Responsible business
A framework for real estate management

1st edition, December 2021

Global

RICS®

RESPONSIBLE BUSINESS: A FRAMEWORK FOR REAL ESTATE MANAGEMENT

1st edition, Global

Acknowledgements

Contents

Who is this framework for?

This framework contains no mandatory or regulatory provisions but complements RICS' professional standards regarding sustainability, ethics, building operation, procurement and real estate management, and is directly linked to RICS' royal charter.

The framework is structured into four sections on how responsible businesses and property professionals should operate and manage their buildings, estates and portfolios. These can be digested in any order. The framework is aimed at property professionals involved in real estate management either within their territory or region, or globally.

The term 'real estate management' is used throughout this framework; this includes property managers, facility managers, directors of estates, facility management (FM) consultants and advisers, RICS regulated firms acting for a landlord, FM service providers and those managing in-house teams delivering FM services.

This framework intends to assist all types and sizes of businesses. No two organisations will be on the same path and, as such, this framework should not be interpreted as entirely prescriptive. Smaller and younger organisations should utilise the framework in a way that supports their longevity and growth, assessing which recommendations are achievable now and in the future.

The scope and aims of this framework are to:

- highlight best practice and provide useful content for the real estate management industry on how it should operate in a more responsible and ethical manner

- influence clients, landlords and owners/occupiers in their thinking, planning and expectations on services required

- provide clarity on the relationship with all stakeholders for improved engagement across the supply chain

- provide a global approach towards embedding environmental, social and governance (ESG) considerations into the management of real estate

- provide clarity on the terminology and definitions for responsible business and ESG

- provide alignment with United Nations Sustainable Development Goals (UNSDGs) and other global reporting frameworks in demonstrating impacts on society and the environment and

- highlight the important role that property, and the people and organisations involved in its management, can play in the creation of lasting social value.

RICS professional standards

As a globally recognised professional body, everything RICS does is designed to effect positive change in the built and natural environments. RICS' royal charter requires it to promote the usefulness of the profession for the advantage of the public.

In order to keep up with new priorities impacting the built and natural environment – and respond to new client expectations – it is important that RICS professionals remain ready for future challenges and have the latest skills and knowledge to make a success of them.

The **RICS Rules of Conduct** set out the standards of professional conduct and practice expected of all RICS members and regulated firms. These include expectations for RICS members and firms to encourage their clients to adopt sustainable solutions that minimise harm and deliver balanced economic, social and environmental benefits.

Glossary

Term	Definition
Biodiversity	The variety of living species on Earth or in a particular habitat, including plants, animals, bacteria and fungi. The development of the built environment has a direct impact on biodiversity as it depletes natural habitats.
BREEAM	Building Research Establishment Environmental Assessment Method – a leading sustainability assessment method for master planning projects, infrastructure and buildings.
Building management systems (BMS)	As explained by IGI global, 'BMS are used in buildings for automatic monitoring and control of services such as lighting, plumbing, fire services, security and access control, heating, ventilation, and air conditioning systems. The term refers to a system that uses sensors, controls, and activators. All these use an electronic digital processor to implement control algorithms and have the capability of communicating with other controls. The BMS term covers all control elements, including hardware, controllers, any linking network and central controllers' (**What is Building Management Systems (BMS)**).
Carbon net zero	A balance between the greenhouse gas produced and the amount removed from the atmosphere. Carbon net zero is also referred to as 'net zero carbon'.
Circular economy	A model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible. In this way, the life cycle of products is extended. **ISO 20400: 2017 Sustainable Procurement** defines this as 'economy that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles' (adapted from the **Ellen MacArthur Foundation**).
Community impact	The result of an action or intervention on the group of people affected by it.
Corporate social responsibility	Corporate social responsibility practices help a company to be socially accountable by contributing to societal goals through volunteering and ethical practices.

COVID-19 global pandemic	A pandemic related to a strain of coronavirus that developed into a global outbreak in 2020, causing major disruption and loss of life.
Demand organisation	The organisation procuring facility or property services from an external service provider. Sometimes referred to as the 'buyer', 'commissioner' or 'client'.
Digital twins	'A virtual representation of real-world entities and processes, synchronized at a specified frequency and fidelity' (Digital Twin Consortium, **The Definition of a Digital Twin**).
Diversity and inclusion	Diversity is any dimension that can be used to differentiate groups and people from one another. Inclusion is an organisational effort to include different groups or individuals from different backgrounds, where all people are culturally and socially accepted, and are treated equally.
Duty of care	Property professionals have a legal responsibility to ensure that they produce, store, transport and dispose of controlled waste without harming the environment. This is called their duty of care.
Environmental impact	A change to the environment in response to an action.
ESG	Environmental, social and governance – the three central factors in measuring the sustainability and ethical impact of an investment in a company or business.
Facility management (FM) services	This typically includes some or all of the following services: • repairs and maintenance • minor works • grounds maintenance • cleaning • catering • security • mail room • pest control • helpdesk • health and safety • project management and • building management. It may also include other services such as energy management, workplace management, reprographics, etc.
Fitwel	A certification system dedicated to building health.
Gender equality	The state in which all genders have access to the same rights or opportunities.
GHG reporting	Greenhouse gas (GHG) reporting is the act of stating the extent of all emissions linked to an activity, organisation or individual.

GRESB	An investor led, real estate benchmark assessing the sustainability performance of real estate and infrastructure portfolios and assets.
Impact investment	An investment strategy that aims to generate specific beneficial social or environmental effects in addition to financial gains.
Inequality	The condition of not being equal, where some parties are treated differently than others based on perceived status.
Internet of Things	Defined by the Oxford English Dictionary as 'the interconnection via the internet of computing devices embedded in everyday objects, enabling them to send and receive data'.
KPIs	Key performance indicators, which are used to measure performance against a set of criteria.
LEED rating	Leadership in energy and environmental design (LEED) rating is a widely used green building rating system. Available for virtually all building types, LEED provides a framework for healthy, highly efficient and cost-saving green buildings.
LGBTQ	Lesbian, gay, bisexual, transgender and queer. These terms are used to describe a person's sexual orientation or gender identity.
Materiality	Why and how certain issues are important for a company or a business sector. A material issue can have a major financial, economic, environmental, reputational or legal impact on a company's ability to continue to operate.
Materiality assessment	The process of identifying key issues or risks that could affect an organisation and aligning them to stakeholder priorities.
Pro-social investment	The process of investing money in organisations or activities based on how they will affect individuals and communities.
Public sector	The part of an economy that is controlled by the state.
Real estate	Property consisting of land or buildings.
Real estate management	The business of managing property and facilities consisting of land or buildings.
Regulatory standards	Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve.
Responsible business	A responsible business operates efficiently and responsibly. It meets and exceeds legislation and always considers its impact on people (the workforce, community and society at large) and the environment.

RICS IEQM	**RICS' Inclusive Employer Quality Mark (IEQM)** is a worthwhile quality mark based on four principles: leadership, recruitment, culture and development.
Service delivery	The act of providing a service to customers or clients.
Service providers	Those who provide a service to customers or clients.
Single-use plastics	Single-use plastic items are made wholly or partially of plastic and are typically intended to be used just once and/or for a short period of time before being disposed of.
SMART targets	Specific, measurable, achievable, realistic and timebound targets.
Social value	Defined by **Social Value International** as 'The quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all, of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organisation's work'.
Socioeconomic impact	Impacts that relate to the interaction of social and economic factors.
Stakeholders	Groups or individuals that have a direct or indirect influence, association or effect with an organisation and/or asset.
Supply chain	The network of contractors and suppliers that produce and distribute a final product. This network includes different activities, people, entities, information and resources.
Sustainability	Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainability is composed of three pillars: economic, environmental and social – also recognised in the sector as profits, planet and people.
Sustainable procurement	Procurement that has the most positive environmental, social and economic impacts possible across the entire life cycle.
UN Sustainable Development Goals	The **2030 Agenda for Sustainable Development**, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 sustainable development goals (SDGs) which are an urgent call for action by all countries – developed and developing – in a global partnership.

Waste	Defined by EU Directive 2008/98/EC as 'any substance or object that the holder discards or intends to or is required to discard'. This links to the circular economy principle, and the concept does not presume that the holder disposing of a substance or object intends to exclude all economic re-utilisation of the substance or object by others.
WELL	The WELL Building Standard is a vehicle for buildings and organisations to deliver more thoughtful and intentional spaces that enhance human health and wellbeing. Backed by the latest scientific research, WELL includes strategies that aim to advance health by setting performance standards for design interventions, operational protocols and policies and a commitment to fostering a culture of health and wellbeing.
Wellbeing	Defined by the New Economic Foundation's **Measuring Wellbeing** (2012) as the way people 'feel and how they function, both on a personal and a social level, and how they evaluate their lives as a whole' (p.8).

Foreword: what is 'responsible business'?

Professionals working within the natural and built environment have a responsibility to limit the harm they cause to the planet, to support and generate social value in their communities, and to be transparent in the way they deliver their services and report their performance.

Being 'responsible' is no longer a choice: focusing on the long-term sustainability of the sector, businesses or assets is a market imperative. If ignored, it will become a reputational as well as commercial risk.

The impact of the COVID-19 pandemic (2019–) on the global real estate market showed how the sector can be hugely disrupted by a single event. The ongoing environmental emergency has the potential to have an even more catastrophic impact on societies, livelihoods and wealth.

The built environment accounts for 40% of energy consumption within the European Union (EU) alone, so the sector clearly has the ability to make a huge difference to the impact its operations and assets have on the planet. A large proportion of the buildings that exist today will still be here in 50 years' time and are likely to be inherently inefficient without significant improvement and modification.

A focus on the ESG factors of how the real estate sector operates is a key consideration for all stakeholders.

A **survey by the United Nations Environment Programme Finance Initiative** in 2019 demonstrated that 93% of investors consider ESG criteria in their investment decisions. The same survey also indicated that 83% have seen an increase in disclosure requirements.

While investment is fundamental to the real estate market, the focus in terms of employees, end users and tenants has shifted significantly in light of developing social awareness of both the climate emergency and social cohesion.

The working population are now more likely to consider the sustainable nature of their workplace, their employer and their investments, thereby increasing the worth of those products and services that align more with their values.

This developing shift in sentiment is also supported by an increasingly stringent regulatory and legislative framework on a global scale, one not only focused on target setting, but also very much on disclosure and transparency.

The necessity to disclose evidence in support of social and environmental performance along with other non-financial data ensures that organisations are unable to ignore their responsibilities towards the planet, their communities and the ongoing development of their assets. To be sustainable and ultimately operate responsibly can no longer be treated as a 'nice to have': it has to be absolutely at the heart of all that a property professional does.

Rory Murphy, Commercial Director of VINCI Facilities and Chair of RICS Responsible Business Expert Working Group

1 Introduction

1.1 Responsible business and the real estate management sector

Businesses and professionals operating in the real estate management sector need to be able to demonstrate their social and environmental impacts and outcomes clearly and transparently.

It is vital that businesses managing property and facilities can explain their purpose, resilience and ambitions in a way that connects with and addresses the global challenges that are being faced.

Businesses need to make use of all the available data, balance the needs of productivity with the usage of scarce resources, and access the best talent from the communities within which they deliver services, all while acting in a transparent and responsible manner and driving out unethical behaviours.

The sector is being asked to address critical environmental and social issues while maintaining services and delivering on their objectives. These issues bring an increasing need for organisations to be transparent about their impacts, and to be open and honest about the steps they are taking.

