Environmentally Sustainable Procurement Policy

Phase 2 Implementation
ICT GOODS
A discussion paper for consultation

October 2024

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Summary

The Environmentally Sustainable Procurement Policy (ESP Policy) requires suppliers to achieve and report on sustainability outcomes against one or more of 14 sustainability principles.

Non-corporate Commonwealth entities and prescribed corporate Commonwealth entities listed in section 30 of the *Public Governance, Performance and Accountability Rule 2014 (Relevant Entities)* must comply with the ESP Policy. Other Commonwealth entities are encouraged to apply the ESP Policy and contribute to the environmental aims of the policy.

The first phase of the ESP Policy commenced on 1 July 2024 for construction services procurements valued at or above $7.5 million.

Implementation of the second phase of the policy requires a Supplier Environmental Sustainability Plan (SESP) template and a reporting framework to be developed for procurements for each of the following categories:

- information communications technology (ICT) goods
- textiles, and
- furniture, fittings and equipment.

The template and framework will be tailored to each category, reflecting the category's sustainability challenges and opportunities.

This paper considers the key sustainability issues for the ICT goods category. Table 1 summarises those issues, together with proposed reporting metrics. Reporting against metrics is proposed to be only required for laptops, tablets, mobile phones, monitors, imaging devices and servers.

Draft reporting templates (Appendix A) and a draft SESP template (Appendix B) are provided for your consideration and feedback.

The proposed reporting metrics are designed to capture relevant information for whole-of-government reporting on sustainability in ICT goods procurement. The priority principles identified in the metrics are not intended to limit sustainability performance, and suppliers are encouraged to respond to the full range of sustainability principles under the Policy when submitting their SESP.

Stakeholders are invited to review and provide feedback on this discussion paper and the proposed reporting metrics, reporting templates and SESP template through the DCCEEW Have Your Say website.

Table 1: Key sustainability issues and proposed metrics for ICT goods

Key Issue	Relevant sustainability principle	Proposed metrics
Embodied emissions in products	Minimise greenhouse gas emissions	Product has an ISO 14024 compliant type 1 ecolabel
Circularity	Goods contain recycled content	Proportion of recycled content in product
Extending product life	Goods are durable, repairable, reusable, and/or recyclable	Product has an ISO 14024 compliant type 1 ecolabel
Extending product life	Goods have been refurbished or existing goods are reused	Product has been refurbished or remanufactured
E-waste	Goods are recycled [or reused] at the end of useful life Goods are returned for resource recovery [or reuse] through a take-back or end of life scheme Actively minimise the creation of waste and the amount that is sent to landfill	Product has an established end-of-life recovery plan Fate of end-of-life assets (where procurement includes disposal of replaced assets)
Commitment to sustainability of supplier	Multiple principles	Suppliers have a third party verified environmental certification/rating
Need for innovation in sustainable goods and services	Multiple principles	Suppliers/products have delivered innovation against sustainability principles

Introduction

About the Environmentally Sustainable Procurement Policy

The Environmentally Sustainable Procurement (ESP) Policy mandates environmental attributes in goods and services of targeted Australian Government procurements. The ESP Policy allows the Government to measure the environmental outcomes of its procurements. The reporting framework will create a baseline of environmentally sustainable procurement. From this baseline the Government will increase ambition over time.

Relevant Australian Government entities and their suppliers are required to achieve and demonstrate climate, environmental and circularity outcomes in their procurements by applying the Policy principles in the table below. All or a sub-set of the principles must be applied to procurements within scope of the Policy.

Table 2: Environmental sustainability principles

Climate	Environment	Circularity
minimise greenhouse gas emissions	optimise energy efficiency	buildings and fit outs use less materials, minimise waste and are designed for adaptability and flexibility
optimise energy efficiency	use safe and renewable inputs	goods are durable, repairable, reusable and/or recyclable
use low emissions materials	safely use and dispose of chemicals	goods have been refurbished or existing goods are reused
	actively minimise the creation of waste and the amount that is sent to landfill	goods contain recycled content/recycled materials are used
		goods are recycled at end of useful life
		goods are returned for resource recovery through a take-back or end of life scheme
		goods are available for lease, rent or product-as-a-service as an alternative to buying outright

Tenderers are required to demonstrate how they will optimise environmental sustainability in delivery of the goods or services being supplied, through a Supplier Environmental Sustainability Plan (SESP). The successful tenderer's SESP becomes a schedule to the contract, making sustainability commitments legally enforceable.

