce management practices, use of vulnerable worker groups, supply chain visibility and governance frameworks. Our assessment identified elevated risk exposure across chemical and equipment manufacturing, transport and logistics, and suppliers operating in or sourcing from higher-risk jurisdictions. Full details of our methodology and findings are available in our Modern Slavery Statement.

We monitor the effectiveness of our approach through the following mechanisms:



### Policies Review

Annual review of our Modern Slavery Statement and associated policies, ensuring risk assessments remain current and reflective of changes in our operations, supply chains and regulatory guidance.



### Internal Compliance Audits

Regular internal audits covering contractor and on-site activities, providing early visibility into practices that may indicate supply chain compliance risks.

# Business Conduct & Integrity



## OUR GOAL

Foster stakeholder trust through ethical and responsible business practices



## Hydroflux Board of Directors

The Board of Directors provides strategic oversight and governance across the Hydroflux Group. It comprises three directors, one non-executive director and the company secretary (non-voting member), with four men and one woman bringing diverse expertise across water engineering, operations, finance and corporate governance to support informed decision-making and effective oversight. The Board monitors compliance with relevant laws, regulations and internal policies, and supports a culture of accountability and responsible business conduct across the organisation.

The Chair of the Board, John Koumoukelis, is an executive director and also serves as Chief Executive Officer. The roles of Chair and CEO are combined, providing direct alignment between strategic oversight and executive management.

The Board is governed by a formal Shareholder Agreement that defines governance arrangements, decision-making processes and the roles of the Board, CEO and Chair. Each Hydroflux entity maintains its own shareholder agreement. The Board meets quarterly, with agendas set by the Chair in consultation with the Directors, and an Annual General Meeting is held to establish strategic priorities and budgets, which are regularly reviewed throughout the year.



### Chair, CEO & Director

John Koumoukelis



### CFO/CoSEC (non-voting member)

Tanya Bishara



### Director

Andrew Miley



### Director

Mitchell Hastings



### Non-Executive Director

Adrian Minshull



## Governance Systems & Controls

Hydroflux's day-to-day governance is supported by three interconnected systems that together provide visibility, control and accountability across the Group.

### 01

#### Integrated Management System (IMS)

Our governance backbone – covering risk, audits and compliance across all entities.

### 02

#### Enterprise Resource Planning (ERP)

Our operational platform – managing finance, projects and client records across the Group.

### 03

#### Reporting Mechanism

Our escalation channels – ensuring concerns are raised, tracked and resolved.

## Enterprise Resource Planning (ERP)

Hydroflux uses a global leading Enterprise Resource Planning (ERP) system to manage customers, workflows and systems. The system enhances data integrity, supports internal controls and improves visibility across the organisation, enabling more efficient and informed decision-making.

## Grievance & Reporting Channels

Hydroflux maintains a confidential staff email channel available to all employees across the Group, providing a mechanism through which concerns, grievances and compliance matters can be raised, escalated and resolved appropriately. Employees can also raise issues directly through the CAR process or during the internal IMS audits. No incidents of corruption, fraud or significant regulatory non-compliance were recorded during the reporting period.

Hydroflux recognises that formalising its ethical framework is an important next step in its governance maturity. As part of our 2030 Sustainability Roadmap, we are committed to developing a Code of Conduct, formalising the standards and behavioural expectations.

## Accredited Integrated Management System (IMS)

Hydroflux operates an Integrated Management System (IMS) that provides the foundation for governance and compliance across the Group. The IMS is built around documented policies, procedures and supporting tools that guide how work is planned, delivered and reviewed. It applies across all business entities and is supported through controlled documentation, defined responsibilities and ongoing monitoring and review processes.

The IMS is independently certified and holds the following accreditations, maintained since 2017 and verified through annual surveillance audits and recertification every three years:

| Accreditation                                                                                                                                   | Entity         |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|  ISO 45001- Occupational Health and Safety Management System | All*           |
|  ISO 14001- Environmental Management System                 | All*           |
|  ISO 31000- Risk Management System                         | All*           |
|  ISO 9001- Quality Management System                       | Hydroflux Epco |

\*Excluding Hydroflux Pacific

In addition to external audits, the IMS is subject to regular internal audits to verify compliance, effectiveness, and opportunities for improvement. Approximately 60 internal audits were conducted in FY25 across all entities. Audit outcomes consistently confirm that the system is operating effectively and continues to mature, with findings primarily focused on opportunities for enhancement rather than systemic issues.

