Australian Government

Environmentally Sustainable Procurement Policy
Phase 2 Implementation
FURNITURE FITTINGS AND EQUIPMENT
A Discussion Paper for Consultation

September 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 identified in the policy.

Implementation of the policy requires a reporting framework and Supplier Environmental Sustainability Plan (SESP) template for each of the phase 2 categories:

- Furniture, fittings and equipment (FFE)
- Textiles
- ICT Goods.

These will be tailored to each category, reflecting the key sustainability challenges and opportunities.

This paper considers the issues that support an effective reporting framework and SESP template for the FFE category and proposes a draft of each.

Consultation has identified the key sustainability issues related to FFE:

- chemical use in manufacturing as a risk to health, environment and recyclability
- disposal of goods instead of repair, reuse, recovery
- goods not designed to last, be repaired or disassembled for recycling
- use of non-renewable virgin materials
- limited recycling pathways
- large volumes of packaging
- opaque supply chains that obscure sourcing practices.

Suppliers will be required to communicate the sustainability of their proposal at the tender stage (through the SESP) and will be invited to do this for any, or all, of the sustainability principles documented in the ESP Policy. This may include a reference to these key issues. A proposed SESP template is included at Appendix B.

The reporting framework is proposed to include the following metrics:

- products have a recognised single or multi-attribute ecolabel or sustainability certification
- length of warranty
- proportion of recycled content in product (and whether of Australian origin)
- product is reused (including refurbished)

- goods have an established end-of-life recovery plan.

These proposed metrics are designed to capture relevant information for useful whole-of-government reporting on sustainability in FFE procurement. They are not designed to limit the delivery of sustainability performance against other principles or criteria. A structure of the proposed reporting framework is included in Appendix A.

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

Purpose of the Discussion Paper

The Environmentally Sustainable Procurement Policy (ESP Policy) is being phased in over 2 years and applies to Australian Government procurements above a threshold in certain categories:

- Phase 1, 1 July 2024: Construction Services at or above $7.5m
- Phase 2, 1 July 2025: Furniture, fittings and equipment (FFE); Textiles; and ICT Goods at or above $1m

The ESP Policy requires in-scope procurements to achieve and demonstrate climate, environmental and circularity outcomes across nominated sustainability principles. The policy also requires consideration of:

- how the suppliers will optimise environmental sustainability in delivery of the goods or services being procured (product sustainability)
- how the supplier addresses environmental sustainability impacts associated with their business and supply chain (corporate sustainability)
- opportunities for innovation and how these will be considered throughout delivery of the contract (innovation).

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).

Contract managers and suppliers must report the procurement outcomes against the defined ***reporting framework.*** The SESP template and reporting framework will be specific to each procurement category. This discussion paper presents a proposal for these for the FFE category.

The reporting framework and SESP template for Construction Services is available on the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Sustainable Procurement web pages.

This discussion paper proposes a reporting framework and SESP for implementation of the ESP Policy's FFE category from 1 July 2025. P Policy

DCCEEW invites stakeholders to provide feedback through the DCCEEW Have Your Say website.

Furniture Fittings and Equipment

Definition

This discussion paper focuses on the furniture, fittings and equipment (FFE) category, which are defined in the ESP Policy as:

- Operating assets that have no permanent connection to the structure of a building.

Table 2 outlines the applicable goods and services in the category.

Table 1 FFE Category

Applies to:	Includes:
- offices - living-in accommodation - kitchens - dining halls - laundries - gyms - workshops - other occupied buildings	- office furniture and supplies - beds and living-in furniture - dining hall furniture - partitioning, shelving, storage solutions - domestic and commercial appliances - lighting - window treatments - floor coverings - electronic equipment* - other equipment *(ICT goods such as computers, monitors are captured under the ICT category of the policy)

FFE was selected as a category for the ESP Policy as there is an opportunity to reduce the material environmental impact at low cost due to:

- sufficient market readiness and industry capacity to supply environmentally sustainable options
- existing ecolabels, environmental sustainability standards, certification and product stewardship schemes
- alignment with other government environmental policies or strategies.

FFE is a broad category and includes a large range of goods. Analysis of AusTender and consultation with some government agencies has identified that the most common products procured in this category will be:

- workstations
- task chairs
- mattresses
- storage units.

Less common products would include light fittings, domestic appliances, conference furniture, other domestic and office furniture. The policy applies to all products in the category.

