

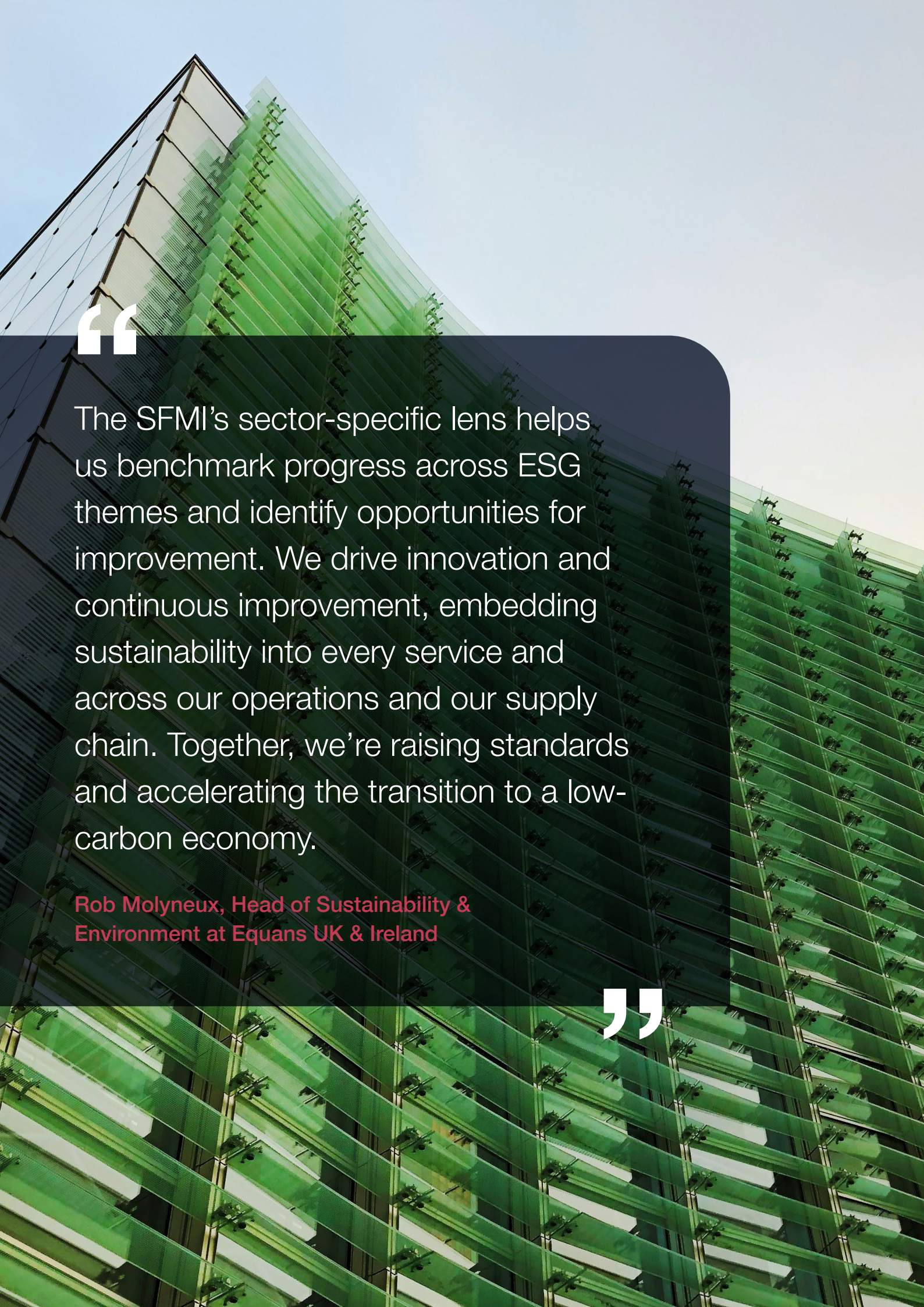


SFMI
The Sustainable FM Index



FM leaders zero in on what
really matters in sustainability

2025



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The SFMI’s sector-specific lens helps us benchmark progress across ESG themes and identify opportunities for improvement. We drive innovation and continuous improvement, embedding sustainability into every service and across our operations and our supply chain. Together, we’re raising standards and accelerating the transition to a low-carbon economy.

Rob Molyneux, Head of Sustainability & Environment at Equans UK & Ireland

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FOREWORD

Last year, we celebrated a major milestone: leading FM providers had reached the point where sustainability really pays off, with ESG activities delivering clear internal value and external revenue opportunities. In 2025, we see what that maturity looks like under pressure. As climate impacts intensify and expectations on disclosure rise, our partners are being asked not only to grow the value that sustainability creates, but also to protect organisations from the risks that could erode it.

This report shines a light on how FM leaders are responding. We're seeing how Partners continue to progress, but that this progress relies on collaboration between providers, clients and suppliers. FMs can't do this on their own, they rely on customers actively helping support the transition. This report highlights both what FM providers and client organisations can do to support progress across decarbonisation, wellbeing, social value, and risks and opportunities.

For Government and organisations, there is a clear opportunity here. FM sits at the heart of the UK's built environment, public services and everyday workplaces, and is therefore a powerful, and often underused, lever for delivering national ambitions on net zero, resilience, health, and productivity. With the right policy signals, funding mechanisms and procurement frameworks that reward long-term outcomes rather than simplest delivery, FM providers can help accelerate decarbonisation of the public and private estate, create good green jobs across the country, and deliver social value that is rooted in local communities. Harnessing the sector's capabilities will be essential if the UK is to meet its climate and sustainability goals in a way that also strengthens competitiveness and public trust.

Here at the SFMI, we are constantly looking to improve how we understand sustainability in the sector. This year we tightened our assessment criteria across Environmental, Social and Governance areas, so that FMs can more accurately understand both where they are and where they need to be. This was reflected in some categories seeing slightly lower scores, but does not indicate that progress is not being made, we're just raising the bar.

For the wider FM sector, the message is simple: sustainability is now about revenue, resilience, reputation and responsibility. Those who invest in skills, governance, and collaboration, and who are willing to learn and share through frameworks like the SFMI, will be best placed to serve their clients and society in the years ahead. If you want to explore how the SFMI can support your journey, I'd be delighted to talk.

I hope you enjoy the 2025 report, and that it sparks thought on how FMs can continue to build value for their clients, employees, and the planet.



Sunil Shah

Managing Director at
Acclaro Advisory & The
SFMI

EXECUTIVE SUMMARY

This year's report explores how FM leaders are narrowing their focus onto the sustainability issues that matter most to their business, their clients, and the people who use the spaces they manage. Rather than trying to do everything at once, Partners are homing in on high-impact priorities and using evidence-backed approaches to turn ambition into practical action. Across decarbonisation, wellbeing, social value, and risks and opportunities, we see FMs concentrating on where they can make the biggest difference and gathering the data they need to bolster the decisions and demonstrate progress.

The past 12 months have underlined that climate risk is no longer a distant prospect but a present-day management issue. Physical impacts, regulatory scrutiny and investor expectations come together to push resilience and adaptation higher up the agenda. At the same time,

organisations are being asked to demonstrate credible progress and show how they will protect the value of their people and assets in a more turbulent world.

Against this backdrop, the SFMI continues to see steady progress in how ESG is embedded within FMs' wider business objectives. Leading FMs are moving beyond ad-hoc projects towards a more integrated approach, and sustainability is beginning to be built into how services are designed and delivered, and effort is directed at the issues that really matter.

Decarbonisation programmes are maturing, and partners are now grappling with the more challenging part of the journey, such as tackling Scope 3 and understanding their supply chains, where solutions are less straightforward and collaboration is essential.

Evolution of Trends

2022

Growing understanding and engagement with sustainability.

This year marked the infancy of sustainability as a core organisational value, with a stronger emphasis on internal commitment and social value.

2023

Deepening understanding and structured improvements.

Organisations advanced their sustainability efforts with a focus on structure, wellbeing, and broader environmental responsibility.

2024

Commercialisation and high-value sustainability initiatives.

