

# PUBLIC DISCLOSURE STATEMENT

POLYNOVO

ORGANISATION CERTIFICATION FY2021–22 (TRUE-UP)

Australian Government

# Climate Active Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	PolyNovo
REPORTING PERIOD	Financial year 1 July 2021 – 30 June 2022 True-up
DECLARATION	To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.
	Jan Gielen CFO & Company Secretary 15 September 2023



PolyNovo<sup>®</sup>

Australian Government

Department of Industry, Science, Energy and Resources

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Version March 2022. To be used for FY20/21/CY2021 reporting onwards.



# 1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	1,136 tCO <sub>2</sub> -e
OFFSETS BOUGHT	49% VERs, 51% CERs
RENEWABLE ELECTRICITY	Total renewables 100% (using the market-based method)
TECHNICAL ASSESSMENT	15/10/2021 Michaela Hermanova Ndevr Environmental Next technical assessment due: FY2024-25
THIRD PARTY VALIDATION	Type 1 5 <sup>th</sup> October 2021 Alex Stathakis Conversio Pty Ltd.

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# 2. CARBON NEUTRAL INFORMATION

#### **Description of certification**

This is an organisation certification for PolyNovo Limited (ABN: 96 083 866 862) operational emissions in Australia. This includes PolyNovo Biomaterials Pty Limited (ABN: 82 108 176 049).

The emissions inventory in this Public Disclosure Statement has been developed in accordance with the Climate Active Carbon Neutral Standard for Organisations and uses the operational control approach.

## **Organisation description**

PolyNovo is an Australian-based medical device company that designs, develops and manufactures dermal regeneration solutions (NovoSorb® BTM) using its patented NovoSorb® biodegradable polymer technology. Both PolyNovo's headquarters and manufacturing facility are located in Melbourne, Australia.

PolyNovo brings disruptive, innovative and regenerative medical device products to market that improve the clinical, functional and cosmetic outcomes for our patients. Our products offer significant health economic benefits to patients, surgeons and health systems.

PolyNovo acknowledges we have an important role in protecting the environment and recognises the contribution we can make towards transitioning to a low carbon economy.

The following subsidiaries are also included within this certification:

Legal entity name	ABN	ACN
PolyNovo Biomaterials Pty Limited	82 108 176 049	-

The following locations are included within the physical boundary:

Facility	Location
Unit 1 and 2, 320 Lorimer Street	Port Melbourne, VIC 3207

#### "PolyNovo

acknowledges we have an important role in protecting the environment and recognises the contribution we can make towards transitioning to a low carbon economy".



# **3.EMISSIONS BOUNDARY**

#### Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

**Quantified emissions** have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

**Non-quantified emissions** have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

## Outside the emissions boundary

**Excluded emissions** are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.





## Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.



# **4.EMISSIONS REDUCTIONS**

## **Emissions reduction strategy**

As part of our FY22 Environment, Sustainability and Governance (ESG) plan, we have committed to developing a detailed emission reduction strategy. We understand that decarbonising gross emissions is the core purpose of being Climate Active and crucial to our success as a business.

We also recognise the inherent challenges of reducing emissions in the medical industry, particularly for single-use medical devices which cannot be redesigned for circularity such as NovoSorb. Our focus in our emission reduction strategy will be on our emissions intensity in relation to the number of employees, as our overall emissions may increase with our business growth.

PolyNovo has measured the carbon emissions for its business operations for the FY2021-22 (projected and true-up). These results will help us to identify ways to do things differently and reduce our carbon footprint in the following years. Over the coming years we will be monitoring the use of resources to improve our data collection processes. The emission reduction strategy for the organisational operations will include the following actions (but are not limited to):

#### Scope 1:

PolyNovo commits to reduce scope 1 emissions per FTE by 30% by 2027 from a FY2021-22 base year through:

Promote the use of efficient fuel consumption.

Establish a system for fuel consumption records in KL rather than economic values to improve data accuracy.

#### Scope 2 (Purchased electricity):

PolyNovo committed to reduce scope 2 emissions by 100% by 2023 through the transition to GreenPower in our facility in Melbourne. PolyNovo will investigate further opportunities in energy efficiency when purchasing new equipment.