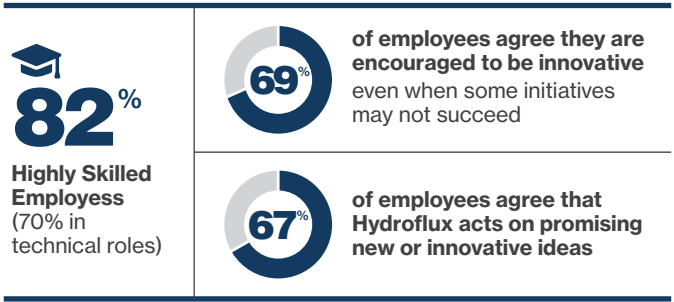
As part of our IMS, Hydroflux maintains a risk management governance framework to identify, assess and monitor key business, operational and safety risks, as well as opportunities for improvement. This includes an overall Risk and Opportunity Register covering both office and project site activities, which spans operational, safety, environmental, financial and cloud systems risks. At the project level, Project Risk Assessments are undertaken during the planning stage to identify WHS and environmental risks, establish appropriate control measures and define responsibilities.

# Driving Innovation Through Technology

Innovation is at the heart of Hydroflux's competitive advantage. We develop and deploy proprietary technologies and engineering solutions that support improved treatment performance, resource efficiency and sustainability outcomes for clients across industrial, municipal and infrastructure sectors. Our innovation story is inseparable from our sustainability purpose: the technologies we develop and the partnerships we hold directly enable our clients to treat water better, use it more efficiently and reduce their environmental footprint.

## An Innovation Culture Built on Expertise

Approximately 70% of our workforce are in technical roles—engineers, project managers, chemists, draftspersons and site supervisors – and approximately 82% of employees are classified as highly skilled. This depth of capability is what allows us to design and deliver complex water and wastewater solutions across a wide range of operating environments and sectors.



Technology development and oversight is governed through Hydroflux's internal Technology Committee, which includes four specialist sub-committees: the DAF Group, Biological Group, Membrane Group and Electrical Group. Each sub-committee comprises subject matter experts who provide technical oversight and support the development of high-quality solutions aligned with client needs and emerging water challenges.



### OUR GOAL

Deliver innovative solutions to address emerging water challenges



## Proprietary Technology Portfolio

Hydroflux has developed a large portfolio of proprietary technologies exclusive to the Group, spanning dissolved air flotation, membrane systems, biological treatment, aeration, sludge management, clarification and chemical solutions. A few examples are listed below:

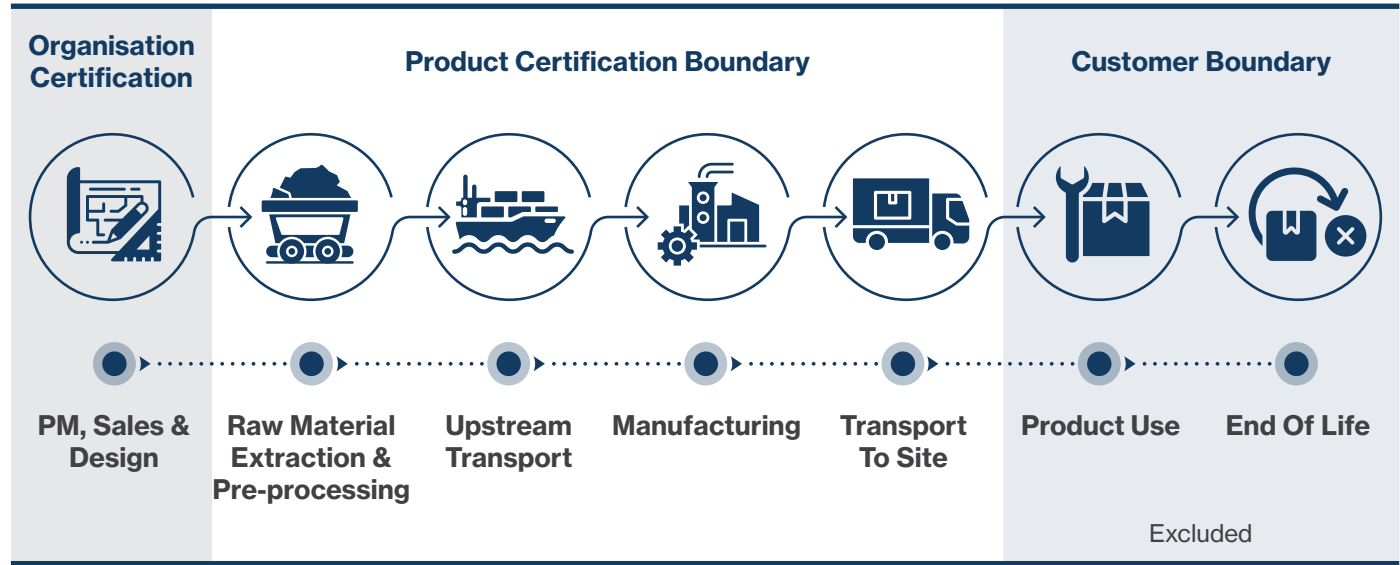
| Entity                      | Technology                                                                                                                                                                                                                                                                                             |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>HYDROFLUX industrial</b> | HyDAF™ Dissolved Air Flotation<br>TunnelMax®- In tunnel dewatering systems<br>HyPure® - Hygienic RO systems<br>HySep® - Coalescing plate separators                                                                                                                                                    |
| <b>HYDROFLUX epco</b>       | RoadTrain® Packaged Sewage Treatment Plants<br>RapidSmart® Packaged MBR Sewage Treatment<br>BioCAP® Digester Covers<br>HyPURE® Membrane Systems<br>HyGRID® Aeration Frames<br>HySludge® Containerised Dewatering<br>CoverSweep® Clarifier Launder Solutions<br>CleanSweep® Clarifier Launder Solutions |
| <b>HYDROFLUX UTILITIES</b>  | HydraBOND® Polymer Series<br>HydraPRIME® Coagulant Series<br>HydraLITE® Acidification Series<br>HydraBASE® Alkalis Series<br>HydraFOAM® Antifoam Series<br>HydraSCALE® Antiscalant Series                                                                                                              |