Having established a foundation, FM leaders chased opportunities for revenue generation and market differentiation through advanced, high-return sustainability initiatives.

2025

Focusing effort where it counts.

FM leaders focus on the areas that matter most, prioritising what drives real value and embedding this across operations and strategy.

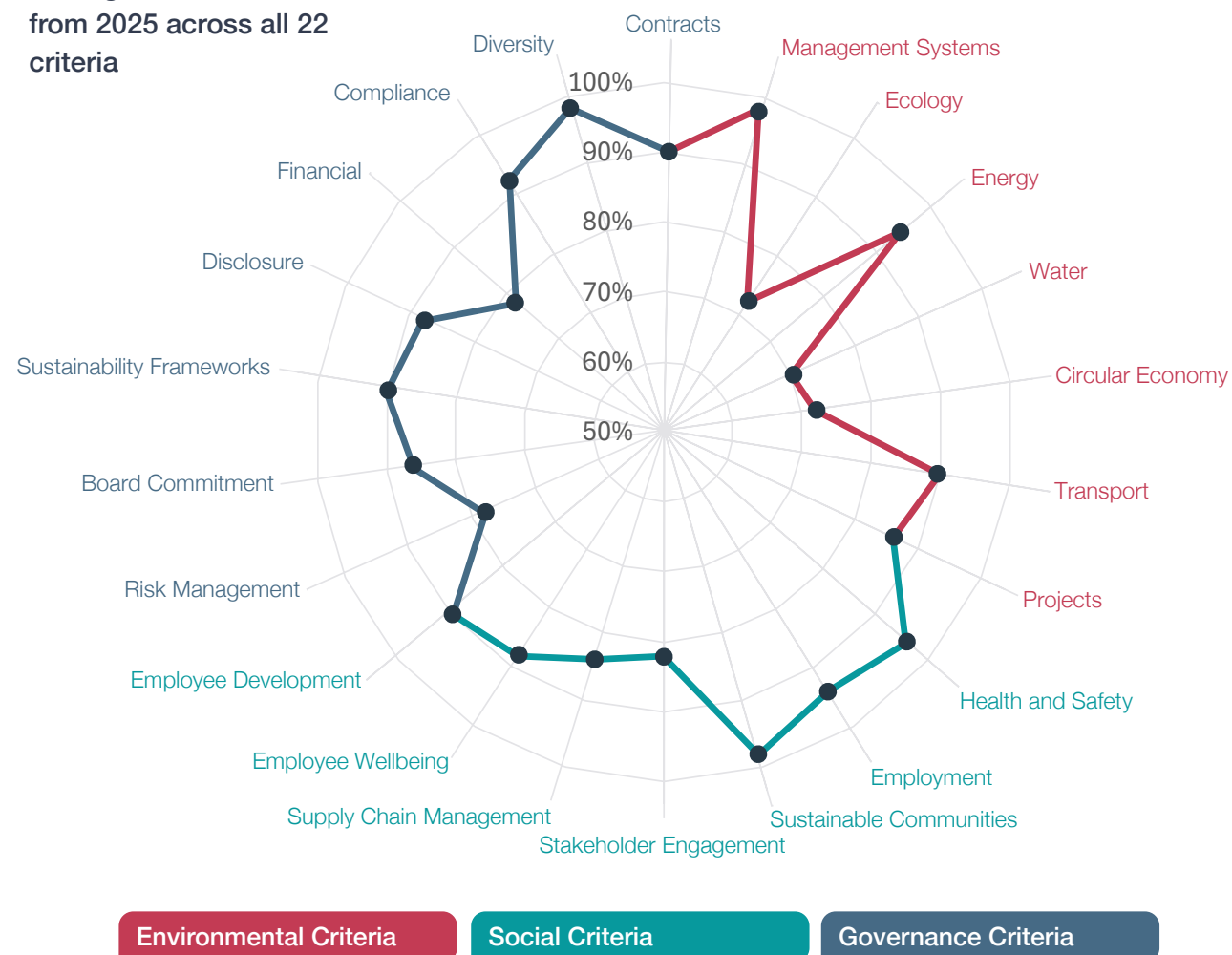
With the rise of technology being used to better understand sustainability aspects, we're seeing this provide valuable data, particularly in wellbeing. Digital tools and data are helping to reduce stress and improve safety. Social value continues to be a standout area of progress, and we're seeing Partners develop more tailored solutions for clients and their communities. Partners are also shifting away from one-off, numbers-driven exercises towards outcomes that actually matter, and using storytelling and qualitative evidence to depict a more honest, evidence-backed picture of impact.

Perhaps the most significant development this year is the mobilisation around climate adaptation. Clients are beginning to assess their exposure and options, and SFMI partners are stepping in with propositions that translate

climate science, asset data and risks into practical responses. It is early days, and many organisations are still at the stage of just trying to understand the basics, however FM's are beginning to pinpoint where risks are greatest, and which actions will offer the strongest protection and commercial opportunity. The direction of travel is clear, adaptation is becoming more than 'a nice to have', it is essential for protecting value in the years to come.

Taken together, these trends show an FM sector that is zeroing in on what really matters in sustainability. Those companies who continue to sharpen this focus, and support it with evidence and collaboration, will be best placed to create value for clients, employees, and communities in the years ahead.

Average Partner scores from 2025 across all 22 criteria



SFMI IN NUMBERS

22
Criteria

300+
Questions
updated each year

Record number of Platinum partners
6

Social leads the way, averaging
90%
across its criteria

20%
scored highest in risk management

Biodiversity + Employment



most improved criteria



ABOUT THE SFMI

TRANSFORMING PROPERTY MANAGEMENT FOR A BETTER TOMORROW

Building lasting value through sustainable property management is a challenge. As the industry's only tool of its kind, the Sustainable Facilities Management Index (SFMI) empowers businesses to drive positive impact through upskilling, knowledge sharing, and practical advice to turn ambition into action.

Our trusted assessment framework, expert knowledge, and collaborative community, helps organisations achieve measurable results in decarbonisation, social impact, and wellbeing strategies.

WHY PARTNERS CHOOSE THE SFMI

We understand your industry

Built by and for the facilities and property management sector, the SFMI reflects the realities of operational delivery, client expectations, and sustainability leadership.

We provide recognised accreditation

Our accreditation is a respected mark of sustainability leadership in the sector. Our independent assessment gives you credible evidence to demonstrate progress and value to clients, investors and stakeholders.

We turn insight into action

We go beyond scoring, turning results into practical improvement plans that drive measurable impact in a wide range of ESG factors, including decarbonisation, climate risk and opportunities, social value and wellbeing.

We create value through collaboration

Our active community brings FM providers and in-house teams together to share experiences, challenges, and successes to drive sector-wide improvement.

We build lasting capability

Through regular engagement and tailored support, the SFMI strengthens your internal skills and knowledge and provides the ability to improve systems and strategies and embed sustainability into day-to-day operations.

WHAT OUR PARTNERS SAY

Each year, we ask our partners to share how the SFMI supports their sustainability journey, from strategy to delivery and everything in between.

What value do you gain from being an SFMI partner?

Our partners highlighted a diverse range of benefits, including:

- Strategic solutions and guidance
- Networking and collaboration opportunities across the sector
- Knowledge sharing (best practices, industry trends, benchmarking)
- Tangible business benefits such as improved reputation and winning contracts
- Improved internal engagement across the business
- Clearer engagement of senior management on progress and future programmes

In 2026, the SFMI programme will focus on fostering greater collaboration between FMs, clients and suppliers. We will encourage deeper engagement on the material issues shaping the FM sector, and build a community where FMs can share both progress and challenges, helping to advance the industry as a whole.

How do you envision your organisation leveraging the SFMI's resources and expertise in the future?



"The SFMI accolade is helpful in communicating to clients and prospective clients how we are leading the way in sustainability."

"The SFMI helps us to identify areas where we can strive to improve. We are strongly committed to sustainability across all levels of our business and the SFMI helps us to understand what good looks like across the sector, to benchmark our own progress."

"Briefing before engaging with key customers and policy makers."