Sustainability Issues Affecting FFE

Consultation with stakeholders has identified that there are environmental impacts associated with the manufacture, use and disposal of these products. Key issues that have been raised are:

- *Chemical use in manufacturing of furniture*. Chemicals of concern are a growing health and environmental issue across many areas, including furniture, fittings and equipment. Chemicals of concern can impact the environment and public and worker health and safety at all stages of the life cycle, and adversely affect the material recoverability. Common chemicals of concern in furniture include volatile organic compounds (VOC), stain resistance chemicals including per- and polyfluoroalkyl substances (PFASs), flame retardants, PVC stabilisers, and antimicrobials. Most relevant ecolabels emphasise reducing the use of chemicals of concern with emphasis on reduction of VOC.
- *Disposal of working or repairable goods*. Many FFE items are disposed, and likely end up in landfill, before they reach the end of their useful life. This increases landfill, wastes money and wastes resources. This can be improved by asset owners investing in repair and refurbishing of existing assets, as well as having strategies in place for recycling. For example, the Australian Government has introduced a scheme to encourage sharing of excess furniture and equipment.
- *Recycling pathways* are not readily available for FFE goods, resulting in high rates of disposal to landfill. Limitations include a lack of markets for recycled materials; costs to recycle; use of composite and problematic materials that are difficult to recycle; and lack of a reliable verification mechanism that can track end-of-use goods through the recycling supply chain.
- *Goods not designed to be repaired or disassembled for recycling, or not designed to last*. While traditionally furniture was designed to last, there is a trend towards "fast furniture" which is designed to be low cost, with a short life span, and with components not easily recycled or repaired. Products most suited to the circular economy and sustainability more generally should be designed and constructed in such a way that the product is fit for purpose, durable, and can be easily maintained, repaired and refurbished to have a long product life. This should be supported by suppliers providing detailed information on warranty, maintenance, disassembly and recovery. The design of a product will also influence the ability for it to be optimally recycled or refurbished. This becomes more cost effective if there is a demand for recycled and refurbished products, so suppliers

should be encouraged to offer refurbished goods instead of new. There are emerging industry-wide product stewardship schemes for some FFE products. Some furniture suppliers offer repair and/or takeback schemes for product recycling/recovery/reuse.

- *Use of virgin materials over recycled materials, or non-renewable products over renewable materials.* Incorporating recycled content such as wood, steel, fabric, plastic can reduce the demand for virgin material in furniture and support the recycling industry. Many FFE items could be made from renewable sources such as wood products for a lower environmental footprint. These should be from certified sustainably managed forests.
- *Opaque* supply chains which obscure poor sourcing practices such as deforestation. There are opportunities for traceability with chain of custody certifications.
- Large volumes of single use *packaging* can be associated with FFE, which may not be recovered through recycling or composting through lack of effective systems in place to collect and recover.

Reporting Framework - FFE

Purpose

The ESP Policy requires suppliers to report against relevant metrics, using a defined reporting framework. This data is to allow the Australian Government to track the sustainability of its procurements and the success of the ESP Policy.

This section explores the best reporting framework for the FFE category.

The reporting framework of the ESP Policy is intended to:

- encourage compliance with the sustainability principles
- allow reporting on environmental sustainability across Australian government procurements in the applicable categories
- determine a baseline to allow future target setting.

The reporting framework needs to:

- allow for measuring progress in sustainable procurement
- be measurable, easily understood, 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
- capture product sustainability, supplier corporate sustainability and innovation.

The ESP Policy requires 6 monthly reporting for procurements spanning multiple years. We are proposing for the FFE category that this would not be the case and only one set of reporting would be required at the time of procurement.

Sustainability Outcomes

This section explores achievable sustainability outcomes for the FFE category, in 3 sections:

- product sustainability
- corporate sustainability
- innovation.

Consultation results will be used to determine relevant metrics for the ESP Policy 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 phase 1 construction services category, use of recycled content and/or low embodied carbon materials was recognised as a significant opportunity for sustainability achievements. 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.

Determining the optimal reporting metrics for FFE products requires identification of the most relevant sustainability principles.

Table 2 identifies the most relevant principles for FFE products, by considering the challenges and opportunities with respect to each principle. It considers the identified issues associated with FFE; whether this 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.

Table 2 Mapping Sustainability Principles to FFE Products

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
Climate		
1. Minimise greenhouse gas emissions	Currently, there is no consistent measure to determine the reduction in carbon emissions associated with FFE procurement. Reduction in operational energy use and associated emissions is a focus of the Net Zero in Government Operations Strategy	1
2. Optimise energy efficiency	Energy usage during operation is relevant to some appliances e.g. fridges, printers. These are already well supported with an Energy Rating label scheme, consumer education and direct link to financial savings.	1
3. Use low emissions materials	While the embodied carbon of FFE manufacture is significant, measurement and reporting of embodied carbon is currently limited. Emerging reporting requirements will improve access to information on embodied carbon within materials.	2
Environment		
4. Optimise water efficiency	While water is consumed in the manufacture of FFE this is difficult to track. Reducing water usage in appliances such as washing machines is well supported through available Water Efficiency Labelling and Standards scheme (WELS) and consumer education.	1