Implementation of the ESP Policy commenced on 1 July 2024 with sustainability and reporting requirements for construction services procurements valued at or above $7.5 million. The Policy's reach will extend from 1 July 2025, with three procurement categories being introduced:

- information communications technology (ICT) goods
- textiles, and
- furniture, fittings and equipment.

Procurements (including lease arrangements) at or above $1 million in these categories will be subject to the ESP Policy.

About the Consultation

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) is releasing a series of discussion papers to prepare for the new procurement categories coming into effect.

This discussion paper focuses on ICT goods. The paper provides an analysis of the sustainability issues and solutions available for ICT goods and the recommended policy principles and metrics for reporting based on that analysis. The discussion paper also includes draft reporting templates and a draft SESP template to give a clear indication of what information would be required from suppliers.

DCCEEW invites stakeholders to provide feedback on the discussion paper and draft templates through the DCCEEW Have Your Say website.

The ICT Goods Category

The ESP Policy defines ICT goods as:

'Computers and peripheral equipment; communication equipment; consumer electronic equipment; electronic components; and other information and technology goods.'

Examples of products that fall within scope of the Policy on ICT goods are:

- laptop and desktop computers
- mainframes
- phones and tablets
- monitors
- servers
- printers, and
- other ICT hardware and accessories.[1]

The ESP Policy Impact Analysis estimated the total value of affected Australian Government contracts for the broader ICT category at $1.5 billion per year, with the number of affected contracts estimated at around 310 per year, and the average value of affected contracts at $4.7 million.[2]

Proposed Reportable Product Types

While all procurements within the ICT goods category valued at or above the $1 million threshold need to apply the ESP Policy, it is proposed that reporting requirements target product types that offer a high opportunity for sustainability impact (*reportable product types*).

To be effective, these reportable product types will be chosen because they:

- are procured in high volumes by the Australian Government
- have demonstrated environmental impacts
- have a potential for more sustainable alternatives to be offered, and
- have tools available to verify their sustainability claims, e.g. an ecolabel.

Targeting reporting to high opportunity product types will provide robust data while reducing the burden of reporting on suppliers, procuring officials and contract managers.

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[1] Environmentally Sustainable Procurement Policy and Reporting Framework - DCCEEW

[2] ESP policy Impact Analysis FINAL (pmc.gov.au). The Impact Analysis notes that it is difficult to distinguish between hardware, software and labour, or type of hardware in AusTender data, leading to a high level of uncertainty. The figures provided are likely to overestimate the impact of the Policy.

Product types which are proposed to be subject to reporting requirements are:

- laptops
- tablets
- mobile phones
- monitors
- imaging devices, and
- servers.

Sustainability impacts of ICT goods

Desktop research and consultation with stakeholders has highlighted a range of sustainability issues associated with the manufacture, use and disposal of ICT goods.

Key issues identified are:

- **Greenhouse gas emissions**: Up to 80% of the total carbon footprint of ICT goods is generated before a product is used, due to greenhouse gas emissions generated through the supply chain in the production of materials, manufacture of components, assembly of finished products, and transport to market.[3] Reducing embodied emissions and improving product energy efficiency can help to minimise the climate impact of ICT goods.
- **Chemicals of concern:** Many ICT products have plastic in their casings, circuit boards and electronic components. This plastic often contains brominated flame retardants, as well as other additives such as UV stabilizers and plasticizers. Heavy metals such as mercury, lithium, lead and barium have also been used in the production of ICT goods. [4]
- **Rapid turnover of products:** ICT goods often have a short lifespan due to the rapid product development cycle. The interconnection of hardware and software means that software updates can result in otherwise functional ICT products becoming technically obsolete.[5] Lack of repairability can lead to consumers choosing to replace functioning devices with newer models, instead of repairing them to extend their life.[6]
- **Use of recycled content:** Increasing the use of recycled materials, including recycled plastics and metals, in production of ICT goods would help to reduce products' environmental and climate impacts and improve circularity.
- **E-waste:** E-waste is the world's fastest growing waste stream. In 2019, Australia generated 511,000 tonnes of e-waste – around 20kg per person compared with a global average of 7kg. By 2030 this is projected to increase by nearly 30% to 657,000 tonnes.[7] If not well managed, disposal of e-waste can result in loss of valuable resources, and release chemicals of concern into the environment.[8] Lithium-ion batteries found in e-waste can be hazardous at end of life.

