



SFMI

The Sustainable FM Index

THE 23 CRITERIA FOR SUSTAINABLE FM

This report is a guide for FM providers, FM Teams and Property teams to understand:

- The definition of each criteria and how it relates to sustainability in the built environment.
- How each criterion affects the role of the FM,
- What FM can do to manage each criterion.
- How each criteria interlink with other sustainability criteria
- What should sustainable FM leaders be achieving according to the SFMI scoring assessment.

The SFMI is a product of Acclaro Advisory



SFMI's guide to Sustainability in FM - 23 Criteria	2
Environment	6
Environmental Management Systems	7
Ecology	8
Energy Management	9
Water	10
Circular Economy	11
Transport	12
Project Management	13
Social	14
Health and Safety	15
Employment	16
Sustainable Communities	17
Stakeholder Engagement	18
Supply Chain Management	19
Wellbeing	20
Employee Development	21
Governance	22
Risk Management	23
Board Commitment	24
Sustainability Frameworks	25
Disclosure	26
Financial	27
Compliance	28
Contracts	29
Diversity	30
Collaboration	31

SFMI's Guide to Sustainability in FM - 23 Criteria

The SFMI has been assessing FM Providers since 2013 on their ability to manage and implement sustainability into their internal governance processes and into the services that they offer clients.

The SFMI has four pillars through which it strives to embed sustainability into the management and operation of the FM sector:



With regard to sustainability, we believe that the first step in improving the sector is understanding where the FM sector stands and being able to explain the issues surrounding it. The SFMI works with FM providers and customers to provide a sustainability roadmap, covering many different aspects of corporate operations. Upskilling the sector is crucial to improving sustainability and maintaining continuous improvements. Just as important is the need to recognise and celebrate success and share experiences of the sector. Sharing best practice can help motivate other FMs to make changes to improve their own sustainability efforts.

As part of the second pillar, the assessment framework has been developed to split sustainability into 23 interlinking criteria that is applicable to FM and the built environment. Each criterion offers a pathway to improvement. Using this, a grading of zero to five has been created which judges a company's performance in each are. Performance is based on provision of evidence by the FM Provider.

**The 23 Criteria
are split into three
sections:**



Environmental



Social



Governance

Environmental and social issues are both managed within the company boundary and integrated into the services provided by the FM. Whereas governance issues are managed by the corporate entity and filter down to the FM. It is this approach that separates the SFMI as a performance measure. FM is a service industry and therefore FM Providers should be able to manage internally, whilst also integrating it into their service.

Throughout this document, it should be noted that no topic stands alone, they interlink dynamically. Therefore, managing each topic in independently is not recommended.

SFMI partners sign up to be assessed against our framework. During an assessment, companies are scored twice:

1. In an assesment of public data

A public disclosure assessment is conducted to help set the context of the business and its sustainability culture. In addition, it is done to evaluate if the company is overselling or underselling their sustainability credentials to customers. Achieving level 3 indicates that the company is acting in a best practice transparent manner.

2. A 2nd assessment is then conducted by face to face interviews. (or video conference).

This consists of a one-day audit where the SFMI interviews employees from across the business: contract managers, sales, HR, finance, board members, bid writers etc. The aim is to determine how sustainability is embedded across the organisation. The SFMI auditor will direct questions that are applicable to each team, and request evidence along with the response. Here the company and their ability to embed sustainability across the business is tested.

This approach is taken because sustainable FM providers needs to embed sustainability across their organisation. It is a process in which criteria are interconnected. By taking part in the SFMI assessments, the teams are continuously exposed to how sustainability can be integrated into their role.

This process is repeated annually to help FMs improve their ESG sustainability year-on-year and embed sustainability throughout their organisations.

To achieve this the SFMI aims to

1. Develop a series of thought leading reports/ articles for the whole industry
2. Host a series of forums to discuss and advance sustainability issues in FM across both outsourced providers and corporations managing real estate.
3. Create partnerships to spread the learning, bring in expertise and offer credibility
4. Provide a roadmap and assess FM Providers and FM teams on their ability to embed sustainability
5. Provide training and signposting to upskill the sector
6. Reward best practice, share success through publications, and highlight best practice against the roadmap.

The sustainability maturity pathway of an FM provider can be seen in the following diagram:



Many FMs can be categorised with the Awareness and Compliance stage. They carry the following characteristics:

- Those offering tokenistic sustainability, which suggests playing general marketing “lip service” in their marketing collateral.
- Those who can manage basic sustainability issues but lack the technical expertise.

The SFMI identifies that there are a smaller set of businesses that understand sustainability and create value for the sector (stage 3).

- Those who can integrate with / create a sustainable service contract and manage it within the service of the client and their own business.

After this, there are an even smaller number of businesses that are trying to make the jump to become true global leaders. FM needs this leadership to improve the reputation of the industry, and the SFMI is driving and testing businesses so they can make that jump.

Structure and use of this document

While the SFMI was developed as an assessment process for an FM Provider, sustainability still applies similarly for the FM team on the ground within organisations. The SFMI’s purpose is to embed sustainability across the FM sector. Therefore, we do not want to exclude in-house teams from learning about sustainability. This guidance to sustainability has been written with both audiences in mind.

We have broken sustainability into 23 criteria, which directly relate to the assessment criteria that we use. Each criteria provides the following information:

1. Definition and relationship to sustainability.
2. How the topic affects and interacts with the role of FM.
3. What an FM can do to manage the topic – we will start with basic entry level information, but this is not an exhaustive list.
4. Leadership attributes – What should a leading company be doing in each topic, which directly correlates with our assessment criteria.
5. Interlinking criteria – It can be rightly argued that some topics link in some respect to most criteria. But, in this case, we are providing the keys links. However, please note it may not be true for all companies. Interlinking frameworks have also been included.

This report provides a thorough overview of the criteria. It is written as a supplement and each topic is one page long to ensure that the report is accessible.

Section 1 Environment

There are 7 criteria which fall within the environment category. These should be considered when implementing a service and when managing sustainability at a corporate level.

Section 2 Social

There are 7 criteria that fall within the social category. Again, these should be considered when implementing a service and when managing sustainability at a corporate level.

Section 3 Governance

Governance is applied by looking at an organisation and the way that it conducts itself, but also economical elements feature. This will likely be set at the corporate level or the equivalent. That said, the facilities manager can still input into this approach, this has been considered at each different level.

To use this document, please take the time to understand the levels of best practice that companies should be aiming for. These levels directly correlate to the SFMI top level score (5) within each question. Please consider this whether you work for a FM Provider, as a property professional, managing real estate or in an FM team. This document aims to provide an insight and understanding of how sustainability can be embedded within your role.



Environmental sustainability involves responsible interaction with the environment to avoid the depletion and degradation of natural resources. It strives for long-term environmental excellence. There is also the need for FM Providers to integrate environmental management into their service lines to generate a greater impact for their clients and in turn guide customers to make their own sustainable changes.