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
5. Use safe and renewable inputs	Many FFE items could be made from renewable sources for a likely lower environmental footprint. Certification schemes are required to ensure timber and other materials used in furniture and fittings is sustainably grown. Some of these schemes are well established. Some renewable based products may have a high environmental footprint which needs to be understood with a life cycle assessment.	3
6. Safely use and dispose of chemicals	Chemical use is a significant concern for furniture. Chemicals use impacts on the health of workers and consumers, the environment and limits the material recoverability. Most relevant ecolabels emphasise reducing chemical use and/or reduction in VOCs. Laboratory tests are available to test for VOCs. Other chemicals of concern such as PFAS are not yet fully addressed through ecolabels and there may not be a consistent approach to identifying and reducing them.	4
7. Actively minimise the creation of waste and the amount that is sent to landfill	In large procurements of FFE, disposal of existing goods is usually procured separately, so the generation of waste would mostly apply to packaging, which is supported by existing government action on packaging reform. The waste generated during manufacture is currently not easy to track	2
Circularity		
8. Buildings and fit outs use less materials, minimise waste, can be deconstructed and reused, are designed for adaptability and flexibility	This is covered by the Construction Services framework.	1
9. Goods are durable, repairable, reusable, and/or recyclable (material longevity)	There is a need to prolong the life of products to reduce the associated impacts with manufacture and disposal of goods. Warranty periods can be used as a proxy for product durability. Suppliers can provide detailed information on warranty, spare parts availability and duration, repair network, maintenance, and disassembly, through digital tracking such as a QR code or future digital product passports.	5
10. Goods have been refurbished or existing goods are reused	Reuse of existing government owned furniture is generally the responsibility of the asset owner and not easily able to be incorporated into the procurement of FFE. It can be considered as part of pre-procurement planning. Suppliers can offer refurbished goods instead of new.	4

Principle	Challenges/ Opportunities	Priority 5 = most relevant 1 = least relevant
11. Goods contain recycled content / recycled materials are used	Incorporating recycled content such as wood, steel, fabric, plastic can reduce the demand for virgin material in FFE products and support the recycling industry.	3
12. Goods are recycled at the end of useful life	The disposal of existing FFE being replaced is usually arranged as a separate process to procurement of goods.	2
13. Goods are returned for resource recovery through a take-back or end of life scheme	There are emerging industry wide product stewardship schemes for some FFE products and some FFE suppliers offer takeback schemes for product recycling/recovery/reuse. If a product is supplied with an existing recovery pathway such as takeback scheme, then that increases the chances of recovery, though does not guarantee it. There are opportunities to introduce requirements for participation in stewardship arrangements as part of new contracts. To be effective, systems need to be in place for cost effective collection, transport and processing.	3
14. Goods are available for lease, rent or product-as-a-service as an alternative to buying outright	Very few FFE are currently being offered as a product-as-a-service alternative.	1

From this analysis, it is suggested that the priority sustainability principles for FFE products are:

1. goods are durable, repairable, reusable, and/or recyclable
2. goods have been refurbished or existing goods are reused
3. safely use and dispose of chemicals
4. goods containing recycled content / recycled materials are used
5. use safe and renewable inputs
6. goods are returned for resource recovery through a take-back or end of life scheme

It is recognised that none of these priority principles for FFE include the specific climate focus area principles. This is not to suggest that climate impacts are not important in the procurement of FFE. Rather it recognises that it is currently costly to measure and track embodied carbon emissions of products, and that operating emissions are being managed with other tools, such as the Net Zero in Government Operations Strategy and Energy Star certification scheme. Many of the other principles include an indirect reduction in carbon emissions, through extending product life or choice of raw materials.

For clarity, this list is for the development of the reporting metrics only. It is not intended to limit the improvement of sustainability across all sustainability principles, which is demonstrated through the 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
- Global Reporting Initiative (GRI) reporting
- business policies that support environmental sustainability
- staff education programs or training
- emissions reduction
- supply chain visibility

While the details of this will be included in the SESP, 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.

This could be verified through:

- Third party certifications
- 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/materials 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 FFE category could be:

- a proposal to audit and assess existing furniture and refurbish where feasible to reduce the need for new procurement.
- use of reusable pallet covers to reduce plastic wrap in transport
- provision of on-site repair services.

Suppliers will be invited to detail the innovation included in their offerings in the SESP (see section Supplier Environmental Sustainability Plan - FFE).

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

- Supplier has demonstrated innovation.

This could be verified through:

- Agreement by the contract manager.

Recommended Metrics

This section translates the identified desired sustainability outcomes into metrics against which the procurement can be reported.

For each of these sustainability outcomes, identified above, Table 3 maps possible metrics against each principle with brief evaluation on whether further consideration is merited. Because relevant data to directly measure sustainability outcomes is not readily available, proxy data sets are likely required.

The preferred metrics have been identified through considering:

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

Metrics determined to be suitable, or preferred over alternatives, are indicated.

