



SFMI
The Sustainable FM Index

SUSTAINABLE AMBITIONS

Where the FM sector will be in 2030.

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FOREWORD

It's impossible to predict the future with certainty, but the risk of not preparing for it is far too great to ignore.

“ By failing to prepare, you are preparing to fail.”

Benjamin Franklin

The SFMI's 'Sustainable Ambitions Report 2026' assesses how the facilities management sector is likely to evolve by 2030 across four key sustainability themes: decarbonisation, wellbeing, social impact, and risks and opportunities.

We have deliberately chosen to look ahead to 2030 – a horizon close enough to demand action, yet far enough to still influence and improve, if clients and FM providers act promptly.

The thinking in the report draws on the deep experience within [Acclaro Advisory](#), publicly available research and the learnings from the SFMI's annual benchmarking of the FM sector. Our Partners already tell us something about the future – where these leaders go, others will inevitably follow. We've also sense-checked the predictions with participants in our SFMI Leaders Working Group as part of the process.

The report does two key things. It plots each of the four themes on an Expectations Curve to show where they've come from, where they are now and where they are likely to be in 2030.

This will give you an all-important sense of the maturity of each of these themes. There's more about the curve we've used on the next page.

Having identified the maturity of each theme the report identifies the key changes that we expect by 2030 and identifies the actions that clients and FM providers can take to benefit from – and in some cases support – these individual changes.

While this report will inevitably overlook some issues and get some areas wrong, it will certainly get you thinking, and we'd urge those in leadership positions to put it on the agenda of your next planning meeting and give it the attention it deserves.

We want this document to not only provoke thought but prompt action. The nature and scale of the changes do not give us the luxury of time. We need to act quickly.



Sunil Shah

Managing Director at
Acclaro Advisory & The
SFMI



APPROACH

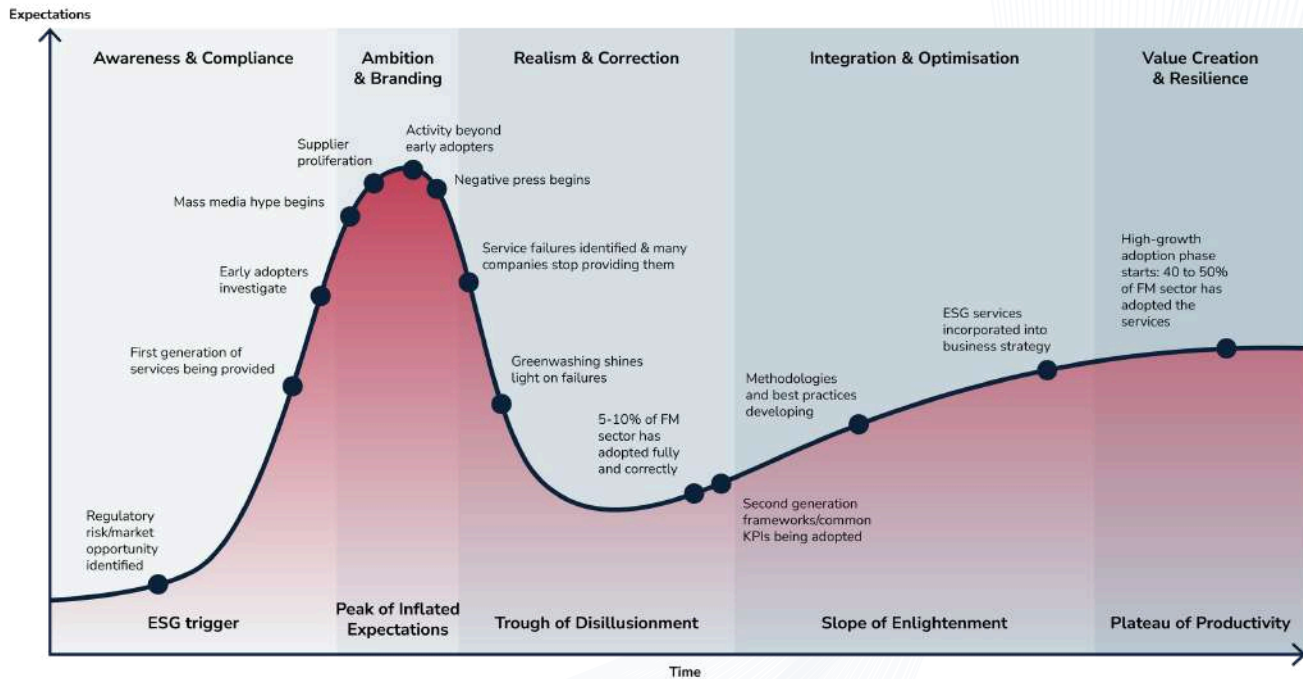


Figure 1: Expectations curve for sustainability themes across the facilities management sector, adapted from Gartner's Hype Cycle.

For this report, we've adapted Gartner's Hype Cycle to plot the relative awareness and expectations of our four themes: decarbonisation, wellbeing, social impact and risks & opportunities. Our model shows how stakeholder expectations typically evolve over the early stages of an ESG lifecycle. It is marked by these five consecutive stages:

- Stage 1, Awareness & Compliance:** This stage enters the sector mainly through regulation, investor pressure and reputational risk. Awareness is growing, but practices are fragmented and inconsistent. Focus is on limited actions, PR and profile building. Greenwashing is prevalent but often unrecognised internally.
- Stage 2, Ambition & Branding:** This stage is heavily promoted as a competitive advantage, due to rapid adoption of frameworks, ratings and certifications. It is marked by capability building - testing data collection processes, strategy hypotheses and tool capabilities. However, short-term financial returns may be overestimated.
- Stage 3, Realism & Correction:** Stakeholders recognise that the stage is complex, costly, and slow to deliver. Some initiatives fail or are scaled back. There is progress to be made in embedding the theme into corporate strategy and operations with standardised processes and tools established. Regulatory scrutiny increases.

- Stage 4, Integration & Optimisation:** The practices in this stage become more evidence-based, operational and aligned to disclosures. Clear links emerge between theme performance and long-term service delivery. Theme practices are fully embedded across the business model and continuous improvement becomes routine. Theme outcomes are optimised through data analytics, deep integrations with business strategy and proactive risk management.
- Stage 5, Value Creation & Resilience:** This stage is fully normalised in the property sector - no longer a separate initiative but a core differentiator shaping strategic direction, innovation and stakeholder value creation. Theme outcomes are leveraged to create new business models, influence industry standards and drive systemic impact. The focus shifts from compliance to optimisation and innovation.

Of course, theme implementation is not linear and will differ by asset type (commercial, residential, logistics), geography and regulation as well as investor profile and holding period.

EXECUTIVE SUMMARY

We expect the four themes to reach the following points on the Expectations curve by 2030:

Decarbonisation: In the next five years, the sector should accelerate upwards along the Integration & Optimisation stage, supported by a range of new products and services coming online to help achieve decarbonisation. We already see clear evidence of this direction of travel within the SFMI.

