



PUBLIC DISCLOSURE STATEMENT


POLYNOVO LIMITED

**ORGANISATION CERTIFICATION
FY2023**

Australian Government

Climate Active Public Disclosure Statement



| | |
|--------------------------|--|
| NAME OF CERTIFIED ENTITY | Polynovo Limited |
| REPORTING PERIOD | Financial year 2 July 2022 – 30 June 2023 |
| DECLARATION | <p><i>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.</i></p>  <p>Name of signatory : Jan Gielen Position of signatory: CFO Date: 03 Jul 2024</p> |



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version August 2023.



1.CERTIFICATION SUMMARY

| | |
|------------------------|---|
| TOTAL EMISSIONS OFFSET | 1,866 tCO2-e |
| OFFSETS USED | 100% VCS |
| RENEWABLE ELECTRICITY | 100% |
| CARBON ACCOUNT | Prepared by: Ndevr Environmental |
| TECHNICAL ASSESSMENT | 15/10/2021 FY22 Michaela Hermanova Ndevr Environmental Next technical assessment due: FY2024-25 |

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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. This certification does not include PolyNovo products.

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 and 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 in 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 |
| 326 Lorimer Street | Port Melbourne, VIC 3207 |

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 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.

Inside emissions boundary

Quantified

Accommodation and facilities
Cleaning and chemicals
Climate Active carbon neutral products and services
Construction materials and services
Electricity
Food
ICT services and equipment
Office equipment and supplies
Postage, courier, and freight
Products
Professional services
Refrigerants
Transport (air)
Transport (Land and sea)
Waste
Water

Non-quantified

N/A

Outside emission boundary

Excluded

N/A

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) as the base year. 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 thorough 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 (tCO₂eq / FTE) in FY2021-22 by 30% by 2027.

- 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 avoiding 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 promoting 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 flight 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 for unit 1 and 2, 320 Lorimer Street, to reduce our impact on the environment and support the growth of renewable energy in Australia. Our electricity usage in FY23 accounted for 1,140,235.41 kWh, of which 97.29% is GreenPower, representing a saving of 1,049 tCO₂e scope 2 & 3 emissions.

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 pos-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

| | | Emissions since base year | |
|-------------------|---------|--|---|
| | | Total tCO ₂ -e (without uplift) | Total tCO ₂ -e (with uplift) |
| Base year/Year 1: | 2021–22 | 1,135.86 | N/A |
| Year 2: | 2022-23 | 1,865.83 | N/A |

Significant changes in emissions

| Emission source name | Previous year emissions (t CO ₂ -e) | Current year emissions (t CO ₂ -e) | Detailed reason for change |
|----------------------|--|---|----------------------------|
| Air freight (\$) | 102.12 | 433.79 | Organic business growth |
| Road freight (\$) | 73.88 | 202.96 | Organic business growth |

Use of Climate Active carbon neutral products, services, buildings or precincts

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

Emissions Summary

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

| Emission category | Sum of Scope 1 (t CO ₂ -e) | Sum of Scope 2 (t CO ₂ -e) | Sum of Scope 3 (t CO ₂ -e) | Sum of total emissions (t CO ₂ -e) |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---|
| Accommodation and facilities | 0.00 | 0.00 | 25.37 | 25.37 |
| Cleaning and Chemicals | 0.00 | 0.00 | 42.36 | 42.36 |
| Climate Active carbon neutral products and services | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction materials and services | 0.00 | 0.00 | 0.33 | 0.33 |
| Food | 0.00 | 0.00 | 25.82 | 25.82 |
| ICT services and equipment | 0.00 | 0.00 | 160.34 | 160.34 |
| Postage, courier and freight | 0.00 | 0.00 | 636.75 | 636.75 |
| Products | 0.00 | 0.00 | 183.79 | 183.79 |
| Professional Services | 0.00 | 0.00 | 294.64 | 294.64 |
| Refrigerants | 5.68 | 0.00 | 0.00 | 5.68 |
| Transport (air) | 0.00 | 0.00 | 92.86 | 92.86 |
| Transport (Land and Sea) | 0.00 | 0.00 | 143.32 | 143.32 |
| Waste | 0.00 | 0.00 | 210.98 | 210.98 |
| Water | 0.00 | 0.00 | 6.59 | 6.59 |
| Working from home | 0.00 | 0.00 | 17.65 | 17.65 |
| Office equipment and supplies | 0.00 | 0.00 | 19.36 | 19.36 |
| Total emissions | 5.68 | 0.00 | 1862.15 | 1865.83 |