Table 3 Identification of metrics options for each priority sustainability outcome

Sustainability Principle Outcome	Potential metric	Verification	Evaluation	Preferred metric?
Goods are durable, repairable, reusable, and/or recyclable	Product was designed for easy repair and spare parts and repair services are available	Supplier declaration	Design for durability is recognised as high priority in the procurement of goods. However, this is difficult to verify in a simple metric. Suppliers can demonstrate the repairability of the product in the SESP.	No
Goods are durable, repairable, reusable, and/or recyclable	Length of product warranty	Length of warranty provided	Preferred as simple proxy that generally reflects manufacturer's design for durability and intent to support over product life, though this is not always the case. Warranties should emphasise repair over replacement. Many ecolabels establish that 7 years is	Yes

Sustainability Principle Outcome	Potential metric	Verification	Evaluation	Preferred metric?
			the minimum warranty period to be eligible for certification.	
Goods have been refurbished or existing goods are reused	Whether a supplied good is an existing product being reused (including refurbished)	Evidence that a product has been reused either from the current or other asset owner is likely to be self-evident. Some refurbishers offer a tracking certificate.	In practice this can be captured as variation of the metric on recycled content. E.g. "Goods are reused or contain a fraction of recycled content"	Yes
Goods contain recycled content / recycled materials are used	Whether supplied goods contain recycled content	Supplier declaration or relevant ecolabel	This only measures the presence of recycled content. It does not allow a measure of total amount of RC.	No
Goods contain recycled content / recycled materials are used	Proportion of recycled content in a product	Supplier declaration (Note: The Australian Government has developed a National Framework for Recycled Content Traceability and is developing a ReMade in Australia certification to identify recycled content products)	Concern has been raised that exact amount of recycled content may not be available through the supply chain. A range of recycled content would be easier and sufficient rather than the exact amount (e.g. 25-50% RC, rather than 42% RC).	Yes
Goods contain recycled content / recycled materials are used	Whether the recycled content is Australian	As above	Capturing both the proportion of recycled content and its origin, i.e. Australian or imported, provides data on the Australian recycling industry capability and its performance in comparison to international markets. This data will provide insights for broader policy decisions.	Yes (supporting metric)
Safely use and dispose of chemicals	Air emissions of relevant chemicals in product (e.g. formaldehyde) are below certain emission standards	Test results in accordance with relevant Australian or international standard	Not yet feasible as requires detailed technical knowledge by procuring officers. Capability uplift can be provided to procuring officers to improve evaluation. Emissions of chemicals in a product does not measure the use of chemicals and subsequent impacts during manufacture.	No

Sustainability Principle Outcome	Potential metric	Verification	Evaluation	Preferred metric?
Safely use and dispose of chemicals	No chemicals leading to VOC used in manufacture	A schedule of the constituent chemical substances in g/kg used in the manufacture of the product that are classified as harmful, and relevant safety data sheets (SDS)	Any supporting evidence, other than an ecolabel, may not be in a form that avoids potential greenwashing by being verified. Verification also requires a detailed understanding of the supply chain.	No
Safely use and dispose of chemicals	The product has an ecolabel	Third party ecolabel, either multi-attribute or single attribute that confirms low chemical emissions	Preferred as there are a range of ecolabels that demonstrate chemical avoidance or minimisation in line with published standards.	Yes
Use safe and renewable inputs	The proportion of renewable materials in a product	Supplier declaration or certificates such as FSC can add additional benefit by indicating that the renewable material/s were sustainably harvested	May create confusion between products with recycled content but no renewable materials	No
Use safe and renewable inputs	The proportion of virgin materials in a product that are renewable	Supplier declaration or certificates such as FSC can add additional benefit by indicating that the renewable material/s were sustainably harvested	This distinguishes between the use of recycled content and virgin renewables. Some renewable materials may have a negative impact compared to alternatives.	No
Use safe and renewable inputs	No metric		Determining whether renewable products are more sustainable than non-renewable products require a life cycle assessment. Material sustainability would be represented by the product having an EPD and/or ecolabel (captured below)	n/a
Goods are supplied with a clear scheme for end-of-life recovery	Goods have an established end-of-life recovery plan	Evidence of participation in a product stewardship / takeback scheme	Suitable	Yes
Products have recognised broad	Products have a recognised single or multi-attribute ecolabel, sustainability certification or EPD	Recognised certification	Suitable	Yes

Sustainability Principle Outcome	Potential metric	Verification	Evaluation	Preferred metric?
sustainability benefits				
The supplier demonstrates corporate sustainability	Suppliers 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	Yes
Suppliers demonstrate innovation	Suppliers have innovation against nominated sustainability principles	Supplier declaration	Suitable	Yes

From the above, recommended metrics relevant to an FFE product's sustainability are:

- whether a product has a recognised single or multi-attribute ecolabel or sustainability certification
- length of warranty
- proportion of recycled content in product (and whether of Australian origin)
- product is reused (including refurbished)
- whether a product has an established end-of-life recovery plan.

In addition, we will track whether:

- suppliers have a demonstrated environmental certification
- suppliers have delivered innovation against nominated sustainability principles.

It is understood these metrics do not tell the full picture of a product's sustainability. For example, the length of a warranty may indicate the designed durability of a product but does not provide information on whether spare parts or repair services are readily available. To be effective, metrics need to be quantitative or binary and able to be supported by evidence. Suppliers will have the opportunity to provide more qualitative detail in the SESP.

Reporting Template Structure

Appendix A presents an extract of a draft reporting spreadsheet demonstrating how the data would be captured. The spreadsheet will be included with this discussion paper package.

It would be a contractual requirement that the supplier completes this spreadsheet after the contract delivery. The supplier will forward to the contract manager who will confirm and lodge with DCCEEW.