Ultimately, businesses and professionals operating in the real estate management sector need to ensure that responsible business practices sit at the core of their organisation and that these practices are underpinned by their values and thinking. Many are already making significant progress in this area, but there is still room for clarity, consistency and transformation across the sector.

The issues, impacts and outcomes are often interconnected, making it a significant challenge for organisations and professionals to manage and operate buildings and deliver services in a responsible way. This framework aims to set out a responsible approach to achieving positive outcomes.

The detailed content and recommendations in this framework complement and respect the broad high-level principles of the Property Industry Alliance's **A best practice framework for a responsible real estate industry**. These principles state that responsible professionals and organisations operating across real estate management should consider the negative and positive impacts of their activities on the environment and society, while ensuring high standards of governance and always seeking to be accountable and transparent.

The sections within this RICS framework make reference to the **United Nations Sustainable Development Goals (UNSDGs)**, which provide a useful lens and a helpful framework to both build and communicate a responsible business strategy.

2 Governance considerations

Governance is an essential and powerful mechanism for any business that wants to implement responsible procedures and practices in the property sector.

This section presents the considerations that responsible real estate management organisations should address in order to deliver effective responsible governance for their properties and all stakeholders.

The section recommends setting responsible strategies and engaging and collaborating effectively with all stakeholders to deliver services and manage properties responsibly.

2.1 Management and commitment

Responsible businesses involved in real estate management should:

- ensure board/executive/management level accountability for setting the organisation's purpose and strategic direction

- delegate responsibility to appropriate functional teams supported by specific, measurable, achievable, realistic and timely or time-bound (SMART) key performance indicators (KPIs)

- integrate responsible practices and reporting into commercial and risk management

- investigate the use of technology to ensure data is robust and transparent, and utilise modern digital technology to minimise environmental impacts

- support clients and supply chains to address socio-environmental impacts and take a proactive approach to ensure resilience of facilities, beginning with operations in their most vulnerable markets

- undertake stakeholder mapping and materiality assessment in order to identify risk and opportunity and alignment to global issues (SDGs) and

- use contract terms that are consistent with the strategic direction of the organisation and ensure that the products and services within the supply chain are provided in a responsible manner.

2.1.1 Introduction to management and commitment

Responsible real estate management businesses embed economic, environmental and societal implications at the heart of all their commercial decision-making.

This behaviour is supported by legislation in some parts of the world; this requires organisations to place societal and environmental considerations alongside commercial decisions.

2.1.2 Setting the strategy

Responsible businesses should:

- identify and keep up-to-date information about their key stakeholders' expectations

- understand their material issues

- incorporate the latest legislation

- be transparent and engender trust

- ensure that any strategy proposed is SMART and is based on facts and science to avoid negativity and reputational damage and

- set long-term goals to achieve the vision of the strategy, against which the SMART targets can be created.

More information on this process can be found in **section 2.2**. Some more progressive companies have published their strategy-setting processes and how they have used the UNSDGs as guides (see, for example, Unilever's **Responsible business**).

2.1.3 Management

Any responsible business needs top-level sponsorship and delegated accountability across the business, just as it would for any other decision and process. These aspirations and targets need to be embedded through KPIs and performance-review processes to share best practice and expedited change.

There are several ISO accreditations (e.g. **ISO 9000** and **ISO 14000**) that organisations can work towards to adopt and maintain the best management processes.

2.1.4 Transparency and disclosure

The timely and accurate disclosure of performance is directly linked to good governance. All strategies need to be reviewed regularly through critical feedback and open dialogue with stakeholders. See **section 2.2** for useful content on effective and transparent engagement.

ESG reporting regulations, such as the EU's Regulation 2019/2088 on disclosure, Regulation 2020/852 on taxonomy, and the non-financial reporting regulations (**EU Directive 2014/95/EU**, effective 2017), are designed to achieve transparency. They require financial market participants, including asset managers, to report on positive and negative ESG performance and to disclose information on their strategies to consider the adverse impacts of investment decisions on sustainability.

One challenge to transparent reporting and disclosure is the multiple frameworks available and the lack of consistency, which make it challenging for organisations to benchmark themselves against their peers. The World Economic Forum's guidance document **Measuring Stakeholder Capitalism** (produced in collaboration with Deloitte, ET, KPMG and PwC) proposes two sets of metrics drawn from existing standards and disclosures (Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Disclosures, etc.). The proposed framework represents a single consistent methodology consisting of 22 well-established core metrics and reporting requirements, and 34 expanded metrics that are less established.

External audits are a valuable tool for validating the integrity of performance data and can provide stakeholders with assurance on the accuracy of reporting. Governance and scrutiny of ESG performance can drive transparency and accountability in organisations. Real estate businesses are encouraged to engage with public scrutiny boards such as the UK's **Centre for Governance and Scrutiny** to provide external stakeholders with assurance that they are being challenged and scrutinised to achieve higher standards of governance behaviours, structures and processes.

2.1.5 Technology

Responsible businesses need to understand:

- what data and information are important to them and their stakeholders

- how best to utilise information to support learning and improvement within the organisation, supply chain and customer base and

- the most appropriate effective and efficient technologies to capture, collate, interpret, store and communicate the information they collect so that it can be used to inform responsible decision-making.

Technology is critical in helping to transfer knowledge from design, build and operations of new build and capital projects within computer-aided facility management (CAFM) systems or building management systems (BMS), and through building information modelling (BIM) platforms and digital twins.

2.1.6 Risk management

Risk management is the implementation of processes to evaluate and manage both financial and non-financial risks at corporate, management and project-specific levels. Effective management requires proactive identification, communication and mitigation throughout the organisation, including any associated with supply chain activities, and an overarching risk register that is clear, consistent and can be actively used to influence decision-making.

Risk-management processes are required in a range of ISO standards, and risks relating to stakeholder views can be actively sought by using a materiality assessment. This involves interviewing a selection of stakeholders to rank a range of responsibility topics that are of most interest to them, and aligning these to the sustainable development goals. This allows an organisation to readdress their priorities based on those expressed by their stakeholders, which could otherwise be a risk to revenue, reputation or talent attraction and could be turned into an opportunity. Any internal or external stakeholder engagement used for materiality assessment should follow the principles and methodology laid out in **section 2.2**.

2.1.7 Other management and commitment considerations

There are many other elements of effective and responsible management in the property and real estate sector. Some of these are outlined below, and many are developed in more detail throughout the subsequent sections of this framework.

- **Culture**: the development of corporate culture needs to be aligned with the business purpose, as the culture of organisations in the property sector is key to supporting strategic objectives determined by the organisation. Organisational culture can be described as a set of shared values, goals, behaviours and work ethics of employees. As well as employees, culture is also dictated by the sector, geography and leadership

style adopted by the organisation, among other things. More information on employee culture can be found in **section 3.1**.

- **Compliance**: property professionals and leaders involved in real estate management have a duty to create a culture of compliance around all their activities, and one that is consistent with and supportive of the 2030 aspiration of achieving all 17 UNSDGs. There are two components of compliance for responsible businesses involved in facilities and property management: (1) internal compliance within their respective organisations around SDGs; and (2) ensuring external compliance with legislation and regulations set by governments or regulatory bodies.

- **Regulatory and legal framework**: corporate activity and regulation/legislation work in tandem to progress responsible business practices. While responsible business activities in a definitive sense are not a legal requirement, there are many associated legislative requirements to demonstrate responsibility. Legislation can support corporate governance by directing companies to meet national standards of activity. National standards will vary from country to country, however, so cannot be detailed as a one-size-fits-all recommendation in this framework.

- **Financial**: a financially responsible business is considered as twofold: (1) financial responsibility as relates to the continuing operation of the company; and (2) financial responsibility to all stakeholders. The former maintains the employment of all staff, support for all client activities, and an income source for suppliers, among other stakeholder impacts. When addressing the latter, responsible businesses need to consider their roles within supply chains, towards clients or customers, and to wider stakeholders.

- **Contracts and procurement**: contracting and procurement should create a culture of responsible behaviour not only in the procurement process but also within the supplier contract. **Section 2.3** contains detailed information on responsible procurement.

- **Environmental stewardship**: this is a vitally important element of management, and in the current climate cannot be ignored by any organisation. **Section 4** sufficiently addresses all the wide-ranging aspects of environmental stewardship in responsible business.

2.2 Stakeholder engagement and collaboration

Stakeholder engagement and collaboration lie at the core of conducting business in a responsible way.

This section sets out key principles and recommendations on responsible stakeholder engagement and collaboration for businesses involved in property management.

Stakeholders identified in the mapping and issue-prioritising stages may include, but are not limited to:

- building users and visitors

- employees

- the environment (via environmental issue experts)

- investors and shareholders

- local authorities

- local transport providers

- local businesses

- local communities

- non-governmental organisations (NGOs) and charities

- suppliers and contractors and

- tenants and occupiers.

Responsible businesses involved in real estate management should:

- undertake stakeholder identification and mapping to better understand those who are influenced by/have influence on the building and its management

- engage stakeholders regularly, with higher frequency for stakeholders deemed of greater influence or more significantly impacted by the building and its management, through appropriate mechanisms such as surveys, regular tenant meetings and workshops as a platform to engage on responsible business issues and encourage joint working

- understand and map the priorities, needs and expectations of stakeholders against the stakeholder groups based on the data captured and primary research through engagement

- carry out goal setting in collaboration with relevant stakeholders

- follow a stakeholder engagement plan which considers key outcomes and power dynamics

- follow structured formats for collaboration and partnerships agreed by all parties to ensure all collaborators are capable of achieving the shared goals and outcomes

- embed stakeholders, as well as their feedback and needs, into the governance of the building and its management

- put in place clear communications and reporting processes for relevant stakeholders and collaborators and

- consider how levels of influence can be used to promote long-lasting sustainability behaviours within tenant staff, customers and other stakeholders who do not hold direct contracts.

(The above are examples of UNSDG 10 Reduced Inequalities; UNSDG 16 Peace, justice and strong institutions; and UNSDG 17: Partnerships for the goals.)

2.2.1 Introduction to stakeholder engagement and collaboration

Businesses involved in facilities and property management curate places for people. The first step in ensuring that these places serve their purpose, and therefore that businesses fulfil their purpose, is to understand what these places have to achieve by engaging people in what they need and want.

Organisations can have a level of direct influence, impact and control on huge numbers of people. The ability to collaborate and partner can amplify this level of influence and bring to bear skills, knowledge and generation of social value and community cohesion which could not be achieved by one organisation alone. These 'spheres of influence' are identified in **ISO 26000 Social Responsibility** and provide some useful background reading.

Within the timeframe of the management and operation of a facility or property, stakeholder engagement may serve multiple purposes. These may include identifying stakeholder needs and priorities so that the building and its management can respond to them; getting feedback on the building and its management; embedding stakeholders in to governance and accountability; reporting and communications of the building and its management; providing services and products which suit the needs of stakeholders; productive and impactful relationships; NGO and local community engagement, and more.

Collaboration can be seen as a process that is further along the scale of engagement, where formal agreements, shared goals and increased scope of action create a different set of power dynamics and objectives.

Much has been written on stakeholder engagement and collaboration. Information on this can be found in **Appendix A**.