Within the SFMI framework, the Environmental criteria assessed comprises of:

- Environmental Management Systems
- Ecology
- Energy
- Water
- Circular Economy
- Transport
- Projects



Environmental Management Systems

Management Systems (M/S) provide a framework to organise and manage multiple parts of a business to deliver continuous improvement. They are applied within a defined scope of an organisation and, once written, need to be implemented and communicated to all relevant employees and stakeholders.

M/S are audited to improve the effectiveness of the system and can also be certified externally to provide customers with assurance of the approach. Standardised Environmental Management Systems (EMS) cover a range of specific issues related to a company's impact on the environment. They integrate procedures, monitoring and training. EMS also includes reporting and communications of managing the environmental impacts of the company.

Companies seeking to achieve external accreditation must follow set of rules and processes.

An example of external accreditation is ISO 50001, this guides a company in managing and improving its energy consumption, or for example ISO 14064, this facilitates businesses to report their greenhouse gas emissions to a good quality standard.

How does it affect the role of FM?

Achieving and maintaining an ISO 14001 certification is often a pre-tender requisite to bid for work. The team involved in developing the

management system will require the support of the FM team to achieve the standard. Failure to follow the regulation could jeopardise the external certification during an audit.

What can FM do to manage it?

It will often be a requirement for the FM team to ensure that the procedures are followed throughout the company. This includes identifying environmental risks, training the team, reporting required information, and maintaining necessary records. It is also important to feedback potential improvements of EMS so that the system can be improved.

Interlinking Criteria (E,S,G)

- All Environmental Criteria - depending on the level of environmental impacts within the company.
- Risk Management, Board Commitment, Sustainability Frameworks, Compliance, Contracts
- EcoVadis: Evidence of Environmental Management Standard Certification

Leadership Attributes

The organisation has an EMS (certified to ISO 14001 or other) which is enabled within the strategy.

Top management are accountable, data within the system is consistent and reported within a communication strategy.

Aspects registers (for corporate and contracts) consider risks and opportunities, as well as compliance obligations.



Ecology

Ecological improvement delves into a company's impacts on its surrounding natural environment e.g. biodiversity, air quality, soil etc. With the huge growth within the built-environment, management of ecology in urban areas has become increasingly important in the outdoor grounds of any buildings on site, or in any indoor green spaces. Despite urbanisation, plants and animals still need to provide "ecosystem services" such as pollination of crops (bees, butterflies) and being part of the food chain. Indoor and outdoor ecology creates benefits for the workplace as well. For example, it improves the overall well-being of staff by reducing stress, filtering poor air quality, and positively impacting staff productivity.

How does it affect the role of FM?

Ecology affects both internal and external grounds. Therefore, grounds maintenance and workplace management can integrate ecology into their role. The ecological needs of each location will vary. To be effective, activities must be understood and managed individually by FMs.

What can FM do to manage ecology?

Key elements include assessing opportunities, measuring current ecology, and acting on the data provided. The Natural Capital Protocol provides a standard way of measuring the ecological impact across the built environment. In addition, it can also involve creating species identification surveys, biodiversity action plans, staff surveys to identify opportunities, site walks and assessments, occupational evaluations that include ecology.

Although relatively well understood within construction, many industries are still learning how to increase ecological benefits.

Organisations should also demonstrate a distinct awareness of the link between Ecology and Wellbeing; and incorporate it into the wellbeing strategy. The role of biodiversity in the FM's Zero Carbon targets should be well understood and engagement strategies should be in place to highlight awareness of the benefits of biodiversity in the internal (e.g., offices) and external workplaces (i.e., outside/ on project sites).

Interlinking Criteria (E,S,G)

- Projects
- Well-being, Sustainable Communities,
- Sustainability Frameworks, Contracts, Collaborations
- Investor ESG Rating – MSCI - Biodiversity and ecosystems preservation practices

Leadership Attributes

The organisation understands natural capital and the value that protecting and enhancing ecology brings to contracts and workplaces.

Central guidance is available within appropriate contracts, and the company confidently reports on KPIs for ecology. It monitors progress against targets, while communicating with facility users to create awareness and behaviour change. There is also a link to wellbeing and Zero Carbon targets.



Energy Management

Energy is the power derived from the utilisation of natural and chemical resources to provide light, heating (natural gas or electric), cooling, fuel generators and to operate machinery within facilities. Sources of energy include fossil fuels (coal, oil, gas), renewable sources (wind, solar, tidal) and other (nuclear, incineration of waste). Energy use directly impacts climate change if derived from fossil fuel sources.

Burning fossil fuels releases captured greenhouse gases into the atmosphere which accumulate around the earth as an insulating blanket that traps heat and creates long-term climatic warming and changes local weather events. Animals, crops, and infrastructure are not adapted for the unprecedented changes that are now taking place and are quickly accelerating.

How does energy affect the role of FM?

The FM has an opportunity to save its employers or clients significant amounts of energy within the facility it manages, prevent dangerous climate change, and save money. It is an interlinked role through the service offer and can be a service line in itself.

What can FM do to manage energy?

FMs can manage energy by identifying energy sources, collecting data usage patterns, understanding behavioural changes in occupancy, low-cost initiatives and new technologies that reduce energy. New operating procedures can be introduced to manage behaviours in energy reduction for FM teams, regular maintenance schedules to ensure equipment runs optimally, and continuously assessed data monitoring for improvements or declines in performance. Going further will require understanding of the link between converting energy to carbon emissions and this applies to the company carbon reduction strategy.

The scope of a FM's Zero Carbon strategy should be understood and include assessed material Scope 3 categories and have a specific understanding of purchased goods and services. There should also be a quality process to select offsets, with the aim to reduce reliance on offsetting in achieving Zero Carbon targets; companies should first focus on reducing emissions before offsetting any remaining carbon emissions.

Interlinking Criteria (E,S,G)

- Environmental management system, projects, transport
- Supply chain management, Well-being
- Risk Management, Board Commitment, Sustainability Frameworks, Disclosure, Finance, Compliance, Contracts
- CDP – Climate Change Reporting –GHG reporting, energy reduction initiatives, percentage of renewable energy, energy targets
- EcoVadis: Reporting against energy consumption and energy reduction
- ESG Ratings (MSCI, ISS): disclosure of energy consumption, evidence of standards in place such as ISO 50001, Renewable energy, energy conservation programmes, energy targets

Leadership Attributes

The company recognises energy as a critical business issue and commits to become a zero-carbon business (including Scopes 1-3), and adapts to a client's zero-carbon needs. It can provide examples of projects that are integrating clean energy solutions and is able to show it can tackle the energy performance gap.

Procedures and audits stimulate behaviour changes and innovative solutions are integrated into all tender responses.



Water

Access to water is critical for life and hygiene and is fundamental for businesses to operate. As populations expand, there is increased demand for water resulting in limited resources. Severe weather events that cause excess water are also detrimental to life and business.