## Carbon Neutral Products

Hydroflux has certified a portfolio of 17 carbon neutral products under the Australian Government Climate Active program. This is one of our most significant sustainability achievements and a direct expression of our commitment to supporting clients in reducing their environmental footprint.

For each certified product we have identified, quantified and assessment each product's embodied emissions from project management, sales and design to distribution to our customer's site. These emissions are then fully offset, meaning the certified products do not contribute to the embodied emissions of our customers' project sites.



Climate Active carbon neutral certified product portfolio:

| Entity                      | Carbon Neutral Certified                                                                                        |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>HYDROFLUX epco</b>       | QPRESS, STRAINPRESS, RoadTrain®, BioCap®, Clarifiers, AEROSTRIP, Liquid Drum Screens, and Inclined Drum Screens |
| <b>HYDROFLUX industrial</b> | HyDAF™, HydraBLEND®, HySEP®, and CakeMAX®                                                                       |
| <b>HYDROFLUX UTILITIES</b>  | HydraPrime®, HydraBase®, HydraLite®, HydraBond®, and HydraClean®                                                |

Carbon accounting and climate risk assessment for our certified products is managed through Cress Consulting, our in-house sustainability practice, ensuring emissions measurement and offsetting remain accurate, current and aligned with Climate Active requirements.



## Partnerships & Industry Engagement



Hydroflux maintains 15 long-standing technology partnerships with businesses across the world. These partnerships strengthen our technical capability and provide clients in the Australian and New Zealand market with access to advanced, globally proven treatment technologies.

Our technology partners are selected for the specific performance and sustainability advantages their products bring to treatment outcomes, including energy efficiency, extended asset lifespans, compact biological treatment and advanced contaminant removal.

### Technology Partners

|                                                                                                                                                    |                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>AEROSTRIP®</b><br><small>fine bubble diffusers</small>         | The ultra-fine AeroStrip® bubble size provides high oxygen transfer efficiency (4.0-6.0 kgO <sub>2</sub> /kW), which reduces energy consumption. Durable polyurethane membranes have a lifespan exceeding 12 years, outlasting conventional membranes.                       |
|  <b>HUBER TECHNOLOGY</b><br><small>WASTE WATER Solutions</small> | Many Huber products are equipped with IE4 efficiency geared motors, exceeding the Australian standard of IE2 and contributing to lower energy consumption.                                                                                                                   |
|  <b>nx filtration</b>                                            | HyPURE® Nanofiltration (NX) Technology is an advanced and precise filtration technology which effectively removes organics, micro-pollutants, hardness, medical residues, colour and PFAS. It also has low fouling and can be backwashed, reducing maintenance and downtime. |

## Data Security & Responsible AI

As a business that manages sensitive client data, proprietary designs and operational systems across multiple geographies, cybersecurity is a material risk for Hydroflux. We take a proactive and structured approach to protecting our data and systems, ensuring resilience against malicious attacks as well as incidental or accidental information leakage.