#### Scope 3:

Our emissions Scope 3 hot spots are chemicals, freight, professional services, and transport (land). PolyNovo commits to reduce scope 3 emissions intensity of 13.7 (tCO<sub>2eq</sub> / FTE) in FY2021-22 by 30% by 2027 through:

Goods and Professional Services emissions will be reduced through:

Investigate the market for carbon neutral alternatives in our supply chain and procure neutral carbon suppliers by 2025 (e.g., carbon neutral services for mailing services)

Engage with suppliers and professional services to promote the use of renewable electricity in their



operations and collect actual activity data from their services (e.g., weight and distance of products purchased) and improve data accuracy.

PolyNovo will seek alternatives to reduce the use of chemicals by 2030 where applicable. This category includes cleaning products and consumables and suppliers' products, including laundry products, nitrogen, other non-material products, and raw materials.

• Waste emissions will be reduced by 10% per person by 2030 through:

Adoption of a paperless system and avoid printing.

Encourage employees to recycle by providing the right bins for each waste stream and educate staff to prevent wish cycling and contamination.

Cut down on packaging by communicating our needs to distributors and suppliers, and increasing the use of recycled content.

Phasing out unnecessary plastics and promote the use of sustainable choices.

Improve data accuracy by engaging with waste suppliers.

• Land travel (employee commuting) emissions will be reduced through:

Develop an employee commute survey in FY23 to improve accuracy.

Adoption of hybrid working principles to support working from home and reduce employee commuting and business travel.

Promote the use of more fuel-efficient ways of transport such as share car, active transport and public transport.

• Travel Air and Accommodation emissions will be reduced through:

We have committed to purchasing carbon-offsets for all our domestic and international flights.

Avoiding non-essential business travel, and encouraging the use of virtual conferencing;

Reduction actions for business travel (i.e., accommodation and flights) by choosing options with a lower emissions intensity (e.g., prefer economy class flights and hotel rating decrease) or suppliers with a certified carbon neutral service.

Establish a system for flights and accommodation records to improve data accuracy.

Whilst working through this plan to reduce emissions, we are proactively offsetting our impacts through the purchase of carbon credits.



## **Emissions reduction actions**

#### Electricity

PolyNovo has decreased its greenhouse gas emissions associated with electricity purchased. We have chosen to purchase 100% GreenPower from 1 August 2021 to reduce our impact on the environment and support the growth of renewable energy in Australia. Our electricity usage in FY22 accounted for 1,121,457.59 kWh, representing a saving of 1,132 tCO<sub>2</sub>e scope 2 emissions.

#### **Business Travel, Commuting and Working From Home**

Our emissions from these sources may rise in future reporting periods compared with the base year due to normal operations post-Covid, however PolyNovo will continue to implement use of video conferencing where appropriate to minimise emissions from these sources. Our commuting emissions and working from home emissions are also expected to change in future reporting periods. PolyNovo will promote less carbon intensive methods of commuting and encourage its employees to use public transport, walking and biking to work where possible.



# 5. EMISSIONS SUMMARY

## **Emissions over time**

This section compares emissions over time between the projected base year and the true-up report.

1)	Projected emissions for reporting period	1,062.5 t CO2-е
2)	Actual emissions for reporting period	1,135.9 t CO2-e
3)	Difference	-73.4 t CO2-e

## Significant changes in emissions

N/A

Emission source name	Current year (tCO <sub>2</sub> -e and/ or activity data)	Previous year (tCO <sub>2</sub> -e and/ or activity data)	Detailed reason for change
N/A			

## Use of Climate Active carbon neutral products and services

Certified brand name	Product/Service/Building/Precinct used
Ndevr Environmental	Professional Services



## Organisation emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

The previous report was a projection report using representative data to estimate the emissions for the reporting year. This table shows the differences between the projected emissions and the actual emissions recorded.