"The SFMI is a key partner in strengthening our sustainability leadership across operations, reporting, and client delivery. By using the SFMI's annual ESG assessments, we benchmark performance against industry best practice, ensuring credibility and transparency"

"The SFMI's Scope 3 research programme supports us in tackling complex decarbonisation challenges, refining methodologies for FM-related emissions and integrating them into carbon strategy."

"The SFMI's structured roadmap and ESG criteria enhance our reporting, aligning with global standards such as TCFD and SBTi to deliver clarity and transparency for stakeholders."

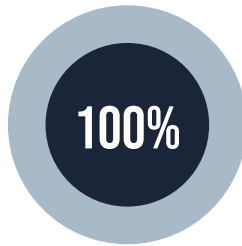


How much do you feel the SFMI helps the FM sector to lead the way on sustainability?

[Gauge of 1 to 10, 1 being not at all, 10 being extremely helpful]



of SFMI partners have used SFMI results in client bids, tenders or external communications.



of partners recommend SFMI membership to others.

OUR SCOPE 3 RESEARCH PROGRAMME

Alongside our annual ESG assessments, the SFMI runs a Scope 3 research initiative in partnership with RICS, IWFM, ISEP, and leading FM providers. This work addresses a key gap in whole-building carbon assessments, which often overlook FM-related emissions and therefore underestimate buildings' true environmental impact. By highlighting FM's critical role in decarbonisation, the project positions the sector as a key enabler of net-zero progress. The outcome is the Scope 3 Framework for FM, a practical tool enabling FM providers to measure, manage, and reduce Scope 3 emissions across their operations. Our Scope 3 Framework is part of the Net Zero Carbon Building Standard and is supported by UKGBC, further emphasising its credibility in driving industry-wide decarbonisation.

NEW ONLINE ASSESSMENT

We recognise that some organisations may lack the capacity or resources for a full ESG audit. That's why we've developed a new online assessment – a simplified self-assessment tool for SMEs and FMs new to sustainability, designed to help them understand their starting point. Built on our proven SFMI methodology, the online assessment covers a condensed selection of ESG topics to highlight an organisation's current position and flag any gaps. While it's not a replacement for a full audit, it bridges the gap and makes taking the step to a full audit that bit easier. Suppliers can also use it to understand their own ESG performance, making it a useful engagement tool for FMs to better understand the sustainability maturity of their supply chain.

INTERESTED IN BECOMING AN SFMI PARTNER?

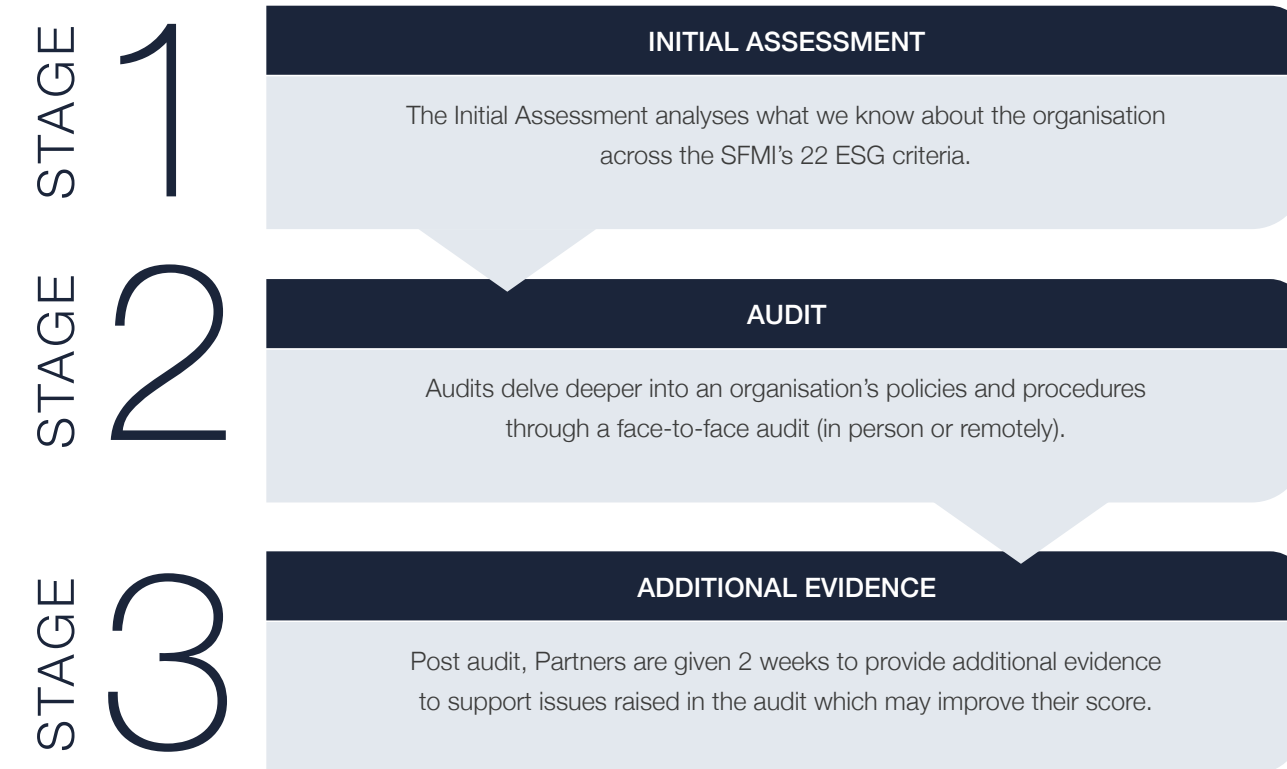
We'd love to have a chat about how we can support your organisation on its sustainability journey.

sfmi@acclaro-advisory.com

HOW WE ASSESS

Our in-depth audits examine a partner's strategy and operations to assess how effectively they align with sustainability principles and the SFMI's values.

The SFMI assessments consist of three stages:



Organisations are scored on a 0-5 scale across 22 ESG criteria, offering a credible and consistent benchmark to compare performance against other FM companies and track their own progress over the years. Achieving levels 4 and 5 requires more than a tick-box approach, it requires an integration into organisational culture, management, stakeholder relationships, and transparency in reporting. A top score of 5 reflects systemic, integrated sustainability leadership, extending beyond internal operations into communities, stakeholders and industry influence.

For more details on the SFMI's 22 Criteria, their impact on FM, and leadership expectations, see: [2025 ESG Criteria for Sustainable FM.](#)

UPDATES TO THE 2025 CRITERIA

Each year, we update our assessment criteria to reflect changes in evolving regulations, reporting standards, and industry best practices.

For 2025, the assessment has been refined to 22 ESG criteria (previously 23). The former 'Collaboration' criterion is no longer a standalone measure. Instead, collaboration is now embedded throughout the framework, reflecting its role as a fundamental part of responsible business. As part of this year's tightening of the criteria, we refined several criteria to provide a more rigorous measure of ESG performance. These adjustments mean that some scores went down, reflecting the higher standards rather than a lack of progress. This approach ensures that collaboration across a business and its value chain is recognised as an integral part of sustainability performance rather than a separate activity.

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The SFMI gives us a rigorous mirror on both strategy and day to day execution. The annual assessment, peer benchmarking and research forums help us horizon scan, strengthen data and governance, and focus on improvements that matter – from reporting quality to innovation with clients and suppliers. We convert the audit outputs into targeted action plans for contracts and bids, driving measurable outcomes and supporting growth.