The Hydroflux Group also actively participates in industry associations and sector events, contributing to knowledge sharing and collaboration across the water and wastewater sector. Current memberships are:

### Industry Associations & Sector Events

|                                                                                                                                                                                                |                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|  <b>ENGINEERS AUSTRALIA</b>                                                                                   | Engineers Australia                    |
|  <b>AUSTRALIAN WATER ASSOCIATION</b>                                                                         | Australian Water Association           |
|  <b>NSW Business Chamber</b>                                                                                 | NSW Business Chamber                   |
|  <b>W-I-O-A Australia</b><br><small>EXCELLENCE IN OPERATIONS</small>                                         | Water Industry Operators Association   |
|  <b>PWWA</b>                                                                                                | Pacific Water & Wastewater Association |
|  <b>water NEW ZEALAND</b><br><small>The New Zealand Water &amp; Wastes Association Water Australia</small> | Water New Zealand                      |
|  <b>AUSTRALIAN WATER ASSOCIATION</b>   <b>Australian &amp; New Zealand Biosolids Partnership</b>            | ANZ Biosolids Partnership              |



### OUR GOAL

*Maintain robust cybersecurity practices to safeguard client and operational data*

The Board has oversight of cybersecurity risks across the Group, supported by our internal IT Committee, which includes two external independent cybersecurity advisors providing specialist expertise. The Committee monitors cybersecurity risks, ensures appropriate controls are in place and reports key risks and issues to the Board.



## Certifications & Standards

Hydroflux has been independently assessed and confirmed as meeting both the Australian Government's Essential Eight Maturity Level 1 and the international NIST Cybersecurity Framework (CSF) 2.0, providing independent verification of our cybersecurity controls and resilience.

### Certifications

|                                                                                                                                                    |                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Essential Eight</b><br><small>mitigation strategies</small> | <b>Essential Eight</b> Developed by the Australian Cyber Security Centre (ACSC), the Essential Eight outlines practical, proven strategies to help organisations mitigate cyber risks.                                                                                              |
|  <b>NIST Cybersecurity Framework</b>                            | <b>NIST CSF</b> The National Institute of Standards and Technology (NIST) is a U.S. government agency that sets trusted benchmarks across multiple industries. Its Cybersecurity Framework (CSF) is globally recognised for improving security resilience and managing cyber risks. |



## Responsible AI Use

As AI tools become more widely available and integrated into professional workflows, the risk of inadvertent data exposure, inappropriate use or over-reliance on unverified outputs is real and growing.

**Hydroflux governs AI use through our AI Tools Usage Policy, which sits within the IMS framework and is overseen in alignment with the IT Committee's remit.** The policy takes a cautious and clearly bounded approach. AI tools are not permitted when working with proprietary data, designs, schematics or internal systems, and are not used to develop in-house software. The input of confidential customer data or private information relating to staff is strictly prohibited.

Within these boundaries, we recognise that AI can support productivity by automating repetitive, low-value tasks, and we will continue to monitor developments in this space. As the regulatory and risk landscape around AI evolves, Hydroflux will review and update its policy to ensure our approach remains current, responsible and aligned with the expectations of our clients and stakeholders.



## Risk Management & Controls

Cyber risks are identified and managed through ongoing risk assessments and vulnerability testing. In FY25, we conducted three vulnerability scans, and one penetration test each month to proactively identify and address potential weaknesses. Beyond our internal controls, these requirements extend to third parties through our IT Supply Chain Risk Assessment Policy, ensuring suppliers and vendors implement appropriate controls when handling Hydroflux data.

In FY25, Hydroflux experienced no data breaches. Forty serious breach attempts and hundreds of lower-level attempts successfully detected and blocked.

|             |                                                                                                                 |                                       |                                                                                                                                 |                                                                                                                              |
|-------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>FY25</b> |  <b>0</b><br>Data Breaches | <b>40</b><br>serious attempts blocked |  <b>3</b><br>vulnerability scans per month |  <b>1</b><br>penetration test per month |
|-------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|

All new employees complete IT security training as part of onboarding, strengthening awareness of information security risks and safe technology use. Topics include recognising phishing emails, protecting passwords, handling sensitive information appropriately, and complying with organisational security requirements. This training reduces the likelihood of security incidents and supports the protection of organisational data and systems.