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[3] *Net-Zero Challenge: The supply chain opportunity*, World Economic Forum, Jan. 2021. Available: Net-Zero Challenge: The supply chain opportunity | World Economic Forum (weforum.org).

[4] Global Electronics Council, State of Sustainability Research: Chemicals of concern, February 2022.

[5] Clark, A. and Matthews, M. 2023. *ICTC Policy Brief: How to Advance Environmentally Sustainable ICT in Canada*. Information and Communications Technology Council (ICTC). Ottawa, Canada, p. 9.

[6] Global Electronics Council, State of Sustainability Research: Sustainable use of resources, November 2021.

[7] E-Stewardship in Australia - DCCEEW

[8] Global Electronics Council, p. 32.

- **Supply chain risks:** Manufacture of ICT components and devices depends on a range of rare and critical minerals. 'Critical minerals' are minerals that are economically and strategically important, have limited supply leading to risk of supply chain dependencies, and have a lack of viable substitutes due to their unique properties and specific purposes in the manufacture process.[9]

Ecolabels

ISO 14024 standard sets the requirements for ecolabels and declarations with third party certification (Type 1). ISO 14021 guides self-declared claims (Type 2). The proposed reportable product types are all covered by ISO 14024 Type I Independent Third Party Certified eco-labels (EPEAT and TCO Certified) that have criteria addressing the full range of sustainability principles established by the ESP Policy.[10]

TCO Certified is a global certification (products are certified as meeting all TCO criteria for all markets). EPEAT is also globally applicable and offers market-specific certification of products, with a tiered certification model (Bronze, Silver, Gold, Climate Plus) based on the range of mandatory and optional criteria met.

Both ecolabels periodically review and update their criteria to ensure that certification represents continual strengthening of best practise for sustainability of ICT goods, with TCO Certified recently releasing Generation 10, and revised EPEAT criteria due to be announced in late 2024, and to come into effect in 2025.

Preliminary consultation indicates that there has not been strong demand to drive ISO 14024 compliant certification in the Australian ICT goods market compared to the United States and European markets. The degree of uptake of ecolabel certification varies between product type.

National and international context

This section provides a brief survey of recent approaches taken to public procurement of environmentally sustainable ICT goods in Australia and internationally. These approaches have been considered in developing the proposed metrics for ICT goods.

National context

The Australian Government ICT Sustainability Plan 2010-2015 set the following mandatory environmental standards for procurement of ICT goods:

- compliance with ISO 14024 or ISO 14021 at the level of EPEAT Silver or equivalent as a minimum standard for relevant ICT equipment
- compliance with the current ENERGY STAR® version for relevant ICT equipment
- product take-back and appropriate resource recovery, reuse or recycling
- participation by ICT suppliers in the National Packaging Covenant or compliance with the National Environment Protection (Used Packaging Material) Measure, and
- adoption by suppliers of an environmental management system aligned to ISO 14001.

The Plan, now expired, also set targets to manage resource consumption, waste, and energy consumption.

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[9] Vernon C, Lovasz T, Best A, Cavanagh K, Boxall N, and West J (2023) Critical Minerals Circularity: A comparative study of Critical Minerals circularity policies and practices. CSIRO, Australia.

[10] What is Ecolabelling? - Global Ecolabelling Network

The Queensland Government's Sustainable Procurement Guide: ICT Products provides minimum and best practice performance information and procurement responses for desktops, laptops and monitors, and aims to embed sustainability through all stages of ICT goods procurement. The Guide proposes contract reporting requirements could include:

- expected reduced energy use
- dollars spent on EPEAT gold and silver products (can be converted to environmental outcomes through calculator)
- reduced volumes of waste to landfill
- volumes of resources recovered through recycling
- reduced hazardous substances content, and
- improvements in sustainable design.

International context

A range of national governments have developed strategies, policies and guidance to support or mandate sustainable public procurement of ICT goods.[11] Focus areas include purchase of products that have a Type 1 third party verified ecolabel, targets for purchase of remanufactured products, ensuring products purchased are repairable and recyclable, and are reused or recycled at end-of-life.