**Jason Roberts, Group Director
for Sustainability at Mitie**

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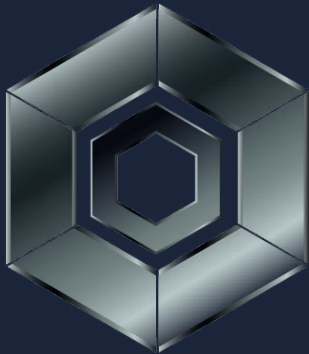
2025 SUSTAINABILITY PERFORMANCE

Gold Award



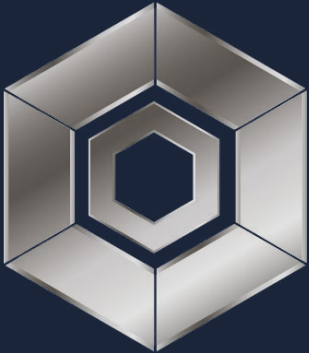
Amey
Arcus FM
EMCOR UK

Platinum Award



BAM FM
Churchill Group
Equans
Mitie
Skanska
VINCI Facilities

Silver Award



2025
Overall Winner



2025
Rising Star



SFMI PARTNERS





Participating in the SFMI has allowed us to develop a tangible improvement plan across all relevant aspects of sustainability within our organisation.

Kam Singh, Executive Director- ESG
at EMCOR UK



A MATTER OF PRIORITIES FOR FM

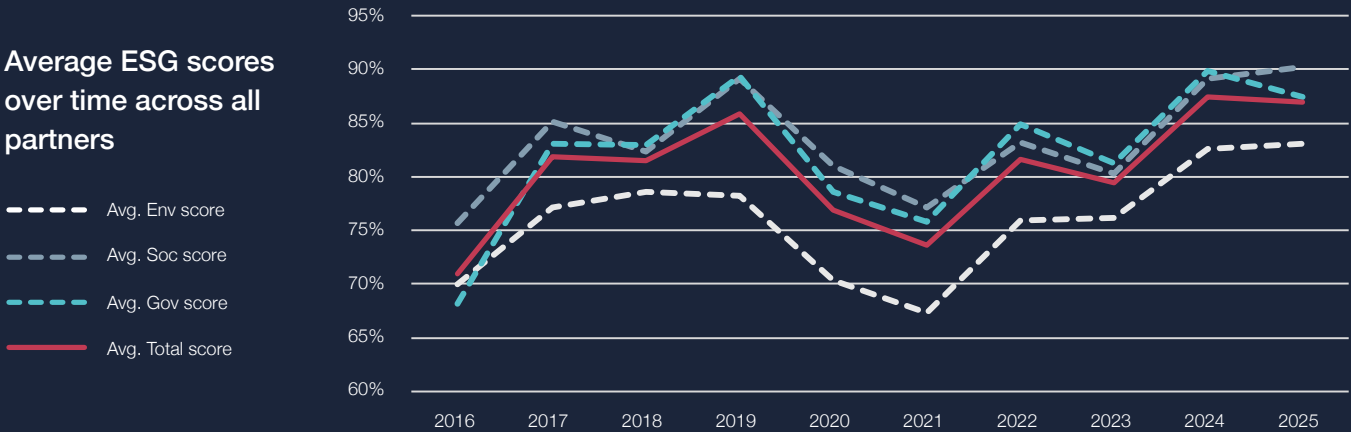
The FM sector is becoming increasingly complex and challenging. At its core, it's about supporting organisations' workplaces and operational property, but today that also means navigating regulations, societal demands, economic pressures, staffing issues, and stricter environmental requirements. All of this needs to be balanced with the responsibility of good corporate stewardship.

The SFMI helps the sector make sense of these challenges. Over the years, we have anticipated big

changes and the evolution of FM practices. Our 22 criteria are regularly updated to give our Partners clear guidance on tackling the issues that matter most.

By tightening the criteria every few years, we naturally see scores seemingly plateau and then rise over time. As highlighted earlier on, this is because we are constantly raising the bar, encouraging Partners to drive progress.

Average ESG scores over time across all partners



Through our in-depth interviews and expert insights into best practices, we have identified significant progress this year alongside ongoing challenges.

Decarbonisation

Wellbeing

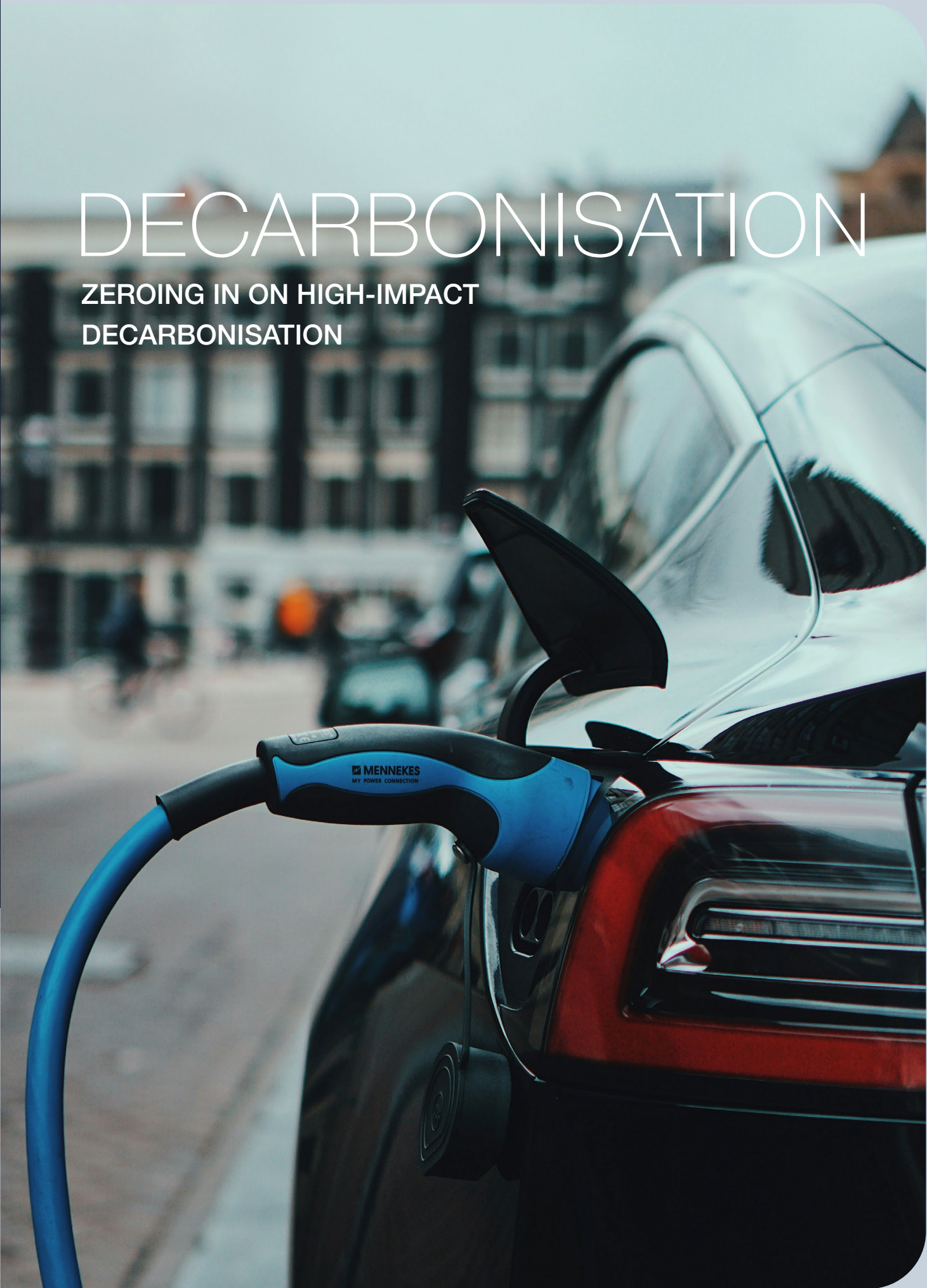
Social Value

Risks & Opportunities

Building on the four major themes from our 2024 report, we highlight the sector's growing focus on what matters most. FM leaders are honing in on the specific issues that are most important to their business and clients, and embedding these priorities into strategy and operations.

