

# Modern Slavery Statement FY2023



## Foreword

This Modern Slavery Statement has been prepared by PolyNovo Limited (ASX: PNV) and applies to its global operations. It encompasses the period from 1 July 2022 to 30 June 2023 (FY23 or Reporting Period) pursuant to the Australian Modern Slavery Act 2018 (Cth).

In this Statement, “PolyNovo” refers to the Reporting Entity, and its owned or controlled entities collectively. Use of terms such as “our” and “we” refer to PolyNovo and its subsidiaries.

This Statement details actions taken to assess and address modern slavery risk across our operations and supply chains, our progress on the work described in our previous Modern Slavery Statement 2021 and plans for the future.

## Our Mission and Vision

Healing. Redefined.

PolyNovo is a disruptive ASX 200 medical technology company which designs and manufactures products for managing acute complex wounds, redefining healing with differentiated outcomes across many etiologies. Our Mission is to bring disruptive technologies to market by partnering with the best minds to improve patient outcomes and reimagine the standard of care.

PolyNovo is committed to ethical business practices that positively impact employees, communities, and other external stakeholders, contributing to sustainable long-term business performance.

To realise our Vision and Mission, we have designed a clear set of principles guiding our outcomes-focused practice and how we intend to achieve those outcomes. These are summarised by the following values.

### OUR VALUES



**We put patients first.**



**We earn trust.**



**We believe in each other.**



**We innovate boldly.**



**We respect and nurture diversity.**

## Human Rights and Modern Slavery

PolyNovo takes a zero-tolerance approach to any form of human rights abuses, including modern slavery in our operations and supply chains, and we expect that all our employees, suppliers, subcontractors and agents uphold these values. In line with the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises, PolyNovo adopts a proactive approach to identifying and mitigating modern slavery risk throughout its operations and supply chains, implementing corrective actions commensurate with the level of risk identified.

## The Reporting Entity, Structure, Operations, & Supply Chain

PolyNovo Limited, the ultimate parent entity of the PolyNovo Group, is a public company listed on the Australian Securities Exchange. As of 30 June 2023, PolyNovo Limited had ten wholly owned subsidiaries, as listed below. The first three subsidiary companies listed above are Australian proprietary companies, whilst the other entities are trading and employment entities for those countries.

Reporting Entities	ABN / Corporate Identifier
PolyNovo Biomaterials Pty Limited	82 108 176 049
NovoSkin Pty Ltd	43 142 999 880
NovoWound Pty Ltd	35 143 000 908
PolyNovo NZ Ltd	9429047212749 (NZBN)
PolyNovo UK Ltd	11567262 (Company number)
PolyNovo North America LLC	Available on request
PolyNovo Singapore Private Ltd	201943130K (UEN)
PolyNovo Ireland Ltd	3737895NH (VAT number)
PolyNovo Biomaterials India Private Ltd	U51507MH2022FTC394812
PolyNovo Hong Kong Ltd	75018515 (BRN)

PolyNovo's operations are divided broadly into eight categories: human resources, operation, finance, sales and marketing, research and development, regulatory affairs and quality assurance.

Our operations at a glance are as follows:

### PolyNovo Headquarters (Australia):

- Research and development
- Warehousing, transport, and logistics
- Product manufacturing
- Quality assurance and regulatory affairs
- Clinical trials management
- Sales and marketing for Australia and New Zealand markets
- Corporate head office support (including company secretary, governance, finance, human resources, legal, and corporate affairs)

### PolyNovo North America Offices (USA)

- Sales and marketing
- North America office support (including finance and human resources)

### PolyNovo Rest of the World Offices (located in India, UK, Europe, Hong Kong, Singapore, and Ireland):

- Sales and marketing

PolyNovo's commercial business consists of the design, development, manufacture, and commercialisation of dermal regeneration solutions (NovoSorb® BTM, NovoSorb® MTX) using the patented NovoSorb biodegradable polymer technology. Our research and development program covers Plastic Reconstruction, Breast Sling, Hernia, and Orthopaedic applications.