It is proposed that there will be 2 tabs on a spreadsheet:

- front page, for key data on the contract and extracts of the supplier SESP
- metrics page, for data on the products delivered.

Reporting Options

To optimise the benefit from reporting there needs to be a balance between the data required to demonstrate impact and the administrative burden of reporting. To this end, 3 reporting options have been considered:

- reporting only on products that have positive sustainability outcomes
- reporting on all products procured in the category
- reporting focused on some products within the procurement.

These are discussed below.

Positive Reporting

In this scenario, reporting against the metrics would only be required where there are positive sustainability outcomes. For example, a product that has:

- an ecolabel
- an amount of recycled content, or
- an extended warranty.

This limits whole of government reporting to the spend or quantity of products meeting the sustainability outcome, such as "$x million was spent on chairs with recycled content". It would not be possible to breakdown into further detail for each product type, e.g. "15% of chairs (by value) procured in the FFE category included recycled content".

All products reporting

In this scenario, reporting would be expected across each product procured, regardless of whether there is a reported sustainability benefit.

For example, a procurement might be for:

- 500 office chairs (with specified average verified recycled content)
- 500 workstations (with ecolabel certification)
- 50 conference chairs
- 1 large conference table
- 3 small conference tables

The reporting would be across all 5 product types, even though only 2 of them had sustainability outcomes.

The benefit of this approach is that the whole of government reporting would be able to identify the full extent of where sustainability outcomes are being realised, and the products where they are not. This will allow for consultation with procurers and across the supply chain to identify barriers to delivering more sustainable alternatives. It also ensures that the focus of sustainability is on all products in the category. The challenge of this approach is that it could create additional administrative burden on suppliers.

Focused Reporting
This option allows for full data to be collected but only for a limited range of the products provided in a contract. These products could be grouped in one of 2 ways:

- as "priority products", for all procurements
- by a threshold amount for each procurement.

In the first option, priority products would be set across the category. For example, reporting might be required only on all desks, chairs, mattresses.

In the second option, only products procured above a certain amount in each procurement activity would be reported. For example, if the threshold is $50,000 that might include 500 task chairs but exclude 50 conference chairs.

In both cases, reporting would be required on all supplied products in the group, even if there are no sustainability initiatives ("nil" response). Further consideration would be required to establish the priority products or the threshold amount.

This approach would only be for reporting, the ESP Policy applies to the whole procurement activity.

The advantage of this option is that the reporting burden on suppliers is reduced. The limitations include:

- There is not yet enough evidence to identify the priority products or set a threshold.
- It might send the message that only some products are of interest.
- It would not allow whole-of-government reporting across the complete FFE category.

Preferred Approach

To realise the full benefits of the ESP Policy, reporting against all products is preferred. This will allow a fuller picture of the sustainability opportunities and challenges available in the procurement of FFE products.

It is considered that reporting against all products is not an excessive reporting burden as it is understood that the reporting could involve a simple transfer of product data from the tender submission to the reporting template. Reporting is only required on contracts worth over $1million.

It is recommended that reporting for FFE be "All Products Reporting" as discussed above.

Supplier Environmental Sustainability Plan - FFE

Purpose of the SESP

The ESP Policy requires tenderers to demonstrate how environmental sustainability is addressed in a SESP. The SESP is to be submitted as part of the tender documentation and will become a schedule to the contract for the successful supplier. The aim of the SESP is to provide tenderers a consistent framework within which to demonstrate their sustainability credentials, and a user-friendly tool for procurement officials to compare and assess the tenders' sustainability.

Information provided in the SESP to demonstrate the sustainability of the products being offered should not be limited to requirements of the reporting framework.

For example:

- a product may have an extended warranty and/or a takeback scheme in place, but it is also important to communicate whether there are spare parts available, skilled repairers in the region and a collection process in place to return for disposal.
- a product may not (yet) have an ecolabel, but a supplier may be able to use other tools to demonstrate details regarding sustainability, such as supply chain traceability assurance.

This additional information should be provided in the SESP to support tender assessment. In accordance with the ESP Policy, the SESP will include questions for tenderers to address:

- how they will optimise environmental sustainability in delivery of the goods or services being procured (product sustainability)
- how they address environmental sustainability impacts associated with their business and supply chain (corporate sustainability)
- opportunities for innovation and how these will be considered throughout delivery of the contract (innovation).

The ESP Policy requires procuring officials to evaluate the SESP taking into consideration the tenderer's:

- proposed approach to optimising environmental sustainability outcomes in the delivery of the potential contract
- proposed approach to substantiating environmental sustainability claims
- proposed environmental outcomes in the SESP and how they align with the focus areas and principles in Table 1
- corporate commitment to environmental sustainability.

For each procurement category in scope of the ESP Policy, a SESP template will be developed to guide tenderers and ensure consistency across tenders.

SESP Structure

The SESP needs to capture all the sustainability features that a tenderer is offering, and the specific information required for the reporting framework. The reporting will focus on the data associated with the metrics identified above.

Where an environmental claim is made, the tenderer must include details of how that is substantiated, e.g. with a third-party ecolabel, statutory declaration, laboratory test results, product specifications.

