The strategic opportunities for FM value through zero carbon and accurate emissions measurements

12pm, Wednesday 25 May 2022





# **Panellists**



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# Scope 3 emissions & Zero-Carbon in FM

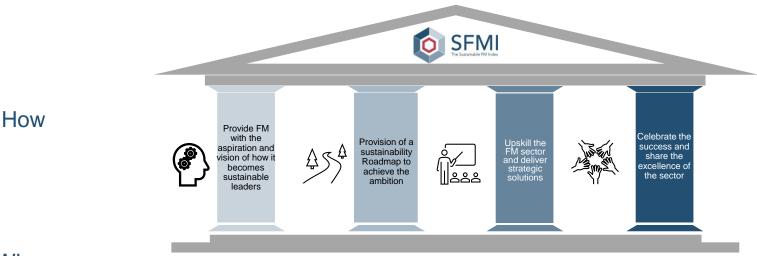
**Setting the Foundations for Net Zero** 

Presented by: Chris Havers



# The Purpose of The SFMI

To drive ESG leadership within the FM industry by delivering sustainable services that provide a positive benefit across the value chain



#### Why

FM should have a positive impact on the environment and society by embedding the principals of sustainability into its value chain. But there are multiple forces, such as contractual agreements, creating barriers.

FM can influence and manage sustainability in a variety of areas, such as: Operating & maintaining buildings, behaviour change, purchasing efficient assets & equipment, creating social value, using resources efficiently. By working together, the FM can overcome the barriers and build its reputation as driver of sustainable change in business.



# The SFMI Offerings

In 2022, we have developed a full annualised programme to build sectoral knowledge for partners. It is designed to raise the profile of the SFMI and sustainable FM's within the sector and wider business.

Research

- Collaborative research projects that push the FM across specific ESG topics.
- Building tools and standards for the industry

Assessments

 Assessments provide a credible single assessment score for comparable measure and benchmark against other FM companies, along with a detailed roadmap of how FMs embed sustainability within their organisation leadership, upskill your business and be recognised as leading organisation in the industry

Align with sustainable thought

Single score assessment, Benchmark the business and identify key areas of development.

Strategic Solutions

- •Delivering solutions for FMs that drive the SMFI Responsible Business Roadmap
- Fast track your programme to align with customer, investor and regulatory needs both now a in the coming 5 years.

Fast track key projects to drive the businesses overall sustainability performance

Collaboration

- Industry working groups driving sustainability collaboration between providers, clients and suppliers.
- •Hosting webinars, Leaders Forums, and smaller scale research projects

Actively engage in sustainability discussion, debate and the further education of the industry.

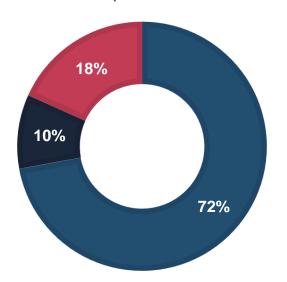


# Greenhouse Gas Emissions & FM providers

# FM PROVIDERS EMISSIONS INVENTORY



■ Scope 1

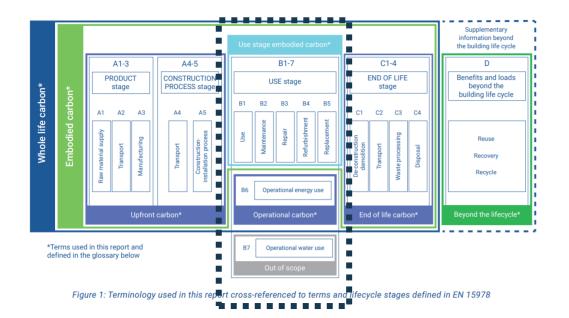


#### **Built Environment & FM**

- Approx. 30% of UK emissions come directly from the built environment
- Approx. 80% of building stock in 2050 already exist today
- While embodied emissions are large, emissions generated from operational phase are measured as part of the ongoing annual building inventory.
- To isolate FM impacts FM acts both as a supplier to businesses, or an in-house operation. So its impact can be captured in different ways – either scope 1, 2 or 3.
- Understanding the size of an FM's influence on either in-house company emissions or as an outsourced supplier is valuable



# Emissions in FM – Context to the building lifecycle



The building lifecycle currently includes operational carbon from energy and water use, along with embodied carbon from the below ithing adhat FM has a larger impact on the operational use building policiers, and tenants want to operate within 'Sustainable Buildings'.