2.2.2 Core principles

As shown in Figure 1, engagement and collaboration can be perceived on a sliding scale, from stakeholder identification, to understanding, through to partnership and working to deliver shared goals. The process and principles change as we move along this scale, along with power dynamics and levels of ambition. Within the built environment, it is equally important to identify relationships and understand the viewpoints at multiple levels within the same stakeholder where relevant; for example, an ultimate client (e.g. procurement) and a local one (e.g. site-level management).

2.2.3 Collaboration

Power dynamics in stakeholder engagement and collaboration are an important factor in these processes: how we plan, the mechanisms for engagement and collaboration, and the outcomes we can agree. Relationships between two or more parties, such as those listed below, often feature unbalanced power dynamics, primarily with the 'client' or larger organisation having more power than the other party:

•   client and supplier

•   supplier and subsupplier and

•   commissioner and local community.

As such, a key principle of stakeholder engagement and collaboration is to understand the power dynamics and to plan to neutralise any unintended and unwanted consequences that may lead to poorer relationships and outcomes.

Figure 1: Example of stakeholder mapping

The funnel contains the following stages from top to bottom:

Stakeholder identification/mapping

Preparing an engagement strategy

Obtaining open and honest feedback

Listening to the views of wider stakeholders

Understanding of stakeholder expectations

Stakeholders involved in determining mutually agreeable outcomes/goals

Building feedback mechanisms into governance

Governance processes to ensure fair relationships and outcomes

Sharing strategic visions

Agreeing KPIs

Shared goal setting

Co-design and co-creation

Joint reporting on outcomes

Partnership working to deliver shared goals

2.3 Sustainable supply chains

Responsible businesses and procurement professionals involved in real estate management should:

- identify drivers for sustainability that are most material to the demand organisation and its main stakeholders and use these in the development of their sustainable procurement strategy

- commit to treating suppliers in a responsible way, ensuring comparable safety conditions, fair commercial terms and transparency throughout the whole relationship

- make clear to suppliers the sustainability goals they are expected to support and the standards expected of them in both what they deliver and how they deliver their services

- help to maintain a healthy and competitive supply chain by supporting supplier skills development

- use clear, consistent and simple language – if the recipient understands what is being said, they are more likely to do something positive in response

- support the skills development of employees who have a role, contribution or influence on procurement

- examine sustainability risks and opportunities in a structured way, focusing on priority areas that suppliers are capable of influencing

- undertake a regular dialogue with suppliers to identify and action ways in which they can contribute to sustainability and support their development

- measure and report progress in achieving sustainability objectives and goals, only measuring what is useful

- use evaluation criteria, contract clauses, KPIs, dialogue and fair contract management when actioning procurement to maintain commitments and

- create and promote sustainability success stories achieved with the help of the supply chain.

(The above are examples of UNSDG 8 Decent work and economic growth; UNSDG 12 Responsible consumption and production; and UNSDG 17: Partnership for the goals.)

2.3.1 Introduction to sustainable supply chains

Organisations within the built environment commonly rely heavily on their supply chains for effective delivery of property services. Typically, between 40% and 80% of the revenues of 'demand organisations' are likely to be diverted to a supply chain.

For large and small organisations alike, significant sustainability risk and opportunity is therefore routinely placed in the hands of third parties. The same applies when it comes to finding opportunities to do things differently and better, to innovate and re-think problems. However, without suitable management and controls, it is inevitable that risk will increase while opportunities to innovate and improve will be lost.

It is therefore highly advisable for a demand organisation, whatever its size, to develop a systematic approach towards supply chain sustainability. This will prove beneficial whether the demand organisation is acting for its own portfolio or on behalf of property-owning clients.

This section provides content on how to develop a responsible supply chain charter. It is aligned to the current edition of **Procurement of facility management**, RICS code of practice, which contains key principles that should be adhered to in the procurement of FM services.

Development of such a charter will address policy and strategy and will make a clear statement of intention and mutual commitments to a demand organisation's stakeholders. Continued effort will then be required to develop the enablers and sustainable procurement process that will bring the commitments made within the charter to life.

2.3.2 Taking a structured approach

ISO 20400: 2017 Sustainable Procurement is the world's first international standard to provide guidance on delivering sustainability objectives through the supply chain. Developed as 'guidance' rather than a 'requirements' standard, it provides a framework and advice for organisations of any size that wish to adopt a properly structured approach to supply chain sustainability.

ISO 20400:2017 defines sustainable procurement as 'procurement that has the most positive environmental, social and economic impacts possible across the entire life cycle' (3.38). The standard's sustainability ambitions are well expressed in its introduction:

> 'Every organisation has environmental, social and economic impacts. Procurement is a powerful instrument for organisations wishing to behave in a responsible way and contribute to sustainable development and to the achievement of the United Nations Sustainable Development Goals. By integrating sustainability in procurement policies and practices, including supply chains, organisations can manage risks (including opportunities) for sustainable environmental, social and economic development'.

The standard describes the necessary policies, functions, competencies and processes needed to successfully implement sustainable procurement. High on the list is the requirement for an appropriate policy and supporting strategy.

2.3.3 Documenting corporate commitment: policies, charters, etc.

Once the decision is taken to formalise an approach to sustainable procurement, this should, as an early priority, be set out in a publicly available document containing a clear statement of intent and commitments.

Development of a responsible supply chain charter or similar sits within ISO 20400:2017's section on 'Integrating sustainability in the organisation's procurement policy and strategy'. It draws upon the principles outlined within the preceding section, entitled 'Understanding the fundamentals'. How this works in practice is explained below.

For completeness, Figure 2 depicts the whole of ISO 20400:2017's framework and its four main sections.
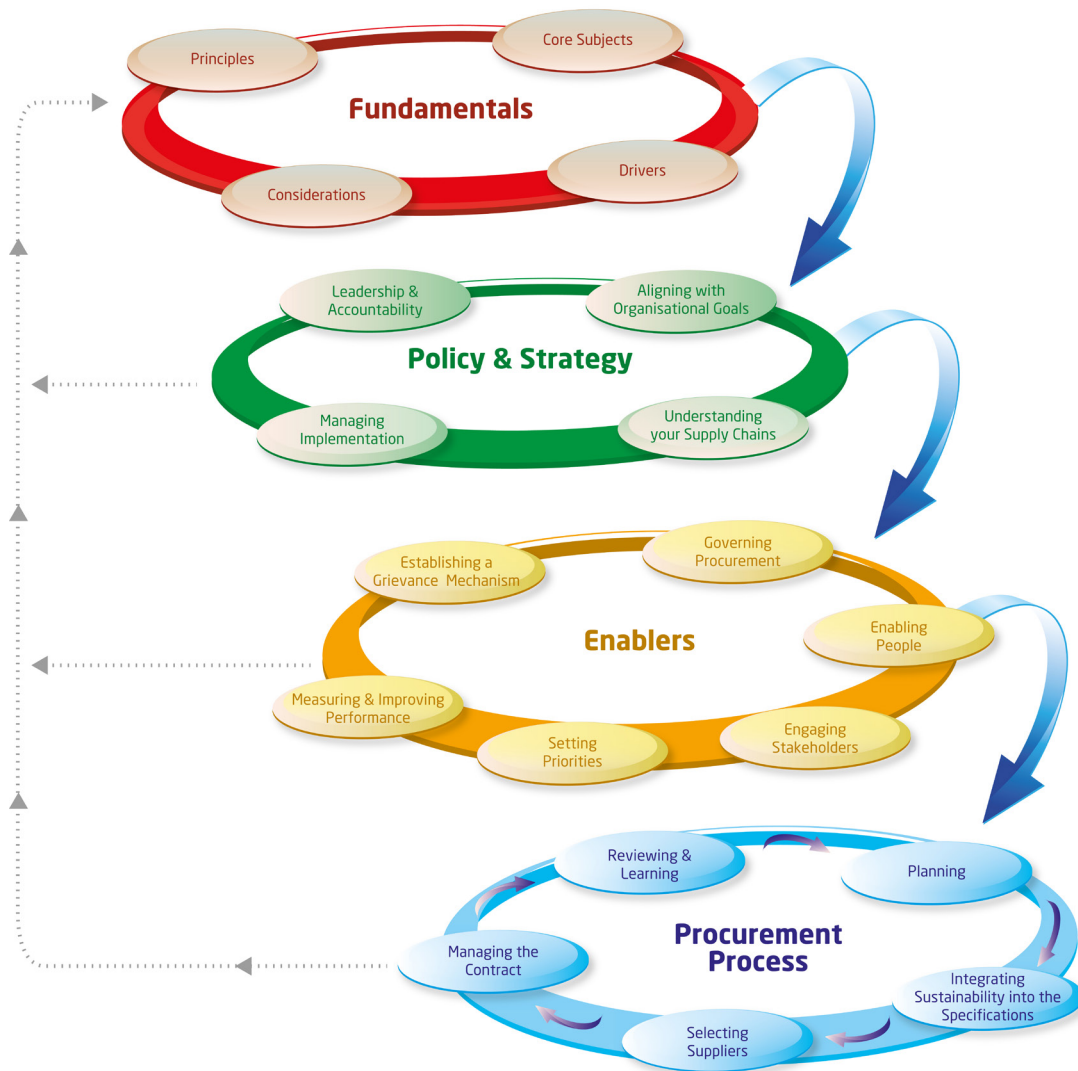

Figure 2: ISO 20400:2017's framework (© Action Sustainability)

2.3.3.1 Considering drivers

To faithfully represent the motivations behind the demand organisation's sustainability ambitions, the charter should draw upon the organisation's corporate drivers for being sustainable. Depending upon priorities, these can include a range of factors, as illustrated in Figure 3. No two organisations are quite the same.

The charter should be reflective and representative of the demand organisation's corporate approach to sustainability. This may already have been clearly laid out in a corporate responsible business or sustainability policy, strategy or associated work programme against which the demand organisation reports on an annual basis. If not, then procurement is an acceptable place from which to build.
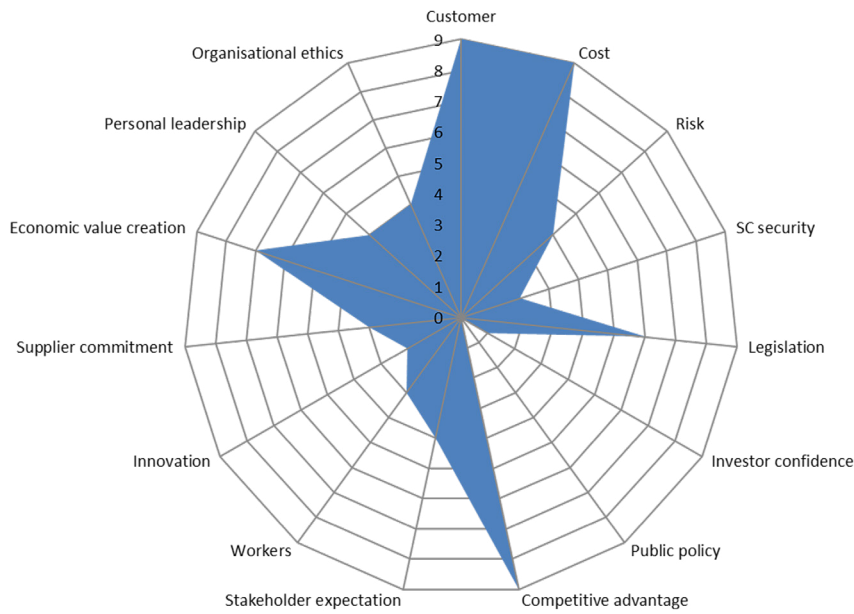
Figure 3: Example mapping of organisational sustainability drivers (© Action Sustainability)

2.3.3.2 Audience and expectations

The charter communicates the sustainable procurement intentions, objectives and values of the demand organisation to all interested stakeholders, articulating its vision, values, commitments and rules.