The Circular and Fair ICT Pact (CFIT) has been established under the UN One Planet Network Sustainable Public Procurement Programme to support the use of common, easy-to-use sustainable procurement criteria and facilitate sharing of knowledge and best practice between ICT procurers. The CFIT Framework for Circular and Fair ICT Procurement identifies strategies that can be implemented by procurers against four core themes: buy less, buy better, use better, use longer. The Framework aims to address impacts associated with the production, use and disposal of ICT under the focus areas of circularity, fair and ethical working practices throughout the value chain, climate and energy, and chemicals.

The reporting framework for ICT goods

Purpose

The ESP Policy requires suppliers to report against sustainability metrics, using a defined reporting framework. The metrics will differ for each procurement category. This section explores the best reporting framework for the ICT goods category.

The reporting framework of the ESP Policy is intended to:

- encourage compliance with the Policy's sustainability principles
- allow the Australian Government to track and report on progress, and
- provide data to develop a baseline and support future target setting.

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[11] For example, the United States Environmental Protection Agency's Environmentally Preferable Purchasing Program; United Kingdom's Sustainable ICT and digital services strategy; the Dutch central government's 'Procurement with impact' strategy; the Government of Canada's Greening ICT Working Group established to support the Greening Government Strategy. The European Union's Green Public Procurement (GPP) criteria for computers, monitors and smartphones provides detailed guidance that can be implemented into tender documents and is supported by an accompanying technical report.

The reporting framework needs to:

- be measurable, easily understood and clear
- allow for verification of claims and the use of existing verification tools where available
- not unnecessarily increase the regulatory burden and costs of procurement
- be targeted for each category
- focus on areas of highest environmental impact, and
- capture product sustainability, supplier corporate sustainability and innovation.

Sustainability outcomes

This section explores the sustainability outcomes that can be achieved for the ICT goods category in 3 sections:

- Product sustainability
- Corporate sustainability
- Innovation

This will then feed into the determination of relevant metrics and the broader reporting framework.

Product sustainability

The sustainability principles identified in the ESP Policy are relevant to all procurements, however some principles are more relevant to certain goods and services than others.

For example, in developing the reporting framework for the construction services category, an opportunity for improving sustainability outcomes through use of recycled content and/or low embodied emissions materials was identified. Use of recycled content in government infrastructure is an action of the National Waste Policy Action Plan. Embodied carbon reporting is supported by a maturing industry with recognised verification tools (NABERS).

Determining the optimal reporting metrics for ICT goods requires identification of the most relevant sustainability principles and the supporting tools and frameworks available.

Table 3 assesses the relevance of each principle identified in the ESP Policy against the sustainability issues associated with ICT goods, and whether there are available approaches/tools that support the transition to more sustainable choices.

It considers the identified sustainability issues associated with ICT goods, whether these can be measured, available alternative goods or services, and whether there are existing processes that encourage the transition to more sustainable choices. The hierarchy of circularity (refuse, reduce, redesign, reuse, repair, refurbish, remanufacture, repurpose, recycle, recover), as well as relative impacts on climate and environment, have also been used to guide the prioritisation.

While listed as separate focus areas, there are important interconnections between the ESP Policy's principles; for example, extending product life also supports better climate outcomes through reduced greenhouse gas emissions.

Table 3: Mapping Sustainability Principles to ICT Goods

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
Climate		
Minimise greenhouse gas emissions	Supply chain decarbonisation provides a significant opportunity to minimise greenhouse gas emissions by reducing embodied carbon, which comprises around 80% of the carbon footprint of most ICT goods. Relevant ecolabels include criteria targeting supply chain decarbonisation through mechanisms such as accredited energy management systems and use of renewable energy by manufacturing facilities. Some brands are also taking steps to minimise the carbon footprint associated with transport of their products. Supply chain decarbonisation is currently limited by the availability of renewable energy in the locations where manufacturing is taking place. Reduction in operational energy use and associated emissions is also captured through the principle below on optimising energy efficiency	5
Optimise energy efficiency	The *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act) sets minimum energy efficiency standards for computers (including notebooks and tablets), computer monitors, and external power supplies (including chargers for mobile phones). The GEMS Act does not apply to imaging equipment such as printers. Reduction in operational energy use and associated emissions is also a focus of the Net Zero in Government Operations Strategy. Internationally, the U.S. ENERGY STAR Program and EU Code of Conduct for ICT cover a range of ICT product categories. Compliance with current ENERGY STAR is required by relevant ecolabels.	3