In FY25, 30 employees completed IT security training. Phishing simulation exercises are also conducted approximately ten times per year across the broader workforce to maintain awareness and resilience against evolving threats.

# Appendix

## GRI Reference Index

|                  |                                                                                                                                                                 |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of use | Hydroflux Pty Ltd has reported the information cited in this GRI content index for the period 01 July 2024 to 30 June 2025 with reference to the GRI Standards. |
| GRI 1 used       | GRI 1: Foundation 2021                                                                                                                                          |

| GRI Standard                    | Disclosure                                                                       | Location                                                                                                              |
|---------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details                                                       | About Hydroflux (page 6)                                                                                              |
|                                 | 2-2 Entities included in the organization's sustainability reporting             | About this report (page 3)                                                                                            |
|                                 | 2-3 Reporting period, frequency and contact point                                | About this report (page 3)                                                                                            |
|                                 | 2-4 Restatements of information                                                  | First report – no restatements applicable.                                                                            |
|                                 | 2-6 Activities, value chain and other business relationships                     | About this report (page 3)                                                                                            |
|                                 | 2-7 Employees                                                                    | Our people (page. 19)                                                                                                 |
|                                 | 2-9 Governance structure and composition                                         | Hydroflux Board of Directors (page 26)                                                                                |
|                                 | 2-10 Nomination and selection of the highest governance body                     | Hydroflux Board of Directors (page 26)                                                                                |
|                                 | 2-11 Chair of the highest governance body                                        | Hydroflux Board of Directors (page 26)                                                                                |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | Our sustainability approach (page 7)                                                                                  |
|                                 | 2-13 Delegation of responsibility for managing impacts                           | Our sustainability approach (page 7)                                                                                  |
|                                 | 2-14 Role of the highest governance body in sustainability reporting             | Our sustainability approach (page 7)                                                                                  |
|                                 | 2-16 Communication of critical concerns                                          | Grievance and Reporting Channels (page 27)                                                                            |
|                                 | 2-20 Process to determine remuneration                                           | Performance Review (page 21)                                                                                          |
|                                 | 2-22 Statement on sustainable development strategy                               | Leading with Purpose: A Message from Our CEO (page 4)                                                                 |
|                                 | 2-23 Policy commitments                                                          | Our Approach to Sustainability / Our Policies and Commitments / A Safe and Healthy Workplace (page 7, 22, 24, 25, 27) |
|                                 | 2-24 Embedding policy commitments                                                | Our Approach to Sustainability / Governance Systems and Controls (page 7, 27)                                         |
|                                 | 2-27 Compliance with laws and regulations                                        | Business Conduct and Integrity / Grievance and Reporting Channels (page 27, 27)                                       |
|                                 | 2-28 Membership associations                                                     | Partnerships and Industry Engagement (page 30)                                                                        |
|                                 | 2-29 Approach to stakeholder engagement                                          | Double materiality assessment (page 8)                                                                                |
| GRI 3: Material Topics 2021     | 3-1 Process to determine material topics                                         | Identifying What Matters Most (page 8)                                                                                |
|                                 | 3-2 List of material topics                                                      | Our Material Topics (page 9)                                                                                          |

| GRI Standard                         | Disclosure                                                           | Location                                                                                |
|--------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Climate Resilience & Decarbonisation |                                                                      |                                                                                         |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics                                    | Climate Action and Decarbonisation (page 12)                                            |
| GRI 103: Energy 2025                 | 103-1 Energy policies and commitments                                | Emissions Reduction Strategy – Renewable Electricity (page 14)                          |
|                                      | 103-2 Energy consumption and self-generation within the organization | Emissions Reduction Strategy – Renewable Electricity (page 14)                          |
|                                      | 103-5 Reduction in energy consumption                                | Emissions Reduction Strategy – Renewable Electricity (page 14)                          |
| GRI 102: Climate Change 2025         | 102-1 Transition plan for climate change mitigation                  | Climate Action and Decarbonisation (page 12)                                            |
|                                      | 102-4 GHG emissions reduction targets and progress                   | Climate Action and Decarbonisation (page 12)                                            |
|                                      | 102-5 Scope 1 GHG emissions                                          | FY25 Emissions Performance (page 13)                                                    |
|                                      | 102-6 Scope 2 GHG emissions                                          | FY25 Emissions Performance (page 13)                                                    |
|                                      | 102-7 Scope 3 GHG emissions                                          | FY25 Emissions Performance (page 13)                                                    |
|                                      | 102-10 Carbon credits                                                | Carbon Neutrality and Offsetting (page 14)                                              |
| Water Security                       |                                                                      |                                                                                         |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics                                    | Water Security and Protection (page 15)                                                 |
| GRI 303: Water and Effluents 2018    | 303-2 Management of water discharge-related impacts                  | Delivering Water Solutions / Water Security and Protection (page 15)                    |
| Resource Efficiency                  |                                                                      |                                                                                         |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics                                    | Resource Use and Waste Reduction In Our Operations / Through Project Delivery (page 17) |
| GRI 306: Waste 2020                  | 306-1 Waste generation and significant waste-related impacts         | Resource Use and Waste Reduction – In Our Operations (page 17)                          |
|                                      | 306-2 Management of significant waste-related impacts                | Resource Use and Waste Reduction (page 17)                                              |
|                                      | 306-3 Waste generated                                                | Resource Use and Waste Reduction – In Our Operations (page 17)                          |
|                                      | 306-4 Waste diverted from disposal                                   | Resource Use and Waste Reduction – In Our Operations (page 17)                          |