Overall Approach

This is an opportunity for a tenderer to freely describe their overall approach and intended or expected sustainability outcomes. This could be descriptive, explaining the overall sustainability benefits to be offered, or quantitative, giving data on level of impact e.g. reduction in greenhouse gas emissions. Any claims should be backed up by evidence.

This section should allow the identification of sustainability principles being targeted by the tender.

Product Sustainability

This applies to each product being offered and recognises that some product types have more potential than others.

It is recognised that in a FFE procurement, a range of options may be provided at tender, e.g. 3 types of task chair, when only one will be supplied. The template should capture this.

It is assumed that suppliers would prefer a SESP template that offers a variety of ways to communicate their sustainability offerings. For some content, a simple response is appropriate. For example, the period of warranty, or any ecolabels for the product. Other information, such as whether and how the product was designed to be durable or easy to repair, would require a more descriptive approach.

It is also assumed that the tender assessors would prefer to have product detail included, such as product type, brand, model, price and fit for purpose evidence.

Corporate sustainability

This is any information on the tenderer's policies, processes and actions to improve the sustainability of the business including its supply chain. This may include undergoing an environmental management process and certification under ISO14001, or tracking reducing carbon emissions or achieving climate or nature positive outcomes at a company level or throughout the supply chain.

Innovation

The Australian Government is seeking innovations that further improve sustainability above what may be embedded in each product. Innovation doesn't have to be a demonstration project; it could be a different or improved way of doing things at any stage of the product life cycle or supply chain. This could be in and apply to the product design, manufacture, material use, or post-consumer asset management.

Examples of what may be considered innovations for FFE are:

- digital management of assets to track supplier, warranty period, maintenance manuals etc
- a proposal to audit and assess existing furniture and refurbish where feasible to reduce the need for new procurement
- use of reusable pallet covers to reduce plastic wrap in transport
- provision of on-site repair services to reduce transport.

There may be overlap with this section and corporate and product sustainability sections. There would be flexibility for tenderers to use their judgement.

Draft SESP Template

A proposed SESP template for the FFE category is at Appendix B.

It is proposed that the SESP template be a Word document. The key information can be transferred by the procurement official to the reporting template in Excel.

Sustainability Verification Tools Relevant to FFE

Multiple tools can be used to demonstrate the sustainability of a product. To avoid greenwashing, these tools should be supported by third party verification where feasible. Existing tools to verify sustainability include:

- life cycle assessments (LCA) and environmental product declarations (EPDs)

- third party product certifications or declarations (ecolabels)

- product stewardship schemes

- third party company certifications.

LCAs study the environmental aspects and potential impacts throughout a product's life cycle (i.e. cradle-to-grave) from raw materials acquisition through production, use and disposal. Best practice LCAs are undertaken in accordance with the ISO14025 which requires peer review.

EPDs are summary LCA reports containing quantified information on the life cycle impacts of products that are verified against established standards, such as AS14025 or EN15804+A2.

Product certifications include a range of independent or industry ecolabels and third party verified transparency declarations (other than EPDs) that track the sustainability of products across specific criteria. Some of these consider multiple sustainability attributes and others consider only a single attribute, such as energy efficiency or recycled content. They differ in their quality or ability to guarantee various sustainability aspects. ISO14024 and ISEAL standards sets the requirements for ecolabels and declarations with third party and/or chain of custody certification respectively. ISO 14021 guides self-declared claims.

Product stewardship schemes occur where parties involved in a product's lifecycle take financial and/or operational responsibility for the stewardship of that product throughout its first life. Voluntary product stewardship schemes are industry-led (either single business or industry-wide) and operate independently of government. There are no regulated product stewardship schemes that apply to the FFE category.   Schemes vary in their outcomes and a significant indicator of the usefulness of a scheme is the volume of products or materials they recover, recycle, reuse, repair or repurpose.

Third party company certifications rate the sustainability credentials of a company or brand, rather than a specific product.

More About Ecolabels

There are hundreds of ecolabels worldwide and not all would be recommended for consideration in public procurement. It is beyond the scope of this discussion paper to assess and recommend particular ecolabels. Instead, the list of ecolabels proposed to be offered as options in the reporting template have been adopted from the United States Environmental Protection Agency (US EPA), the Green Building Council of Australia (GBCA) and the Australian Government.

The US EPA has developed a clear framework for assessing ecolabels: *The Framework for the Assessment of Environmental Performance Standards and Ecolabels* [1] and a set of recommended ecolabels[2]. It may not include all relevant ecolabels for FFE procurements in Australia.

The GBCA is an independent certifier of the sustainability of buildings, fitouts and communities. Their rating tools allow for credit for responsible products using the responsible product value (RPV). The RPV is calculated for a product based on the type and the number of third-party certifications that the product holds.   GBCA has assessed a range of ecolabels and certifications and assigned them an initiative score.

The Australian Government manages several certification schemes relevant to FFE sustainability.