Emissions Category	Projected emissions (t CO2-e)	Sum of Total Emissions (t CO2-e)
Accommodation and facilities	1.3	3.7
Cleaning and Chemicals	131.7	270.8
Electricity		-
Food	13.3	18.2
ICT services and equipment	71.2	110.1
Office equipment & supplies	31.3	21.1
Postage, courier and freight	480.4	184.4
Products	1.8	14.2
Professional Services	134.9	148.2
Refrigerants	32.2	4.2
Transport (Air)	12.8	27.1
Transport (Land and Sea)	59	180.7
Waste	77.9	115.3
Water	0.4	0.4
Working from home	14.2	17.6
Bespoke - Waste	0	0.1
Bespoke - Train	0	1.4
Bespoke - products	0	18.5
Total	1,062.5	1,135.9
Difference between projected and actual		-73.4

## **Uplift factors**

N/A



# 6.CARBON OFFSETS

## Offsets retirement approach

ln a	arrears	
1.	Total offsets previously forward purchased and banked for this report	1,150
2.	Total emissions liability to offset for this report	1,136 (rounded up to the nearest whole number)
3.	Net offset balance for this reporting period	14
4.	Total offsets to be forward purchased to offset the next reporting period	0
5.	Total offsets required for this report	1,136



#### **Co-benefits**

EXTRAORDINARY IMPACT

#### **OFFSET PROJECT** CATEGORY OVERVIEW

Projects across South America, Oceania and Africa protect millions of hectares of native forests which secure wildlife habitat and support local communities. For example, projects across Peru protect large, in-lact expanse of rainforest that would otherwise be cleared, preventing the release of millions of tonnes of greenhouse gas emissions each year. Protecting the forests secures the carbon stored within the organic matter.

These projects diversify landholder income and put a value on retaining the forests by supporting sustainable agroforestry including cocca and coffee production. In addition to reducing emissions, protecting rainforests secures vital habitat for millions of endemic and endangered rainforest species of animals and plants.

The projects meet the following Sustainable Development Goals 1447 🛷 🖬 🐺 🌸 🚮 💰 🚲 ۰ 🛞



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#### EXTRAORDINARY IMPACT **OFFSET PROJECT** CATEGORY **OVERVIEW**

Across India, wind farms introduce clean energy to the grid which would otherwise be generated by coal-fired power stations. Wind power is clean in two ways: it produces no emissions and also avoids the local air pollutants associated with fossil fuels. Electricity availability in the regions have been improved, reducing the occurrence of blackouts across the area.

The projects support national energy security and strengthen The projects support national energy security and strengthen rural electrification coverage. In constructing the turbines new roads were built, improving accessibility for locals. The boost in local employment by people engaged as engineers, maintenance technicians. 24-hour on-site operators and security guards also boosts local economies and village services.

The projects meet the following Sustainable Development Goals







## Eligible offsets retirement summary

Offsets cancelled for Climate Active Carbon Neutral Certification												
Project des	scription	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity (tCO <sub>2</sub> -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Enercon V Karnataka	Vind Farms , India	CER	ANREU	15 Oct 2021	<u>200,763,630 - 200,764,204</u>	CP2	N/A	575	0	0	575	51%
Cordillera National P Project	Azul Park REDD	VCU	VERRA	15 Oct 2021	5570-246355570- 246356144-VCU-024-MER- PE-14-985-08082013- 07082014-1	2014	N/A	575	0	14	561	49%
							Total	offsets retired	this report and u	sed in this report	1,136	
Total offsets retired this report and banked for future reports 14												
	Type of offs	et units			Quantity (used for	this reporti	ng period	claim)	Percentage of	total		
	Certified Emi	ssions Rec	luctions (CE	Rs)	575				51%			
	Verified Carb	on Units (\	/CUs)		561				49%			



# 7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

## Renewable Energy Certificate (REC) summary

N/A

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

1.	Large-scale Generation certificates (LGCs)*	N/A
2.	Other RECs	N/A

\* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements), and does not include those surrendered in relation to the LRET, GreenPower, and jurisdictional renewables.

