FMBusinessDaily

The SFMI Scope 3 Report for the Facilities Management Sector: Consequences and Solutions

4 years ago

There has been a recent rise in companies beginning to look at their wider emissions footprint, fuelled by increased scrutiny of emission disclosures. Previously, focus has been limited to emissions with easily accessible data – Scope 1 and 2 (typically natural gas, electricity, fleet vehicles, diesel and refrigerant gases). However, with recently published figures from reporting bodies such as CDP, estimating that up to 95% of a company's emissions reside within their supply chain and wider upstream and downstream activities (Scope 3), the spotlight has shifted.

In the UK, the built environment accounts for up to 25% of total emissions each year, with the recent Government reports highlighting the sector as one of the more challenging to meet net zero targets. The below traditional framework looks at four key areas for a building's carbon emissions: construction, operation (or use), end of life and beyond the lifecycle. However, as can be seen from the below figure, traditional frameworks exclude Facilities Management (FM) emissions.

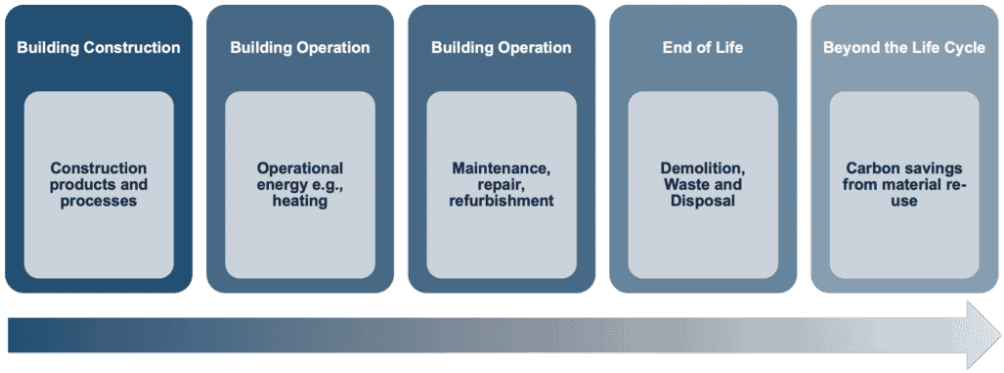

Figure 1: Traditional Framework infographic for built environment emissions

The problem with accounting for FMs activities

However, frameworks such as these traditionally only look at developers, designers and owners. Therefore, when calculating the emissions for the operational phase of a building, FM emissions are excluded. This is because these emissions are looked at through the lens of building ownership, and as FM providers do not own the buildings they are contracted to work in, their emissions are not included. As can be seen from the above graphic, there are clear areas of a building's operational footprint that FM contribute to, such as cleaning, security and grounds management. But as the current ownership scope is applied, and outsourced building management is excluded, the FM Scope 3 emissions are ignored.

The below table shows the key emissions that are currently excluded from scope using traditional frameworks. As can be seen from the list, there are areas that have the potential to be generating significant emissions that are currently overlooked.

Table 1: List of key FM emissions currently excluded from Building Life-Cycle Carbon Assessments

Scope 3 FM Emissions (Not service specific)	Purchased Goods and Services	Products & services to support service delivery on client site that are procured by the FM provider
Fuel and Energy Related Activities	Transmission & distribution losses from electricity	
Upstream Transportation and Distribution	Logistics/couriers and delivery of materials	
Waste Generated in Operations	Waste managed on client operations where FM is paid to manage waste and in projects delivered that generate waste	

Business Travel	Travel relating to delivery of client services.
Employee Commuting	Commuting to client sites for on-site teams
Upstream Leased Assets	Emissions from renting specialist equipment for delivery of services

There is a real need to correctly calculate the carbon emissions for the built environment, due to the significant part they play in 'whole building' emissions. Global FM revenue is predicted to hit $996 billion by 2026, which will further increase both the position and impact of the industry. If the scope is incomplete, then subsequent net-zero plans, verifications and claims will be incomplete or incorrect. As new government policy comes out, with potential legal ramifications for companies who do not hit net-zero targets, it is imperative that we act now to define and calculate the true emissions of a building life cycle. Figure 2 (below) outlines what the new building lifecycle carbon footprint should look like when FM emissions are included, these emissions would fall under the building operation phase.

