



# PACT

# Carbon Management Policy

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Carbon Management Policy



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# Introduction to the Carbon Management Policy

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As part of ADA's commitment to a sustainable future, we recognise the critical importance of addressing climate change and its impacts on our environment, society, and economy. Our Carbon Management Policy is an integral part of our PACT program and is a testament to our commitment. It outlines our strategic approach to reducing greenhouse gas emissions and enhancing carbon efficiency across all operations.

As a responsible organisation, ADA is dedicated to implementing innovative practices that minimise our carbon footprint, promote energy conservation, and encourage the adoption of renewable energy sources. This policy is intended as a guiding framework for setting measurable targets, monitoring progress, and fostering a culture of environmental stewardship among our stakeholders.

At ADA, we believe that through collective action and continuous improvement, we can mitigate our impact on climate change and thereby contribute to the global effort to reduce GHG emissions. Our policy is not just a plan but a promise to future generations that we will be part of the solution to creating a cleaner, greener world.

## Purpose of the policy

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The purpose of this Carbon Management Policy is to provide an outline of how ADA and ADANZ will monitor and manage the carbon emissions generated from operating the premises it occupies and from its business activities. By implementing effective carbon management practices, ADA aims to contribute to a greener and more environmentally responsible future.

## Scope

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This policy applies to all sites owned and operated by ADA and ADANZ:

- Thomastown, VIC – Head Office and warehousing
- Bendigo, VIC – Manufacturing and warehousing
- Canberra, ACT – Administration and warehousing
- Botany, NSW – Administration
- Palmerston North, New Zealand – ADANZ Administration and warehousing.

# Roles & Responsibilities

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## Roles

## Responsibility

Executive Management Team

Provide strategic direction and allocate resources for carbon management initiatives.

Governance & Risk Manager

Collate data and monitor the GHG emissions of the business.

Managers & Supervisors

Implement and monitor the policy, engage employees, and drive continuous improvement.

Employees, contractors  
and third parties

Actively participate in carbon reduction efforts and adhere to the policy guidelines.

# Policy

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## Carbon Footprint Evaluation

As a first step in evaluating its carbon footprint, ADA has developed an inventory of carbon emissions as a result of ADA operations, using 2022 as a baseline. Calculating the emissions baseline created a reference point to develop future organisational goals and prioritise actions. ADANZ is currently establishing its carbon emissions baseline as it moved into the Palmerston North purpose-built facility in October 2023. The carbon inventory will be the same as that used by ADA.

The organisational boundaries defined for ADA's GHG emission calculations are those listed in the scope of this document.

Sources of the emissions have been evaluated and categorised as direct or indirect emissions and are referred to as Scope 1, 2 or 3 emissions. \* (as per ISO 14064.1).

## Carbon Inventory

The carbon Inventory (emission boundaries) of the baseline assessment included activities that consume energy or release GHG emissions that are related to the sites listed in the organisational boundaries and include:

- Electricity consumption
- Fuel consumption
- Waste to landfill and recycling activities
- Business air travel
- Water consumption
- Business freight

Using the above inventory, the baseline data assessment indicated that ADA had an annual GHG footprint of at least 2,201.73 tCO<sub>2</sub>-e for the 2022 calendar year.

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## Types of Emissions

GHG emissions are categorised into three scopes or types of emissions. This is consistent with the International GHG Protocols and outlined in ISO 14064.1: Greenhouse Gases Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals. The scopes are defined as follows:

- **Scope 1** emissions are direct carbon emissions from sources owned or controlled by ADA. These can include emissions from fossil fuels burned on site and emissions from ADA-owned or leased vehicles.
- **Scope 2** emissions are indirect carbon emissions resulting from the generation of electricity, heating, and cooling purchased and used by ADA for its operations.
- **Scope 3** emissions include indirect carbon emissions from sources not owned or directly controlled by ADA, including solid waste disposal, water consumption and third-party logistics services (where applicable and available).

Emissions are reported in tonnes (t) CO<sub>2</sub>-e, which stands for “tonnes of carbon dioxide equivalent.” CO<sub>2</sub>-e includes emissions from sources such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (NO<sub>2</sub>), among others, and consolidates them into a single metric for simple reporting purposes.

## Monitoring, Measurement and Reporting

ADA will measure the effectiveness of this carbon management plan through our Environmental Management System (EMS) by:

- Regularly measuring and tracking our carbon emissions across ADA’s operations in Australia and New Zealand, based on the inventory listed in Table 1.
- Recording the inventory and measurement of each site individually and reporting to the Executive Management Team as part of the Environmental Management System.
- Reporting the carbon footprint of the business annually as part of its annual sustainability report and ESG program (PACT) – with the initial report expected to be produced at the finalisation of the 2023-24 Financial year.

# Policy

## Reduction Targets

ADA will set ambitious reduction targets for carbon emissions based on science-backed guidelines and industry best practices. ADA has selected a range of environmental metrics that are most relevant to the business practices and align with other business goals. Targets range from short to long term and are reviewed and set at the annual strategy meeting and monitored quarterly.