A list of certifications and ecolabels that are relevant to the ESP Policy FFE category and are proposed to be offered as part of the reporting framework, are in Table 4. These have been based on the recommended US EPA ecolabels, and/or initiatives assessed by GBCA and/or are Australian Government initiatives. This list does not constitute a recommendation and nor is it exhaustive.

Some suppliers and manufacturers may not have their products certified but do have company-wide sustainability certification. This generally indicates that the company meets a minimum standard of environmental performance and accountability but does not necessarily relate to products they make or import unless the certification reporting states otherwise. They may also be members of an industry-wide product stewardship scheme which commits them to supporting improved design and recovery of their products. A list of relevant company certifications is in Table 5 and product stewardship schemes in Table 6.

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[1] Framework for the Assessment of Environmental Performance Standards and Ecolabels for Federal Purchasing (epa.gov)

[2] Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing | US EPA

Table 4 Relevant Ecolabels and Certifications for FFE Products

Ecolabel	Description
GECA	Third party multi-attribute sustainability certification offering different standards for a range of product types, including furniture, mattresses, textiles. GECA also has a recycled content certification
Cradle to Cradle	Third party multi-attribute sustainability certification. Includes some engineered timber products, office chairs and desks.
LCA Rate (Global Green Tag)	Third party multi-attribute sustainability certification for building products based on comparative life cycle assessment, mostly building products with certified products in majority of FFE categories
GreenRate (Global Green Tag)	Third party multi-attribute sustainability certification for building products using whole of life cycle scope, mostly building products with certified products in majority of FFE categories
Product Health Declaration (Global GreenTag)	A chemical ingredient transparency report with chemical human or environment hazards with key life stage hazard risk analysis and 'healthiness in use' rating with certified products in majority of FFE categories
CarbonRate (Global GreenTag)	An LCA based certification of carbon neutrality, saved carbon or climate positive aspects of a product
Manufacturer Claim Verification (Global GreenTag)	Third party single attribute ecolabel including recycled content, reuse, refurbished and repurposed FFE
AFRDI Green Tick	Third party multi-attribute sustainability certification for furniture
EPEAT	ISO 14024 compliant ecolabel managed by the Global Electronics Council
Forest Stewardship Council (FSC)	Third party chain of custody material certification of forest products, including wood, for the social, economic and environmental impacts of their harvesting and removal based on ISEAL standards. FSC also has a recycled content certification
Responsible Wood	Third party chain of custody material certification of forest products, including wood, for the social, economic and environmental impacts of their harvesting and removal based on AS/NZS 4708:2021
Living Product challenge	A multi-attribute third party sustainability certification for products
BIFMA	A multi-attribute third party sustainability certification for furniture
SmaRT	A multi-attribute third party sustainability certification for furniture, flooring and paints
Eco Choice Aotearoa	A multi-attribute third party sustainability certification for products. (Formerly Environmental Choice NZ)
Declare	A transparency report of a product ingredients' human health and environment chemical hazards.
Greenguard	Single-attribute certification for indoor air quality/VOC emissions

Ecolabel	Description
SCS Indoor Advantage	Single-attribute certification for indoor air quality/VOC emissions
Global Recycled Standard	Single-attribute certification for recycled content
Energy Rating Label	An Australian Government legislated labelling scheme to describes the energy consumption of an appliance
Water Rating Label	An Australian government operated labelling scheme to allow consumers to choose the most efficient water using devices. Primarily for domestic products.
ReMade in Australia	An emerging Australian Government certification of recycled content in a product

Table 5 Supplier environment and sustainability schemes relevant to FFE

Company Certifications	
BCorp	A company's social and environmental performance is evaluated against a range of criteria. The standards include a requirement for companies to understand their climate, circularity and environment impact and have a strategy to improve.
ISO14001	A framework for companies to continually improve their environmental performance.
Carbon Neutral Certification	Third party certification against the internationally recognized carbon neutral standard PAS 2060 demonstrating a company has negated its carbon emissions

Table 6 Product Stewardship Schemes relevant to FFE

Product Stewardship Schemes	
Furniture 360	An emerging product stewardship for furniture managed by the Australian Furniture Association
Australian Bedding Stewardship Council (ABSC)	A product stewardship for mattresses which collects a levy per mattress to cover the costs of recycling. Members may be manufacturers, importers or retailers
Battery Stewardship Council (B-cycle)	A product stewardship scheme accredited by the Australian Government for batteries which collects a levy on batteries for recovery and recycling
Resiloop	A product stewardship scheme for resilient floorcoverings (e.g. vinyl sheet) which collects a levy from suppliers for recycling and research.