Primarily, the charter is targeted towards the existing and potential supply chain of the demand organisation. However, provided the content is supported by actions and evidence, it will also prove invaluable for communications with a much wider group of stakeholders, including employees, customers, service users, investors, local communities, regulators and NGOs.

An outline strategy may also be included that describes how the demand organisation's sustainable procurement programme will be delivered in practice. This would outline the key objectives and targets and include a simple delivery plan.

Although most of all the charter affects and sets expectations for suppliers, it is also essential to respect the supply chain and demonstrate commitment to fair treatment, mutual ambition, partnership working and supplier development. Commitments requested from the supply chain should, as far as possible and where appropriate, be mutual and inclusive – for instance, fair payment terms.

2.3.3.3 What to call it?

This is also a matter of choice. Whether the document is titled a 'responsible supply chain charter', 'responsible procurement charter', 'sustainable procurement policy', or anything else, the core content is likely to be similar. However, it is worth noting that the ISO 20400 standard uses the expression 'sustainable procurement' throughout.

2.3.4 Ownership

The charter should be approved and periodically reviewed for effectiveness at board level along with any associated strategy. It should be signed by the most senior director

who holds direct responsibility for procurement. Any work plan associated with the charter would be delivered by a wider group of stakeholders.

Conducting a responsible, accountable, consulted and involved (RACI) engagement model, or following a similar process, could be of benefit to determine in advance the level and scope of board, workforce and supply chain engagement that is needed. Principles outlined in **section 2.2** of this framework should be considered when devising engagement models of procurement.

2.3.5 Principles and structure

The charter should demonstrate understanding and commitment to the main principles of sustainable procurement.

The scope of sustainability covered should reflect the corporate position and principles of the demand organisation. However, in the absence of a suitably robust corporate policy, internationally recognised frameworks can be used. These include ISO 26000, the UNSDGs and the UN's *Guiding Principles on Business and Human Rights*.

Most importantly, the charter should offer a balanced representation of the organisation's motives, commitments and expectations across a full range of sustainability considerations material to its activities and influence.

2.3.6 Risk and opportunity

The charter should confirm that the demand organisation is applying serious commitment and resources to tackling supply chain sustainability risk. However, it is equally essential to focus on opportunity, thus allowing innovation and opportunities, for true supply chain partnership and collaboration to flourish. Use of a structured process such as priority heatmapping is highly recommended here.

2.3.7 Measurement

Key sustainable procurement goals, objectives and KPIs should be included, either within the charter, or within the accompanying strategy. These should be consistent with the demand organisation's corporate sustainability goals. If the latter approach is taken, the charter or policy should reference this. Any targets that are set should be SMART.

2.3.8 Monitoring and review

The charter and any accompanying strategy should be periodically reviewed for effectiveness. Making adjustments is not an admission of weakness: circumstances and priorities can change very quickly within the sustainability arena. It is essential to be vigilant to new threats or opportunities, working with the supply chain to make every purchase count.

2.3.9 Content and length

Length and level of detail depend on various factors, including the size of the demand organisation, the scale and scope of its operations and supply chain, corporate voice, etc. As a minimum, the charter should provide sufficient authority and detail to address the sustainable procurement principles and core subjects mentioned in sections **2.3.1–2.3.11**.

Some organisations prefer to maintain a comprehensive charter document containing a high level of detail. Others prefer to split the detail into a separate strategy and accompanying action plan. If this is the case, it is essential to refer to the strategy and action plan in the charter. The strategy and action plan can still be a public-domain document if the demand organisation wishes this to be the case.

2.3.10 The audience

There is much to be said for keeping this process, and any documents and language associated with it, as clear and simple as possible. The charter will have done its work well if the demand organisation's existing and potential supply chain understand and buy into what is being requested and what is offered in return. The charter should also be capable of providing information and reassurance to a wide range of stakeholders.

2.3.11 Conclusion

The goal is to integrate sustainability considerations into existing procurement documents and processes. Therefore, it might not always be preferable to create a separate new document. If the demand organisation already has a well-drafted procurement policy and strategy, it may be beneficial to instead edit this to include sustainable procurement considerations. Sustainable procurement is, after all, just an integral part of good procurement.

3 Social considerations

Social considerations of responsible business recognise the value beyond solely financial. When organisations recognise wider social commitments, they benefit beyond conventional financial returns. If the property management sector serves the people that use the buildings and respects the people that contribute to their development, then meaningful places and trustworthy organisations are created.

This section presents considerations that responsible businesses managing properties and professionals delivering services should address in order to support their internal and external stakeholders, and to maximise their positive social impact.

3.1 Employment

Organisations managing and operating real estate are significant employers globally. In the UK, for example, the sector employs one in ten UK workers, and these people provide critical services.

In real estate management, employees are the face of the organisation and the home of quality assurance. The sector is expected to deal with employment issues. Doing so in a responsible manner provides financial benefits, enables company resilience, meets stakeholder needs and provides a responsible environment for the recruitment and retention of staff.

This section sets out five key areas of responsible employment:

1   diversity and inclusion

2   talent, attraction and retention

3   employee development

4   collaboration and

5   health and safety.

> Responsible businesses involved in real estate management should:
>
> • cultivate an inclusive culture through open dialogue, fair and transparent recruitment processes, healthy and supportive work environments, and fair performance review processes, supported by adequate training
>
> • strongly consider local/regional fair pay principles (examples include paying the living wage and working towards becoming an accredited Living Wage employer or service provider)
>
> • adopt measures to ensure that gender, race, age, physical and mental health, sexuality, religion, disability, social status or any other defining characteristics do not determine an individual's career path; this is seen as a reflection of diversity and culture across all levels in the organisation

- where appropriate, set clear and transparent targets to diversify their organisation at every level of the company while ensuring compliance with the applicable data privacy legislation in the country of operation

- offer fair, equal and unbiased recruitment processes, provide adequate training as needed and include ways to alleviate conscious and unconscious bias considerations

- invest in removing barriers to opportunity for disadvantaged groups so they can access meaningful employment

- ensure a two-way dialogue with line managers and senior leaders to create an open, non-judgemental and inclusive culture and

- disclose performance against targets and measures which are identified and clearly communicated.

(The above are examples of UNSDG 3: Good health and wellbeing; UNSDG 5: Gender equality; UNSDG 8: Decent work and economic growth; UNSDG 10: Reduced inequalities; and UNSDG 17: Partner for the goals.)

3.1.1 Introduction to employment

The nature of work is changing rapidly, and employees now expect more from their employers. People are increasingly looking to work for a company with a strong purpose and social mission, but the ramifications of COVID-19 and the associated changing nature of work will present challenges to companies now and in the future.

As communities are becoming more diverse, the expectations of real estate assets are growing in complexity.

To respond to **changing client demands**, attracting and retaining a diverse workforce is key for any responsible business in facilities and property management. Furthermore, recent reposts (such as McKinsey & Company's **Diversity wins: How inclusion matters**) highlight that there is a now an even stronger business case for diversity, with the most diverse companies now more likely than ever to outperform less diverse peers on profitability.

Responsible businesses should prioritise ensuring a happy, healthy and empowered workforce, and should recognise that employees are the cornerstone of any organisation.

The UN Global Compact's (UNGC) **Leadership for the Decade of Action** (2020) recognises the importance of senior leaders having a 'sustainable mind-set', including multilevel systems thinking, stakeholder inclusion, disruptive innovation and long-term activation. A visibly diverse leadership team can create greater market attractiveness to the next generation of talent, where diversity of thought can increase business success though creativity, problem solving and decision-making.

3.1.2 Diversity and inclusion

A growing need in any business is agility and diversity of thought. To derive the benefits of inclusivity within the built environment, however, responsible businesses need to think about positive actions that can be taken to ensure active development and promotion of diverse talent. As a sector known for its lack of diversity, there is a lot organisations can start doing to address this imbalance.

As a responsible employer, a business will strive to make opportunities open to all, and for a workforce that is representative of their communities at every level. Gender, race, age, physical and mental health, sexuality, religion, disability, social status or any other defining characteristics should not determine an individual's career path but, rather, should be seen as a reflection of diversity and culture across all levels in an organisation.

Responsible businesses managing property need to embrace inclusivity in recruitment to break down barriers to employment and overcome unconscious bias.

Organisations should ensure that different people can voice their opinion through representation on boards or through regular consultations.

Training can develop understanding and respect of defining characteristics, support career progression and encourage a more diverse workforce at all levels. For example, some companies ensure that all employees undertake unconscious bias training; others target mentoring schemes or other capacity-building initiatives to groups they want to fast track into leadership roles; e.g. female talent.

Fair pay is directly linked to employee satisfaction, loyalty and retention. In the UK, for example, the Living Wage Foundation promotes fair pay through its real Living Wage rate, which is based on the actual cost of living, and plays a crucial role in supporting social mobility and building a more diverse workforce. Low pay disproportionately affects racially and socio-economically diverse workers and women, making the implementation of the **real Living Wage** key to ensuring that development opportunities are equally available in an organisation.

3.1.3 Talent attraction and retention

As stated in **section 3.1.2**, being a responsible employer does not start when an employee is on board: ensuring that a diverse range of talent is attracted and supported, and opening up opportunities for those most removed from the job market, is key. **Investors in People Platinum** is a useful accreditation resource when looking to embed fair and inclusive talent attraction and retention strategies.

Responsible employers should also provide good, stable jobs, both to the direct and indirect workforce, which offer security, rights and a fair income. Some businesses have achieved this by being upfront about pay and benefits, and by choosing to pay staff the real living wage. Paying at least the real living wage (where one exists in an area of operation) to staff demonstrates an ethical commitment and improves staff loyalty and retention, which allows for a reduction in recruitment costs. See the **Living Wage Foundation** for details applicable to the UK.

Responsible organisations should ensure that roles have clear and transparent responsibilities, that promotion and reward systems are fair and objective and that employers provide a safe, inclusive and agile work environment where all talent can thrive.

Organisations should strive to diversity using specific recruitment strategies; for example, accessible internships or apprenticeships where a levy is used to support those entering the workforce and work experience (to give a UK example). Work experience

and internships, and where possible apprenticeships, should be paid in line with the real living wage to ensure they are accessible for all, not just those who have the means to sustain unpaid work.

It is recognised that talent attraction and retention go hand in hand with employee development, opportunities for personal development and progression (see **section 3.1.4**), and supportive, inclusive work environments (see **section 3.1.2**) in which all employees can thrive.

3.1.4 Employee development

Responsible businesses should strive to recruit the right talent for the right roles, so this subsection goes hand in hand with **section 3.1.3**. The **Chartered Institute of Professional Development (CIPD)** is a global body that has some valuable resources. The criteria outlined for employee development in the **Investors in People Platinum** accreditation also provide useful guidance.

Once recruited, employee development is about helping employees to thrive, making them feel trusted, valued and fulfilled, which ultimately enables greater business performance. Responsible businesses should initiate a systematic ongoing identification of learning and development needs that is simultaneously agile, allowing professionals to act quickly and deliver learning needs analysis as required. Once learning and development needs have been identified, a range of learning methods should be applied to support individuals, teams or the organisation as a whole.