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
	Energy efficiency is also supported as a procurement consideration through a direct link to financial savings.	
Use low emissions materials	Some brands are developing Product Carbon Footprints (PCFs) to provide greater transparency about their products' climate impacts. There are not yet sufficiently consistent approaches to the development of PCFs or independently verified baselines/averages available to support their use as a tool to assess product sustainability.	3
Environment		
Optimise water efficiency	While water is consumed in the manufacture of ICT goods, water efficiency is difficult to track through the supply chain. Water efficiency is not currently addressed by relevant ecolabels.	2
Use safe and renewable inputs	For ICT goods, more relevant considerations are chemical use and use of recycled content.	1
Safely use and dispose of chemicals	Chemical use is a significant concern for ICT goods. Hazardous chemicals impact on health of workers in manufacturing facilities and on the environment when goods are disposed of. Relevant ecolabels emphasise reduced use of chemicals of concern in the manufacture of ICT goods and stipulate safer alternatives. Australia's Industrial Chemicals Environmental Management Standard (IChEMS) aims to protect the environment by establishing nationally consistent standards for managing the import, manufacture, export, use and disposal of industrial chemicals, including in ICT goods. For products manufactured in or imported into the European Union (EU), the EU's Restriction of Hazardous Substances Directive regulates the use of hazardous chemicals in ICT goods. The different regulatory frameworks in place internationally compared to within Australia would make it challenging for Australian Government procurers to report on.	3

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
Actively minimise the creation of waste and the amount that is sent to landfill	Disposal of e-waste to landfill can release chemicals of concern into the environment and lithium-ion batteries in e-waste can lead to fires if not carefully managed. Disposing e-waste to landfill is prohibited by some Australian states and territories. Export of hazardous e-waste is subject to requirements of the Basel Convention. Reusing ICT goods/components wherever possible and then recycling at end-of-life reduces carbon footprint, improves resource circularity and helps ensure hazardous materials can be appropriately managed. Reducing the amount of packaging used, using recycled materials in packaging, and improving the recyclability of packaging materials, will also reduce the waste associated with the purchase of ICT goods.	5
Circularity		
Buildings and fitouts use less materials, minimise waste, can be deconstructed and reused, are designed for adaptability and flexibility	This is covered by the Construction Services framework.	n/a
Goods are durable, repairable, reusable, and/or recyclable (extending product life)	Extending product life is key to reducing the climate and environmental impacts of ICT goods procurements. Many ICT goods have a short lifespan due to the rapid product development cycle, and lack of durability and repairability. Product life can be extended through: • designing products for durability and repairability • offering warranty and service arrangements	5

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
	• providing extended support for software/operating systems and security updates. Designing for recyclability allows greater recovery of resources and makes it easier to safely dispose of hazardous materials. Relevant ecolabels include multiple criteria targeting durability, repairability and recyclability.	
Goods have been refurbished or existing goods are reused	Purchase of second-life ICT goods (or reuse of existing assets) extends product life, with associated sustainability benefits. There are examples internationally of governments setting targets for procurement of refurbished or remanufactured ICT goods. Any refurbished/remanufactured ICT goods offered would need to meet Australian Government security requirements, and feasibility of purchase may vary depending on the risk profile and security needs of procuring agencies.	4
Goods contain recycled content / recycled materials are used	Incorporating recycled content, including metals and plastics, can reduce the demand for virgin material in ICT goods manufacture and support the recycling industry. Recycled plastics and metals can be used in the production of ICT goods, though the amount and type of recycled content that may be included will vary for different product types. Australia's National Framework for Recycled Content Traceability guides the collection and sharing of recycled content information within supply chains, including appropriate chain of custody approaches to demonstrate the use of recycled materials in products. Relevant ecolabels have criteria targeting inclusion of recycled content.	4