DECARBONISATION

ZEROING IN ON HIGH-IMPACT DECARBONISATION



ZEROING IN ON HIGH-IMPACT DECARBONISATION

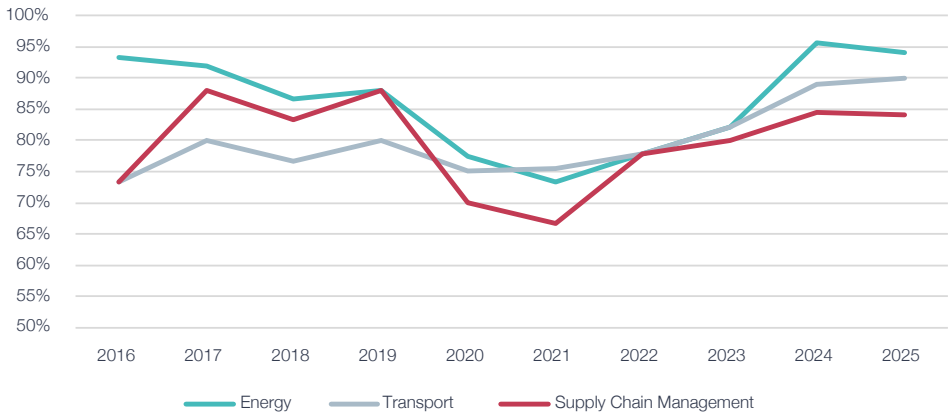
FM leaders are moving from broad net zero ambitions to a sharper focus on the parts of their estates and operations where they can have the greatest impact. The next phase is defined less by launching new initiatives and more by concentrating effort on work that will drive the biggest impact: optimising buildings, tackling fleet and supply chain emissions, and integrating decarbonisation with financial planning. We're seeing more targeted, evidence-backed roadmaps that focus effort where it matters and align decisions with business strategy and evolving regulation.

COMING UP AGAINST INCREASINGLY DIFFICULT OBSTACLES

Over the last few years, SFMI Partners have set the pace for the FM sector in its drive to decarbonise. This year marks the fourth consecutive annual rise in Partners' scores across the decarbonisation-related criteria covering energy, transport and supply chain management. In particular, there has been a focus on optimising buildings and improving efficiencies of building and control systems.

While the collective score increase this year of around 1% is modest, it continues the steady upward trend that began after COP26 in Glasgow in 2021, when many organisations intensified their decarbonisation commitments. This increase also reflects changes the SFMI made to its criteria this year, designed to push for continuous improvement. This means FMs need to do more year-on-year to achieve high scores. Within decarbonisation, there's a growing focus on transparency and evidence-backed reporting. To achieve top scores, SFMI partners must demonstrate a credible zero carbon strategy, maintain a verified carbon footprint, demonstrate how their services help clients achieve decarbonisation goals, and make their data publicly available.

Average Partner scores for decarbonisation criteria over time



But as Partners continue to push towards their decarbonisation targets, they are coming up against increasingly difficult obstacles. The first of these relates to fleet decarbonisation, an area of significant carbon exposure. After the large-scale and relatively easy replacement of their lighter fossil fuel vehicles with electric alternatives, Partners are now working out what to do about their heavier vehicles, where fewer EV alternatives exist and replacement times can be longer.

THE WEIGHTY CHALLENGE OF HEAVIER VEHICLES

Our auditors note that organisations are carefully considering their choice of suppliers for these heavy electric vehicles. One key question is whether to go for one or more suppliers. While relying on a single supplier does concentrate risks, Chris Havers, Acclaro Advisory Director, notes that a sole supplier can help FM organisations through the challenges of procurement, including the behavioural changes required by drivers, and are 'probably the best way to go'.

Partners are also considering whether they are ready to move to a fully electric fleet, along with all the associated risks such as limited access to charging points, human error in failing to charge, and reduced productivity during charging time. Additionally, this year's audits revealed some worrying reports of customers not allowing suppliers to use the charging points on site.

Commenting on this last point, Sunil Shah, MD of the SFMI and Acclaro Advisory, said: "It is really concerning to hear that customers aren't supporting their FM supplier efforts to decarbonise. This is an area where success can only be achieved with both parties supporting each other."

To try to balance the environmental benefits with these operational risks, BAM FM has elected to go for a mix of electric vehicle and plug-in hybrids for its fleet solution. This best-of-both-worlds approach may be something for others to consider.

THE CHALLENGES OF MOBILISING THE SUPPLY CHAIN

Last year, we highlighted the work of Partners in mobilising their supply chains to better monitor and manage carbon emissions. Another key theme to emerge this year is the challenge of accurately measuring Scope 3, Category 1 emissions.

Sunil explains, **"Understanding supply chain emissions is an area of intense focus at the moment among service providers. The trap they need to avoid here is coming up with numbers too quickly that are often inaccurate and unhelpful for management."**

Partners are supporting their suppliers through this challenge. Several are encouraging upskilling of their suppliers through the Supply Chain Sustainability School, a virtual learning platform, and working with their supply chains to set science-based targets to drive improvements.

Churchill Group has gone so far as to launch a bespoke decarbonisation resource hub for its vendors, designed to support the measurement and reduction of supply chain emissions. This free-to-access hub includes a Greenhouse Gas inventory calculator, a science-aligned target setting tool, step-by-step guidance and background materials. It was developed in partnership with Acclaro Advisory to help foster a collaborative approach to climate action.

As the SFMI already provides bespoke guidance to Partners as part of its benchmarking and guidance process, at the end of each chapter we are instead offering recommendations for FM providers and their end clients.

OUR ADVICE FOR SUPPLIERS AND CLIENTS

In the area of decarbonisation, our advice is as follows:

To FM providers:

The area of decarbonisation is fast moving. You simply can't keep abreast of developments yourself; you need to collaborate with your peer network to keep updated on the successes, failures, learnings and emerging good practice. Joining the SFMI gives you access to the best peer network in the market.

To clients using FM organisations:

Support the decarbonisation efforts of your FM providers, including providing access to EV charging and supporting building optimisation.

Delivering on decarbonisation requires a long-term strategy and a long-term partner. Make sure you select a partner with the right competencies and capabilities, and ability to adapt and add to their offering over time.

WELLBEING

ZEROING IN ON THE DRIVERS OF WORKPLACE WELLBEING

Breathe

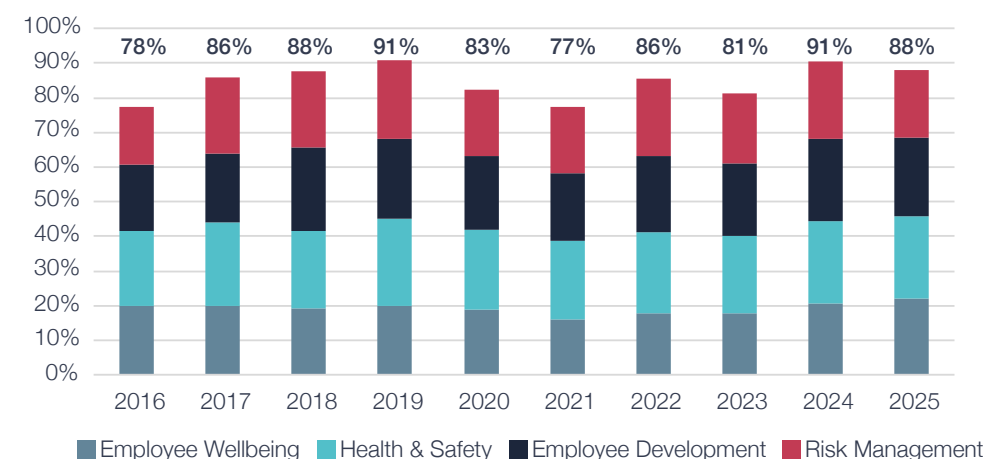
ZEROING IN ON THE DRIVERS OF WORKPLACE WELLBEING

Over the past year, FMs have made strong progress in understanding what most affects their own staff, using feedback, data, and digital tools to identify stress points and safety concerns and then designing focused interventions. The next step is to extend this evidence-based approach to client workplaces, and shift the focus beyond FM's own teams to the wider workforce. Efforts are still in the early stages to explore how solutions can be extended to support clients as well, though research by IWFM in 'In Pursuit of the Holy Grail: Determining the Return on Workplace Investment (ROWI) suggests that targeted wellbeing initiatives can deliver measurable benefits beyond internal teams. This reflects a general trend towards focusing initiatives and efforts towards the most impactful outcomes.