Learning and development tactics could range from formal courses and qualifications to task-based learning in small groups. Breadth of opportunity is key as working environments become more complex and agile, particularly in the post-COVID-19 era. One example of an emerging learning method is distance learning.

Responsible businesses should invest in bringing down the barriers to opportunity for disadvantaged groups so they can access meaningful employment. To achieve this, responsible businesses need to tailor employee development experiences to cater for individual or cohort needs.

It should also be noted that learning and development is not purely about technical ability. As the world of work and markets becomes ever more complex, it is crucial that businesses of all shapes and sizes invest in soft skills that will ensure their sustainability over the long term. Organisations that invest in inclusive leadership that supports a diverse and resilient workforce will thrive over the long term. The UNGC is the world's largest network of responsible business advocates for the integration of sustainability skills and understanding at every level of leadership. In its report **Leadership for the Decade of Action**, it outlines that leaders today need the capability for multi-level systems thinking, stakeholder inclusion, disruptive innovation and long-term activation.

3.1.5 Collaboration

As stated in **section 2.2**, collaboration is a key element of responsible business. Collaboration with employees and other internal stakeholders ensures that the workforce is aligned to the business's core values and allows the workforce to contribute to decisions related to these values. Employees benefit from understanding the goals of the organisation and, in the built environment, this can lead to collaborative relationships to meet shared responsible business goals.

Communication is a challenge for many organisations and ensuring a two-way dialogue that minimises power dynamics is essential to creating an open, non-judgemental and inclusive culture. This starts with strong, inclusive line management that reinforces the

culture of engagement. Consultation with employee networks to obtain feedback and details on employee interests are effective at creating a connection within a business where individuals feel that their input is valued.

Further best practice on internal employee and external stakeholder collaboration can be found in **section 2.2**.

3.1.6 Health and safety

Health and safety is at the heart of any property management organisation's strategy. The way that people interact with offices and services may change but basic compliance is still key. Regular testing of systems, lifts, lighting, air conditioning and gas systems are all still essential. If facilities managers get it wrong, this can have major repercussions across the rest of the organisation. For responsible employers, however, health and safety goes one step further to promote physical and psychological health.

Health and safety, like wellbeing, is not something that employers should manage in a top–down or 'done to' approach. Rather, employers should create conditions that enable employees to promote healthy and safe behaviours themselves; for example, raising awareness about managing risk, controls and good work, among other things. Employers should invest in engaging workspaces where employees can support each other and provide better interventionist support when needed.

Key resources to support health and safety strategies come from the **Institute of Occupational Saftey and Health (IOSH)** and **WELL**. The IOSH's **ISO45001** and **Occupational Health Toolkit** have been developed for organisations that are serious about improving employee safety, reducing workplace risks and creating better, safer working conditions. Another holistic approach comes from WELL, whose tool focuses on ten concepts to create places that maximise health and wellbeing outcomes.

The COVID-19 pandemic has brought to the fore the need for social distancing in offices, the need for flexible working and an increase in sanitisation. How organisations manage health and safety remotely needs to be considered. As a responsible employer in the real estate management sector, a clear understanding of the workforce (i.e. gender, ethnicity, age, any underlying health conditions, etc.) and how and why occupant health may be adversely affected by working conditions is crucial when developing a health and safety strategy that is fit for the future.

3.2 Wellbeing

This section describes the significant role that responsible businesses have in providing strategies to positively affect wellbeing. It also explains the importance of developing a strategy for measuring and monitoring building performance and stakeholder experience in order to provide better spaces for people.

Responsible businesses and professionals involved in real estate management should:

- familiarise themselves with the broader impacts of their properties and portfolios on people's wellbeing

- incorporate strategies that are rooted in a strong evidence base to curate places that can positively influence and support wellbeing

- understand the potential opportunities and challenges of the different wellbeing standards, including the rigour of assessment and verification of building-level performance, and select the one that best suits their needs

- set measurable objectives associated with the wellbeing targets that they aim to achieve through their assets and to positively influence future occupant wellbeing

- understand which interventions best support the wellbeing of property users, occupiers and visitors before deciding which strategies to implement (this should be done in consultation with users, occupiers and visitors)

- create a consistent, reliable and repeatable approach to measure wellbeing that can be adapted to different contexts

- communicate the results of wellbeing surveys with users, occupiers and visitors in a clear manner and

- benchmark the performance of their properties across their portfolios and relative to their peers using clear, consistent, reliable and measurable data.

(The above are examples of UNSDG 3: Good health and wellbeing.)

3.2.1 Introduction to wellbeing

Wellbeing broadly describes 'the way people feel and how they function, both on a personal and a social level, and how they evaluate their lives as a whole' (New Economic Foundation, **Measuring Wellbeing** (2012), p.8).

In short, it is the ability for humans to thrive. Although real estate's impact on wellbeing is often overlooked, according to **WELL v2**, facilities and properties have a significant influence on the people who use and visit them through air, water, light, temperature, acoustic quality, access to healthy foods, opportunities for physical activity and exposure to materials, as well as their ability to mitigate stress and encourage engagement between different community groups.

The New Economics Foundation's dynamic model of wellbeing (see Figure 4) exhibits the two pathways of influence that responsible businesses can follow to affect occupant wellbeing:

- the conditions of each person's environment (external conditions) and

- the individual's access to personal resources.

The World Green Building Council's **Health and Wellbeing Framework** is a useful resource for understanding wellbeing in the context of the built environment and throughout the building life cycle. The framework outlines six principles of health and wellbeing in a sustainable built environment:
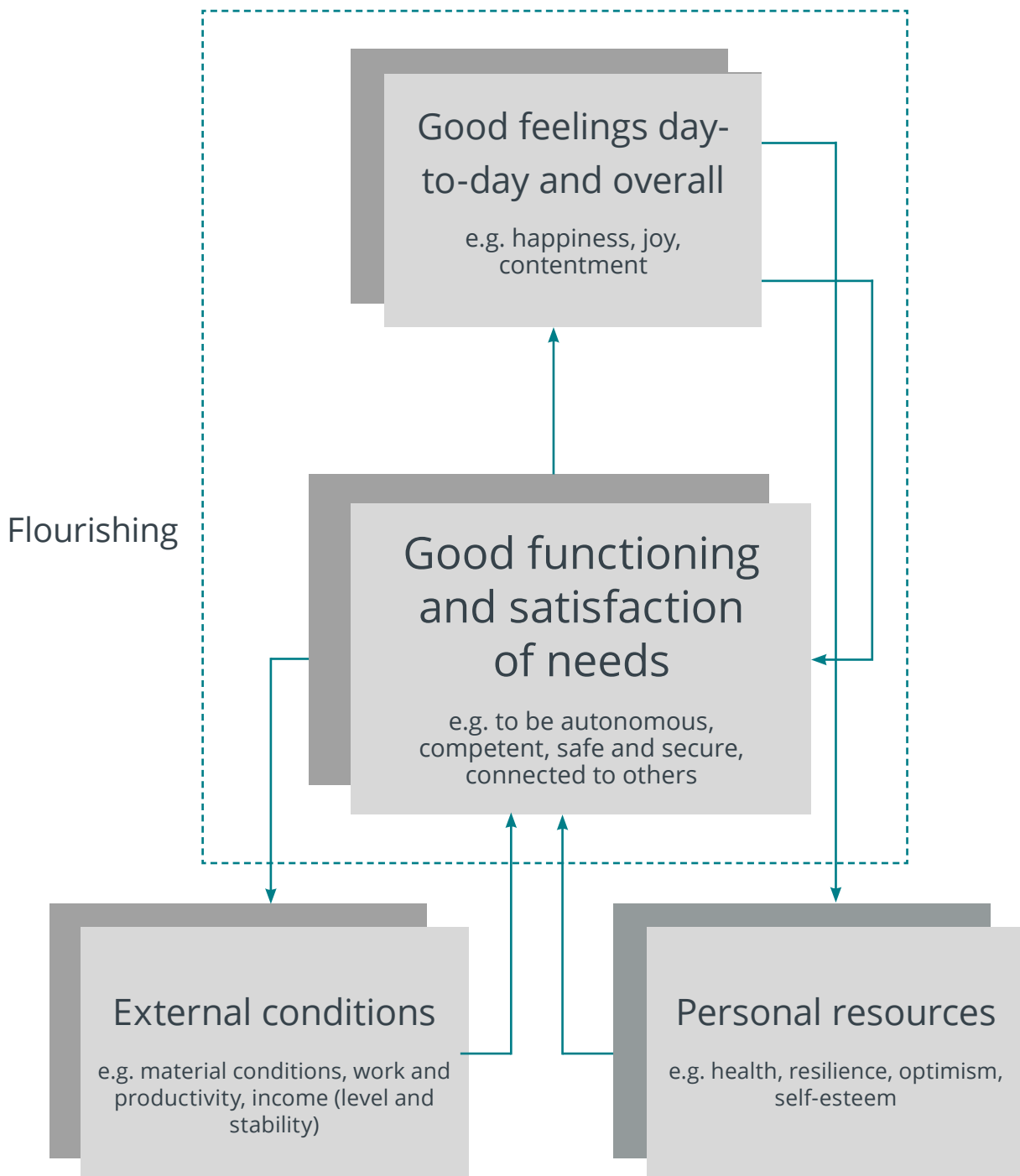
Figure 4: New Economic Foundation's dynamic model of wellbeing (taken from **https://neweconomics.org/2012/07/measuring-wellbeing**, © New Economic Foundation, reproduced with permission)

1   protect the environment

2   protect mental and physical health

3   prioritise comfort for building users

4   design for harmony between the natural and built environments

5   facilitate positive behaviour for health and

6   create positive social value with buildings and for communities

Responsible businesses in real estate management can follow these broad principles to create places that positively influence health and wellbeing.

3.2.2 Benefits of promoting wellbeing

Figure 5 explains the benefits of promoting wellbeing in the built environment.

Commercial benefits

Places that positively impact wellbeing are desirable. They are more attractive to tenants, employees and customers; therefore, occupancy and rent rates are likely to be higher, and vacancy and turnover rates lower than places that do not emphasise wellbeing (Urban Land Institute, 2019). There are also links between improved wellbeing and decreased absenteeism, increased productivity, engagement and sales revenue (World Green Building Council, 2016).

Health benefits

Wellbeing is directly linked to physical and mental health (Mguni et al, 2012). Places that incorporate health strategies supportive of occupant wellbeing reduce pathogen transmission and risks associated with non-communicable diseases. They also influence wider healthy lifestyle choices.

A more resilient population

Improved occupant wellbeing can translate to healthier communities, which are better equipped to manage a broad range of challenges (Kansky and Diener, 2017). It is important to remember the interconnectedness of spaces and health. A focus on wellbeing within real estate provides an opportunity to contribute towards personal and community resilience.

Social and economic impacts

Wellbeing has a profound influence on many aspects of people's lives (Isham et al, 2020), even beyond physical and mental health. Self-esteem, interpersonal relationships, educational attainment and employment are all significantly influenced by positive or negative wellbeing.

Figure 5: Benefits of promoting wellbeing in the built environment (© RealWorth, reproduced with permission)

Regarding further commercial benefits, the link between wellbeing and productivity has been studied extensively. Research has shown that many elements of overall wellbeing (such as job satisfaction, positive emotions, resilience and stress) are directly correlated to overall productivity. Responsible businesses should care about maximising wellbeing as a means to increase and improve their financial returns. Furthermore, the effectiveness of any wellbeing interventions is maximised when tailored to suit the specific wants and needs of individuals within the relevant stakeholder group

3.2.3 Incorporating wellbeing

Responsible businesses should identify strategies to maximise the positive impact that assets can have on the wellbeing of people who use and visit them. To do this, building performance and occupant experience should be measured regularly prior to and during occupancy, and especially prior to alterations or improvements being carried out.