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
Goods are recycled at the end of useful life	All ICT goods reach end-of-life. Reuse and recycling should be prioritised, and components/material that can't be reused or recycled must be disposed of safely. There is an opportunity to improve visibility and sustainability of life cycle management of ICT goods by the Australian Government through requiring reporting on the fate of end-of-life assets and encouraging re-use of goods where possible. There are examples of functional government ICT assets being repurposed to support schools, social enterprises or disadvantaged communities, offering both sustainability and socially beneficial outcomes. The impact of this principle will depend on how frequently end-of-life management provisions are included within ICT goods procurement contracts, and whether contracts specifically targeting end-of-life management meet the $1 million value threshold. Disposal and recycling of ICT goods must meet Australian Government security requirements.	4
Goods are returned for resource recovery through a take-back or end of life scheme	Sustainability of new ICT goods can be improved by establishing the end-of-life management of assets at the time of purchase. While reporting against this principle will capture the intent at purchase, it will not capture the actual use of that scheme at end-of-life. This is addressed in the principle above.	4
Goods are available for lease, rent or product-as-a-service as an alternative to buying outright	Where lease or product-as-a service arrangements are taken up, sustainability benefits will be based on these arrangements meeting sustainability principles around extension of product life and sustainable lifecycle management (through provision of repair, reuse, and recycling of products).	3

From this analysis, the recommended priority sustainability principles for ICT goods are:

- minimise greenhouse gas emissions
- goods are durable, repairable, reusable, and/or recyclable
- goods contain recycled content / recycled materials are used
- goods have been refurbished or existing goods are reused
- actively minimise creation of waste and the amount that is sent to landfill*
- goods are recycled at end of useful life*, and
- goods are returned for resource recovery through a take-back or end of life scheme.

*These two principles are inter-related and have been addressed together in developing suitable metrics.

For clarity, this list of recommended priority sustainability principles is to guide the development of reporting metrics only. Suppliers are encouraged to demonstrate their products' sustainability across the full range of relevant sustainability principles when they complete the Supplier Environmental Sustainability Plan (SESP).

Corporate sustainability

In addition to offering more sustainable products, suppliers must declare their sustainable business practices in the SESP. Examples of how this could be demonstrated include:

- third party certification of environmental management e.g. ISO14001
- third party certification against a sustainability standard
- business policies that support environmental sustainability
- staff education programs or training
- emissions reduction
- supply chain visibility.

While evidence of corporate sustainability will be included in the SESP and assessed in the tender evaluation, the measurement of corporate sustainability in the reporting framework will be limited to a yes/no outcome:

- Supplier has demonstrated the application of environmental sustainability in their business practices.

And this could be verified through:

- third party certifications, or
- other evidence at the discretion of the contract manager.

Innovation

One of the drivers of the ESP Policy is to stimulate industry innovation and investment in more sustainable products. The Australian Government is seeking innovations that further minimise greenhouse gas emissions or environmental impact or ensure products retain their value for longer. Innovation doesn't have to be new; it could be a different or improved way of doing things. Examples in the ICT goods category could be:

- a proposal to audit and assess existing ICT goods and refurbish where feasible to reduce the need for new procurement
- use of modular design to enable easier replacement/repair of components
- innovative use of recycled materials, extending the range of material types used or percentage of recycled content contained in the product.

Suppliers will be invited to detail how they have innovated to support sustainability in the SESP (see section Appendix B – Draft SESP template).

While the details of innovation will be included in the SESP, tracking of innovation in the reporting framework will be limited to a simple outcome:

- Supplier has demonstrated innovation in design, products, materials and/or processes.

And this could be verified through:

- Agreement by the contract manager.

Recommended metrics

This section translates priority sustainability principles into reporting metrics against which the procurement of priority products can be reported.

For each of the priority principles, Table 4 maps possible metrics. Because relevant data to directly measure sustainability outcomes is not readily available, proxy data sets are likely to be required.

The preferred metrics have been identified through considering:

- availability of relevant data
- potential for verification
- simplicity and user-friendliness, and
- the structure of the reporting tool (binary or multiple-choice answers preferred).