Wellbeing: There is still a way to go to fully unlock the complexities of workplaces and wellbeing/productivity but there is clear forward momentum. We expect this progress to continue and possibly even peak in the next five years as the area reaches the Ambition & Branding stage. While psychological wellbeing is already acknowledged within current workplace strategies, we expect its prominence (alongside environmental and physical wellbeing factors) to increase significantly by 2030 as evidence strengthens and organisations adopt a more holistic approach.

Social impact: We believe we are now in the Ambition & Branding stage and that expectations around social impact have now probably peaked. Absent further stimulus from government and with the growing distrust of social impact scores, we are likely to see a drop-off in its importance and a plunge into the Realism & Correction stage. This will have competitive implications for players in the market and fundamentally change the drivers of social impact.

Risks & opportunities: In the next five years, expectations around risks and opportunities will rise and the theme will move steadily up the expectations curve to the Ambition & Branding stage. Whether this is before, at or after peak expectations by 2030 will very much depend on the strength and interplay of the expected changes listed.

We identify the following key changes in each of the themes in 2030:

Decarbonisation

- All projects will be part of roadmaps
- Decarbonisation will continue to be primarily customer driven
- Service level emissions will become a key driver for decisions
- New regulations will require more detailed measurement and reporting of emissions in buildings

Wellbeing

- KPIs will become standardised for wellbeing with a shift towards mental health outcomes
- There'll be ever greater use of technology to monitor and provide real time responses in workplaces
- New sustainability design treatments will be introduced across existing buildings

Social impact

- Harmonise social impact methodologies to rebuild trust in the numbers
- Extend the time horizon of social impact benefits to include longer-term outcomes
- Social impact will be more aligned with requirements at local level and national priorities
- Reporting of social impact benefits within financial accounts will become commonplace

Risks & opportunities

- There will be significantly more strategic and long-term consideration of risks and opportunities
- There will be a lot more focus on transition risks around climate – not just physical risks
- There'll be more stringent identification and reporting on modern slavery
- AI will increase the value of human centric roles and present risks and opportunities

DECARBONISATION

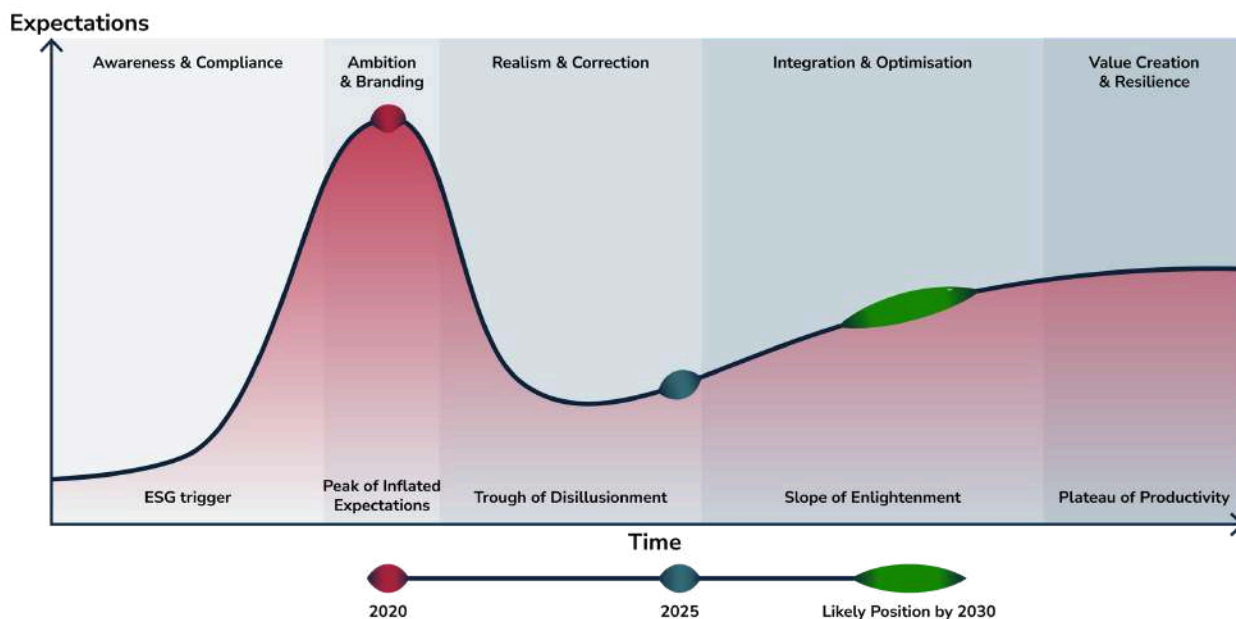


Figure 2: Expectations curve for decarbonisation across the facilities management sector.

Changes in the last five years

The mass retreat on net zero targets is easily the most inglorious moment in the recent history of ESG. Back in 2020-2021, vast numbers of organisations made public commitments to achieve net zero by 2050, 2040 or even 2030; a few even claimed to have achieved it already. They were fuelled by a heady mix of public expectations, peer pressure and boardroom ambition and branding. Then an understanding of the realism and changes required to back up these words dawned and the mass corrections started. With innumerable target dates adjusted and caveats added, we think the worst is now behind us and that expectation will begin to recover.

Despite this negative backdrop, much progress has been made around decarbonisation in the last few years with the help of the FM sector. Notably, there has been a big push to develop energy efficiency and decarbonisation plans within organisations. IWFM's latest [Sustainability Survey](#) found that 57% of organisations now have energy efficiency/ decarbonisation plans, up from just 37% in 2023.

Significant amounts are now being spent on carbon reduction projects. Many of these projects are focused on Scopes 1 & 2 emissions, although too often they're not aligned with decarbonisation plans and default to like-for-like replacements. GHG emissions of commercial and public sector buildings are barely different from 2019 from the recent Government GHG reporting.

There have also been dramatic improvements in the way that carbon emissions are measured with new frameworks, verifications and regulatory standards serving to modify and improve robustness – notably GHG Protocol, SBTi (Science Based Targets initiative) and ISSB S2. These efforts have been accompanied by a real focus on generating more renewable energy and moving toward heat being electrified.

Where the sector will be in 2030

In the next five years, the sector should accelerate upwards along the Integration & Optimisation stage, supported by a range of new products and services coming online to help achieve decarbonisation. We already see clear evidence of this direction of travel within the SFMI.

FM frontrunners are already exhibiting the behaviours needed by 2030. Decarbonisation scores in the SFMI Certified Assessment have risen for four consecutive years, with leaders shifting from broad ambitions to evidence-backed, high-impact actions. These include optimising buildings, improving Scope 3 data quality and integrating decarbonisation into financial planning. These practical examples provide a clear preview of how the FM industry is likely to operate by the end of the decade.