Our employees perform a diverse range of activities across research and development, manufacturing, engineering, quality assurance, finance, regulatory affairs, sales and marketing, and administrative services. We work with reputable specialist med-tech 4PLs and global providers for warehousing and other logistics needs. This distribution model accounts for the majority of PolyNovo’s spending on freight and logistics. Our 2024 supplier risk assessment identified several high-risk vendors in this area for which PolyNovo is targeting for mitigative action, outlined in further detail later in this Statement.

PolyNovo’s manufacturing operations are completed in its Melbourne facility.

For the 2023 – 2024 FY, PolyNovo engaged a total number of 444 suppliers. Our recent supplier risk assessment found that 77% of these vendors are domiciled in Australia and a further 11% in the United States of America. Other featured geographies include India, the United Kingdom, and the Netherlands (see Figure 1 below).

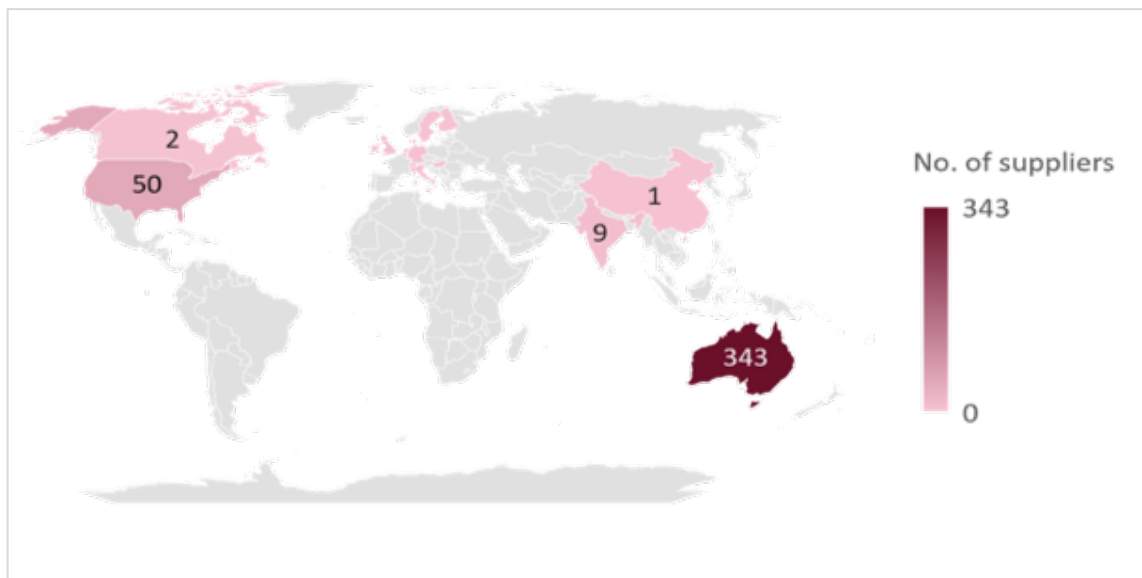


Figure 1. Geographic spread of our tier-1 supplier base.

## Risk Assessment and Due-Diligence Processes

Due to the multinational nature of our business model and industry, not all of our slavery exposure risk is offshore. Like all Australian organisations, there is some risk exposure in our onshore operations. While relatively small, PolyNovo acknowledges the increase in overall slavery risk within Australia, based on the updated GSI 2023, which reports that between 2018 and 2023, the estimated prevalence ratio of modern slavery (per 1,000 people) in Australia increased from 0.8 to 1.6 (from some 15,000 people to 41,000 people). This increase is mainly-concentrated in transportation, subcontracting, domestic work, outsourced cleaning, and branded clothing, among others. We mitigate these operational risks in several ways, including policy suite, our strong company culture, and focus on developing a modern slavery program to target and track key risk areas.

### Operational Risk

A recently conducted due diligence supplier risk assessment indicated that activities in our Australian operations carry a low risk of modern-slavery incidence. This is predicated on several factors, including:

- PolyNovo has employed 248 workers (as of May-2024) globally on a permanent basis

- Contractors engaged directly as part of our operations tend to be from professional services and are highly skilled.
- PolyNovo maintains a Whistleblower Policy, which outlines mechanisms for reporting on and redressing grievances.
- Being Australia-based, all employees in Australia are free to join unions or other labour associations.