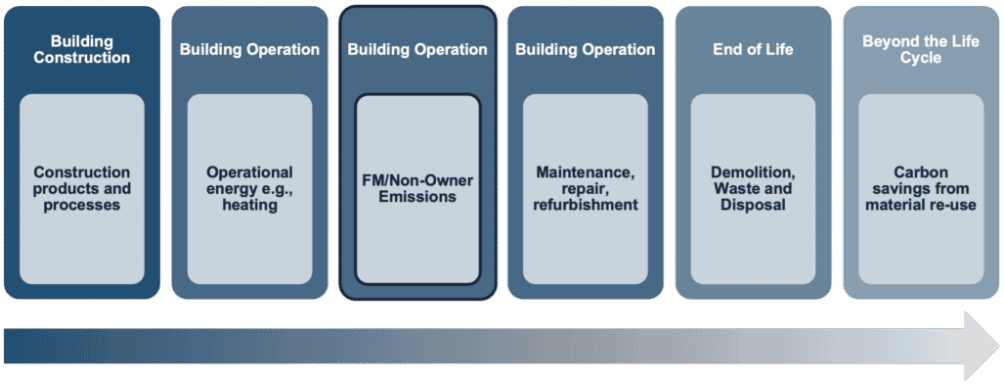

Figure 2: Showing the full footprint of a building once FM emissions are integrated into a building's operational carbon emissions.

Actions FM can take to develop its footprint

This current emissions gap represents an opportunity for FM providers to play a key role in filling it. Firstly, the significance of FM Scope 3 emissions is currently unknown, so the first step should be data collection. For data collection, FM providers should first look at their own operations to determine which Scope 3 categories are relevant to their business and associated contracts.

To collect this data, the SFMI has worked with an industry team to develop a GHG Standard for the FM Sector, proposing two practical solutions. Either a top-down method which focuses on collecting Scope 1, 2 and 3 data at a corporate level. Or, bottom-up which is focused on customer allocation, with footprints built at a contract level, where the FM provider has ownership, responsibility, or influence over the emissions. The top-down approach is simpler to capture and easier to calculate, but when looking at changes at a site or contract level, it does not provide the detail to measure any changes or benefits and therefore is limited in its ability to influence change. The bottom-up approach does require a better understanding of the contractual activities and will take more time, but the output will help understand the

impacts at the site or contract level, with changes directly measurable.

FM has the chance to play a critical role in the next phase – emissions reductions at the service level. Particularly with the bottom-up approach, once key areas for reductions have been identified, the FM provider can work closely with their customer to develop a plan for emissions reductions. This may be by altering the products that are procured to deliver a service, incorporating nature-based solutions into grounds maintenance or increasing maintenance schedules to ensure IT equipment is running as efficiently as possible. These improvements provide FM companies with a significant opportunity to integrate themselves more closely with their customers.

What the above evidence shows is the huge opportunity FM companies have. The revelation of the gap in building life-cycle emissions means FM has a critical role to play in data collection, analysis, and emissions reductions in relation to the FM Operational footprint. It is vital that FM companies begin to measure and monitor their Scope 3, at both a corporate and contract level, so that we may begin to understand their significance.

Indeed, as the Parliament's Environmental Audit Committee (EAC) ramps up its focus on the built environment, the need to get emissions foot printing right, and ensure the scope is complete, has never been more vital. Only once the full scope of the Built Environment carbon footprint is clear can we focus on driving emissions reductions at scale. Whilst we are at the beginning of this journey, the steps laid out below in Figure 3 shows a clear path to success.

Figure 3: Path to success, showing key stages for measuring, integrating, and reducing FM scope 3 emissions.

To read the full Scope 3 report, please visit the Acclaro Advisory website – www.acclaro-advisory.com

Kieran King

Sustainability Consultant

The SFMI & Acclaro Advisory