Key changes in the next five years

1. All projects will be part of roadmaps

Many recent decarbonisation projects have failed on two counts. First, they weren't aligned with decarbonisation roadmaps. Second, they defaulted to like-for-like replacements. With a little bit of effort from the sector, by 2030 we believe that all projects will be aligned with decarbonisation roadmaps and that there'll be fewer inappropriate like-for-like replacements.

“The key to progress is improving the technical and project management skills within the sector to support the identification of optimum solutions aligned with a decarbonisation roadmap,” explains Sunil Shah, Managing Director at Acclaro Advisory & SFMI. **“In tandem with this, we need to educate our real estate colleagues about decarbonisation and champion the need for the necessary budget.”**

Putting a complete end to inappropriate like-for-like replacements is a trickier prospect because of legacy regulations like the Landlord and Tenant Act 1954, which sets down like-for-like replacements as standard. Unless pre-agreed, under this legislation Landlords can insist on anything that isn't like-for-like being stripped out and replaced.

Actions to align with change

Clients and FM providers need to improve their technical and project skills to identify optimum solutions aligned with decarbonisation roadmaps. Tenants and FM providers need to become more proactive in challenging like-for-like assumptions, using robust business cases to argue for roadmap-aligned alternatives.

2. Decarbonisation will continue to be primarily customer driven

This document focuses on things that will change in the next five years. The one thing that won't change is this: decarbonisation will continue to be primarily customer driven.

The change that is needed and that we think will materialise is more of a partnership between customers and FM providers to progress decarbonisation. This has been something that the SFMI has campaigned hard for over the years and which IWFM's Sustainability Survey Report 2025 was also very vocal on. Sunil stresses the importance of moving away from a command-and-control relationship, with clients sharing their sustainability priorities and goals with FM providers and working on these together.

SFMI Consultant, Tracey Rawling Church, adds:

“This point stretches to hard FM contracts where FM providers are carrying out capital projects. Here, specifications for building are written before the tender is placed, so any innovation to decarbonise the built environment or reduce the embodied carbon identified by providers can't be done because it's outside the specifications.”

Actions to align with change

Clients and FM providers need to work in a more genuine partnership to advance decarbonisation.



3. Service level emissions will become a key driver for decisions

Joining a growing number of companies who provide carbon emissions data for their products, we expect service level emissions in the FM sector to develop in the next five years and be a key driver for decisions.

Sunil explains that emissions data for FM services can already be calculated. It just takes time and effort. **“You can access the amount of chemicals you procure, draw on data about where cleaners travel from... and create a carbon footprint. I would love there to be service level emissions because that shows the maturity of FM in line with pretty much every other sector.”**

Some clients already ask for emissions data, but often the wrong type of data. Sunil explains that some organisations look at the total emissions of providers and judge these in isolation – down is good, up is bad – irrespective of whether the size of the business has changed. Clients need to assess emissions in a more robust way and embrace the idea of service level emissions.

Actions to align with change

Clients need to advance procurement decisions based on service level emissions reporting and challenge claims made. FM providers must enhance measurement of emissions and improve procurement disclosure.

4. New regulations will require more detailed measurement and reporting of emissions in buildings

Regulations relating to emissions currently focus on design standards rather than operational standards. Very few regulations talk about the operational performance of the building, aside from the Energy Savings Opportunity Scheme ([ESOS](#)) which targets large businesses.

Much more could be done in promoting implementation of savings and driving those standards up, and regulations are the best way to do this. Whether this is enhancing ESOS or moving Energy Performance Certificates away from design standards to operational standards. Sunil also makes the point that these regulations need to be better enforced.

“You have regulations now, but because they aren’t enforced, a lot of companies don’t comply.”

Actions to align with change

Regulators need to adapt regulations to promote in-use energy performance and enforce existing regulations



WELLBEING

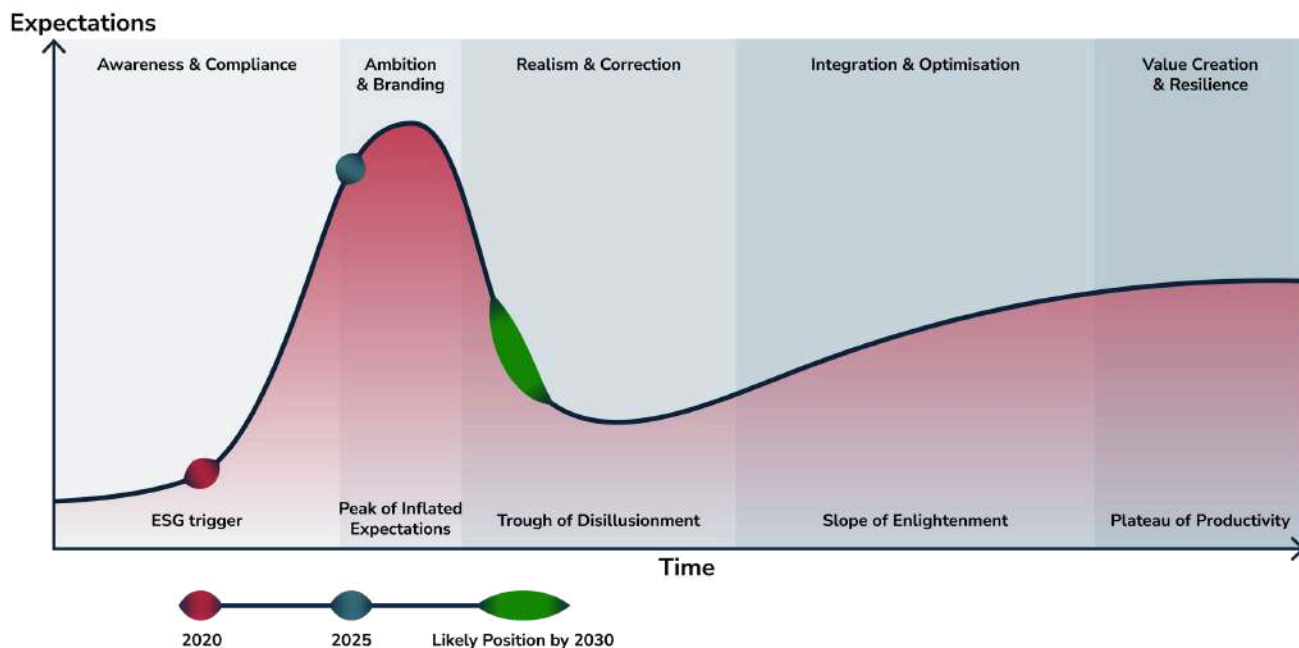


Figure 3: Expectations curve for wellbeing across the facilities management sector.

Changes in the last five years

In our last future-gazing report which was published during the pandemic, we made this prediction about wellbeing when normality resumed: **“the wellbeing of employees is likely to rise to the top of business agendas, so FM providers should aim to develop in this area both in-house and across their multiple service lines.”** In the last few years, FM providers have done just that making real strides forward 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.