Water management is about measuring the risks associated with drought and flooding in localised areas, taking action to conserve water, to prevent shortages during long periods of low rainfall, managing the responsible extraction of water to ensure water basins are not polluted and to prepare business facilities against extreme precipitation scenarios. The UK climate is changing; there are longer spells of high heat, followed by intense, prolonged rainfall. In urban environments which are not prepared for this change, it is having an increasing detrimental effect on properties which is causing a significant cost to businesses and people.

How does water affect the role of FM?

The FM will be required to manage water related issues that affect the facility and business continuity. Localised flooding can shut down business operations, with staff being unable to access buildings. Likewise, leaks in the infrastructure, caused by extreme precipitation conditions, can increase the need for roof maintenance. Periods of little rainfall can lead to water shortages and limitations on the availability of water in the workplace. FMs could be required to manage water consumption and disposal to ensure costs are reduced and the business is contributing to its water reduction targets and compliance requirements.

What can FM do to manage water?

To monitor water, the FM can monitor water consumption using billing and meter data, identifying reduction opportunities from the data, ensuring the system is maintained to prevent leaks, implementing behaviour change for users. Water risk planning on the site is also key by understanding the risk of flooding and ensuring the correct business continuity plans are assessed and implemented.

Interlinking Criteria (E, S, G)

- Environmental Management System, Projects
- Supply Chain Management
- Risk Management, Sustainability Frameworks, Compliance, Contracts
- Investor ESG Ratings (MSCI, ISS) – Water use, water recycling programmes, water consumption targets

Leadership Attributes

The organisation integrates innovative solutions into all relevant tenders and can provide corporate and contract consumption data alongside progress against targets for water reduction. Supply chains are engaged with the need to manage water effectively, and long-term commitments have been made. Aspect/Risk registers capture the local water risks and opportunities (quality, access, scarcity, flooding, freezing, amenity).



Circular Economy

The circular economy (CE) refers to a loop or 'circular' system that is created in the use of resources to minimise or eradicate waste. Many resources are finite and are derived from natural resources – oil, timber, metals, gas, minerals. The continuous search for and extraction of them has a significant impact on our natural environments. Linear wasteful systems – produce – use – discontinue, are harmful. CE is a system that promotes the reuse and secondary life of materials from a procurement led and waste collection approach. This breaks the need for continuous extraction of virgin materials.

After materials have been used, there are numerous journeys that items take. Materials can be re-used directly onsite or through third parties. Items which are disposed of go to export, landfill, incineration, or recycling centres. The key point is that input and waste of these resources is minimised or eliminated.

How does CE affect the role of FM?

FM has a role in the management of a workplace waste stream, its interaction with staff and their behaviours, the lifecycle projects, refit projects, procuring goods and potentially energy sourcing. All these roles can be managed with circular thinking.

What can FM do to manage CE?

Designing a circular system is not easy but beginning small is a good start. Considering how the waste hierarchy can apply to your resources – 'reduce, reuse, recycle' is the first step. Engaging with employees to bring them on board will build wider participation. Involving the supply chain and understanding how reusable products can be procured such as furniture and carpets. Partnerships and collaborations with suppliers will spur new innovations that can renew and refurbish old materials and in turn extend their life.

Interlinking Criteria (E,S,G)

- Environmental management system, projects, energy
- Supply chain management,
- Board Commitment, Sustainability Frameworks, Finance, Contracts, Collaborations
- Investor ESG Ratings (MSCI, ISS) – Life Cycle Assessments, CE practices

Leadership Attributes

A company has developed its strategy for placing circularity at the heart of its business. Circularity is embedded in procurement approaches which promotes recycled, reclaimed quality goods with long term value.

The company integrates resource efficiency into the services and can provide examples of initiatives that have delivered significant reductions in waste, reuse, and closed loop recycling, into all tender responses.



Transport

Vehicle transportation includes business vehicle fleets used for day-to-day operations and staff commutes to the workplace. Both have an impact on global climate change and local air pollution. Transportation contributes 24% of UK carbon emissions with a larger cost to human health through toxic air pollution.

The use of Electric vehicles (EVs) is increasing, but fossil fuelled vehicles remain dominant on the roads. Motor vehicles have generally become more efficient with fuel over time – largely due to EU regulation – leading to driver behaviour and maintenance being a significant opportunity to reduce impacts. However, increased efficiency does not eradicate the problem.

How does transport affect the role of FM?

FMs can be a mobile workforce, for example, hard service FM providers rely on their vehicle fleets for fast responses to jobs. Catering requires food distribution. Vehicles can often be one of the largest impacts of an FM provider. The FM may also need to provide staff with transport options as part of soft services.

What can FM do to manage transport?

Initially, understanding what travel is necessary and what can be performed remotely through technology will help to ensure only critical travel takes place. A provider's own transport emissions can be managed by monitoring fuel consumption using telemetric devices and through fleet management processes. A business can track and estimate its transport impact by measuring travel to work related projects (i.e. commuting, company fleet travel, wider business travel and supply chain travel) and transportation at business facilities. It can then advise or put in place policies on the types of vehicles that it purchases.

Targets should be in place to increase the proportion of the fleet that is made up of EVs. These targets will support the move away from ICE vehicles and the transition to greener fleets through a roadmap for fleet decarbonisation. Progress should be shown against targets and specific investment should be diverted towards the EV strategy or alternative vehicles.

Interlinking Criteria (E,S,G)

- Env management system, Energy,
- Supply chain management, Well-being, Sustainable Communities.

Leadership Attributes

The company is committed to upgrade its fleets from fossil fuel vehicles with targets and a roadmap.

It is engaged in new initiatives that promote the upgrading of client fleets.

It can provide examples of innovative initiatives to reduce vehicle dependency and the environmental impacts of vehicle travel.

Transport emissions are well understood, reported annually, and verified.

Flexible working is supported where feasible.

Improving air quality is shown to be an important issue for the business and is integrated into its social value strategy. Targets for fleet decarbonisation are in place and progress against them is monitored

and reported.



Project Management

Projects are workloads undertaken by the FM that involve a capital outlay above a defined threshold and can provide a step-change in sustainability performance. These can include lighting refit projects, refurbishment projects, replacement of machinery or plantroom equipment.

Lifecycle sustainability should be understood at the project level to reduce its impact – for example, materials used, energy consumed, sourcing of materials, (increasingly) social impacts of the projects, long term vs short term economic impacts. Life cycle assessments are one method of assessing the impacts of a project from start to finish (i.e., throughout the “life” of the project).

Examples of good practice in projects are also key, these can be used as case studies for further learning within the company as well as for other companies to understand how a responsible business operates.

How does project management affect the role of FM?

FM has an opportunity to show long term value in capital and operational expenditure, rather than considering the immediate cost savings of a project. Projects therefore affect the value that the FM can bring to a business.

What can FM do to manage project management?

Sustainable Projects require application of knowledge in sustainability to ensure that its impacts are monitored throughout the process, handover, and knowledge transfer to those operating afterwards. Learning from previous projects is critical. KPIs for projects are used to measure success, covering economic, operation and often social and environmental criteria.