TECHNOLOGY EMERGES AS A FORCE FOR GOOD

Once again, there are encouraging trends in wellbeing scores, which are fuelling higher staff retention and customer rewards. Wellbeing-related scores remain strong with gains across health and safety and employee wellbeing.

Average Partner scores for wellbeing criteria over time



Another innovative App developed by EMCOR UK aims to keep staff better informed and supported as they go through the TUPE process. "It can be really stressful for staff when they transition from one employer to another. This app helps at every step in the process and has made a real difference to staff happiness and contract productivity. Even clients have commended EMCOR UK on the app for helping staff to readjust," explains Sunil.

The common theme emerging this year is technology. FM providers are well versed in using technology to manage a mobile and disparate workforce. An area of secondary focus has been using technology to support the wellbeing of staff with numerous, highly transferable examples from SFMI Partners.

"This trend is one of the most exciting developments this year," comments Sunil. **"Whether it's using technology to reduce staff stress and anxiety, provide support and comfort, or offer much-needed guidance, our Partners are putting technology to work on Wellbeing."**

APPS THAT HELP WITH WELLBEING

Amey provides the first example with its [Health Assured Wisdom App](#), designed to promote employee wellbeing. It features an interactive mood tracker to identify patterns and trends around wellbeing with health plans to support goals and track progress, mini health checks and live chats and calls with wellbeing counsellors.

"Lots of companies offer wellbeing services but aren't particularly good at promoting them. Amey is trying to overcome this by signposting services better. That's good for its staff and helps to ensure that money is being spent wisely," comments Chris.

TECHNOLOGY THAT SUPPORTS A MOBILE WORKFORCE

Mobile working can be challenging and isolating for many individuals. To help address this, a few SFMI Partners have introduced in-car telematics that monitor driver alertness to provide better support. These systems combine vehicle sensors and in-cabin cameras to track behaviours like steering wheel movements, lane drifting and eye movements.

Arcus FM implemented a digital workforce management initiative to optimise scheduling and enhance productivity and wellbeing. The automated system efficiently allocates over 10,000 weekly work orders across the mobile engineering team and incorporates wellbeing measures, such as assigning final tasks closer to home to reduce travel fatigue.

“This data-driven approach demonstrates how technology and workforce design can support both efficiency and employee welfare in service delivery,” comments Sunil.

THE IMPORTANCE OF STAFF LEARNING LOOPS

Learning loops and staff feedback, like the example mentioned above, can be really powerful in addressing wellbeing challenges. When Mitie discovered that hand injuries were the most common workplace injury, despite employees being issued protective gloves, they investigated the cause. They found that colleagues were removing the gloves because they were bulky and uncomfortable. As a result, the glove design was improved, making employees more likely to wear them.

A common feature in all these examples is a focus on service providers’ own staff – not their clients. In truth, FM providers have yet to make significant inroads in supporting the wellbeing of clients’ staff. “Customers are still reluctant to seek advice from service providers on actions they can take to support their own employee wellbeing, such as changes to workplace design, layout and access,” comments Sunil.

OUR ADVICE FOR SUPPLIERS AND CLIENTS

In the area of wellbeing, our advice is as follow:

To FM providers:

Actively consider technological solutions that support staff wellbeing.

It is early days in the field of wellbeing. The key thing is building up your knowledge in the subject area and starting to engage clients on the opportunity.

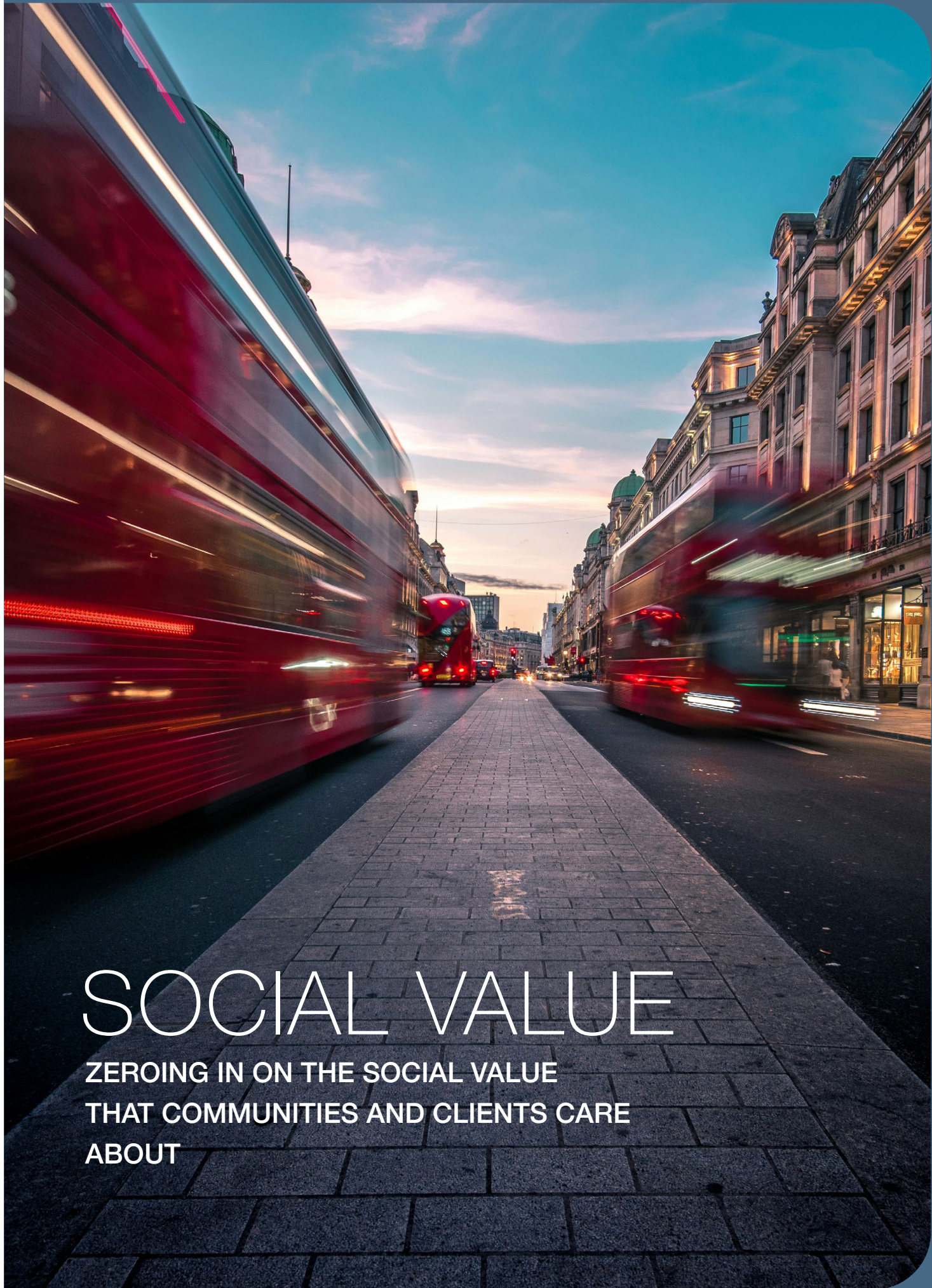
To clients using FM organisations:

There is a lot that you can learn from providers that can positively influence staff wellbeing, and create a healthier, more productive workplace.



At Churchill Group, we continue to greatly value the SFMI audit and its outcomes, and we’re proud to play a role in advancing sustainability across the FM sector. Its broad and insightful guidance has been essential in driving our continued progress.