During this period, wellbeing has also begun to mature across its key dimensions, namely environmental, physical and psychological factors. FM providers have become more aware of each component, even if not all are equally developed or fully understood yet. Importantly, the last five years have highlighted that wellbeing is not just a design challenge but a cultural one: organisations increasingly recognise that behaviours, expectations and ways of working need to be aligned with workplace specifications.

Solutions that overlook culture have struggled to gain traction, reinforcing the need for wellbeing approaches that integrate both space and behaviour.

Efforts to extend solutions to clients are still in the early stages due in large part to the science not keeping pace. Decoding the specific relationship between workplace and wellbeing/productivity is obviously key here. Once this is better understood and able to be properly measured and managed, wellbeing will race up the business agenda.

There has been recent progress in this direction. Research by IWFM in ‘In Pursuit of the Holy Grail: Determining the Return on Workplace Investment’ suggested that targeted wellbeing initiatives can deliver measurable benefits beyond internal teams. Frameworks and certifications have also emerged to assess and improve wellbeing in workplaces, such as the Fitwel, WELL Building Standard, British Council for Offices standards, BREEAM (Building Research Establishment Environmental Assessment Method) and GRESB (formerly the Global Real Estate Sustainability Benchmark).

Where the sector will be in 2030

There is still a way to go to fully unlock the complexities of workplaces and wellbeing/productivity but there is clear forward momentum. We expect this progress to continue and possibly even peak in the next five years as the area reaches the ambition and branding stage. While psychological wellbeing is already acknowledged within current workplace strategies, we expect its prominence (alongside environmental and physical wellbeing factors) to increase significantly by 2030 as evidence strengthens and organisations adopt a more holistic approach.

Asked for his independent view on the maturity of wellbeing, the respected environmental psychologist and workplace strategist, Dr Nigel Oseland, suggests wellbeing probably has “inflated importance” at the moment. **“I think we need to spend more time on accommodating wellbeing in the workplace now with a view to making it the norm. In 10 to 15 years’ time, its progress will flatten and we’ll wonder why we ever made such a big deal about it.”**

Key changes in the next five years

1. KPIs will become standardised for wellbeing with a shift towards mental health outcomes

Both the SFMI and Nigel highlight a lack of empirical evidence around wellbeing, despite the many certifications that now exist. **“Right now, there are a lot of wellbeing tools that say a lot of different things, but they aren’t comparable and they aren’t grounded in definitive evidence. That needs to change if the benefits of workplace-related wellbeing are to be fully realised.”** comments Sunil.

Nigel notes that what’s badly missing is independent post-occupancy studies that verify causal links between workplace factors and wellbeing and provide compelling cost-benefit analyses. **“There is a lot of credible research identifying causal links between workplace factors and wellbeing. But a lot of these come out of medical research and many have been conducted in hospital environments. We need more evidence to fully understand how the benefits translate to the workplace.”**

We think that by 2030, enough work will have been done for clear KPIs to emerge for wellbeing, which will be valued and widely utilised. These KPIs are likely to be focussed on mental health outcomes like reduced absenteeism and better mental health. These KPIs will become a key area of management attention and activity in organisations globally.

Nigel stresses the business rationale for KPI development: **“If you have a wellbeing programme, you have got to look to develop a set of KPIs to allow you to fully assess whether the programme is successful. No one is really incorporating measurable KPIs into their programmes currently. Instead, they use certification systems as their success metric but that’s an implied benefit not a measured benefit.”**

Actions to align with change

Clients and FM providers need to work with their HR and real estate colleagues and support the journey of study and debate to arrive at the right KPIs. Additionally, agencies offering frameworks and relevant professional bodies need to work together to support progress.

2. There’ll be ever greater use of technology to monitor and provide real time responses in workplaces

The emergence of commonly agreed wellbeing KPIs will pave the way for a massive leap in organisational attention, with all the associated increases in time and money. This will present huge opportunities for wellbeing related services.

We think there will be a particular opportunity for greater use of technology to monitor workplaces and optimise them for the best wellbeing outcomes. Much of the technology and techniques are already available, if not in place, it just needs to be utilised optimally.

“ We think wellbeing related services will be one of the fastest areas of growth in the FM market in the coming years, but only if we can crack the relationship between workplace and wellbeing.

Sunil Shah

Actions to align with change

FM providers need to grasp this opportunity and swiftly develop a range of technology-empowered solutions for the workplace.

3. New sustainability design treatments will be introduced across existing buildings

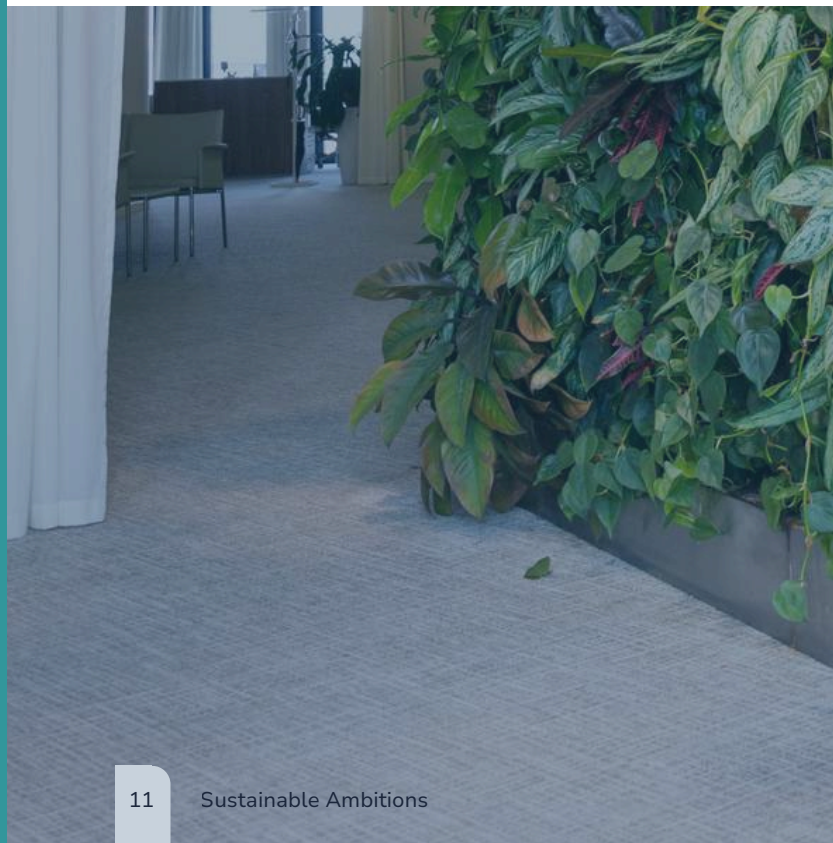
Design treatments like biophilic and circular design principles are part of the answer to healthier spaces as well as essential to future-proofing buildings against climate change. While they are increasingly being used in new buildings, we've yet to see them introduced at scale into existing ones.