Project level sustainability can increase efficiencies and reduce longer term costs, as well as reducing the overall negative impact of the projects on the local environment and community. Sustainability reviews can be undertaken throughout a project lifecycle.

Interlinking Criteria (E,S,G)

- Environment management system, Circular Economy, Energy, Water
- Supply chain management
- Finance, Contracts, Finance, Collaborations

Leadership Attributes

Lifecycle reviews of projects are undertaken to embed sustainability practices, with a structured approach, to involve the FM in the design, address the performance gap and commissioning the knowledge transfer exercise. Evidence of examples where this has been implemented.



Social sustainability focuses on the impact of the business on people - the wellbeing of a company's employees and stakeholders as well as promoting healthy communities and workplaces.

Within the SFMI, the Social criteria we assessed comprises of:

- Health & Safety
- Employment
- Sustainable Communities
- Stakeholder Engagement
- Supply Chain Management
- Wellbeing
- Employee Development



Health and Safety

Health and Safety (H&S) makes sure that the workplace is a safe place for employees. The wellbeing of employees, visitors and clients must be preserved and is therefore managed according to the risks of the workplace. A safe workplace will manage business continuity, improve productivity, retain, and attract the best staff. In addition, it can also increase staff wellbeing. Prevention is a key to decrease the likelihood of accidents, but it must be reasonably practicable.

How does H&S affect the role of FM?

There are many laws surrounding H&S in the UK. If the FM is responsible for this area, it should be accountable. Therefore, the role requires attention to detail. Employees are the greatest asset within a company and therefore keeping them happy, healthy, and safe is of the utmost importance.

Typical examples of key H&S areas include fire precautions, water system management for legionnaires and asbestos control. Failure to manage H&S can also be a barrier of entry for new business. The recent COVID19 pandemic has escalated the role of FM in the need to plan safe spaces, ensuring supplies of cleaning provisions are stocked and organising the return of employees to a safe workplace.

What can FM do to manage H&S?

Typical management requirements include managing H&S risks and opportunities. This incorporates benchmarking and implementing H&S management systems and ensuring the service level agreements (SLA) create a safe work environment.

H&S practices should be implemented throughout the organisation, extending not only for employees but everyone who engages with the business. Setting high level management systems and policies are common. The ISO45001 is a good indicator of how a company looks after

its employees.

Interlinking Criteria (E,S,G)

- Well-being, Supply chain management, Employee Development
- Risk Management, Board Commitment, Sustainability Frameworks, Disclosure, Compliance
- EcoVadis: management of employees H&S, policies for H&S in supply chains, H&S risk assessments, procedures for PPE, handling of chemicals/hazardous substances, H&S training
- Investor ESG Ratings (MSCI, ISS) - policies for H&S, disclosure of quantitative metrics such as injury/fatality rates

Leadership Attributes

The organisation's response to COVID19 for in-house and clients put health and safety first.

H&S policy is publicly available, systems in place are certified (ISO45001); reporting is consistent and covers performance against a core set of KPIs and sets targets for improving performance which are reviewed at regular intervals. Best practice is communicated, and supply chains are engaged. Auditing occurs to maintain on-going compliance and includes supply chain operations.



Employment

Sustainable Employment ensures equal access to jobs for all groups of people, from gender, age, ethnicity, sexual orientation, personal background and so many more. Every person has the right to be treated equally when applying for a job, no matter their background.

It is important for companies to offer opportunities to those who may otherwise struggle to get a second chance. Employment policies can encourage diversity in the workplace and the inclusion of people who may have a stigma against them. Specific sectors of society do not have to be the automatic ones, such as gender. A business may seek the skills of ex-military for a specific reason as part of its social value employment strategy. A company can provide social value to its local community by offering ex-offenders a chance to reintegrate back into society and the workplace. This can reduce crime rates in an area and improve the community for all.

How does employment affect the role of FM?

The FM industry employs a significant amount of people from different skill levels and many on a living wage. Which enables the FM sector to provide social value and mobilise under-represented communities. Sustainable employment will ensure that FMs have a diverse staff base and can implement new ways of operating, which can increase efficiency.

What can FM do to manage employment?

Management and HR can tap into new skills and resource pools by targeting under-represented populations. Policies and standards will create a company-wide structure that manages employment sustainably, which will filter through relevant teams, such as HR, and individuals, such as hiring managers. FM teams can support the approach, setting up apprenticeships and providing an inclusive environment.

Interlinking Criteria (E,S,G)

- Employee Development, Sustainable Communities, Stakeholder Engagement
- Risk Management, Board Commitment, Contracts, Diversity
- EcoVadis: Collective bargaining agreements, Equal Opportunity
- Investor ESG Ratings (MSCI, ISS) – payment of living wage, labour policies, Collective bargaining agreements

Leadership Attributes

The organisation understands its FM employment worker status and has processes in place to protect workers and human rights. Equal opportunities are in place and there are several schemes for employment of targeted groups (which links to a clear company social value strategy). The gender pay gap is understood, and public reporting on these aspects is consistent and provides targets for improvement. The company can show that its apprentice programme creates social mobility for disadvantaged members of society.



Sustainable Communities

The 'community' refers to the local region outside of the gates of the workplace. Every project or contract will impact a local community through – employment, supply chain, local partnerships, charitable partnerships and more. Each offers an opportunity to contribute positively to the people surrounding the workplace which brings about social value – a key tool for businesses to unlock public sector contracts.

Providing social value allows local communities to thrive and improve their local environment and relationships. These relationships are built on the needs of the community, inspiring growth of key areas and will differ from community to community.

How does sustainable communities affect the role of FM?

A sustainable FM may find it is working directly with the community - working with schools, housing developments, shopping centres and multiple business on one site. By forming connections with the community, it develops a sense of belonging, accountability and fulfilment to people with direct impacts on the local economy. An FM with a clear social value approach helps build its community engagement and builds its reputation while improving its prospects in public tenders.

What can FM do to manage sustainable communities?

Community engagement strategies can be used to help understand the most efficient approaches to strengthen local initiatives and meet the community's needs. Partnerships between businesses and their stakeholders can be forged. Employees can be encouraged to take part in activities that benefit the community. The FM can also target local suppliers and employees to develop the economy of the local area and reduce transport emissions and cost. Local ecology programmes can benefit the communities and local environment at the same time.

Interlinking Criteria (E,S,G)

- Transport, Ecology
- Employment, Stakeholder Engagement, Wellbeing
- Sustainability Frameworks, Contracts, Collaborations

Leadership Attributes

The company is dedicated to developing a relationship with its local communities/ authorities/ charities. It can provide examples where it has developed a long-term community engagement strategy based on the needs of the community and ability of the company. The organisation has a clear social value approach and reports regularly on the progress of community initiatives and outcomes.



Stakeholder Engagement

Stakeholder Engagement involves two-way communication between the company and key organisations, individuals, and partners. Stakeholders themselves can be found anywhere the company operations and, in some cases, may be found beyond the immediate value chain of the company.