Table 4: Identification of metrics for each priority sustainability principle

Sustainability Principle	Proposed metric	Verification	Evaluation
Minimise greenhouse gas emissions	Product has a relevant ISO 14024 compliant ecolabel certification	Evidence of ecolabel certification	Third party verified ecolabels include criteria on supply chain decarbonisation through verified use of renewable energy and energy management systems and can therefore be used as a proxy for this principle.
Goods are durable, repairable, reusable, and/or recyclable	Product has a relevant ISO 14024 compliant ecolabel certification	Evidence of ecolabel certification	Third party verified ecolabels include criteria on durability, repairability, and recyclability of certified products and can therefore be used as a proxy for this principle.
Goods contain recycled content / recycled materials are used	Proportion of recycled content in product	Evidence of recycled content traceability, including chain of custody approach, consistent with the National Framework for Recycled Content Traceability. OR Relevant ISO 14024 compliant ecolabel certification	The framework provides guidelines that aim to improve trust in recycled materials. It does this by guiding businesses to collect and share information about recycled materials. The framework applies to all recycled content and recycled content good produced or imported into Australia. Manufacturer declarations need to be verified to avoid greenwashing. Third party verified ecolabels also include criteria on recycled content.
Goods have been refurbished or existing goods are reused	Product has been refurbished or remanufactured	Supplier declaration supported by supply chain evidence.	Supplier declaration should be supported by details of remanufacture by R2 certified facility or by brand owner through take-back scheme.
Actively minimise creation of waste and the amount that is sent to landfill/	Fate of end-of-life ICT assets, with options of: • Reuse	Declaration by R2 certified facility/ Independently verified supplier declaration.	Verified reporting on the fate of assets should be provided by the entity responsible for end-of-life management.

Sustainability Principle	Proposed metric	Verification	Evaluation
Goods are reused or recycled at end of useful life	• Recycle • Disposal		Only relevant where disposal of end-of-life assets is included in procurement.
Goods are returned for resource recovery through a take-back or end of life scheme	Product has an established end-of-life recovery plan.	Supplier/manufacturer declaration of R2 certified facility or brand owner take-back scheme.	Supplier declaration should demonstrate that the take-back/end-of-life scheme prioritises reuse and recycling of goods by an R2 certified facility or brand-owner to maximise resource recovery.
The supplier demonstrates corporate sustainability	Supplier demonstrates corporate sustainability targets, policies or actions	Certified against a recognised environment or sustainability standard, or evidence to the satisfaction of the contract manager.	Suitable
The suppliers demonstrate innovation	Suppliers have demonstrated innovation against nominated sustainability principles	Supplier declaration	Suitable

Appendix A: Draft reporting templates

Note: (Note this is a draft version of the reporting template for consultation on information requirements only and does not represent the final appearance of the template).

Detailed guidance will be developed to assist suppliers/procuring entities once the reporting template is finalised.

Table 1 is to be completed at end of contract with details of **all reportable products** (laptop, tablet, mobile phone, monitor, imaging devices, servers) delivered.

Suppliers should provide additional evidence to contract managers on end-of-life takeback schemes, percentage of recycled content, and supply of remanufactured/refurbished goods to verify reporting on those metrics in Table 1. (Note, this evidence may have already been included in the SESP).

Additional evidence does not need to be submitted to DCCEEW with the reporting template but should be reviewed and retained by contract managers as part of the contract documentation for audit purposes. DCCEW may request additional evidence to audit compliance with the ESP Policy.

Table 2 is to be completed if the contract includes management of end-of-life assets being replaced (asset disposal). Actual fate of **all reportable products** (laptop, tablet, mobile phone, monitor, imaging devices, servers) should be provided. Verification is through reporting being made by an R2 certified facility, or by third-party verification of asset fate.

Table 1 – Product reporting template

Product Details					Product Sustainability			
Product category (*drop down*)	Manufacturer	Model	Quantity	Cost per item (AUD)	ISO 14024 Type 1 ecolabel (select as many as applicable) (*drop down*)	Proportion of recycled content (select range)	Refurbished or remanufactured ** (drop down)	End-of-life recovery plan *** (drop down)
Laptop					TCO Certified	10%	Yes/No	Yes/No
tablet					EPEAT – climate +*			
mobile phone					EPEAT – gold			
imaging device					EPEAT – silver			
monitor					EPEAT – bronze			
server					Other, please state			

*Note that EPEAT Climate + is not a standalone product certification, but is a rating achieved in addition to gold/silver/bronze.

** Verification of refurbished/remanufactured products through documentation of provenance by R2 certified facility.

*** Verification by supplier/manufacturer declaration of R2 certified facility or brand owner take-back arrangements.

Table 2 – End-of-life reporting template (asset disposal)

Service provider (if not supplier)	R2 certified facility*	Product category	Quantity	Fate**	Destination	Further details
Supplier A	Y/N	tablet	100	Reuse	Domestic – commercial	
		mobile phone		Recycling	Domestic – non-commercial	
		imaging device		Disposal	Export – commercial	
		laptop		Other, please state	Export – non-commercial	
		monitor			Other, please state	
		server				

* If service provider is not R2 certified, reporting of asset disposal should be third-party verified.