Biophilic design moves beyond simple plants to integrating entire ecosystems into buildings, and features elements like green roofs, living walls and the use of natural materials inside the building. While circular design focuses on the entire lifecycle of a building, ensuring materials can be reused, repurposed or recycled. Key techniques include 'design for disassembly' and the use of 'material passports' to track materials, allowing for easier renovation or deconstruction.

These design treatments should be a feature of many more building refurbishments. For landlords and owners of buildings, they could be useful means to enhance the value of buildings while making them happier and healthier places for users.

Actions to align with change

Clients and FM providers need to develop their appreciation of the benefits and collaborate with experts to deploy these principles.



SOCIAL IMPACT

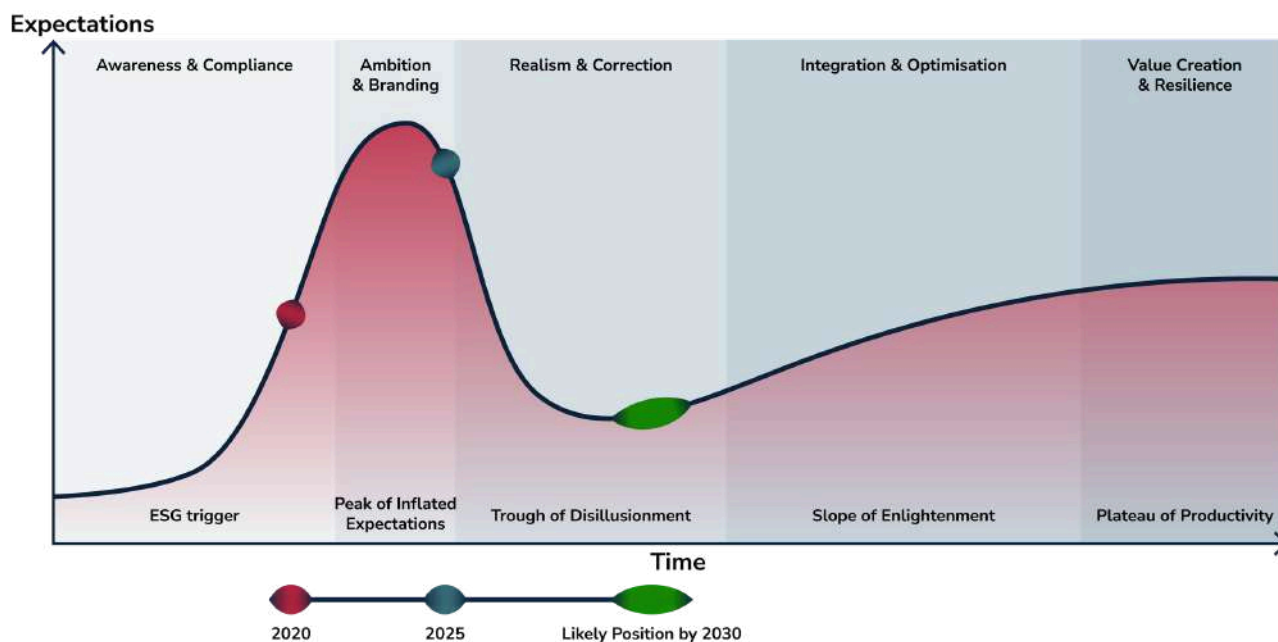


Figure 4: Expectations curve for social impact across the facilities management sector.

Changes in the last five years

The axis of the FM world shifted back in 2012 when social impact officially arrived with the Public Services Act. But FM providers weren't off balance for long. They did what they do best, embraced the change. And they've kept doing so as client expectations have continued to evolve. The Procurement Act 2023 promoted use of social impact KPIs in bids and performance measurement, and more recently the Procurement Policy Note 002 set a minimum 10% weighting for social impact in contract bids.

The growing integration of social impact within FM has been well evidenced in the scores achieved by Partners in the SFMI over the last few years. Social impact now spans broader measures and organisational strategies that drive more meaningful change.

However, one persistent gap during this period has been the limited visibility of the wider supply chain. Much of the activity delivered by Tier 2 and Tier 3 suppliers, particularly cleaning, security and catering services, has not been consistently captured. This is largely because these suppliers typically lack the capacity or dedicated social impact resourcing to report their impact. The growing sophistication is also seen in the extent of reporting and the number of methodologies to calculate social impact scores. Unfortunately, variations in methodologies have also caused large discrepancies in numbers and thrown into question the value of the outputs. A recent technology reuse study¹ funded by The Chartered Institution of Wastes Management drew attention to the widely varied results from different social impact tools and concluded that no single tool provides a complete picture.

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

Where the sector will be in 2030

We believe we are now in the Ambition & Branding stage and that expectations around social impact have now probably peaked. Absent further stimulus from government and with the growing distrust of social impact scores, we are likely to see a drop-off in its importance and a plunge into the Realism & Correction stage. This will have competitive implications for players in the market and fundamentally change the drivers of social impact.

“This does not mean that social impact is any less important,” stresses Sunil. **“Organisations will just need to think about it differently. They’ll need to think more about how social impact drives value in their businesses.”**

We believe client trust in social impact can be repaired in time and we identify one fix and one enhancement to methodologies that will help achieve this below.

Key changes in the next five years

1. Harmonise social impact methodologies to rebuild trust in the numbers

The [SFMI's 2025 Summary Report](#) revealed the fact that FM companies are quoting social impact numbers as a percentage of turnover that vary from as little as 5% of turnover all the way up to 50%. Much of this discrepancy is down to different methodologies and a drive for the highest number - because this helps to win business.

Additionally, the next phase of harmonisation will need to account for the wider supply chain. A large proportion of social impact in FM is generated through Tier 2 and Tier 3 suppliers such as cleaning, security and catering services. Over the last five years these suppliers have rarely been included in reported figures, largely because they typically lack social impact managers or the capacity to measure their impact. As methodologies mature, Tier 1 providers will need to use their own social impact teams to support these suppliers and incorporate their contributions, an important but resource-intensive requirement that the sector will need to plan for.

By 2030, we believe that declining client expectations for social impact and a fall in confidence in the reported numbers will lead to a shake-out in methodologies and a rise in more consistent, robust scoring. This is our one fix mentioned above and will start to close the trust gap.

Actions to align with change

Clients need to ask for more robust and consistent social impact calculations. FM providers need to force a harmonisation of methodologies to answer the clients call and work with the various agencies to achieve this. FM providers should also anticipate the need to support Tier 2/3 suppliers who lack internal social impact capacity and factor this additional cost and effort into future delivery models.

2. Extend the time horizon of social impact benefits to include longer-term outcomes

Our one enhancement would be to expand the scope of social impact benefits in calculations to encompass long-term, sustainable outcomes. Some examples of these would be improved wellbeing, sustained employment or cases of employee upskilling or retraining.

Of course, measuring these elements won't be easy, but it will be worth the effort to provide a fuller picture – and will also help bolster flagging scores from more prudent social impact calculations (see above). Importantly, it may also necessitate a rethink of contractual periods to support the achievement and measurement of the longer-term outcomes which would be good for the sector.