Unlike “shareholders”, stakeholders are not limited to a financial connection and are often connected more personally. This can include local residents, teaching staff in a school cleaned by an FM company, the supply chain or employees.

How does stakeholder engagement affect the role of FM?

Engaging with its stakeholders enables an FM to listen to and learn from a variety of perspectives; as a result, the company can improve its service, or identify risks and opportunities to the business. Stakeholders affect the role of the FM as well because they can reduce the FM’s productivity. Therefore, a good engagement strategy is vital. Stakeholders also play a key role in social value – a growing component of a FM sustainability offering.

What can FM do to manage stakeholder engagement?

The only way to truly understand the situation is to speak to those involved from different perspectives and actively engage them. A variety of methods of communication work when engaging with stakeholders, the more valuable methods are those which include opportunities to have open two-way conversations which can be recorded, these methods encourage debate and discussion.

A materiality assessment is a prime example of this and will help the FM to understand the stakeholder’s sustainability needs as well as the risks and opportunities that come with them, it should be used to inform the sustainability strategy. FMs should provide evidence of key material sustainability requirements of their stakeholders, including their customer base, community and internal stakeholders.

Interlinking Criteria (E,S,G)

- Environmental Management Systems
- Employment, Employee Development, Supply Chain, Sustainable Communities
- Board Commitment, Disclosure, Compliance, Collaborations
- Investor ESG Ratings (MSCI, ISS) - formal system to implement stakeholder consultation and engagement, disclosure information about stakeholder engagements carried out

Leadership Attributes

The company has identified its key stakeholders and can provide examples of detailed stakeholder dialogue as well as open, proactive relationships with NGOs and other organisations seeking to promote best practice in FM sustainability using innovative methods. Compliance obligations are understood and are reviewed / reported where appropriate. Stakeholder sustainability needs are understood and utilised to inform the sustainability strategy.



Supply Chain Management

Supply Chain Management is the flow of goods and services, aiming to give customers value and bring a competitive advantage. It involves active communication with suppliers and the purchasing power can be used as a driver to raise the sustainability standards and drive performance. Constructive collaboration is highly important to keep the supply chain improving over time and reduce the overall negative impacts on the business.

Traditionally, supply chain management has been about squeezing suppliers to the lowest cost in order to pass on these savings to the customer. However, good supply chain management is about mutually beneficial relationships and improving sustainability throughout the chain.

How does supply chain management affect the role of FM?

The FM is a procurer of products and services. Reflecting on its own sustainability strategy and understanding how these products can impact the environment or drive negative social consequences will drive the value chain to improve. Strong communication between FM and suppliers will be rewarding.

What can FM do to manage supply chain?

Starting with the toptier suppliers; economic, environmental, and social risks can be identified and mapped. These can include the impacts of the supplier or product, along with the reputation and performance. The business strategy which includes the sustainability ambitions must be considered when creating a dialogue with the supply chain. Companies can utilise supplier engagement surveys or workshops which highlight the company ambitions, whilst understanding the opportunities that suppliers can provide to help in achieving them.

In addition, suppliers should also be engaged with to achieve the material sustainability issues of the customer. To find innovative partnerships within the supply chain, FMs should communicate their strategy needs. Furthermore, the FM should look to upskill the supply chain, along with compliance targets to ensure the same goals are shared and meet the pre-determined standards.

Interlinking Criteria (E,S,G)

- Environmental management system, Circular Economy, Energy, Water, Projects
- Stakeholder engagement, Health and Safety
- Risk Management, Board Commitment, Sustainability Frameworks, Disclosure, Compliance
- EcoVadis: Sustainable Procurement policies, supplier code of conduct, supplier assessments/audits on environmental/social practices
- Investor ESG Ratings (MSCI, ISS) – environmental policies for suppliers, supply chain audits on environmental/social practices (e.g. human rights), human rights policies for suppliers, supplier training,
- CDP Supply Chain – disclosure of supply chain emissions (scope 3) and supplier engagement

Leadership Attributes

The company has identified sustainability supply chain risks through its corporate risk management programme and takes action to engage with its supply chain in a proactive manner to encourage sustainability. It can prove the effectiveness of engagement activities amongst its suppliers. The organisation is engaged with key sustainability issues such as the Modern Slavery Act, it is measuring the impact of its supply chain on the climate and understands the risk profile of its supply chain - which assists in decision making. Suppliers are engaged in achieving the sustainability needs of customers.



Wellbeing

Wellbeing is a balance of physical and mental health, a fulfilment of the professional and personal goals. Employees with improved physical and mental health increased productivity, engagement and have lower absenteeism.

Good wellbeing can also have monetary benefits such as reduced recruitment costs as staff turnover will be lower. Wellbeing programmes should ensure that the employees are heard, and that feedback is used for improvement. Senior management support of well-being programmes results in employees having confidence in the programme and in turn feeling more valued.

How does it affect the role of FM?

The FM is increasingly playing a part in staff wellbeing. The setup of a workplace has a huge impact on wellbeing because comfort level and the enjoyment of working are largely influenced by the environment provided. This is especially prominent during the COVID pandemic. The FM can also signpost staff towards internal initiatives to improve wellbeing.

What can FM do to manage it?

Introduction of two-way dialogue with staff is vital to understand how improvement can be made. Acting on feedback requires research, potential new technologies, and measuring the impact of the workplace changes to ensure it creates improvement. The impacts of wellbeing initiatives should be measured utilising subjective measurements alongside objective ones. The FM should have an understanding of the internal and external environment and ensure that the changes it makes can have a positive effect on the people who use the site.

Also, FMs should consider the environmental impacts that changes on the workplace have, which ensure there are not trade-offs. Lessons should be learnt from the shift to increased remote working due to COVID and policies should be adapted to incorporate remote working alongside office working. FMs should also help guide customers in wellbeing within their workplace too.

Interlinking Criteria (E,S,G)

- Circular Economy, Energy, Water, Ecology, Projects
- Health and Safety, Stakeholder Engagement, Employee development
- Contracts, Collaborations

Leadership Attributes

Regular two-way dialogue with staff, including occupancy studies to optimise working conditions, productivity, and wellbeing. The organisation understands its sickness and turnover rates and targets its improvement. Board members promote and participate in an initiative calendar and recognised standards are utilised to frame improvements.

Company is able to show well-being engagement with staff during COVID lockdown to ensure wellbeing and take initiatives to clients to enhance service offerings. Policies should be updated to incorporate remote working alongside office working.



Employee Development

Employees are the most valuable asset in a company that should be continuously developed both professionally and personally. Supporting employees to develop their capacity to improve performance, acquire new skills will unlock their true potential.

There is a partnership between the employer and employee - one trades knowledge, time and resources whilst the other dedicates time and commitment. Both benefit further from a stronger relationship. Building skills internally may limit the amount of outsourced work the organisation may need which will become a cost-efficient strategy in the long-term.

How does it affect the role of FM?

Employee support is a long journey, it is a well thought strategy that incorporates the company's values and business strategy. Identifying the future needs of the industry and the workplace will help FMs to develop the skills that they need to continue to add value in the service they provide.