Hannah Dales, Head of Environment at Churchill Group

SOCIAL VALUE

ZEROING IN ON THE SOCIAL VALUE
THAT COMMUNITIES AND CLIENTS CARE
ABOUT

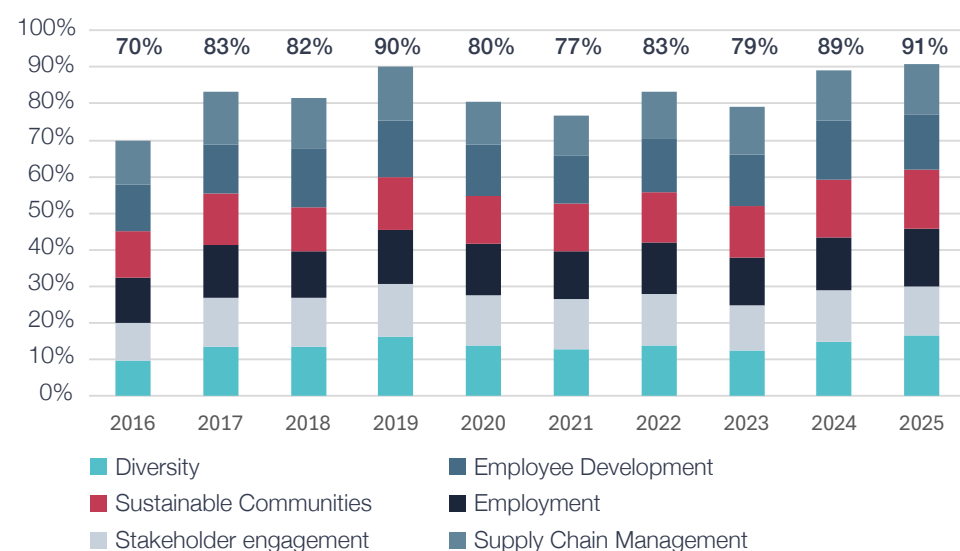
ZEROING IN ON THE SOCIAL VALUE THAT COMMUNITIES AND CLIENTS CARE ABOUT

Social value has also evolved away from narrow, upfront metrics towards broader measures and organisational strategies that drive more meaningful change. There is growing recognition that basing social value performance on an initial-stage calculation can encourage the wrong behaviours and limit the usefulness of reporting. In response, leading FMs are working with clients to identify the aspects of social value that matter most to them and their communities. This section explores how FMs are using a mix of metrics, stories and longer-term programmes to focus social value on what really matters, rather than chasing headline figures.

INCREASINGLY TAILORED TO CLIENTS AND QUALITATIVE IN NATURE

Social value has been a standout in terms of progress over the last few years. The 2025 results reinforce this with SFMI Partners achieving particularly strong gains in the social value-related criteria.

Average Partner scores for social value criteria over time



Social value, by its nature, is very broad. It can range from creating local jobs, supporting SMEs, reducing inequality, improving health and wellbeing, and minimising environmental harms. That breadth makes it difficult to measure and even harder to manage.

In 2025, we saw social value taking more of a distinctive shape based either on local situational needs or the preferences of end clients. Increasingly, Partners will assess local needs and identify areas to prioritise - particularly for public sector contracts; or seek guidance from their clients. EMCOR UK exemplifies this approach through a structured programme involving meeting with clients of larger sites, discussing social value needs and their ambitions, and then adapting plans accordingly.

“Tailoring social value to customers’ needs is a really powerful approach. Not only does it bring much-needed focus to social value, but alignment between customer and supplier provides the opportunity to share best practice and leverage existing initiatives,” explains Sunil.

In the SFMI’s Leaders Forum webinar on social value, which is available to Partners via the dedicated partner portal, Sunil stressed that successful social value initiatives require new types of collaboration, “FM providers must develop skills in a different type of activity and be willing to ask for expertise where theirs is only developing.”

ADOPTING MORE QUALITATIVE APPROACHES

Along with a clearer focus, we have also seen SFMI Partners adopting more qualitative approaches to assess social value and communicate its impact. This aligns with recommendations

from the SFMI’s Social Value Toolbox Talk and reflects the challenges in quantifying social impact and the very personal nature of the change that it brings.

“Some FMs are still going all-in on numbers-based

measurement but there is definitely a move towards more qualitative approaches to assess and amplify social value – and that’s a really positive development,” says Sunil. “The focus should be on the quality of outcomes, not just the quantity. Numbers alone can feel a bit like ticking a box, whereas qualitative approaches capture the real stories and behaviours behind these initiatives. This helps organisations better understand and communicate the impact of their work”.

When it comes to communicating qualitative impact, Partners are increasingly using the art of storytelling to share the individual perspectives. In other words, using real narratives to better tell personal stories and connect with the audience on an emotional level.

A MOVE AWAY FROM BLUNT REPORTING AND SOME PLATFORMS

Our auditors also report a move away from ‘blunt reporting’ of facts and figures and a shift in the social value platforms used. Several Partners reported moving to Thrive, a platform which seeks to better capture activities and then make it easier to report and showcase the impact made.

One of the Partners now using Thrive for measurement and validation is Amey. Underpinning its approach is an Integrated Social Value Framework which aligns with its ESG Strategy and Social Value Policy to deliver consistent impact across business units. Focused on jobs, supply chain, and the environment, the framework sets clear expectations for leadership, targets, resources and training.

Amey’s business units now integrate social value into all contracts, often going beyond client requirements. This year, a new internal Social Value Summit brought together more than 80 colleagues and partners from across the organisation to explore how they can deliver deeper impact when it comes to social value. Combined with Amey’s use of automated reporting tools, these developments further strengthen governance, collaboration, and accountability in creating long-term community value.

HOW ACCURATE ARE THE SOCIAL VALUE NUMBERS BEING QUOTED?

Any AI-powered search for ‘social value as a percentage of turnover for FM companies’ will quickly reveal a fantastically large spread of reported results, with quoted percentages varying from as little as 5% of turnover all the way up to 50%.

While not to devalue the benefits that good management can bring, a large part of these variations stems from the methodological differences spanning scope of activities, measurement frameworks, treatment of environmental impacts and associated contracts.

“Social value can be more about how you play with numbers than the value you actually deliver,” observes Sunil. “This means that you’ve got to take what is reported with a pinch of salt and it helps explains why providers are searching for alternative ways of reporting.”

ADVICE FOR SUPPLIERS AND END CLIENTS

In the area of social value, our advice is as follow:

To FM providers:

- Listen to what your customers want when it comes to social value and tailor your approach.
- Engage with others in the sector to share learnings and find out how your company can better articulate its social value message.
- Social Value Leads need to develop their storytelling skills – this is part marketing and part data and analytics.

To clients using FM organisations:

- Understand what social value means to you and what success looks like and then encourage suppliers to deliver against these priorities.

RISKS & OPPORTUNITIES

ZEROING IN ON CLIMATE AND RESILIENCE
WHERE IT COUNTS

ZEROING IN ON CLIMATE AND RESILIENCE WHERE IT COUNTS

Risk management and opportunity identification are moving from a laundry list of issues to a sharper focus on what could genuinely disrupt services or create value. FM leaders are beginning to target their attention to the climate and resilience risks that matter most for the assets and contracts they manage. They are then devising practical next steps to address these. And while important gaps still exist, such as linking risks and opportunities to financial impacts, there is a growing recognition that a more focused and evidence-backed approach is essential. The next phase will be to fully embed materiality into the prioritisation of risks and opportunities, so that actions can be directed towards what is most impactful.

MOBILISING AROUND THE CLIMATE ADAPTATION CHALLENGE

In IWFM's Sustainability Survey 2025 Report, it observed a 'mass mobilisation' of organisations starting to think about climate adaptation, with 42% of the profession having assessed or currently assessing risk and mitigations, and another 42% preparing to do so or planning to do so in future.

As clients mobilise, so too do SFMI Partners with service propositions to support them. Amey, VINCI Facilities, Mitie and BAM FM are among the SFMI participants who are actively promoting services around climate resilience and adaptation.

Amey is engaging clients through climate risk presentations and data-gathering exercises, particularly within the defence housing estate of 18,000 properties, where storm damage and dereliction highlight vulnerability. Acting as a climate science and asset management partner, the company is developing solutions and resources to help clients understand, finance, and future-proof their estates against evolving climate risks.