While overall modern slavery risk in our direct operations is considered low, several contractors belonging to high-risk industries were identified. To mitigate risks associated with these engagements, PolyNovo will update new supplier contracts by adding clauses relating to Modern Slavery.

### **Supply Chain Risk**

Our supplier network is highly varied, spanning many locations and industries. A reputable third-party organisation, Anthesis, recently undertook a risk assessment of our tier-1 supplier network. Suppliers were assessed according to sector-risk, geography, and spending. Acknowledging that a large proportion of our suppliers are domiciled in Australia, special attention was focused on sector risk. The majority of high-risk vendors belonged to the following sub-industries:

- Environmental and Facilities Services
- Health Care Equipment
- Health Care Services

Those suppliers who presented higher risk profiles are flagged for targeted action. It should be noted that only our tier-1 suppliers have been assessed at this stage. It is likely that further risk is present in our tier-2 suppliers and beyond. To maintain our transparency processes across our supply chain, PolyNovo will update new supplier contracts by adding clauses relating to Modern Slavery.

### **Policies and Governance**

PolyNovo recognises the importance of good corporate governance and the role it plays in ensuring business is conducted honestly, fairly, and legally. PolyNovo is committed to adopting corporate governance policies to achieve the objectives of acting ethically and responsibly, safeguarding the integrity in corporate reporting, making timely and balanced disclosures, and recognising and managing risk. There are several policies and procedures designed to mitigate modern slavery risks in PolyNovo's supply chain. These include:

- Whistleblower Policy
- Code of Conduct
- Health and Safety Policy
- Corporate Governance Statement

Starting in FY 2025, PolyNovo's Risk Management system will outline corporate functions responsible for managing modern-slavery related risks. The responsibility for this system will sit under the General Counsel and Company Secretary, who records risks in the Management Functional Risk Register. Management will regularly review the Register to identify critical risks that may have a material impact on business continuity. Any critical risks identified will be elevated to the Committee level and raised with the Board of Directors.

While this process ensures the identification and mitigation of acute risks pertaining to modern slavery, the Board maintains modern slavery risk as an issue item for review during scheduled meetings.

### **Training**

PolyNovo recently engaged a reputable human-rights specialist organisation, Anthesis, to deliver modern-slavery training. Training modules are recorded and maintained internally for regular review by PolyNovo personnel with vendor-facing roles.

### **Grievance Mechanism**

PolyNovo's management is dedicated to fostering a culture of ethical and responsible practice, as well as establishing robust and effective risk identification, management and reporting protocols, as outlined in our Corporate Governance Statement and Code of Conduct.

A key component to this is ensuring employees and all other stakeholders have a recourse mechanism for raising concerns relating to ethical malpractice, namely human rights and modern slavery incidence. PolyNovo's Whistleblower Policy has recently been reviewed to include human rights related issues. The policy outlines a clear mechanism for raising concerns. It is available to all employees via our company intranet, published on the PolyNovo website and included in induction packs for all new starters. In addition, PolyNovo has also introduced a Speak Up hotline, an independent, externally managed platform, to report on internal/external areas of concern.

PolyNovo treats reports of known or suspected breaches of company policy and applicable laws very seriously. Disclosures made through our Whistleblower mechanism that are identified as significant potential or actual violations of our policy or law are investigated. Where such disclosures are substantiated, corrective action is applied commensurate to the nature of the violation.

### **Modern Slavery Program**

PolyNovo recently engaged an external third-party organisation to undertake a gap analysis of our current practices with regard to modern slavery risk management. This process has informed our Modern Slavery Program, which is currently in development. The program aims to set out specific internal actions to improve our current practices. These actions will be monitored by the General Counsel and Company Secretary, and their effectiveness will be evaluated year-on-year against key performance indicators (Table 1 below).