What can FM do to manage it?

Policies are developed to target skills shortages in the business and ensure knowledge available is recognisable amongst the industry to be transferable to employees. The provision of training for all levels within the company can ensure productivity of staff and provide opportunity for employee progression.

Sustainability training should incorporate the values of the business FMs should incentivise and encourage individuals without a direct connection to sustainability to be a part of the responsible business culture. This could be through personal reviews, targets, incentive programme and should address potential conflicts between bonus schemes and responsible business targets. Utilising skills maps will help FMs to understand the employees' position and perspective better.

Interlinking Criteria (E,S,G)

It is worth noting that training across the sustainability spectrum links this to most criteria.

- Employment, Stakeholder Engagement
- Diversity
- EcoVadis: Learning and Development – individual targets, training, career mobility.

Leadership Attributes

The organisation understands its core skill requirements and employment risks the company faces. With skill shortages for the short-term and long term identified. Consideration is given to the future of FM services. It creates schemes to target the minimisation of current shortages and aligns with the strategic direction of the business to fulfil the skills needed for the future.

Competencies on sustainability are reviewed and targeted for improvement where appropriate. Reporting takes place for training and other aspects where relevant. The company is integrating a responsible business culture as part of its employee development through values and promotion of responsible business practice.

Governance



Sustainable Governance implements sustainability into the corporate strategy across the business. It sets and manages goals, manages reporting, strengthens relationships with stakeholders and ensures overall accountability of the organisation.

Within the SFMI, the Governance criterion we assess are:

- Risk Management
- Board Commitment
- Sustainability Frameworks
- Disclosure
- Financial
- Compliance
- Contracts
- Diversity
- Collaboration



Risk Management

Risk management is the implementation of structures to manage both financial and non-financial risks. Regarding sustainability, these include environmental and social factors which bring increased regulatory, reputational, and physical risk to the business from the enterprise level down to the contract level. Being able to identify, communicate and manage risks at all levels, as a two-way process, is critical for the overall success of the business.

Risk management is a powerful tool to motivate businesses to manage sustainability issues. Once a risk has been identified as having a material impact on a company's revenue, it will often be fast tracked and managed. Many sustainability risks are imminent but unknown in businesses, for example, the growing importance of achieving minimal sustainability performance levels as a pre-requisite for new business. This knowledge will prepare a business for the immediate future.

How does risk management affect the role of FM?

FM is operating on site level and will therefore often be mainly affected by site level risks, but this can also include enterprise level risk. Some examples include H&S, environmental factors/risks, and non-compliance risk. Being able to identify and contribute towards risk management and mitigation strategies brings value to the role of FM.

What can FM do to manage risk management?

The FM may be required to identify risk at a site or business level and provide data that contributes to complying with risk mitigation strategies. Risks can be managed through the implementation of risk registers and reporting risks at all levels. Understanding environmental and social sustainability impacts will help to identify non-financial risks.

Enterprise risks should incorporate sustainability risks and opportunities. FMs should show evidence of how sustainability is interwound into mainstream risks. Climate change should explicitly be stated as a business risk (directly or indirectly). It is important to consider opportunities for the company as well. If risks are identified in advance, they can often be turned into an opportunity for the organisation. An FM service provider can also add value by understanding a client's risk and contributing towards the management of those risks.

Interlinking Criteria (E,S,G)

- All criteria of the environment
- All criteria of social
- All criteria of governance
- Alignment to TCFD recommendations: risk management processes used by the organisation to identify, assess, and manage climate related risks.
- Also, part of CDP Reporting – which aligns to TCFD recommendations.

Leadership Attributes

Fully implemented risk management structures which enable the clear and consistent communication and reporting of both financial and non-financial risks in contracts and corporate levels, and how each influence strategic decision making. Product, service, and business relationship lifecycles will be integrated into the approach taken.



Board Commitment

Sustainability is becoming central to the corporate competitiveness agenda. It is also becoming more prevalent in enterprise risk and opportunity. This therefore elevates the topic to the Board, who are the drivers of a sustainable company culture.

Leading from the front is vital if a business is integrating a sustainability culture and intends to change the behaviour of the staff. Regular reviews by the Board for internal and FM activities are important for ensuring accountability for ethics and sustainability performance.

How does Board Commitment affect the role of FM?

FM should hold the ambition of having representation on the Board. This will allow a sustainable FM to flourish with the support from top management. FM should also drive through the culture of a Responsible Business within its own activities and supply-chain management.

What can FM do to manage Board Commitment?

FM should seek to influence and highlight the benefits that sustainability brings to the organisation by managing data continually to improve the sustainability performance. This will provide the Board with the business case that they need to invest more in sustainability. The Board should articulate the business purpose and how sustainability influences their decision-making.

Sustainability should be promoted through the corporate strategy which should link to the business values. The FM should also seek to join the network of sustainability champions, committees and working groups that report to leadership teams, ensuring that they can provide value to the company culture.

Interlinking Criteria

With the importance of the Board driving sustainable business culture, there is a clear linkage with all criteria of sustainability. Those we can deem as high priority to support/ drive through corporate culture are:

- Environmental Management Systems, Circular Economy, Energy
- Health & Safety, Employment
- Risk Management, Sustainability Frameworks, Finance, Diversity
- Alignment to TCFD recommendations: Governance around the organisation's climate related risks and opportunities e.g. committees, board commitment
- Also, part of CDP Reporting – Board commitment for climate-related activities
- To be a signatory of the UN Global Compact, commitment from the CEO is required to meet responsibilities in four areas: environment, human rights, labour, and anti-corruption.

Leadership Attributes

Leadership on sustainability and a responsible business culture is present and felt throughout the organisation. The Board explicitly states their commitment to sustainability is backed up by KPIs and action plans. Leading businesses will explicitly state their support for the 2015 Paris Agreement.

Lines of communication to and from Board level are open and regular. Board committees exist to integrate sustainability into decision making. The competency of the leadership is sufficient to meet ISO 14001:2015 standards. Board members have clear targets that drive both corporate success sustainability.



Sustainability Framework

A Sustainability Framework is the strategic structure that a business follows to identify and manage the core elements of sustainability that will impact it and vice versa. It includes approaches used to integrate sustainability into the business objectives, targets, and reporting mechanisms. It also illustrates how existing actions are filtered across the business. These are critical to achieve and maintain consistent sustainability performance across the business at every level.

Framework statements and policies can be implemented to clarify the company's commitment to continual improvement and sustainable achievements. These should cover corporate and contract level structures and should be regularly reviewed to ensure effectiveness and efficiency.

How does it affect the role of FM?

Frameworks are often designed at corporate level and disseminated to the rest of the business. FMs will therefore play a role in the operation of the framework but could also be involved in data collection within the built environment. If the FM is performing a strategic role, then it can also input and develop the framework to ensure the necessary targets, goals and savings are achieved.

What can FM do to manage it?