3.2.4 Guides and standards

The Building Research Establishment Environmental Assessment Method (BREEAM) – a global sustainability assessment – includes parameters for health and wellbeing under its **Refurbishment and Fit Out** and **In-Use** guidance. In addition, **USGBC's LEED rating system**, while not directly focused on person-centred outcomes, will have positive wellbeing outcomes when implemented.

The leading standard for health and wellbeing in the built environment, however, is the **WELL Building Standard** which measures and monitors built environment features that benefit health and wellbeing through ten concepts: air, water, nourishment, light, fitness, comfort, sound, materials, mind and community. The **Fitwel Systems** certification system has also been gaining some traction as an accreditation for building health. Though not a building certification, **GRESB** is an investor-led real estate benchmark used to monitor and manage a building portfolio's impact on human health and wellbeing.

There are communications to identify synergies between BREEAM, WELL and LEED, known as **crosswalks**. These alignments allow for the different building standards to complement each other and coexist in the market, meaning that any facilities or property managers interested in pursuing more than one building standard accreditation can do so with ease. Crosswalks make it easier for facilities or property managers to streamline the assessment process and allow them to prepare the same evidence to assess two or more standards.

3.2.5 Implementing wellbeing interventions

Simple interventions can have a big effect on individual wellbeing. Such interventions include increased ventilation, opportunities for movement, locations of drinking water, places to socialise, incorporation of natural and healthy materials, and the design of biophilic and calming spaces. When implementing design features that will influence wellbeing, property owners and managers should consider:

- indoor and outdoor air quality and ventilation

- water quality and access to water

- food and nourishment options

- availability of natural light, light levels and sight lines

- accessibility and ergonomic comfort for all people

- opportunities for movement throughout the space

- thermal comfort, including temperature and humidity

- noise levels and acoustic design

- selection of building materials and their associated toxicity

- access to amenities, outdoor spaces and natural spaces and

- spaces for respite, interaction and collaboration.

3.2.6 Measuring wellbeing

There are direct links between building performance, occupant experience and wellbeing (as described in Green Health Partnership and GRESB's report **Health & Well-being in Real Estate**); therefore, the importance of monitoring and measuring these variables cannot be overstated. In order to fully realise the positive impact of real estate on people, responsible businesses should be equipped with both qualitative and quantitative data related to the building, as well as objective and subjective data related to the experiences of those that use and visit properties. Building managers also need to understand the relationship between these variables and their potential combined effects on people; only then can buildings be managed and operated in a manner that maximises health and wellbeing.

Quantitative measurements are well established within the sector and should report on each of the concepts and considerations mentioned in **section 3.2.5**. The guides and standards mentioned in **section 3.2.4** contain information and guidance on this.

Popular resources on measuring qualitative data and establishing overall wellbeing are detailed in **Appendix A**.

It is important to engage stakeholders when determining which wellbeing outcomes to track in order to ensure that their desired goals are captured by the target metrics. Methods of stakeholder engagement through the wellbeing measurement survey should be determined by following the recommendations in **section 2.2**.

3.2.7 Using and reporting data

Measurable benchmarks, targets or satisfaction thresholds should be set to establish the relative success of any wellbeing interventions. Measuring results against these targets (whether qualitative or quantitative) also has the benefit of presenting property managers with an understanding of areas of excellence and opportunities for improvement.

Reported feedback and data from surveys should be honest and transparent. A summary report should be made available to those who use and visit the property as well as other stakeholders. Wellbeing assessment is an iterative process and responsible business practice requires ongoing measurement of wellbeing alongside continual efforts to improve it.

3.3 Social value

This section describes how those responsible for real estate management can integrate social value considerations into their thinking, planning and processes.

Responsible businesses and professionals involved in real estate management should:

- establish an organisational social value strategy that aligns to the company's purpose and considers social value at all stages of the property or FM process

- prepare an impact register for each asset which includes the potential for the creation of social value and considers the needs of communities and other stakeholders

- create a set of principles that govern the way social value is measured and reported across the organisation, and use these principles to establish a social value measurement and reporting regime for each facility or property

- set outcome-based social value targets and KPIs to support the measurement and reporting process

- establish a simple, reliable and repeatable stakeholder mapping, engagement and data-collection strategy to capture information on social impacts (this should encompass the social value generated by employment practices and throughout the supply chain, using the principles and content outlined sections 3.1 and 2.3)

- collect data from key stakeholders on at least an annual basis

- report on the positive and negative social impacts created at property, portfolio and organisational level, and share such reports with stakeholders, including shareholders, employees, tenants, visitors and people from surrounding local communities

- proactively seek to engage and involve landlords, building owners and fund managers in understanding social impacts and how these relate to their organisations and

- produce and maintain a company-wide social value skills and responsibility matrix and communicate this to key stakeholders.

(The above are examples of UNSDG 1: No poverty; UNSDG 2: Zero hunger; UNSDG 3: Good health and wellbeing; UNSDG 4: Quality education; UNSDG 5: Gender equality; UNSDG 6: Clean water and sanitation; UNSDG 8: Decent work and economic growth; UNSDG 10: Reduced inequalities; and UNSDG 13: Climate action.)

3.3.1 Introduction to social value

Responsible real estate businesses understand that providing great places and services is key to commercial success. The creation of social value is a vital component of this as it generates:

- long-term relationships between stakeholders and more solid public/private partnerships based on mutuality

- evidence-based examples of pro-social achievements for all stakeholders, which in turn enhance the reputation and brand of investors, owners and occupiers

- information for impact and other investors looking for projects that offer resilient financial returns alongside good levels of social and environmental impacts and

- clarity about how the responsible business has influenced the locality, and where it has worked with other agencies and sectors to increase social value.

3.3.2 Legislation and standards

The need for organisations to evaluate societal impact has been supported by legislation in different parts of the world. An example in the UK is the **2020 Procurement Policy Note 06/20** which launched a model to deliver social value through the government's commercial activities. It states that social value should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject matter of the contract, rather than just 'considered', as currently required under the *Public Services (Social Value) Act* 2012.

There are several process standards and guides that assist organisations to identify, manage and report on the social value that their buildings and places create. Details of these can be found in **Appendix A**.

3.3.3 Social value definition

'Social value' is an established concept and elements of it have been explored in the past, including attempts to measure quality of life, social sustainability, inclusive growth, community response and ESG impacts.

Social value is concerned with people's experiences; therefore, the most direct definition is the value associated with the 'relative importance that people place on the social and environmental changes they experience in their lives' (**Social Value UK, What is social value?**).

Current trends in society mean that the ability to create social value is likely to be a prime influencer on the way that real estate is managed in the future. Some of these trends include:

- public sector policy evolution

- the impacts of climate change and

- the growth of impact investment.

There are multiple definitions of social value in the built environment. The UKGBC defines social value as 'when buildings, places and infrastructure support environmental, economic and social wellbeing, and in so doing improve the quality of life of people' (a full framework definition can be found on the **UKGBC website**). The London Assembly

recently defined social value as 'a way of understanding and measuring the benefit to society from the delivery of goods and services' (a more detailed definition can be found on the **social value section of the London Assembly website**). Figure 6 illustrates the factors that affect people's lives.

Health: mental and physical influences as a result of changes in mobility (walking, cycling, accessibility measures, proximity to public transport, access to sport, dance and other active pursuits, etc.), indoor and outdoor air quality, noise, other external influences on mental health, access to healthy diet, access to the means of exercise, for example.

Wellbeing: how people feel about themselves, influenced by ties to and pride in the community, self-esteem and confidence, relationship with neighbours and family, working at a good job, opportunities to volunteer, feeling fit and well, getting out and socialising on a regular basis, being financially secure, feeling safe and having access to restorative (calming) spaces, for example.

Skills: adding to existing skill sets either through a desire to improve employment prospects or an interest in life-long learning by access to training schemes, education facilities or community associations that meet in local buildings and spaces, for example.

Employment: access to good jobs, some of which are targeted at people who have had difficulty accessing the employment market.

Savings and revenues: improvements to the levels of disposable income of local people and increases in local trade and other local economy benefits, for example.

Environment and ecosystem services: the ability of people to find spaces in the locality where they can be surrounded by greenery and biodiversity, influencing both personal feeling of calmness and restoration, and natural ecosystem functions such as temperature regulation, flood alleviation and pollution reduction.

Crime: the design and management of spaces so that criminal activity is reduced through a range of measures including secure design, access solutions, surveillance and increase in human activity over a 24-hour period, for example.

Figure 6: The factors that influence people's lives (© RealWorth, reproduced with permission)

3.3.4 Social value framework: implementing social value in real estate management

This section shows how to implement social value across the different areas of real estate management and what should be considered at each stage of the building's management life cycle.

Stage 1: Real estate management phase contract award

At this stage, the managing agent, operational (FM) company, etc. will be notified that they have been awarded the contract to manage the portfolio and/or specific assets by the client.
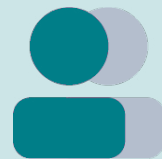
Processes

- Review commitments made in the tender response.

- Review commitments against organisational objectives when in house.

- Identify key stakeholders and define the community beneficiaries.

- Research local authority societal priorities.

- Conduct a local needs analysis.

- Agree social value KPIs and reporting process and frequency with the client/senior management team.

- Draw up a charter with the local community and make it publicly available.

Team

- Senior management team.

- Operational team.

- Local needs analysis.

- Community charter.

Stage 2: Mobilisation

At this stage, the awarded contractor can access the asset.

Processes

- Assess the 'health' of the building and create an action plan to improve identified areas.

- Assess the building's security.

- Set social value target for prime subcontractors/suppliers.

- Identify vulnerable groups that may be displaced if any spaces are removed.

- The new contractor should introduce itself to local community organisations and key stakeholders.

- Host welcome days/events for general public before opening.

- Create stakeholder map.

- Map out existing social value on the site in the local area.

- Conduct materiality assessment with key stakeholders.

- Share social value priorities with identified stakeholders.

- Create social value action plan.

- Implement reporting tool, processes and procedures.

- Identify opportunities to meet social value KPIs during recruitment process.

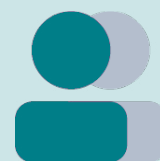- Assess whether there are opportunities to improve outdoor/green space near the building.

Interventions

- Identify opportunities to share space with social enterprises and small- or medium-sized enterprises (SMEs).

Team

- Contract director.

- Property manager.

- Skeleton operational team.

- Social value lead.

- Procurement team.

- Surveyors.

Key stakeholders and resources (see section 2.2)

- Local authority.

- Representatives from local community.

- Client ESG lead.

- Asset managers.

- Occupiers.

- Social value reporting/measurement tool.

Social value priority areas

- Employment.

- Skills.

- Health.

- Crime.
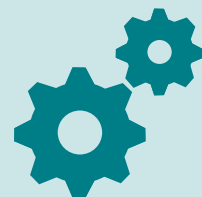
- Benefits of natural space.

- Wellbeing.

Stage 3: Operation

At this stage, the awarded contractor is managing and operating the asset. This tends to be the longest period of the asset management cycle.