BAM FM is beginning to integrate climate adaptation and resilience into its PFI contracts, using insights from partner-delivered climate risk reports and a climate adaptive solutions library. An initial, postcode-based assessment identifies exposure with site-level examples such as drainage systems overwhelmed by intense rainfall. While the current risk report is relatively high-level, it provides a foundation for future mitigation and adaptation planning across managed sites.

In many cases, clients need support with the basics. Sunil explains: **"Most client organisations don't understand the risks and opportunities around climate adaptation. Even if they don't have many buildings, they need to understand the impact on service lines and exposure to liabilities. They need to get to a position where the risks are understood and materialised and informed decisions are made."**

CLIMATE ADAPTATION IS THE LATEST SUSTAINABILITY-RELATED OPPORTUNITY

The commercialisation of climate adaptation is a continuation of the theme that we celebrated in our 2024 Summary Report of sustainability affording providers with significant revenue opportunities. Due to the tightening of the risk management criteria, we saw a decrease in scores this year, but this should not be interpreted as a lack of progress in these areas.

Average Partner scores for risks and opportunities criteria over time



Climate adaptation services add to opportunities in other areas like decarbonisation, which featured strongly in last year's report and which continues to be a focus among many providers. For example, Skanska has been actively using its carbon reduction tool to identify carbon reduction opportunities in contracts, while Mitie continues to widen its decarbonisation offering through acquisitions. To learn more about how this market leader built out its decarbonisation service see the SFMI's case study.

Most service providers will need support to offer climate adaptation services

A useful source of information for FM teams on how to manage climate risk and embed climate resilience is Acclaro's newly updated 'Climate Risk in the Built Environment' guide.

For providers looking to expand into this service area, Sunil cautions that the challenges of building out a climate adaptation service are significant. "Most FM providers don't have the knowledge and competencies needed to support a service proposition in this fast-changing, highly scientific area. They need to think carefully about how best to bridge this gap," he says. He advises contracting with an outside consultant, like Acclaro Advisory.

MATERIALITY NEEDS TO BE MORE OF A FOCUS IN THE MARKET

One concerning finding from the SFMI audits is that there is still a missing link between materiality and risk. The Corporate Sustainability Reporting Directive (CSRD) in the EU requires companies in scope to do a double materiality assessment, but this work is still in a nascent phase.

"Many providers and FMs are still struggling to quantify their risks, and to draw the link between financial and impact materiality. However, as the climate keeps changing and the impacts of physical hazards become ever more present, FMs and the wider built environment industry will need to get serious about understanding climate risk," comments Kristen Mierzejewski, Senior Sustainability Consultant at Acclaro Advisory.

OUR ADVICE FOR SUPPLIERS AND CLIENTS

In the area of risk and opportunity, our advice is as follows:

To FM providers:

The link between materiality and risk is not very mature – even among SFMI Partners. This needs to be more of a focus going forward.

Most FM providers don't have the knowledge and competency to offer a climate adaptation service, and these are hard to acquire. It's best to contract with outside consultants who can help.

To clients using FM organisations:

Clients have to take climate adaptation seriously and need to take a longer-term perspective. This starts with education of the senior management team and then a proper evaluation of the risks as well as the opportunities.



Our involvement in the SFMI continues to develop and enhance our approach to Sustainability in FM. The breadth of categories helps to integrate the sustainability message into different business functions along with requiring a high level of governance and risk management.

Anthony Heaton Senior Environmental Sustainability Manager at BAM UK



LOOKING TO THE FUTURE

Taken together, the trends emerging from this year's SFMI assessments point to an FM sector that is moving beyond ad-hoc sustainability initiatives towards a more integrated, long-term transformation. Decarbonisation, wellbeing, social value, and risk management are no longer disparate workstreams but are increasingly converging to define how FM organisations design services and strategies. Through embedding sustainability at the core of their business, FMs can position themselves as strategic partners that help clients deliver lasting and credible ESG outcomes.

Decarbonisation services have matured significantly over the past few years, and the next phase will be defined by integration with business and financial planning. Rather than simply delivering energy projects or technology upgrades, leading FM providers will help clients optimise whole portfolios over asset lifecycles, align capital investment with transition pathways, and use data to prioritise where they can deliver the greatest reduction in emissions and cost. As companies seek to meet evolving targets and respond to tightening regulation, keeping abreast of new technologies and skills will become essential.

Wellbeing remains relatively nascent as a structured service line, despite being at the heart of FM's workplace offer. FMs have made excellent gains in understanding how to improve wellbeing for their own staff, and the next step will be looking at how to extend this to their clients. Shifting the focus to the wider workforce that occupies the spaces they manage will help FMs distinguish their services to clients and provide greater value. This means using insight on space utilisation, indoor environmental quality and user feedback to co-create workplace improvements that support productivity, retention and health. Providers that can connect wellbeing outcomes to business performance will be well placed to differentiate themselves in a tight market.

Social value has also seen an evolution away from narrow metrics to broader measures and organisational strategies that drive more meaningful change. There is growing recognition that basing the social value performance on an initial-stage measurement has often inadvertently led to the wrong behaviours and limited the usefulness of reporting. The next challenge is to embed these richer outcome-focused approaches into procurement frameworks and contract management, so that social value is judged on sustained outcomes rather than headline numbers. That will require FM organisations to develop stronger narratives, clearer evidence and more collaborative approaches with clients and communities.

Finally, **risk management and opportunity** identification are set to become regulatory and commercial cornerstones. As climate and nature-related requirements are woven into standards such as ISO 14001, FM providers will need robust processes to identify, prioritise and communicate risks. Furthermore, they will need to develop practical responses on how to address these risks and capitalise on opportunities. The focus going forward will be on understanding those risks and opportunities that are most material to the business, quantifying them financially, and using this insight to steer strategy. The organisations that will succeed in the future will be those that can connect the dots between these trends and integrate them into their business models, to protect their own assets and also drive sustainability in clients and supply chains.

JOIN THE SFMI

The SFMI brings together organisations shaping the future of sustainable property and facilities management. By joining our community, you gain more than a recognised accreditation. You'll also receive:



Practical improvement plans to drive measurable impact in decarbonisation, climate risk and opportunities, social value and wellbeing.



Access to a community of peers across the sector, with opportunities to share knowledge and learn together.

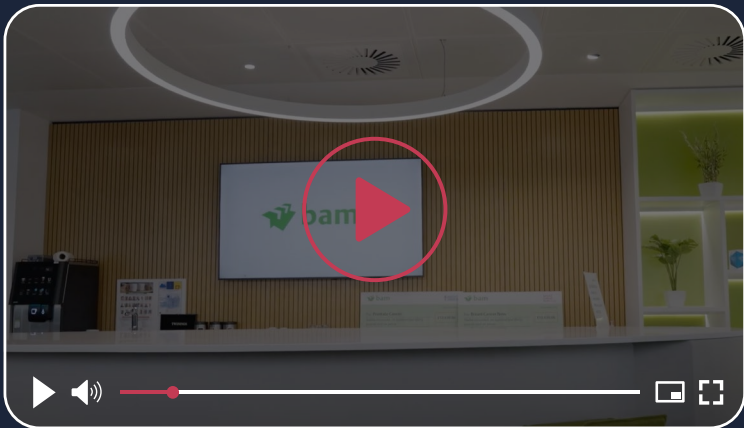


Insights into best practice and industry trends through horizon scanning, guidance documents, and exclusive webinars.

TAKE THE NEXT STEP

Discover how joining the SFMI helps organisations embed sustainability and demonstrate leadership across the FM sector.

Watch our short video featuring BAM FM to see how our ESG assessments drive measurable progress.



READY TO LEAD THE WAY?

Contact us to explore how becoming an SFMI partner can accelerate your sustainability goals and position your organisation as a leader in responsible facilities management.

✉ sfmi@acclaro-advisory.com



“

The SFMI is a great way to communicate internally and externally how we are leading with sustainability. It provides us a useful opportunity to collaborate with our peers and change the industry for the better.

Fran Chinery, Environmental Sustainability Manager at Skanska

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The Sustainable FM Index

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