FMs should understand the sustainability objectives of the business and upskill themselves so that they can contribute to the framework at all levels. Changes can be made to FM contracts, service level agreements, PQQ etc., to ensure that the framework is followed. Sustainability frameworks should be linked to the overarching business strategy. FMs should understand how sustainability is delivered at contract level both within specialist sustainability services and standard FM contracts. Sustainability should be embedded into the delivery of all services for customers.

Interlinking Criteria

Sustainability Frameworks are the backbone of business sustainability, and therefore will link with all sustainability criteria. It may vary, based on different levels of materiality to the company.

Key linkages are:

- Environmental Management Systems
- Employee Development, Stakeholder Engagement
- Risk Management, Board Commitment, Disclosure, Financial, Compliance
- TCFD, Global Reporting Initiative and Sustainable Development Goals

Leadership Attributes

The company has a board-approved comprehensive sustainability policy integrating environmental, social, and economic responsibilities. It identifies core areas of sustainability for the organisations and publishes it in its core and supplementary disclosure. Impacts of technological advances are considered and integrated into frameworks.



Disclosure

Transparency of sustainability is managed by all types of companies: small, large, publicly listed and privately owned. Each disclose information in different ways and to different audiences, such as investors, customers, staff, rating agencies and pressure groups. Being able to disclose the relevant information according to your audience's needs is vital and is valuable to communicate with many groups and individuals. Disclosure is important to build trust with stakeholders through honesty and accountability.

Reports should be used to highlight achievements and sustainable development progress. These should cover corporate and FM activities. Progress against targets, risks and opportunities and policies and statements – such as Gender Pay Gap, Sustainable Development Goals (SDGs), and Modern Slavery Statements.

How does disclosure affect the role of FM?

Disclosure will often occur through the communications teams, but they rely on a flow of information (data and case studies) that contribute to the disclosure. A FM should be mindful of disseminating information that they manage so the business can benefit from it as it engages with stakeholders.

What can FM do to manage disclosure?

Being able to collect, verify and communicate data for disclosure is key. Understanding company's disclosure requirements will help in the data collection to ensure efficiency. For carbon reduction targets, where offsetting options are chosen, FMs should pick reputable sources and provide evidence of this. They should also increase third party verification and disclosure for key environmental and social impacts.

Interlinking Criteria

Transparency will impact all areas of sustainability. The more transparent a business is about topics, the higher accountability they have towards it. Key areas of disclosure in FM include:

- Energy, Transport, Circular Economy, Transport
- Well-being, Sustainable Communities, Employment, Health & Safety,
- Risk Management, Finance, Board Commitment, Diversity
- Implementation of the TCFD recommendations encompasses metrics and targets, risk management, strategy, and governance

Leadership Attributes

Supplementary disclosure has external assurance and contains coverage of core areas (ESG) with targets, performance data, risks and opportunities and priorities for the next year.

The disclosure of the gender pay gap is developing, as is the company inclusion and diversity data.

The organisation has established science-based targets (or similar approaches to targets) and are aligned to SDGs. The company's communication strategy has been tested and helps ensure an on-going culture of sustainability.

Any cornerstone zero carbon targets that are widely communicated are backed up by a robust strategy that shows the public how they will achieve it. Reputable carbon offsets are used where necessary.



Financial

For a company to achieve its sustainability targets and ambitions, it must be able to finance projects at an operational spend level and a capex level. It is also important that the finance team can set service contracts profit margin tone to discourage the race to the bottom line, which is economically unsustainable for a business in the long term.

It is highly beneficial to set a specific sustainability budget which is appropriate and regularly reviewed. However, this often comes from within the departmental budget as this is unallocated. Sustainability budgets can help to drive innovation and target benefits, but the aim is for financial decisions to consider the triple bottom in all aspects (Economic, Environmental & Social impact). Compulsory financial reporting can be used to track, monitor, and assess financial sustainability within a company and inform changes and improvements.

How does it affect the role of FM?

While financial control is a corporate governance issue, the financing of projects will affect how effectively a sustainable FM can operate. If a FM is to achieve its operational sustainability targets, it needs to ensure that it can create an informed business case about the long-term value. The FM will need to communicate that spending more in the short term can mean lower operational costs and longer longevity in the long term this creates a segue into the circular economy system and the project management.

What can FM do to manage it?

By engaging in discussions on long term value and identifying how expenditure can contribute towards sustainability, the FM will be able to direct the conversation and influence the company's approach to finance. The TCFD framework should influence the FM's future financial position; they should understand their risks and opportunities and how these are addressed. TCFD and sustainability considerations should be incorporated into the business planning process. Sustainable finance also covers investment. Investment decisions should explicitly include sustainability and should quantify linked considerations such as carbon pricing, data on emissions, resourcing, scenarios, etc.

Interlinking Criteria

Finance and investment will affect all elements of sustainability. Without financing, a company will likely not develop environmental or social performance to a high level. Key linkages are with other Governance criteria:

- Risk Management, Board Commitment, Contracts
- Investor ESG Ratings (MSCI, ISS) – KPI's linked to ESG risk and performance executive remuneration.

Leadership Attributes

Specific sustainability budgets are available for investment within FM and the business's decision making is informed by triple-bottom-line factors. The sales and business development teams are engaged to grow business sustainably. This capital spend is reviewed and the impact is understood centrally, in both financial and non-financial terms. The future financial position is influenced by the TCFD framework.



Compliance

In the corporate world, compliance is defined as the process of making sure the company and employees follow all laws, regulations, standards, and ethical practices that apply to the organisation and industry.

Enforcing compliance helps a company prevent and detect violations of rules, which protects the organisation from fines and lawsuits.

Responsibility for compliance will always sit with the client organisation, with outsourced FM providers co-liable at most. Assurance on compliance is therefore important when managing this risk.

How does it affect the role of FM?

Compliance works on multiple levels. While the FM is not dictating the laws and regulations the company is responsible for, it may be required to respond to them or collect data in relation to them. Internal FM will also set the service compliance levels required from outsourced FM teams. It could therefore be required to enforce them.

What can FM do to manage it?

The first step is to understand the regulatory and other compliance requirements that the FM team needs to comply with and the necessary information which needs to be provided. The FM will need to evidence how the organisation is operating its management systems in order to achieve compliance. This will include data collection, signed paperwork, analysis, managing continual improvement and reporting.

Interlinking Criteria

Clients will set their compliance requirements criteria for tenders, and different companies will be exposed to differing levels of regulations. Therefore, compliance can influence all criteria of sustainability, dependent on the occasion. Broad key compliance linkages are:

- Environmental Management Systems
- Health & Safety, Employment, Sustainable Communities
- Risk Management,
- Modern Slavery Statement, Gender Pay Gap Reporting

Leadership Attributes

A structured approach to managing legal compliance is in place. Up-coming legislation is understood and adaptive measures are being taken. Breaches or civil sanctions are documented and records can show how these impact management. Compliance obligations must also be addressed in a systematic, authenticated and verifiable way.