Project supported by LGC purchase	Eligible units	Registry	Surrender date	Accreditation code (LGCs)	Certificate serial number	Generation year	Quantity (MWh)	Fuel source	Location
N/A									
			Total LGCs surrendered this report and used in this report				N/A		



# APPENDIX A: ADDITIONAL INFORMATION

Australian Government Clean Energy Regulator	Australian National Registry of Emissions Units						
		Logged in as: Andrew Grant / Industry User					
ANREU Home	Transaction Details						
Account Holders	Transaction details appear below.						
Accounts	Transaction Successfully Approved						
Unit Position Summary							
Projects							
Transaction Log	Transaction ID	AU20026					
CER Notifications	Current Status	Sending (91)					
Public Reports	Status Date	15/10/2021 12:31:20 (AEDT)					
My Profile	Transaction Trans						
	Transaction type	Cancellation (4)					
	Comment	Grant, Andrew William Indroxe					
	Comment	Canceled on benall or PolyNovo to meet its organisational calcon neural against the Canceled Calcon Neural Standard for P122.					
	Transferring Account	Acquiring Account					
	Account AU-2734 Number	Account AU-2764 Number					
	Account Name Tasman Environmental Marke	ts Account Name Voluntary Cancellation – CP2					
	Pty Ltd	Account Holder Commonwealth of Australia					
	Account Holder Tasman Environmental Marke Pty Ltd	5					
	Transaction Blocks						
	Party Type Transaction Type	Original CP Current CP ERE-Project ID NGER Facility ID NGER Facility Name Safeguard Kyoto Project # Vintage Explicy.Date Serial Range Quantity					
	IN CER Kyoto Voluntary Cancellation	2 2 1 IN-1286 200,763,630 - 200,764,204 575					



# APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach

#### Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

#### Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary							
Market Based Approach	Activity Data (kWh)	Emissi ons (kgCO2 e)	Renewable Percentage of total				
Behind the meter consumption of electricity generated	0	0	0%				
Total non-grid electricity	0	0	0%				
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%				
GreenPower	1,121,458	0	100%				
Jurisdictional renewables (LGCs retired)	0	0	0%				
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%				
Large Scale Renewable Energy Target (applied to grid electricity only)	208,479	0	19%				
Residual Electricity	-208,479	- 207,429	-19%				
Total grid electricity	1,121,458	- 207,429	100%				
Total Electricity Consumed (grid + non grid)	1,121,458	- 207,429	119%				
Electricity renewables	1,329,937	0					
Residual Electricity	-208,479	- 207,429					
Exported on-site generated electricity	0	0					
Emissions (kgCO2e)		0					

A minus Residual Electricity Emissions in kgCO2e rounds to zero because the negative emissions can only be used to reduce electricity consumption emissions. See electricity accounting rules for further information

Total renewables (grid and non-grid)	118.59%
Mandatory	18.59%
Voluntary	100.00%
Behind the meter	0.00%
Residual Electricity Emission Footprint (TCO2e)	0



Figures may not sum due to rounding. Renewable percentage can be above 100%

## Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissi ons (kgCO2 e)	Scope 3 Emissions (kgCO2e)
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	1,121,458	1,020,5 26	112,146
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	1,121,458	1,020,5 26	112,146
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
Total Electricity Consumed	1,121,458	1,020,5 26	112,146

Emission Footprint (TCO2e)	1,133
Scope 2 Emissions (TCO2e)	1021
Scope 3 Emissions (TCO2e)	112

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissi ons (kgCO2 e)
N/A	0	0

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.



# APPENDIX C: INSIDE EMISSIONS BOUNDARY

#### Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to <u>one</u> of the following reasons:

- 1. Immaterial <1% for individual items and no more than 5% collectively
- 2. <u>Cost effective</u> Quantification is not cost effective relative to the size of the emission but uplift applied.
- 3. <u>Data unavailable</u> Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
- 4. Maintenance Initial emissions non-quantified but repairs and replacements quantified.

Relevant-non- quantified emission sources	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
N/A	N/A	N/A	N/A	N/A



# APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

#### **Excluded emission sources**

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

- 1. <u>Size</u> The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
- Influence The responsible entity has the potential to influence the reduction of emissions from a particular source.
- <u>Risk</u> The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
- 4. Stakeholders Key stakeholders deem the emissions from a particular source are relevant.
- <u>Outsourcing</u> The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
N/A						





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