Processes

- Incorporate identified societal priorities and social value KPIs into the operation plan.

- Record any outcomes via agreed reporting process.

- Prepare social value reports for managing agent, client and key stakeholders.

- Record any progress against the social value action plan.

- Share any good news stories with local authority and local community groups.

- Link employee volunteering to local community initiatives.

- Aim to procure some services and products locally.

- Performance manage supply chain against agreed KPIs.

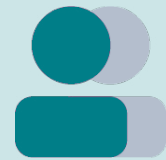- Set up a process to check and reassess local needs.

Interventions

- Share space and/or host events with social enterprises and charities.

- Where possible, create legacy project to hand over to local community leads.

Team

- Operations manager.

- Operation team.

- Social value lead.

- Procurement team.

- Surveyors.

Key stakeholders and resources (see section 2.2)

- Client ESG lead.

- Asset managers.

- Local authority.

- Local businesses.

- Local colleges/universities.

- Social value reporting tool.

- Budget for initiatives.

- Asset social value action plan.

- Asset sustainability plan.

- Local needs analysis.

Social value priority areas

- Employment.

- Skills.

- Health.

- Crime.

- Benefits of natural space.

- Wellbeing.

Stage 4: Refurbishment

At this stage, the contractor has identified opportunities to improve the conditions, performance and efficiencies of the building, and any required refurbishment goes ahead.

Processes

- Source materials from local businesses where possible.

Interventions

- Where possible, collaborate with local SMEs, social enterprises and community organisations.

- Engage with local educational institutes for training opportunities.

- Identify opportunities to use renewable materials.

- Assess whether there is an opportunity to create a shared space as part of the refurbishment.

Team

- Operations manager.

- Operation team.

- Social value lead.

- Procurement team.

- Surveyors.

- Design team.
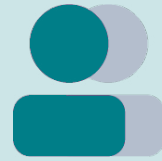
Key stakeholders and resources (see section 2.2)

- Local businesses.

- Local colleges/universities.

- Asset managers.

- Local authority.

- Social value reporting tool.

- Budget for initiatives.

- Budget for refurbishment.

- Asset social value action plan.

- Asset sustainability plan.

Social value priority areas

- Employment.

- Skills.

- Wellbeing.

- Savings and revenue.

Stage 5: Handover

At this stage, the contract has expired and/or the contract has not been renewed by the client, or the contract has ended prematurely.

Processes

- Create social impact report for client and local authority.

- Make recommendations to the client and local authority about steps to take to continue positive social impact.
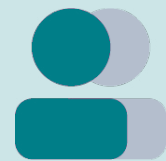
Interventions

- Hand over live community initiatives to suitable charities/ organisations.

- Hand over the community charter to the client and local authority.

Team

- Senior management team

- Operations manager.

Key stakeholders & resources (see section 2.2)

- Asset managers

- Client ESG lead.

- Local authority.

- Social value reporting tool.

- Community charter.

Social value priority areas

- All.

4 Environmental stewardship

It is widely accepted that protecting the environment is essential. This principle extends far beyond responsible business into all facets of our lives. The property sector plays an important role in this stewardship as, according to the UN Environment Programme, buildings in use and construction contribute to 40% of energy consumption and 36% of carbon emissions worldwide (**2019 Global Status Report for Buildings and Construction Sector**).

This section helps responsible businesses to deliver on their environmental stewardship duties by outlining the key principles of environmental management and providing best practice on how to approach each.

Responsible organisations and professionals involved in real estate management should:

- identify environmental risks and opportunities to the business; these can be financial, reputational, regulatory or operational

- understand the environmental compliance requirements, including regulatory, customer and wider stakeholder requirements

- conduct walk-arounds in properties to understand how buildings are used, what the different environmental impacts could be and what the patterns of building use are

- identify the environmental impacts of the building and what resources are used in the building

- collect data relating to environmental impacts on a routine basis

- identify efficiency savings from the data by comparing energy use with building occupation and building use

- establish a baseline to help benchmark data from year to year

- consider the integration of zero cost and low-cost initiatives first in order to gain maximum return on investment, and seek to invest the savings in further methods to show that the programme can be self-funded and

- when making energy efficiency decisions that require product procurement, consider wider environmental impacts, beyond operational energy and carbon reduction.

(The above are examples of UNSDG 6: Clean water and sanitation; UNSDG 7: Affordable and clean energy; UNSDG 11: Sustainable cities and communities; UNSDG 12: Responsible consumption and production; UNSDG 13: Climate action; UNSDG 14: Life below water; and UNSDG 15: Life on land.)

4.1 Introduction: the importance of environmental stewardship

This section describes the core principles that responsible businesses involved in FM and property management should consider in order to protect the environment.

The built environment has expanded across the world as populations grow and industry develops. In commercial property, this means an expanding impact on the environment which needs to be measured and managed.

The built environment impacts climate change, increases resource consumption and impacts the biodiversity of the localised area.

Environmental stewardship in the operation of buildings is important for many reasons. These can be highlighted as both risks and opportunities:

- license to operate and regulatory standards

- reputation

- financial gains

- operational business continuity

- productivity and

- talent retention.

For a responsible business that manages property, there are six core principles that should be assessed, measured and managed during the operation of the built environment:

- energy use and sourcing

- carbon

- water

- waste

- transport and

- biodiversity.

The current standards available regarding these can found in **Appendix A**.

4.2 Core principles

4.2.1 Energy use and sourcing

Energy and carbon reduction are key to environmental protection and need to be managed responsibly, adapted, retrofitted and future-proofed to ensure a carbon net zero future.

How to manage energy in a building:

- **Set targets, measure baseline and monitor energy use**.

- **Understand behaviour**: building use and the behaviour of occupants will affect the actual energy use of a building. Understanding how the building is used and the behaviour of occupants will help to highlight early reductions at minimal costs.

- **Be efficient**: monitor and target energy consumption to reduce operational energy use, and integrate BMS with energy data, lighting data, occupancy data and other Internet of Things devices to drive granular and agile efficiency decisions while ensuring occupant comfort.

- **Upgrade to energy-efficient equipment** aligned with life cycle decisions and annual condition surveys. Consider life cycle environmental impacts beyond operational emissions.

- **Retrofit**: incorporate passive building fabric measures where possible before investing in mechanical and electrical equipment. Consider whole-life carbon and operational energy cost and smart integrated systems to balance operational efficiency and occupant comfort.

- **Generate**: assess renewable feasibility on site and the potential for accessing local heat networks where available, or electrification of heat where appropriate.

- **Store excess renewable generation (heat and power) on site** to maximise self-reliance, or provide back-up power instead of diesel generators. Can this be used to power electric vehicle charging?

- **Integrate with the local area and grid**: trade energy within the local community through a private wire arrangement. Shift time of energy use, power down or provide energy to the grid to ease congestion.

- **Procure renewable energy from certified sources** as the last option to reduce carbon emissions.

4.2.2 Carbon

A net zero carbon building, as defined by the World Green Building Council, is a highly energy-efficient building with all remaining operational energy use from renewable energy, preferably on-site (but also produced off-site too), to achieve net zero carbon emissions annually in operation.

It is the responsibility of a responsible business to create a pathway for their buildings to achieve net zero carbon within the next ten to 30 years.

How to manage and reduce carbon in a building:

1 **Agree boundaries** to define scope, set targets and measure carbon emissions. Set reporting boundaries, identify sources of carbon and measure the quantity of energy consumed and converted into carbon dioxide. Use this information to set benchmarks to formulate a net zero carbon plan.

   Carbon can be measured in buildings through global standard accounting practices. Guidance for accounting for greenhouse gas (GHG) emissions from organisations and emission reduction projects is provided by the World Resources Institute and World Business Council for Sustainable Development **GHG Protocol**, PAS2050:2011 and ISO14067.

There are different ambition levels for building managers and owners on their journey to reducing carbon:

- **net zero energy**: a building that relies on both energy efficiency and entirely on on-site renewable energy production to reach its balance of energy consumed and energy produced

- **energy positive**: a building that produces annually more on-site energy than it requires to operate and supplies the energy to the grid or neighbouring functions

- **carbon neutral**: achieving net zero carbon emissions by balancing the amount of carbon released to meet operating energy demand with offsetting an equivalent amount and

- **embodied carbon**: the GHG emissions associated with extraction, manufacture, transportation, construction, maintenance, replacement, deconstruction, disposal and end-of-life aspects of the materials and systems of a building.

Where possible, when selecting energy-saving technology, consider going beyond net zero to incorporate embodied carbon and wider environmental criteria such as land, water, marine, human health, biodiversity and end-of-life impacts.

2 **Promote deep energy efficiency** (see **section 4.2.1**).

3 **Establish a hierarchical preference for on-site renewable energy generation** followed by off-site renewable energy and carbon offsets as a last resort. Offsetting can range from investment in clean development mechanism projects to certified forestry schemes or purchasing carbon credits.

4 **Ensure purchasing of carbon credits and offset through trusted, certified schemes** (e.g. members of the International Carbon Reduction and Offset Alliance, projects registered with the Gold Standard Verified Emission Reduction scheme or Verified Carbon Standard projects).

5 **Have visibility of and alignment with carbon policies in your country** to make operational energy and carbon decisions that would result in a greater reduction of emissions. Grid carbon intensity is a developing area that measures and forecasts the carbon intensity of the energy supplied through the grid. This varies throughout the day and across the year due to the intermittency of renewables in the system (e.g. high levels of wind and solar production leads to lower grid carbon intensity). Different countries have started to account for this (e.g. the UK; **www.carbonintensity.org.uk**).

4.2.3 Water

Effective water management includes taking action to conserve water, managing the responsible abstraction of water, preventing water pollution, understanding surface flood risk that can affect operations and recognising the interrelation with other aspects of the environment, such as the decline of aquatic and semi-aquatic species of wildlife that depend on rivers, lakes and wetlands. The impact of abstraction of water tables can be mitigated by using innovative technologies such as replenishment systems that treat wastewater to produce recycled water which is recharged into groundwater supplies.

How to effectively manage water usage:

1 **Set targets and engage with the supply chain** in order to influence the operational use and behaviours of occupants so that water consumption can be reduced. This includes managing compliance, monitoring water-consumption data, planning

maintenance regimes to prevent equipment leaks and ensuring equipment efficiency, and encouraging innovation of technologies that reduce the demand on water.

2 **Manage compliance and monitor consumption data** to raise awareness about water usage and the subsequent environmental impacts, as well as encouraging changes in behaviours.

3 **Adopt recognised environmental standards**, such as ISO 14001, to capture local water risks and opportunities.

4.2.4 Waste

4.2.4.1 The circular economy

There is a finite amount of raw materials and resources on the planet. The linear economy is based on extracting these materials, using them and then discarding them. The circular economy is an alternative approach, whereby materials and resources are kept in use for as long as possible. Maximum value is extracted from them while in use, then they are recovered, reused and given a second life.

4.2.4.2 Waste management

The waste hierarchy (originating from **EU Directive 2008/98/EC**) is a tool used to classify waste management strategies according to their desirability. The aim of the waste hierarchy is to extract the maximum practical benefits from products and generate the minimum amount of waste, corresponding to the circular economy approach (see **section 4.2.4.1**).