Uplift factors

N/A

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken in-arrears offsetting approach. The total emission to offset is 1,866 t CO₂-e. The total number of eligible offsets used in this report is 1,852. Of the total eligible offsets used, 14 were previously banked and 1,852 were newly purchased and retired. 0 are remaining and have been banked for future use.

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-tact 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 cocoa 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



Eligible offsets retirement summary

| Offsets retired for Climate Active carbon neutral certification | | | | | | | | | | | |
|---|----------------------|--|---------------|---|---------|------------------|---|---|---|--|-------------------------|
| Project description | Type of offset units | Registry | Date retired | Serial number (and hyperlink to registry transaction record) | Vintage | Stapled quantity | Eligible quantity retired (tCO ₂ -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 (%) |
| VCS-PER-Cordillera Azul REDD, Peru | VCS | VERRA | 15 Oct 2021 | 5570-246355570-246356144-VCU-024-MER-PE-14-985-08082013-07082014-1 | 2014 | N/A | 14 | 0 | 0 | 14 | 0.75% |
| Renewable Wind Power Project by Hero Future Energies | VCS | VERRA | 11 March 2024 | 15406-691329951-691331802-VCS-VCU-997-VER-IN-1-1946-01012021-31122021-0 | 2021 | N/A | 1852 | 0 | 0 | 1852 | 99.25% |
| Total eligible offsets retired and used for this report | | | | | | | | | | 1866 | |
| Total eligible offsets retired this report and banked for use in future reports | | | | | | | | | | 0 | |
| Type of offset units | | Eligible quantity (used for this reporting period) | | | | | Percentage of total | | | | |
| Verified Carbon Units (VCUs) | | 1866 | | | | | 100% | | | | |

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A.

| | |
|--|-----|
| 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 | Project location | Eligible unit type | Registry | Surrender date | Accreditation code | Certificate serial number | Generation year | Fuel source | Quantity (MWh) |
|--|------------------|--------------------|----------|----------------|--------------------|---------------------------|-----------------|-------------|----------------|
| N/A | | | | | | | | | |
| Total LGCs surrendered this report and used in this report | | | | | | | | | N/A |

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

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.

For this certification, electricity emissions have been set by using the **market-based approach**.

| Market-based approach summary | | | |
|---|---------------------|-----------------------------------|-------------------------------|
| Market Based Approach | Activity Data (kWh) | Emissions (kg CO ₂ -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) | 0 | 0 | 0% |
| GreenPower | 1,109,286 | 0 | 97% |
| Climate Active precinct/building (voluntary renewables) | 0 | 0 | 0% |
| Precinct/Building (LRET) | 0 | 0 | 0% |
| Precinct/Building jurisdictional renewables (LGCs surrendered) | 0 | 0 | 0% |
| Electricity products (voluntary renewables) | 0 | 0 | 0% |
| Electricity products (LRET) | 0 | 0 | 0% |
| Electricity products jurisdictional renewables (LGCs surrendered) | 0 | 0 | 0% |
| Jurisdictional renewables (LGCs surrendered) | 0 | 0 | 0% |
| Jurisdictional renewables (LRET) (applied to ACT grid electricity) | 0 | 0 | 0% |
| Large Scale Renewable Energy Target (applied to grid electricity only) | 214,364 | 0 | 19% |
| Residual Electricity | -183,414 | -175,161 | 0% |
| Total renewable electricity (grid + non grid) | 1,323,650 | 0 | 116% |
| Total grid electricity | 1,140,235 | 0 | 116% |
| Total electricity (grid + non grid) | 1,140,235 | 0 | 116% |
| Percentage of residual electricity consumption under operational control | 100% | | |
| Residual electricity consumption under operational control | -183,414 | -175,161 | |
| Scope 2 | -161,976 | -154,687 | |
| Scope 3 (includes T&D emissions from consumption under operational control) | -21,438 | -20,473 | |
| Residual electricity consumption not under operational control | 0 | 0 | |
| Scope 3 | 0 | 0 | |