Appendix A – Draft Reporting Tool Template

Extract of proposed reporting tool – Front page

ESP Policy Reporting Framework - FFE

Procurement Details	
Contract ID	
Description	
Agency	
Supplier Name	
Contract Manager name	
Contract manager email	

Extract from the SESP	
Overall Approach	
Corporate Sustainability	
Corporate sustainability accreditation/s:	
Innovation	

Sustainabilty Principle/s targeted		Tick
Climate	Minimise greenhouse gas emissions	☐
	Optimise energy efficiency	☐
	Use low embodied emissions materials	☐
Environment	Optimise water efficiency	☐
	Use safe and renewable inputs	☐
	Safely use and dispose of chemicals	☐
	Actively minimise the creation of waste and the amount that is sent to landfill	☐
Circularity	Fitouts use less materials, minimise waste, can be reused, designed for adaptability and flexibility	☐
	Goods are durable, repairable, reusable, and/or recyclable	☐
	Goods have been refurbished or existing goods are reused	☐
	Goods contain recycled content/recycled materials are used	☐
	Goods are recycled at the 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	☐

Department of Climate Change, Energy, the Environment and Water

Extract of proposed reporting tool –Metrics page (lists are drop down options)

FFE Product Reporting Template

Product Details						Product Sustainability							
Product category	product description	Brand or manufacturer name	Number items supplied	Cost per item	total cost	Does the product or manufacturer have a third party verified sustainability certification?	Other certification free text	Warranty period	What proportion of recycled content	Is this Australian RC?	What is the key RC?	Does the product include an end-of-life recovery plan	Other product sustainability (free text)
Chair – task						Supplier – Bcorp		1	Reused Product	Yes	plastic	yes, product stewardship program	
Chair – conference						Supplier –ISO14001		2	<20%	No	wood	yes, takeback sheme	
Chair – dining						Supplier– other please state		3	20–50%		steel		
Chair – stool						Product:		4	51–80%		aluminium		
Chair – other						Climate Active Carbon Neutral for Products 8		5	81–100%		other metal		
Workstation						Climate Active – Corporate		6	None		fabric		
Table conferece						Cradle to Cradle Certified v4 – Bronze		7	unsure		foam		
Table small						Cradle to Cradle Certified v4 – Silver		8			glass		
Table large						Cradle to Cradle Certified v4 – Gold		9			other (please state)		
Mattress						Cradle to Cradle Certified v4 – Platinum		10					
Bed						Declare 2.0 – Declared		11					
Storage Unit						Declare 2.0 – Red List Approved		12					
Appliance domestic						Declare 2.0 – Red List Free		13					
Appliance Commercial						Environmental Product Declaration (EPD) – In		14					
Equipment						Environmental Product Declaration (EPD) – F		15					
						FSC Certification (FSC-STD-AUS-01-2018)		>15					
						GECA Carpets (C v3.0-2021)							
						GECA Floor Coverings (FC v3.0-2021)							
						GECA Furniture, Fittings, Foam and Mattresses (FFFM v3.1i-2017)							
						GECA Panel Boards (PB v3.0-2021)							
						GECA Recycled Products (RPv1.0ii-2015)							
						GECA Steel and Steel Products (SSP v1.0i-2019)							
						GECA Sustainable Products and Services (SPSv2.0i-2020)							
						Global GreenTag GreenRate Level A							
						Global GreenTag GreenRate Level B							
						Global GreenTag GreenRate Level C							
						Global GreenTag HealthRATE – Bronze							
						Global GreenTag HealthRATE – Silver							
						Global GreenTag HealthRATE – Gold							
						Global GreenTag HealthRATE – Platinum							
						Global GreenTag Product Health Declaration							
						Living Product Challenge 2.0 – Imperative Challenge							
						Living Product Challenge 2.0 – Petal Certification							
						Living Product Challenge 2.0 – Full Certification							
						ReMade in Australia							
						Responsible Wood (AS-NZS 4708:2021)							
						Other, please state							

Appendix B – Draft SESP Template

Overall Approach

Describe your overall approach to reducing sustainability. 500-word limit (no links to external websites or attachments)

Include:

- *How you have reduced the health and environmental risks of chemical exposure from products*
- *How you embed longevity into your products*
- *How product inputs are managed (e.g. recycled, virgin, sustainable forestry)*
- *How you deal with products at end of first and/or useful life*

Corporate Sustainability

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 or attachments)

You should supply evidence of claims with the completed SESP, e.g. third-party certifications.

Innovations

Detail the innovation/s you will deliver with respect to environmental sustainability (climate, environment and/or circularity).

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.

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	
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			

Product Sustainability

For each product offered, complete the table below with information on:

- Manufacturer/brand/model; Number supplied; unit cost; and total value
- Responses to the specific sustainability metric
- Other sustainability related information of the product

Example rows have been shown for guidance.

Product type	Brand/ model	No. supplied	Unit cost	Total value	Warranty period	Amount of recycled content or reused product	Amount of virgin materials that are renewable (e.g. timber, bamboo)	Has product demonstrated chemical usage? How?	Is there a defined end-of-use plan for all or part of the product? Describe	Ecolabels or certifications of the product or manufacturer	Other e.g. designed for durability, reparability, recovery
Example Row 1 Task chair	Flower brand Wattle model	180	$620	$111,600	7 years	Fabric includes 20% recycled polyester				Greenguard (for fabric) FSC (for timber base)	
Example Row 2 Workstation	Leaf brand Gum model	180	$1600	288,000	10 years				Batteries are sourced from participants in the B-cycle Scheme	GECA Greenguard product. BCorp manufacturer	QR code attached with warranty, maintenance disposal information Adaptable to different configurations, increasing useability