It also needs to capture the impact It is for the public benefit that the actual that it can deliver on the operational performance of buildings are improved use of buildings are improved rather than just the theoretical performance and the embodied content the building lifecycle

Change perceptions and build its reputation



# What else forms part of a building's emissions?

What are commercial buildings used for? – Bringing people together









Therefore, is it right to say that a building's impact is based on its embodied material carbon and operational energy use?

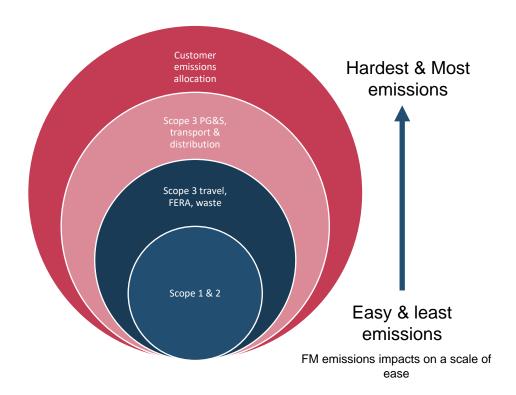
If a building's purpose is to draw people to it, then the activities that take place are also part of the buildings impact: Its Scope 3 emissions.

Because FM is managing the activities within buildings, the SFMI is building an approach that allows it to measure FMs impact within the built environment, by measuring its wider scope 3 emissions.

This data is vital for a company's carbon inventory, but FM does not accurately collect the data to understand the impact and hence the value of the opportunity it has



# Emissions in FM & Net Zero targets



- Carbon emission are socially understood and reflected in corporate targets and reporting, talked about, and expected!
- Increased urgency to achieve targets by 2025, 2030 and 2050
- Scope 1 and 2 emissions are understood and measurable
- Scope 3 emissions are more complex
- Increasing opportunities to use technology and data to measure Scope
   3



# There are A Range of Problems

#### **Problem 1**

FM industry needs to have more of a strategic impact through the services it delivers or risks being disrupted by a technology company that can offer a cheaper service.

#### **Problem 2**

FM needs to build its reputation in sustainability to build confidence

#### **Problem 3**

FM providers are often hamstrung by restrictive contracts that mean delivering greater value is difficult unless they carry the cost burden.

#### **SFMI's Proposed Solution**

This can be achieved by transforming FM into a sustainable FM solutions provider.
Aligning with zero carbon targets is one such example of delivering strategic services.

Working as an industry, it can work from standards that promote it as accepting responsibility for sustainability issues and can build solutions to manage those issues in the FM space. – Increasing the scope of its carbon footprint will do this.

With an improved reputation, it can engage with customers, measure its ability to impact, and measure the impact it can have.



## Scope 3 Emissions in FM Research

#### The vision:

To help to launch FM to position itself as a key component in delivering zero-carbon in the built environment, deliver improved operational building performance, and reduce direct and in-direct emissions for businesses they work with.

#### How:

- To set a standardised FM industry approach to calculate carbon emissions
- Provide an engagement tool for FM to work collaboratively with customers on realistically reducing emissions in line with zero carbon agendas.
- · Build a carbon tool that will contribute real data to improve the industry's understanding of its impacts
- Use the data to engage with the wider built environment in the impact that FM can bring to buildings if contracts allow.