| | |
|--|----------------|
| Total renewables (grid and non-grid) | 116.09% |
| Mandatory | 18.80% |
| Voluntary | 97.29% |
| Behind the meter | 0.00% |
| Residual scope 2 emissions (t CO₂-e) | -154.69 |
| Residual scope 3 emissions (t CO₂-e) | -20.47 |
| Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e) | 0.00 |
| Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e) | 0.00 |
| Total emissions liability (t CO₂-e) | 0.00 |

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

| Location-based approach summary | | | | | | |
|--|---------------------------|---------------------------|--|--|-------------------------------|--|
| Location-based approach | Activity Data (kWh) total | Under operational control | | | Not under operational control | |
| Percentage of grid electricity consumption under operational control | 100% | (kWh) | Scope 2 Emissions (kgCO ₂ -e) | Scope 3 Emissions (kgCO ₂ -e) | (kWh) | Scope 3 Emissions (kgCO ₂ -e) |
| ACT | 0 | 0 | 0 | 0 | 0 | 0 |
| NSW | 0 | 0 | 0 | 0 | 0 | 0 |
| SA | 0 | 0 | 0 | 0 | 0 | 0 |
| VIC | 1,140,235 | 1,140,235 | 969,200 | 79,816 | 0 | 0 |
| QLD | 0 | 0 | 0 | 0 | 0 | 0 |
| NT | 0 | 0 | 0 | 0 | 0 | 0 |
| WA | 0 | 0 | 0 | 0 | 0 | 0 |
| TAS | 0 | 0 | 0 | 0 | 0 | 0 |
| Grid electricity (scope 2 and 3) | 1,140,235 | 1,140,235 | 969,200 | 79,816 | 0 | 0 |
| ACT | 0 | 0 | 0 | 0 | | |
| NSW | 0 | 0 | 0 | 0 | | |
| SA | 0 | 0 | 0 | 0 | | |
| VIC | 0 | 0 | 0 | 0 | | |
| QLD | 0 | 0 | 0 | 0 | | |
| NT | 0 | 0 | 0 | 0 | | |
| WA | 0 | 0 | 0 | 0 | | |
| TAS | 0 | 0 | 0 | 0 | | |
| Non-grid electricity (behind the meter) | 0 | 0 | 0 | 0 | | |
| Total electricity (grid + non grid) | 1,140,235 | | | | | |

| | |
|---|-----------------|
| Residual scope 2 emissions (t CO ₂ -e) | 969.20 |
| Residual scope 3 emissions (t CO ₂ -e) | 79.82 |
| Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e) | 969.20 |
| Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e) | 79.82 |
| Total emissions liability | 1,049.02 |

Operations in Climate Active buildings and precincts

| Operations in Climate Active buildings and precincts | Electricity consumed in Climate Active certified building/precinct (kWh) | Emissions (kg CO ₂ -e) |
|---|--|-----------------------------------|
| N/A | 0 | 0 |
| Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market based method is outlined as such in the market based summary table. | | |

Climate Active carbon neutral electricity products

| Climate Active carbon neutral product used | Electricity claimed from Climate Active electricity products (kWh) | Emissions (kg CO ₂ -e) |
|--|--|-----------------------------------|
| N/A | 0 | 0 |
| Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market based summary table. | | |

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** 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 | Justification reason |
|--|---------------------------------|
| Refrigerants – 326 Lorimer Street | Immaterial and Data unavailable |

Data management plan for non-quantified sources

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

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation'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. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** 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.
5. **Outsourcing** 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.

Excluded emissions sources summary

| Emission sources tested for relevance | Size | Influence | Risk | Stakeholders | Outsourcing | Justification |
|---------------------------------------|------|-----------|------|--------------|-------------|---------------|
| N/A | | | | | | |



An Australian Government Initiative