In England, Wales and Northern Ireland, for example, all waste producers are required to know and understand what happens to their waste to ensure that they fulfil their duty of care obligations. They have to apply the waste hierarchy and take reasonable steps to promote high-quality recycling, and are required to demonstrate that the hierarchy has been applied to their waste streams prior to transferring it to a third party. This has to be declared on all waste transfer notes and hazardous waste consignment notes to confirm
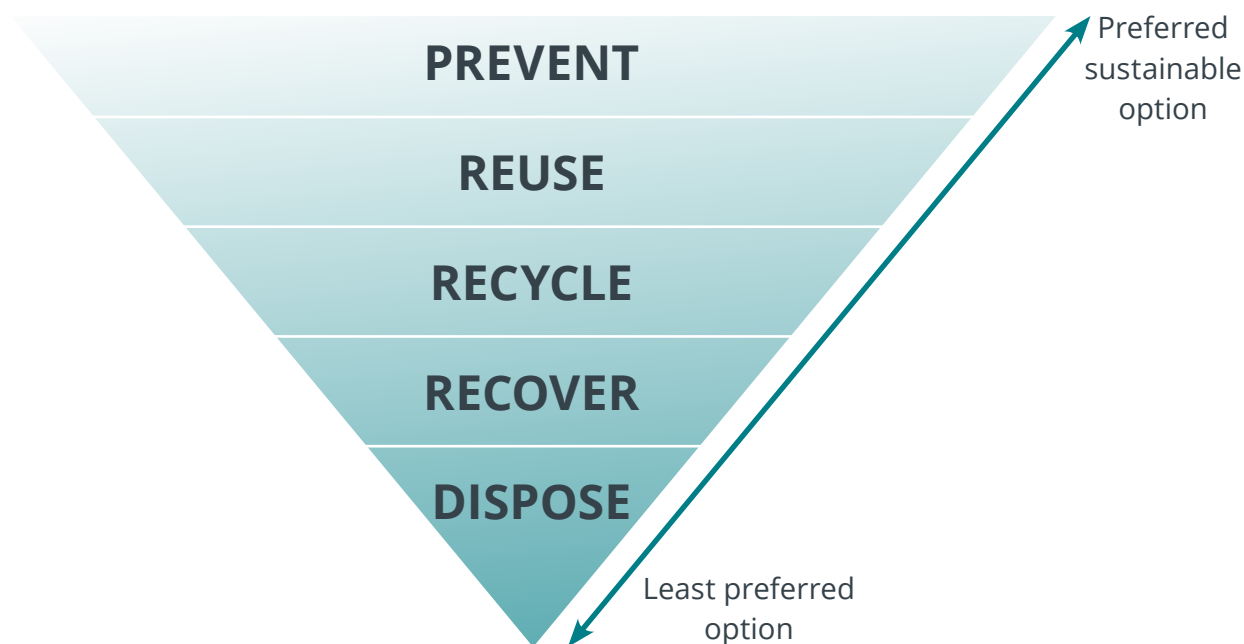

Figure 7: The waste hierarchy

that the waste hierarchy has been considered in deciding the most appropriate waste management option.

4.2.4.3 Waste segregation

Waste segregation starts with the waste creator or service user. It is vital that the user can make an educated and advised decision on where the item of waste should be placed.

Placing waste in the correct bin can reduce inefficiencies further downstream, resulting in carbon and cost savings, while ensuring the best end-of-life treatment for that item. Standardising and placement of the bins and visible and clear labelling can improve recycling rates by up to 20%.

4.2.5 Transport

Transport is a significant contributor to climate change. In the UK, for example, surface transport alone equates to 24% of the UK's carbon load, largely through tail-pipe emissions emitted into the atmosphere. A number of modes of transport fall under the spotlight when it comes to environmental protection, which can be categorised into air, rail and road. These modes can be further subdivided into travel for business purposes and commuting to work. With regulations such as low emission zones and congestion charges being rolled out across major conurbations (e.g. in China and elsewhere globally), fluctuating fossil fuel prices and the health impacts of air pollution, there will be continued pressure on transport becoming less burdensome on the environment.

How to effectively minimise transport emissions:

1 **Source locally** to minimise transportation use, and select premises that are close to public transport hubs.

2 **Optimise the fuel efficiency** of vehicles and reduce the number of journeys made.

3 **Reduce the environmental burden through technology**, such as stop-start technology, electric vehicles and hydrogen fuel cell vehicles. Prioritise rail travel over road travel where possible and prioritise both of these over air travel.

4 **Encourage and reward active travel** (such as walking and cycling) as well as public transport and car-share options. Offer flexible working patterns and work from home options.

5 **Track fuel consumption** to evaluate transport emissions and, hence, environmental impact. Refer to **section 4.2.2** for more detail.

4.2.6 Biodiversity

In the workplace, the use of biophilic design (design that increases connection between users and the natural environment) can improve air quality and increase workplace productivity

The built environment can therefore protect and enhance biodiversity beyond site boundaries and into the surrounding natural environment where there are opportunities to support a net gain in biodiversity through enhancing natural capital.

Protection of biodiversity is largely driven by compliance requirements including habitat surveys, biodiversity impact assessments and action plans that focus primarily on protective and invasive species.

There are opportunities to enhance biodiversity through services such as grounds maintenance, which can be used to create indigenous habitats to support local biodiversity; for example, growing a native wildflower meadow on a building's roof is a one such initiative to support pollinators.

It is widely thought that biodiversity does not need to be considered for buildings without external grounds space. However, consideration should be given to all potential spaces; for example, window boxes, outdoor planters and rooftops (as mentioned above). Even indoor space can be used to create benefits from biodiversity. For example, consider indoor plants based on the conditions (direction of the room, light, heat, etc.); some even have oxygen-enhancing benefits. There is a clear link between occupants' wellbeing and their interaction with the natural environment.

There is also a clear link between supply chain procurement and global impacts on biodiversity, such as deforestation impacts from palm oil and soya agriculture, and the illegal timber trade. Consideration for these wider impacts of procurement, and the use of contracts to specify buying standards, such as sustainable timber, can help to formalise the protection and enhancement of biodiversity alongside the use of relevant KPIs.

Appendix A: further reading and references

Stakeholder engagement and collaboration

- AccountAbility, **AA1000 Accountability Stakeholder Engagement Standard, 2015**

- Association for Project Managers, **10 Principles of Stakeholder Engagement**

- BSR, **Five-Step Approach to Stakeholder Engagement**, 2019

- ISO, **ISO 26000 S.5: Social Responsibility**, 2010

- ISO, **ISO 44001: Collaborative Business Relationship Management Systems — Requirements and Framework**, 2017

- Jeffery, N., **A Road Map to Meaningful Engagement**, Doughty Centre Stakeholder Engagement, 2009

- Social Value International, **Involve Stakeholders: Version 2**, 2019

- UN, **Sustainable Development Goal 17 – Partnerships**

Supply chain

Example policies and strategies:

- Balfour Beatty, **Sustainable Procurement Policy** and **Requirements for our Supply Chain**

- **British Land**

- **Grosvenor**

- **Skanska**

Sources of help

- **The Supply Chain Sustainability School**: a collaboration between clients, contractors and first-tier suppliers who want to build the skills of their suppliers. The school provides a comprehensive learning environment for any organisation within the built environment value chain that wishes to develop its own sustainability competence. The school divides its learning subject matter into 17 areas that **map against the UNSDGs.**

- **ISO20400.org** is a free to access, not-for-profit website for people with a legitimate interest in ISO 20400 to share best practice, benchmark and learn. It aims to develop a global community of practice around ISO 20400 and sustainable procurement and offers a wide range of information, articles, video, blogs and other relevant content.

- The **Sustainable Facilities Management Index** (SFMI) is the only sustainability benchmark for the UK FM sector. Established in 2012, it assesses the ESG

performance of FM service providers annually. The SFMI team conducts independent assessments across 23 material criteria to an FM outsourcer, and covers environmental protection, wellbeing, management systems, social value, compliance, health and safety, employee development, diversity and more. It produces a range of thought leadership reports that guide the sector towards managing internal sustainability and implementing sustainability into their service provision.

Employment

- Business in the Community, **Essential Skills**
- **Chartered Institute of Professional Development (CIPD)**, various valuable resources
- **Investors in People Platinum**
- **IOSH**
- **ISO45001**
- **Living Wage Foundation**
- **Occupational Health Toolkit**
- **RICS' Inclusive Employer Quality Mark (IEQM)**
- UNGC, **2020 Leadership for the Decade of Action**, 2020
- **WELL**

Wellbeing

The Satisfaction with Life Scale (Diener et al, 1985) and the **Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS)** are tools that measure respondents' wellbeing through their responses to a series of statements. The **ONS** and **OECD** wellbeing models are also viable techniques to establish the overall wellbeing of property users and visitors. Tools such as the **Occupant Survey Toolkit** developed by the University of California, Berkeley, the **Leesman Index**, the **Building Use Studies Methodology** and the **Gallup Workplace Audit** can be used to determine how property users, visitors and occupants relate to their immediate indoor environment and how they believe that environment affects their health and wellbeing. The **WELL Building Standard** also has a substantial amount of information on indoor environmental data points to track occupant survey question topics and types.

- De Neve, J., Diener, E., Tay, L. and Xuereb, C., **The objective benefits of subjective well-being**, *Centre for Economic Performance Discussion Paper*, no. 1236, 2013.
- Diener, E., Emmons, R. A., Larsen, R. J., and Griffin, S., **The satisfaction with life scale**, *Journal of Personality Assessment*, Vol. 49, pp.71–75, 1985.
- Isham, A., Mair, S. and Jackson, T., 'Wellbeing and productivity: a review of the literature', *CUSP Working Paper*, no. 22, 2020, Guildford: University of Surrey (as referenced in Figure 5).
- Kansky, J. and Diener, E., **Benefits of well-being: health, social relationships, work, and resilience**, *Journal of Positive Psychology and Wellbeing*, Vol. 1, no. 2, pp.129–169, 2017 (as referenced in Figure 5).
- Mguni, N., Bacon, N. and Brown, J., **The Wellbeing and Resilience Paradox**, London: The Young Foundation, pp.7–9, 2012 (as referenced in Figure 5).

- Urban Land Institute, **Picture of Health: The Growing Role of Wellbeing in Commercial Real Estate Investment Decision-Making**, Building Healthy Places Initiative, London: Urban Land Institute, pp.20–22, 2019 (as referenced in Figure 5).

- World Green Building Council, **Building the Business Case: Health, Wellbeing and Productivity in Green Offices**. World Green Building Council, pp.6–7, 2016 (as referenced in Figure 5).

Social value

There are several process standards and guides to assist organisations to identify, manage and report on the social value that their buildings and places create. These include the (forthcoming) **British Standard BS 8950 Social value. Understanding and enhancing**. Others include the **Accountability Principle Standard AA1000** and **A Guide to Social Return on Investment** published by Social Value International.

- **London Assembly definition of social value**

- **UKGBC definition of social value**

Environmental stewardship

- Corporate standards incorporating environmental protection:

    – **ISO 14001: Environmental Management**

    – **ISO 50001: Energy Management**

- International building certifications incorporating environmental protection:

    – **BREEAM in-use**

    – Ellen MacArthur Foundation, **Circulytics – measuring circularity**

    – **Energy Star**

    – **Green Globe Building Certifications**

    – **LEED**

    – **Living Building Challenge**

    – **Nabers**
- Reporting platforms and transparency:

    – **CDP**

    – **GRESB**

    – **GRI**

Energy use

- The **Smart Readiness Indicator (SRI) for Buildings** scores energy efficiency, user comfort and flexibility potential for buildings.

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