

How Commercial Property Managers Are Counting Your Emissions (Whether You Know It or Not)

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When a commercial property manager reports their Scope 3 emissions to GRESB, CDP, or their California SB 253 auditor, they need to account for the emissions from every significant supplier and contractor in their value chain. That includes their restoration contractors.

The problem: most restoration contractors don't track or report their emissions. So property managers are using a fallback method that produces high-uncertainty estimates — and that method systematically misrepresents what restoration work actually emits.

The Spend-Based Estimation Method

When primary data — actual measured emissions from a specific supplier — isn't available, the GHG Protocol allows companies to use a spend-based estimation method. The formula is simple: multiply what you paid a supplier by an industry-average emissions intensity factor (measured in kilograms of CO2 equivalent per

dollar spent in that industry), and that becomes your estimate of that supplier's contribution to your Scope 3.

For example: a property manager paid a restoration contractor \$85,000 for a water damage remediation. Using the EPA's industry-average emissions factor for "services to buildings and dwellings," they estimate the Scope 3 emissions from that engagement as approximately 8.5 metric tons of CO2 equivalent.

That number may be wildly inaccurate. It might be double the actual emissions. It might be half. The spend-based method doesn't account for job type, geographic location, crew size, equipment used, materials consumed, or waste generated. It treats a \$85,000 carpet cleaning the same as an \$85,000 Category 3 sewage backup remediation with hazmat disposal — because both cost \$85,000.

Why Property Managers Are Stuck With This Method

The GHG Protocol is explicit that primary data — actual emissions data provided by the supplier — is preferred over spend-based estimates. Primary data produces more accurate disclosures, reduces auditor scrutiny, and demonstrates genuine supply chain engagement to investors and regulators.

But primary data requires the contractor to track and report their emissions per job. Almost no restoration contractors do this. So property managers default to spend-based estimates not because they prefer them, but because they have no alternative.

This creates a specific problem for restoration contractors who want to compete for commercial work: the property manager's ESG team sees your company as an uncontrolled data gap in their Scope 3 inventory. That's not a comfortable

position to occupy when they're selecting preferred vendors for their next contract cycle.

What Happens When You Provide Primary Data

When a restoration contractor provides actual emissions data per job — even a simple calculation using documented emission factors for their equipment, vehicles, and materials — several things change for the property manager:

Their Scope 3 disclosure becomes more accurate and more defensible to auditors. Their ESG report can distinguish between a high-emissions fire restoration project and a low-emissions water extraction job, rather than treating them identically based on invoice amount. They can demonstrate to investors and regulators that they have active supply chain engagement on emissions — one of the specific data quality improvements that frameworks like GRESB reward.

From the contractor's perspective, providing primary data changes the relationship. You're no longer a vendor they're estimating around — you're a supply chain partner who is actively contributing to the accuracy of their ESG disclosure. That's a different conversation in a contract renewal discussion.

The Standard That Doesn't Exist Yet

The missing piece is a standardized methodology for calculating restoration-specific emissions per job — one that is rigorous enough for ESG auditors to accept, simple enough for restoration contractors to actually use, and consistent enough that a property manager with multiple restoration vendors can aggregate data from all of them in a compatible format.

The Restoration Carbon Protocol is being built to be that standard. The goal is a per-job carbon report that any restoration contractor can complete using data they already capture in their job management systems — and that any commercial property manager can plug directly into their GRESB or CDP disclosure without additional processing.

How do commercial property managers currently estimate restoration contractor emissions?

Most use a spend-based estimation method — multiplying contractor invoices by industry-average emissions intensity factors from sources like the EPA or EXIOBASE. This produces high-uncertainty estimates that don't account for job type, equipment, materials, or waste streams specific to restoration work.

Is spend-based estimation accurate for restoration work?

No. It treats all restoration spending as equivalent regardless of job type, scope, or actual emissions profile. A \$50,000 water extraction and a \$50,000 fire debris removal generate very different emissions, but spend-based estimation produces the same number for both.

Why can't property managers just ask their restoration contractors for emissions data?

Most restoration contractors don't track per-job emissions data and there is no industry standard for what that data should include or how it should be calculated. The Restoration Carbon Protocol is being developed to create that standard.

What is primary data in Scope 3 reporting?

Primary data is actual emissions data provided by a supplier, based on measured or calculated emissions from their specific activities. The GHG Protocol prefers primary data over spend-based estimates because it produces more accurate disclosures and is more defensible in audits.

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