**Table 1. PolyNovo’s Modern Slavery Program**

	<b>Actions and Objectives</b>	<b>Measurement / KPI</b>	<b>Implementation Timeframe</b>
<b>Improved supply chain visibility</b>	Enhancing supplier data collection relevant to modern slavery indicators and aggregating data.	Transparency-relevant data collected for all significant new Tier 1 suppliers.	FY2025
<b>Assessing supply chain risks</b>	Conducting formal supply chain risk assessment to establish where our supply chain risk exposure is as a foundation for future actions and engagement.	All Tier 1 suppliers assessed for modern slavery risk, and risk exposure established.	Completed
	Developing and deploying targeted questionnaires (SAQ) or other engagement methods where the most risk sits in supply chain.	Sub-selection of targeted high-risk existing suppliers engaged based on outcomes of supply chain risk assessment.	FY2025
<b>Management oversight and governance</b>	Formalising Board oversight of modern slavery issues by setting modern slavery as an agenda item.	Modern Slavery as a board agenda item annually.	FY2024 <sup>1</sup>
	Formalising assignment of accountability at the Management Level.	Responsibility and Accountability formally assigned to key Management Position.	FY2025
<b>Collaboration and Engagement</b>	Exploring avenues for industry collaboration, including through global and regional initiatives (e.g. joining the UNGC Modern Slavery Community of Practice).	Investigating suitable initiatives together with global.	FY2025
<b>Training</b>	Conducting employee training on modern slavery issues, risks, and mitigations.	Training developed and included in induction processes of new team members (procurement) .	FY2024 <sup>2</sup>
		Development of specialised training module for key team members (procurement); 100% of procurement team members trained.	FY2025

<sup>1</sup> To be implemented before the end of FY2024

<sup>2</sup> Completed in tandem with Anthesis, an external human rights expert organization in March 2024.

## Review of Effectiveness of Actions

PolyNovo acknowledges that the Australian Modern Slavery Act calls for responding entities to demonstrate year-on-year improvement in their counter-slavery response. Key to demonstrating this improvement for PolyNovo is assessing the effectiveness of our counter-slavery actions and activities.

We continue using an iterative approach to assess the effectiveness of our actions that will mature and progress over time. Our method is to measure where we are, target where we want to be, implement actions to get there and then evaluate how well we met our targets before repeating this process.

Table 1 above lays out the targets set for our organisation for FY2024 and beyond. These targets will be monitored by the General Counsel and Company Secretary. PolyNovo will continue to report on our progress and effectiveness in future statements.

### Audits

PolyNovo's Audit and Risk Committee will be responsible for reviewing critical risks and mitigative action raised as part of the modern slavery program maintained by the General Counsel and Company Secretary.

As our business expands and our supplier networks increase in complexity, we may consider engaging in third-party audit programs such as the Pharmaceutical Supply Chain Initiative (PSCI) Audit Program or the SA80000 audit program.

### Consultation

This Modern Slavery Statement is a result of consultation and collaboration between multiple departments within PolyNovo. This is a testament to our shared values, policies and governance frameworks, together with a belief in the importance of actions to address Modern Slavery risks.

PolyNovo recognises the need to continuously build on our understanding, oversight and management of modern slavery risks in our operations and supply chains. We continue to progress the enhancements of our mitigation actions within our operations and supply chain.

This statement was approved by the Board of PolyNovo on 24 June 2024.

A handwritten signature in black ink, appearing to read "Swami Raote".

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Swami Raote  
Chief Executive Officer  
24 June 2024





## Annexure: Mandatory criteria

The mandatory reporting criteria in the Modern Slavery Act are addressed in our Modern Slavery Statement, as indicated in the table below.

Mandatory criteria	Page number(s)
a) Identity of the reporting entity	2
b) Description of entity structure, operations and supply chain	3
c) Description of risks of modern slavery practices in the operations and supply chain of the reporting entity	4
d) Description of actions taken to assess and address these risks, including due diligence and remediation processes	4 - 6
e) Description of how the reporting entity assesses the effectiveness of these actions	8
f) Description of the process of consultation on the development of the statement with owned or controlled entities	8
g) Any other information the reporting entity considers relevant	NA