| GRI Standard                             | Disclosure                                                                                                          | Location                                                                   |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Health, Safety & Wellbeing               |                                                                                                                     |                                                                            |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                                   | A Safe and Healthy Workplace (page 22)                                     |
| GRI 3: Material Topics 2021              | 403-1 Occupational health and safety management system                                                              | A Safe and Healthy Workplace (page 22)                                     |
|                                          | 403-2 Hazard identification, risk assessment, and incident investigation                                            | A Safe and Healthy Workplace (page 22)                                     |
|                                          | 403-3 Occupational health services                                                                                  | Beyond Physical Safety (page 23)                                           |
|                                          | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | A Safe and Healthy Workplace (page 22)                                     |
|                                          | 403-5 Worker training on occupational health and safety                                                             | Beyond Physical Safety (page 23)                                           |
|                                          | 403-6 Promotion of worker health                                                                                    | Beyond Physical Safety (page 23)                                           |
|                                          | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | A Safe and Healthy Workplace (page 22)                                     |
|                                          | 403-8 Workers covered by an occupational health and safety management system                                        | A Safe and Healthy Workplace (page 22)                                     |
|                                          | 403-9 Work-related injuries                                                                                         | Safety Performance (page 22)                                               |
| Capability & Talent Development          |                                                                                                                     |                                                                            |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                                   | Our People / Development Programs / Performance Review (page 19, 20, 21)   |
| GRI 401: Employment 2016                 | 401-1 New employee hires and employee turnover                                                                      | Our People (page 19)                                                       |
|                                          | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Beyond Physical Safety (page 23)                                           |
|                                          | 401-3 Parental leave                                                                                                | Our people (page 19)                                                       |
| GRI 404: Training and Education 2016     | 404-1 Average hours of training per year per employee                                                               | Development Programs (page 21)                                             |
|                                          | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | Development Programs (page 21)                                             |
| Ethical Sourcing                         |                                                                                                                     |                                                                            |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                                                   | Supply Chain and Ethical Sourcing - Our Policies and Commitments (page 24) |
| GRI 204: Procurement Practices 2016      | 204-1 Proportion of spending on local suppliers                                                                     | Supply Chain and Ethical Sourcing (page 24)                                |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                      | Managing Supply Chain Risk (page 25)                                       |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria                                                        | Managing Supply Chain Risk (page 25)                                       |

| GRI Standard                   | Disclosure                                                                                         | Location                                        |
|--------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Business Ethics & Compliance   |                                                                                                    |                                                 |
| GRI 3: Material Topics 2021    | 3-3 Management of material topics                                                                  | Business Conduct and Integrity (page 26)        |
| Technology & Innovation        |                                                                                                    |                                                 |
| GRI 3: Material Topics 2021    | 3-3 Management of material topics                                                                  | Driving Innovation Through Technology (page 28) |
| Technology & Innovation        |                                                                                                    |                                                 |
| GRI 3: Material Topics 2021    | 3-3 Management of material topics                                                                  | Business Conduct and Integrity (page 26)        |
| Cybersecurity & AI             |                                                                                                    |                                                 |
| GRI 3: Material Topics 2021    | 3-3 Management of material topics                                                                  | Data Security and Responsible AI (page 31)      |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Risk Management and Controls (page 31)          |

# Thank You

## Feedback & Contact

For questions, feedback, or concerns related to this report, please contact:



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