**Note: Disposal of e-waste to landfill is prohibited by some Australian states and territories and local councils.

Appendix B - Draft SESP template

Note: (Note this is a draft version of the SESP template for consultation on information requirements only and does not represent the final appearance of the template).

Detailed guidance will be developed to assist suppliers/procuring entities once the SESP template is finalised.

Overall Approach

Describe your overall approach to reducing sustainability and how your products comply with sustainability principles selected below. 500-word limit (no links to external websites or attachments)

Evidence of claims should be provided, such as

- *ISO 14024 compliant ecolabel certification (preferred)*
- *verification reports issued by verifier accredited with ISO 17025 or ISO 17021 (preferred)*
- *other certification or accreditation, with details provided of standard met in assessment (acceptable)*
- *references to publicly available information or documentation such as product information sheets (acceptable)*
- *third party verified supplier declarations may be provided where no other evidence is available (acceptable).*

Corporate environmental and sustainability performance

Detail the actions your organisation is taking to minimise your environmental impact including any accreditations/certifications, Environmental Management Systems, policies and/or processes as applicable. (500-word limit, no links to external websites)

Where this includes certifications, for example against ISO 14001, or BCorp, you should supply a copy of the third-party certificates with the completed SESP.

Innovation

Detail the innovation/s you will deliver with respect to environmental sustainability. (500-word limit). Innovation doesn't have to be new; it could be a different or improved way of doing things, at any stage of the product life cycle or supply chain.

Innovation categories include:

- *Innovative design e.g. minimisation of materials by designing out waste, or using less materials; or designing for improved durability, modularity or disassembly*
- *Innovative products e.g. using products that have been refurbished*
- *Innovative materials e.g. more environmentally friendly or safe materials or innovative ways to reuse materials as part of the project*
- *Innovative processes e.g. technology that will add value to the project*

Examples of innovation:

- *a proposal to audit and assess existing ICT goods and refurbish where feasible to reduce the need for new procurement*
- *use of modular design to enable easier replacement/repair of a product's components*

- *innovative use of recycled materials, extending the range of material types used or percentage of recycled content contained in the product.*

Sustainability Principles

Select which of the sustainability principles are being delivered in your tender (tick against each targeted principle)

Climate	✔	Circularity	✔
Minimise greenhouse gas emissions		Fitouts use less materials, minimise waste, can be reused, designed for adaptability and flexibility	n/a
Optimise energy efficiency		Goods are durable, repairable, reusable, and/or recyclable	
Use low embodied emissions materials		Goods have been refurbished or existing goods are reused	
Environment	✔	Goods contain recycled content/recycled materials are used	
Optimise water efficiency		Goods are recycled at the end of useful life	
Use safe and renewable inputs		Goods are returned for resource recovery through a take-back or end of life scheme	
Safely use and dispose of chemicals		Goods are available for lease, rent or product-as-a-service as an alternative to buying outright	
Actively minimise the creation of waste and the amount that is sent to landfill			

Reportable Product Sustainability

Tenders must provide information about which <u>sustainability principles</u> will be met by the products they will deliver, and how they will meet those principles, including reference to supporting evidence. This section must be completed for all tender responses identified as coming within scope of the ESP Policy. Evidence of claims should be provided.

Evidence may include:

- ISO 14024 compliant ecolabel certification (<u>preferred</u>)
- verification reports issued by verifier accredited with ISO 17025 or ISO 17021 (<u>preferred</u>)
- other certification or accreditation, with details provided of standard met in assessment (<u>acceptable</u>)
- references to publicly available information or documentation such as product information sheets (<u>acceptable</u>)

Tenderers must complete the table below for all **reportable products** being offered in your tender submission.

Reportable Products are

- laptops
- tablets
- monitors
- mobile phones
- imaging devices
- servers.

Example rows have been shown for guidance.

Tenderers may provide additional supporting information in the Overall approach section of the SESP template above.

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Reportable Product Sustainability

Product type	Manufacturer	Model	Quantity	Cost per item (AUD)	ISO 14024 compliant ecolabel (select as many as relevant)	Proportion of recycled content	Refurbished or remanufactured	End-of-life recovery plan
Laptop	XX	xx	180	$620	TCO Certified	12%	N	Y
Monitor	YY	yy	180	$1600	EPEAT Silver	3%	N	Y
Laptop	ZZ	zz	200	$500	None	20%	Y	N