## Implementation

Initiatives with measurable outcomes will be based on the following strategy overview:

Carbon Management Strategy Overview		
<b>Sourcing</b> Materials and consumables in a way that improves environmental outcomes and strengthens communities .	<b>Producing</b> Products in an efficient manner that reduces carbon emissions and saves water and energy .	<b>Servicing</b> Clients and consumers through a range of protective, practical and sustainable defence apparel.
Sustainable inputs	Source all materials and consumables with sustainability as a key consideration, engage with all suppliers.	
Net zero emissions	Achieve net zero emissions for scope 1 and 2 emissions by 2030 and across scope 3 and the value chain by 2040 .	
Thriving communities	Strengthen the livelihood of Australian Defence Apparel's people, suppliers and customers .	
Transparent and accountable	Gather, document and publish key environmental and social data on a regular basis and with independent third-party assurance.	

Metrics selected as an initial focus are outlined in **Table 1: Metrics Tracked for Baseline Measurements**.



## Reference Documentation

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- ISO 14064-1:2018 Greenhouse gases Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.
- ADA/ ADANZ Environmental Policy.
- ADA Environmental Management Plan.
- ADANZ Environmental Management Plan.

## Policy Review

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This policy is subject to regular, ongoing management review and will be reviewed at least annually or when significant changes to the business occur.

# Table 1: Metrics Tracked for Baseline Measurements

Target	Metrics to Track	Timelines
GHG emissions reduction	<b>Scope 1:</b> <ul style="list-style-type: none"> <li>On-site fuel consumption</li> </ul> <b>Scope 2:</b> <ul style="list-style-type: none"> <li>Electricity consumption</li> </ul> <b>Scope 3:</b> <ul style="list-style-type: none"> <li>Waste production</li> <li>Water consumption</li> <li>Business Travel</li> <li>Freight and logistics</li> </ul>	<b>Short-term:</b> <ul style="list-style-type: none"> <li>Intensity targets so ADA can continue to grow whilst increase emissions efficiency</li> </ul> <b>Medium-term:</b> <ul style="list-style-type: none"> <li>Absolute GHG reductions</li> </ul> <b>Long-term</b> <ul style="list-style-type: none"> <li>Net-Zero</li> </ul>
Waste	<ul style="list-style-type: none"> <li>Waste sent to landfill</li> <li>Waste sent to recycling</li> <li>Waste reused in the manufacturing process</li> <li>Scrap rate</li> <li>Recycling rate of waste</li> <li>Packaging</li> </ul>	<b>Short-term:</b> <ul style="list-style-type: none"> <li>Increases in recycling rate</li> <li>Decreased intensity targets for waste to landfill</li> <li>Decreased scrap rate</li> </ul> <b>Medium-term:</b> <ul style="list-style-type: none"> <li>Decreased absolute amount of waste to landfill</li> <li>Further increases in recycling rate</li> <li>Further decreases in scrap rate and all scrap sent to recycling</li> </ul> <b>Long-term</b> <ul style="list-style-type: none"> <li>Zero-waste to landfill</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>Electricity grid consumption</li> <li>Renewable energy production and/or PPA kwh</li> </ul>	<b>Short-term:</b> <ul style="list-style-type: none"> <li>Absolute kwh targets</li> </ul> <b>Medium-term:</b> <ul style="list-style-type: none"> <li>Increased absolute targets</li> <li>% Of total consumption target</li> </ul> <b>Long-term</b> <ul style="list-style-type: none"> <li>100% renewable energy</li> </ul>

## Table 1: Metrics Tracked for Baseline Measurements

Target	Metrics to Track	Timelines
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Procurement activities .</li> <li>• Procured products that are recyclable, reusable, compostable.</li> <li>• Procurement products that are single use.</li> <li>• Procurement of products made from recycled materials.</li> </ul>	<p><b>Short-term:</b></p> <ul style="list-style-type: none"> <li>• Review procurement activities to look for more sustainable options.</li> </ul> <p><b>Medium-term:</b></p> <ul style="list-style-type: none"> <li>• No procurement of products from companies with poor ESG performance.</li> <li>• Increased procurement of products that are recyclable, reusable, compostable and/or made of recycled products.</li> <li>• Decreased single use product procurement</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>• No procurement of single use items .</li> <li>• All procured products come from sustainable sources and can be recycled, reused, or composted.</li> </ul>
<b>Fuel (LPG)</b>	<ul style="list-style-type: none"> <li>• LPG consumption</li> <li>• Number of LPG forklifts and electric forklifts</li> </ul>	<p><b>Short-term:</b></p> <ul style="list-style-type: none"> <li>• Setting a policy/process to purchase electric forklifts as LPG forklifts are retired.</li> </ul> <p><b>Medium-term:</b></p> <ul style="list-style-type: none"> <li>• Decrease in LPG consumption</li> <li>• Increase in electric forklift to LPG forklift ratio</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>• No LPG consumption</li> <li>• Only electric forklifts used on sites</li> </ul>



# Carbon Management Policy



# Let's make a PACT!

PACT is ADA's ESG program. It is a movement towards Promoting Accountability, Community and Transparency. Through this innovative initiative, PACT and its partners are not just contributing to global ESG standards - they're reshaping them.

The PACT Program includes 4 pillars and tangible pathways to achieve our vision.

ESG Program Name	PACT			
4 Pillars Sits under ESG	 Planet	 People	 Practice	 Performance
Pathways Sits under Pillars	Designing for End of Life Circularity Waste Reduction	Indigenous Partnerships Diversity & Inclusion Employer of Choice Responsible Supply Chain Corporate Social Responsibility	Ethical Trade Transparency Risk Management	Job Growth Exceeding Customer Expectations Research, Development & Innovation Responsible purchasing and sourcing

Join us as we define what it means to do business in the 21st century!

Learn more about PACT  
[ada.com.au/pact](http://ada.com.au/pact)



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