Actions to align with change

FM providers need to supplement current metrics with longer-term social outcomes. Clients need to align short-term contractual obligations with the long-term nature of meaningful social impact outcomes.

3. Social impact will be more aligned with requirements at local level and national priorities

SFMI Partners not only move quicker than their peers but also show us where others are likely to follow. When it comes to social impact, our most recent Summary Report revealed that these leaders are now tailoring their social impact efforts to local situational needs and the preferences of end clients.

We believe this is exactly where the rest of the sector will go in the next five years, as societal issues become more pronounced and clients try to tackle them at a local level while government directs efforts at a national level. By 2030, social impact efforts will increasingly be dictated by these external stakeholders.

At the SFMI Leaders Forum in 2025, Partners heard fascinating detail on how the Scottish Government is successfully working to mobilise its supply chain to improve social impact. Scotland Excel, which provides central procurement expertise to local authorities, has a social impact focus on suppliers paying living wages and delivering specific community benefits locally. This second area links to Scottish national outcomes – which recently included reducing child poverty and environmental benefits.

Actions to align with change

Clients need to better understand local needs. FM providers need to embrace the priorities of clients and government and actively collaborate in achieving the desired goals. The government needs to become better at setting national priorities and mobilising stakeholders around these.

4. Reporting of social impact benefits within financial accounts will become commonplace

Supported by more robust methodologies and spurred on by carrot and stick factors identified below, we expect reporting of social impact to become commonplace in financial accounts in the same way as we have seen with other non-financial metrics.

Partly this will be driven by senior managers grasping how social impact aligns with organisational values and the strategic benefits it brings (the carrot). Partly it'll be down to pressure from external stakeholders who will want to see organisations playing their part in addressing the wider societal issues (the stick).

“This will create new opportunities as organisations formalise efforts to measure and manage social impact. Notably, it should allow FM providers to get more involved in early project phases, and influence design and procurement strategies to maximise long-term social impacts,” comments Sunil.

As reporting becomes more formalised, the supply chain's contribution will become a material part of disclosures, making it even more important for Tier 1 providers to gather robust data from Tier 2/3 suppliers who currently lack reporting capacity. Building this capability will need to be recognised as a legitimate cost and responsibility within FM delivery models.

Actions to align with change

Senior managers need to get behind the strategic benefits of social impact – look beyond its usefulness in business development. FM providers need to agree how supplier-related reporting effort is resourced, acknowledging that Tier 1s will need to invest more time and cost to support suppliers.



RISKS & OPPORTUNITIES

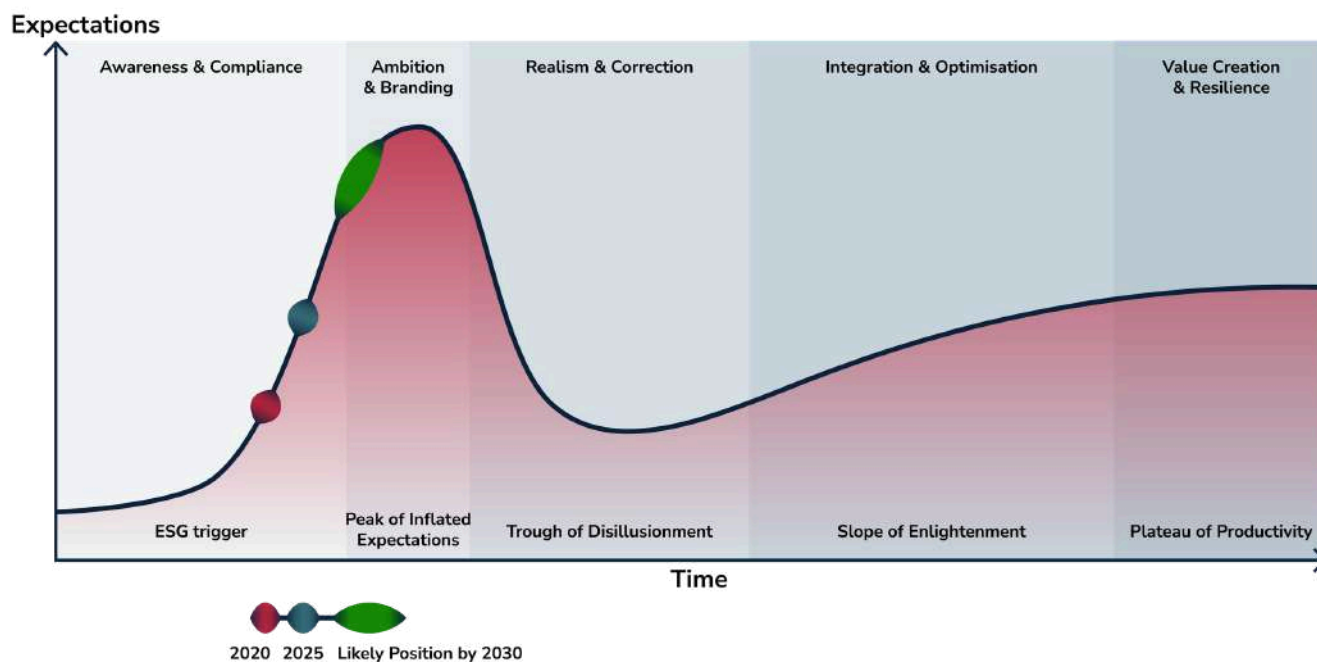


Figure 5: Expectations curve for risks across the facilities management sector.

To improve clarity and support decision-making, we have split the progress into 'risks' and 'opportunities' due to the substantial discrepancy between the two.

Changes in the last five years: Risks

Plotting something as multi-faceted as risk on our expectations curve isn't an easy thing to do. The task certainly prompted a lively debate among the SFMI team. When looking specifically at risks, we observed that thinking across the FM sector is still relatively immature.

Although climate risk frameworks have advanced in other industries, most FM providers have only recently begun to consider risk in a structured or long-term way. Much of the focus has been on assessing physical climate risks, which are more tangible and easier to visualise, while transition risks, relating to policies, market shifts, and value-chain disruption, have received less attention despite their growing significance.

Modern slavery risk is another area that has been slow to embed. Despite legislation requiring action from larger organisations, the FM sector has tended to rely on surface-level assurances from second-tier suppliers rather than deeper auditing or verification, leaving considerable blind spots.

Overall, the last five years reveal that the FM sector is still early in its journey of understanding, quantifying and managing risks across multiple time horizons and materiality considerations.