#### 4 Stage approach

 Launch of a technical emissions report, and push the use of the standard for FM

8 June 2022

2. Use the approach to build a carbon tool for the industry

Sept 2022 – July 2022

Drive the uptake of the FM GHG approach

3. Develop tool sophistication

Deliver to the wider industry and push beyond UK

Sept 2023 - Early 2024

Build a globally recognised decarbonisation pathway for the FM industry



### Our critical reviewers

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- Range of large and medium FM providers
- Selection of client side reviewers
- Key industry bodies
- The aim of the review panel is to ensure that we are producing a quality output that can gain traction within the industry



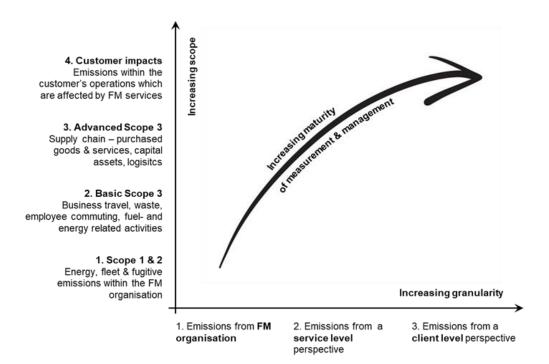
# Stage 1 - Scope 3 Emissions in FM

# Aim of Stage 1 – Launched on 8 June at IWFM conference

To set the standard for how FM providers account for their emissions, and help FM engage with businesses on their impact

#### This will help them:

- Meet and exceed mandatory reporting requirements
- Bring the industry up to the same level for reporting emissions
- Measure the full impact of different FM service lines and activities
- Provide users with a competitive advantage within tenders and contract negotiations
- Overcome contractual restrictions and promote greater responsibility for FM aligned with carbon reductions.





# How the approach works

#### Two approaches to measuring emissions

# 1. Top-down Corporate emissions inventory Method

- Robust corporate emissions accounting approach in line with the GHG protocol that identifies the highest impact scope 3 categories.
- Benefits Provides a complete corporate inventory for an FM provider to use to set roust and consistent targets against for zero carbon.
- Who All FM/corporate business
- Uses To ensure that the corporate inventory's of FM Providers is aligned, and incorporated into netzero commitments

#### 2. Bottom Up customer emissions Engagement Tool

- Engagement tool that allows FM to identify activities that they can make realistic emissions reductions in based on their specific contractual circumstances
- Benefits Gives granular data on a contractual level that can be aimed at individual customers, allowing them to find common ground in carbon reduction and build a contract on trust and reduction of carbon.
- FM providers with customers, or In-house FM teams with their business or their FM suppliers.
- Uses Identify activities that FM is responsible for, measure the emissions and plan how to reduce the emissions with the customer.



# Keep In Touch

#### Launch Date:

- 1. 8<sup>th</sup> June 2022
- 2. <a href="https://www.acclaro-advisory.com/sfmi/scope-3-emissions-fm/">https://www.acclaro-advisory.com/sfmi/scope-3-emissions-fm/</a>

#### Future:

- 1. Feedback and consultation over the summer, with amends to made.
- 2. Stage 2 of the project Carbon tool building and data collection Recruiting for research partners now
- 3. <u>Contact Chris.Havers@acclaro-advisory.com</u> and <u>Kieran.King@acclaro-advisory.com</u> to discuss and join



**Your questions** 





The CPD number for today's event is

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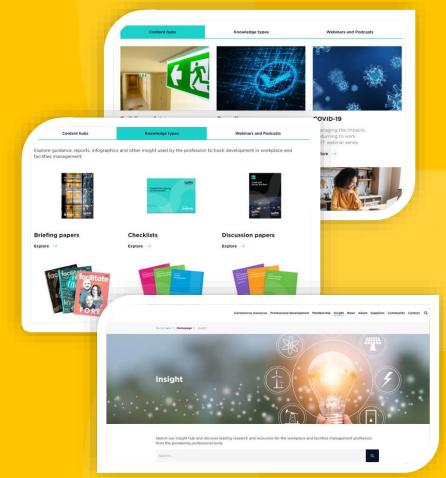




## **Insight hub**

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- Good practice guides
- Guidance notes
- And more...

Available to download at iwfm.org.uk/insight











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8 June 2022, Euston, London

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