Contracts

A sustainable FM should be looking at the topic of contracts in both an inward facing perspective and an external facing view. The external facing view focuses on how to integrate sustainability into its contracts for Economic, Social, and Environmental benefits. This is increasingly important because more customers are looking for sustainability as part of tenders and contracts. Internally, structures can be put in place which are contractually obliged. For example, “ensure that sustainability is considered at every stage of a contract and informs behaviour change” – PQQ, RFP, tender, contract, mobilisation.

How does it affect the role of FM?

A FM provider can seek to guide the conversation of sustainability in a contract through the bidding process. Sustainability value can often be removed by a procurement function that is seeking to save immediate upfront costs. This is often done without understanding the wider savings or the longer-term value it can bring to the client.

What can FM do to manage it?

Data collection can help to provide a better understanding of what the sustainability approach can achieve. Data collection can be done through collection of sustainability initiatives and practices and analysis of the information collected. There should be a clear link between business strategy, sustainability strategy, and delivery of services for customers.

FMs should also be seeking to be flexible in their contractual arrangements. This approach will bring them closer to the clients and create long-term value through partnerships. Leaders should incorporate sustainability into the core culture of the contract rather than as innovative elements. The impacts on a contractual level should be measured and FMs should be able to show how these link to their Zero Carbon plan and Social Value measurements.

Interlinking Criteria

- All criteria of the Environment
- Health & Safety, Well-being, Sustainable Communities, Stakeholder Engagement
- Risk Management, Finance, Compliance

Leadership Attributes

Demonstrate how sustainability is integrated in tender responses and mobilisation phases.

The organisation provides guidance to internal teams and supply chains to integrate sustainability where possible.

The FM provider is flexible to change in contracts and has a core set of sustainability deliverables for every contract. Relevant legislation (Social Value Act) is applied with ease in appropriate contracts.

Contractual level impacts are measured and linked to Zero Carbon plans and Social Value.



Diversity

Corporate Diversity covers all aspects of diversity including (but not limited to) ethnicity, age, gender, prevalence of a disability, education, skills, and experience. Being corporately diverse can help grow a business, increase profits, and improve employees' wellbeing. A more diverse workforce brings different opinions, thoughts, beliefs, norms, customs, values, trends, and traditions. Diversity should be promoted at all levels within corporate and FM operations. Being open and attracting people from diverse backgrounds increases the potential talent pool available to the company.

How does it affect the role of FM?

FM is a people-centric industry, reportedly contributing up to 10% of the UK workforce. It employs people across many skill levels and a wide range of roles. It therefore can enact real social mobility within a country. Social mobility is the movement of individuals, families, households, or other categories of people within or between the social strata in a society. It is a change in social status relative to one's current social location within a given society. This gives huge opportunities for organisations to provide social value within the regions and communities in which they are based.

What can FM do to manage it?

FM should seek to promote employment opportunities in often unseen areas to help provide the opportunity for social mobility. This will encourage a wider pool of applicants to fill roles in the FM industry which has struggled with an image problem in recent years. FMs should increase Black, Asian and Minority Ethnic (BAME) disclosure, as well as gender, to drive a reduction in social inequality beyond the tokenistic realm.

Interlinking Criteria

- Employment, Sustainable Communities, Stakeholder Engagement, Supply Chain, Employee Development
- Risk Management, Board Commitment, Sustainability Frameworks, Disclosure
- Across ESG ratings (eg EcoVadis, MSCI, ISS) –
 - Gender diversity strategy / targets
 - Measures to prevent discrimination and gender/minority inclusive environment,
 - Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organization
 - Percentage of workers from minority groups and/or vulnerable workers in top executive positive
- Gender Pay Gap reporting

Leadership Attributes

Reporting includes a detailed description of approach towards diversity and skills within the organisation. The organisation is able to demonstrate its commitment to promoting diversity both within the organisation (employees and board) and the supply chain. It can show how it considers tackling potential unconscious bias in the organisation which will promote equal opportunities for all. Leaders are increasing BAME and gender disclosure to identify and reduce inequality.



Collaboration

Collaboration is the action of working with others to achieve a purpose or goal. In business, collaboration is a method of reducing risk as partnerships are formed to share resources and work collaboratively towards a common goal. In this case the goal is sustainability, so companies form collaborative partnerships to gain competitive advantage over each other, without having to invest heavily to get there. Collaboration does require trust and aligned thinking so that a partnership does not break down or end in dispute.

Examples of collaborative partnership in sustainability would be when a technology provider partners with an FM provider to develop a product using existing technology with a share profit agreement. Collaborations do not have to be economic though. Companies can collaborate with educational institutions to contribute to research, or charities and businesses can collaborate to deliver social value in contracts.

How does it affect the role of FM?

FM can form collaborations to help meet its clients' needs. This can include shared interests in cleaning technologies, integrating social enterprises into workspaces that require added value, white labelling Computer-Aided Facilities Management (CAFM) systems or helping to improve the system for clients. More detailed examples include engagement: with local stakeholders to develop and pursue community benefits, with supply chains to resolve challenges and with technology providers to improve decision making.

What can FM do to manage it?

Collaboration works best when there is shared mutual interests, shared value, and shared vision. This can help FMs to improve their collaborations and in turn meet the criteria it has sets to be successful.

It can also communicate gaps in the market by having discussions with the workforce within the relevant facilities thus, capturing this information and sharing it to those who will form the collaborations. Many FMs are increasingly collaborating with competitors and are achieving more impactful results than those who do not. Leaders in FM should collaborate with competitors to share knowledge to embed sustainability within the sector.

Interlinking Criteria

Collaborations can influence most criteria. Risk can be reduced when partnering with others to offer service lines or to deliver in-house FM. The key linkage is through:

- Supply chain management
- Risk Management, contracts

Leadership Attributes

The FM organisation understands both risks and opportunities from working collaboratively. It can illustrate how doing so has contributed to wider corporate level or contract level sustainability.

Formal procedural information may be in place (potentially aligned or accredited to BS11000) for how collaborations are considered, established, and measured, so understand their on-going relevance.

We are keen to hear from you if you are interested in working with the SFMI in any capacity:

- FM Providers keen to improve their understanding of sustainability.
- Organisations that manage property that want to compare their FM providers' governance or want to improve their own FM team's performance.
- Suppliers who feel they can contribute to our purpose.
- Real estate and sustainability professionals who want to contribute to the purpose of the SFMI.



You can view the SFMI webpage for more information at:

<https://www.acclaro-advisory.com/sfmi/>



Or email us at Support@SFMI.uk

The Sustainable Facilities Management Index (SFMI) is the only UK FM industry benchmark of sustainability, 2020 was the SFMI's 8th year, and it continues to drive sustainability performance improvements within the sector by showcasing achievement and highlighting best practice. It also seeks to stimulate a positive change, through performance and perception.

If you are interested in finding out more about the SFMI please check out our other recent published documents **click the links below.**

Sustainable Leaders Forum Report – Mar 2021

SFMI Summary Report 2020

Zero Carbon in FM A Practical Guide 2020

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