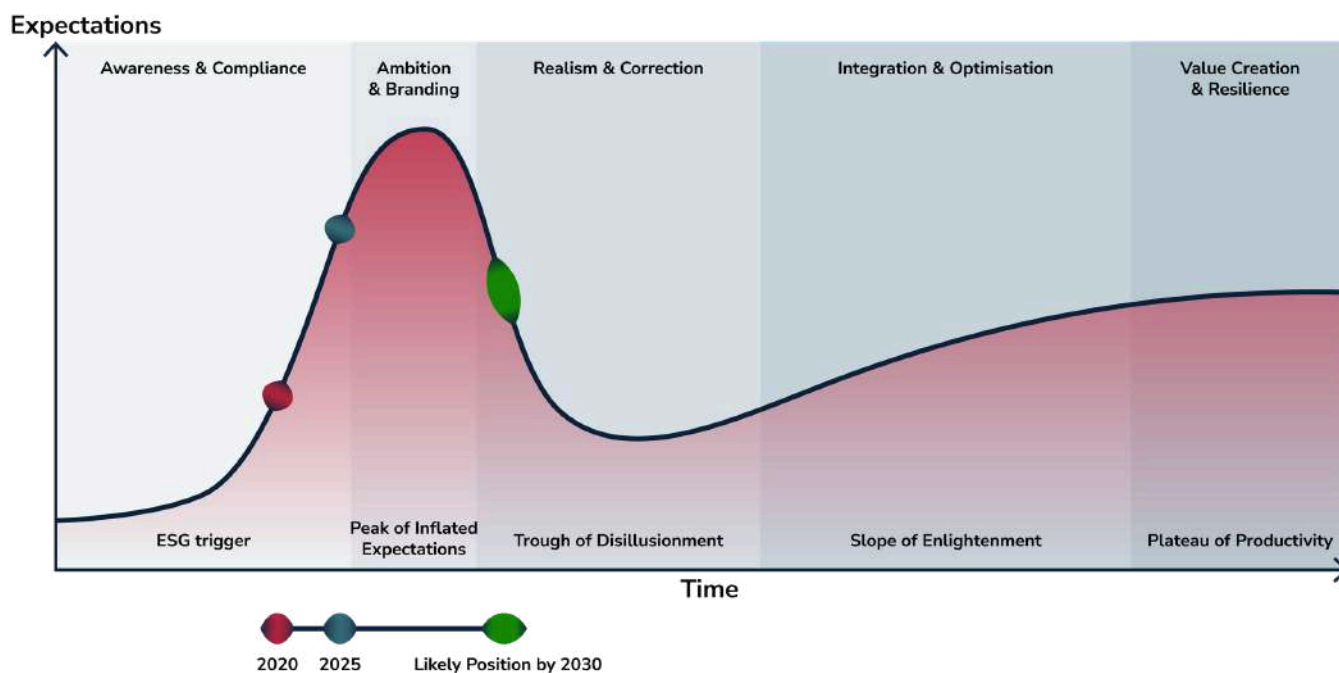


Figure 6: Expectations curve for opportunities across the facilities management sector.

Changes in the last five years: Opportunities

In contrast, thinking on opportunities has advanced far more quickly. While risk understanding has lagged, FM providers have enthusiastically pursued emerging opportunities created by sustainability trends, net zero ambitions and technological innovation.

As Chris Havers notes, FM organisations **“took to the opportunities before going through the traditional risk management approach, and companies have been motoring ahead in developing service lines recently.”** This has been especially visible in areas such as energy optimisation, decarbonisation services, data-driven asset strategies and workplace wellbeing solutions.

Artificial intelligence has also accelerated opportunity-thinking. Rather than viewing AI purely as a threat, FM providers have begun to recognise its potential to elevate human-centric roles, create new service models and address long-standing skills shortages.

Overall, opportunity-led innovation has been far more active than risk-led thinking over the last five years, creating a noticeable gap between the sector’s enthusiasm for commercial upside and its maturity in long-term risk planning.

Where the sector will be in 2030

In the next five years, expectations around risks and opportunities will rise and the theme will move steadily up the expectations curve to the ambitions and branding stage. Whether this is before, at or after peak expectations by 2030 will very much depend on the strength and interplay of the expected changes below.

Key changes in the next five years

1. There will be significantly more strategic and long-term consideration of risks and opportunities

One stubborn issue within the FM sector has been the short-term focus of risks and opportunities and failure to link these to materiality. Too many clients and FM providers are still struggling to quantify their risks over various time horizons, and to draw the link between financial and impact materiality.

“There needs to be a longer-term view that is taken or there won’t be resolution to some of the big challenges and the necessary investments - the risk will just remain,” comments Sunil.

We expect progress to be made within the sector as a more strategic and evidence-backed approach takes hold. Among the market leaders, materiality will become fully embedded into the prioritisation of risks and opportunities and additionally be incorporated into internal reporting systems.

Actions to align with change

FM providers and clients need to take a more strategic approach to risks and opportunities and embrace materiality.

2. There will be a lot more focus on transition risks around climate – not just physical risks

Climate change brings with it various sorts of risks. Beyond the physical risks to the buildings, there are ‘transition’ risks linked to the move to a low carbon economy (including policies, regulations and market dynamics) and upstream and downstream risks from disruption to value chains.

IWFM's 2025 Sustainability Survey Report investigated what types of risks were being looked at by respondents assessing climate risks and mitigations, and found that the most common area was transition risk (58%) ahead of acute physical risks (48%).

While that may seem encouraging, the reality is that the 58% should be much closer to 100% given the scale of the transition risks being faced. From our many discussions with clients, we know that there is a tendency to focus on physical risks because they are easier to understand and predict. Transition risks should be prioritised more.

Actions to align with change

FM providers and clients need to prompt awareness and discussion about transition risks. A good starting point is knowledge building workshops for senior management or scenario planning exercises.

3. There'll be more stringent identification and reporting on modern slavery

Modern slavery hasn't been on the FM sector's radar, but it really should be. Some 130,000 people in the UK are estimated² to be ‘modern slaves’, and the people-intensive and often unsupervised sectors of cleaning, catering, waste management and security are among the highest risk employment areas.

The Modern Slavery Act 2015 requires organisations with turnover over £36m to publish annual statements detailing efforts to eliminate slavery in their operations and supply chains. Currently, relevant organisations are just relying on assurances from their second-tier suppliers that all is ok.

Tracey explains: “If the regulations are to actually work, they probably need to be tightened around the amount of auditing that needs to be done. Right now, the legislation is relatively open in terms of whether you need to check what you're being told from the second tier of your supply chain. There is a lot of room for abuse.”

Actions to align with change

Clients & FM providers need to be more rigorous with their supply chains to better identify modern slavery. Regulators need to provide more clarity of what is required and consider lowering participation thresholds and tightening verification.

4. AI will increase the value of human centric roles and present risks and opportunities

Speculation abounds about how AI will shake up workplaces and impact the FM sector. While it's impossible to divine all the possible changes, we can be sure of one thing: that AI will increase the value of human-centric roles and responsibilities in our sector.

Chris explains this important point: “AI can't perform the physical tasks that electricians, plumbers or other front-line staff can. Neither can AI do the human things like building relationships and connecting with people. The arrival of AI increases the value of human centric roles within the workplace.”

The huge number of sector jobs that are safe from AI hands FM a winning lottery ticket that it needs to cash in. The sector should market FM as a safe haven from AI to potential employees and end the skills shortages once and for all.

For individuals working in a support or management capacity, there is clearly a risk to their roles associated with AI, and we think they should develop their people skills and responsibilities to fortify themselves against this threat.

Actions to align with change

There needs to be a sector-wide campaign to promote FM as a safe haven from AI. Support and senior staff need to develop their people skills and responsibilities to future-proof their own roles.

STRATEGIC BARRIERS

There are several systemic issues that cut across all themes and limit the FM sector's ability to drive improvement. These challenges, centred on ownership, frameworks, technology and data quality are limiting the sector's capacity to deliver consistent, scalable and sustained change. Addressing these cross-cutting barriers is essential if the ambitions outlined for 2030 are to be achieved. The following recommendations set out the key actions clients, FM providers and regulators must take to close these capability gaps and unlock progress across the entire sector.

Strengthen client ownership of FM sustainability strategies

Clients should take a more active role in setting and steering sustainability strategies so that FM providers and in-house teams can deliver them effectively. Achieving continuity and resilience may require longer-term contracts or selective insourcing to enable consistent delivery.

Knowledge transfer between the client and into teams together with an understanding of the culture are critical factors determining the success of sustainability programmes and ensuring they have longevity. This may also require facilitating engagement between senior managers and delivery teams.

Reform procurement to reduce noise, duplication and greenwashing

Procurement processes need to be redesigned to consolidate tender requirements, streamline requests and actively challenge misinformation. Some existing frameworks inadvertently reward greenwashing; procurement reforms must instead promote transparency, comparability and genuine sustainability outcomes.

The growth of sustainability requirements across a range of business activities has extended the level of information requested and metrics for reporting. Connecting the questions being raised to the quality of responses and into the delivery of services will in many cases improve performance.

Adopt new commercial models to unlock technology-enabled decarbonisation

Advanced technology and data-driven insights will require commercial models that support higher upfront investment and flexible delivery mechanisms. These needs are often incompatible with short-term programmes and rigid annual targets, signalling the need for more adaptable, longer-range arrangements.

Connecting with the FM related technology strategy, higher upfront costs and the need for interconnectivity makes tying in technology within service contracts unviable and high risk. However, this may mean retention for certain aspects beyond the life of contracts necessitating a level of organisational ownership and funding structure.

Evolve sector skillsets towards systems-based sustainability

The FM sector must move beyond treating sustainability as the responsibility of a single role or team. A systems-based capability—integrated across operations, projects, procurement and leadership—is required to deliver change at scale.

Fundamentally, delivery of many of the aspects within this report is a management challenge – the technology and equipment are largely in place – but how we plan and implement at a strategic level is behind the curve. Significant upskilling is required at the senior level within organisations to understand and make decisions including the necessary trade-offs.

Improve data quality to strengthen strategic decision-making

FM organisations need higher-quality, consistent data to support regular reporting to senior leadership. Better data will enable more robust decision-making and strengthen confidence in decarbonisation planning and performance.

Evidencing of data through reporting is increasing for regulatory purposes together with tracking performance against sustainability targets. However the need to improve data quality towards the same level as financial data is some years away and requires a rescoping exercise to focus back to what is material rather than what is available.

Make better use of existing frameworks and regulations

Many frameworks and regulations are already in place or well-developed, but they are not consistently used to drive improvement. The sector should apply these tools more effectively to foster alignment, raise standards and ensure continuous progress.

Rapid progress can be made through the promotion of these existing tools and regulations, with enforcement and disclosure of poor practices being a significant driver together with forward ratcheting up of standards into the future. Supporting these changes is a challenge on self assessment and self reporting as a sole means of approval.

UNLOCKING THE PATH TO 2030

The sector has made real progress, but meaningful impact by 2030 will only come from decisive action across organisations, the FM sector, and government. Each group has a distinct but interconnected role to play, and progress will depend on all three moving forward together.

1. What clients/organisations need to do

- Take clear ownership of sustainability strategies, setting long-term goals, budgets and stable partnerships.
- Shift procurement away from lowest-cost decisions and towards long-term value, transparent reporting and credible emissions data.
- Work more closely with FM providers, sharing strategies earlier —especially around asset investment, wellbeing, and social impact delivery.
- Prioritise transition risks through education of boards and estates leaders to understand climate risks overall, supported by scenario planning to improve long-term resilience.
- Demand harmonised reporting on emissions, social impact and modern slavery, including Tier 2 and 3 suppliers, with consistent methodologies and long-term outcome measures.

2. What the FM sector needs to do

- Strengthen technical capabilities across decarbonisation, data, materiality, project optimisation and modern slavery auditing.
- Develop technology-enabled wellbeing services and adopt systems-thinking rather than siloed sustainability expertise.
- Embed projects within decarbonisation roadmaps and challenge specifications using whole-life cost analysis.
- Improve Scope 3 data quality and service-level emissions reporting.
- Accelerate adoption of monitoring, optimisation, and AI-driven technologies, supported by commercial models that enable payback.
- Align social value approaches, increase transparency and incorporate Tier 2 and 3 supplier data. Ultimately, this is about trust and a shift from “big numbers” to evidence-based value creation.
- Invest in human-centric skills and position FM as a sector offering resilient people-focused careers in the AI era.

3. What government and regulators need to do

- Strengthen and enforce existing regulations (EPC, Building Regulations), shifting from design-based metrics to actual operational performance.
- Introduce clearer operational standards for buildings across their lifecycle and ensure consistent enforcement.
- Provide clearer national direction and consistent frameworks for social impact measurement, linking local priorities with national goals.
- Mobilise the sector around long-term national priorities for developing national strategies with clearer long-term priorities for net zero, wellbeing and social value.
- Support public sector bodies, particularly those with significant estates, with procurement guidance and expertise for capital and operational procurement programmes.

Delivering the sector’s sustainable ambitions by 2030 is achievable, but only if clients take real ownership of their strategies and reform procurement, FM providers raise their technical capabilities and embed sustainability into everyday operations, and government strengthens regulation while aligning the frameworks used across the sector. The next five years will demand bold cultural and operational shifts; without them, the sector risks remaining stuck in the “ambition” phase and failing to turn expectations into measurable progress.

The next five years will be decisive. If you’re ready to move from ambition to delivery, the SFMI can help you take the next step. Reach out to our team to understand how our tools and insights can support your transition.

Thanks to all those who contributed and helped to shape this *Sustainable Ambitions* Report, including Stuart Rutherford, Dr Nigel Oseland and our SFMI Partners.

Transforming property management for a better tomorrow

Building lasting value through sustainable property management is a challenge. As a knowledge leader in the FM industry, the SFMI empowers businesses to drive positive impact.

Through our exclusive partnership programme, collaborative forums, trusted assessment framework, and our first-of-its-kind self-assessment tool, we help you achieve measurable results in decarbonisation, social impact and wellbeing strategies.



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