



# PPN 06/21 - Carbon Reduction Plan

Company name: Inspired PLC

Publication date: 28/04/2022

## Document Purpose

Our reduction plan is presented in response to the recent Procurement Policy Note (PPN) 06/21 and provides transparency and demonstrates our progress towards building a robust carbon reduction programme.

## Commitment to achieving Net Zero

Inspired PLC commit to achieving net-zero Scope 1 and 2 emissions by 2035 and net-zero Scope 3 emissions by 2050.

We are in the process of developing and setting interim emission reduction targets through the Science-Based Target Initiative.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

### Baseline Years:

Scope 1 and 2 – 2019 (1<sup>st</sup> January – 31<sup>st</sup> December)

Scope 3 – 2021 (1<sup>st</sup> January – 31<sup>st</sup> December)

Additional Details relating to the Baseline Emissions calculations.

*Our Scope 1 and 2 and Scope 3 baselines differ as we only started reporting our Scope 3 emissions for 2020, whereas our Scope 1 and 2 emissions have been reported since 2019. Our Scope 1 and 2 baseline was therefore established prior to calculating our Scope 3 emissions. Due to the impacts of the Covid-19 pandemic in 2020, 2021 was decided to be a more representative year of normal business operations and so is being used as a baseline for our Scope 3 emission reductions.*

*The GHG emissions scope boundary, used to establish our 2019 and 2021 baselines, was determined via an operational control model following the GHG protocol. The baseline includes all Scope 1 and 2*

*emissions in accordance with SECR requirements. Scope 3 emissions have been calculated as per the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard Guidance.*

### Baseline year emissions:

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1 (2019)	73.6 <sup>1</sup> (location-based)
Scope 2 (2019)	236 (location-based)
Scope 3 (2021) (Included Sources)	<b>16,111</b> 1: Purchased Goods and Services Total 5,860 2. Capital goods 192 3. Fuel-related emissions 63 4. Upstream Transportation and Distribution 56 5. Waste generated in operations 1 6. Business travel 146 7. Employee commuting 226 8. Upstream leased assets N/A 9. Downstream Transportation and Distribution N/A <i>(Products are directly installed to the customer's site, therefore there is no further downstream transport or distribution of products)</i> 10. Processing of sold products N/A 11. Use of sold products 9,567 <sup>2</sup> 12. End of life treatment of sold products 1 13. Downstream leased assets N/A 14. Franchises N/A 15. Investments N/A
<b>Total Emissions</b>	<b>16,605 (location-based)</b>

<sup>1</sup> Transport emissions reported in our 2019 SECR cover only emissions from our grey fleet as we had no company owned vehicles in 2019 – these emissions have therefore not been included in our Scope 1 baseline.

<sup>2</sup> Inspired provides energy and carbon reduction solutions to its clients including LED, energy efficient gas boilers and air source heat pumps. In accordance with the GHG protocol, Inspired records the energy consumed by the equipment sold as part of these solutions under Category 11. Although these products consume energy during their use, their emissions are substantially lower than their less efficient counterparts and deliver an overall carbon reduction. We expect our Category 11 emissions to increase as we help more customers to reduce their emissions footprint.



# Current Emissions Reporting

The table below summarises our emissions by Scope for the most recent reporting period; 1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2021.

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	105 (location-based) 40 (market-based) <sup>3</sup>
Scope 2	74 (location-based) 0 (market-based)
Scope 3 (Included Sources)	16,111  1: Purchased Goods and Services Total 5,860 2. Capital goods 192 3. Fuel-related emissions 63 4. Upstream Transportation and Distribution 56 5. Waste generated in operations 1 6. Business travel 146 7. Employee commuting 226 8. Upstream leased assets N/A 9. Downstream Transportation and Distribution N/A ( <i>Products are directly installed to the customer's site, therefore there is no further downstream transport or distribution of products</i> ) 10. Processing of sold products N/A 11. Use of sold products 9,567 <sup>2</sup> 12. End of life treatment of sold products 1 13. Downstream leased assets N/A 14. Franchises N/A 15. Investments N/A
Total Emissions	16,290 (location-based) 16,151 (market-based)

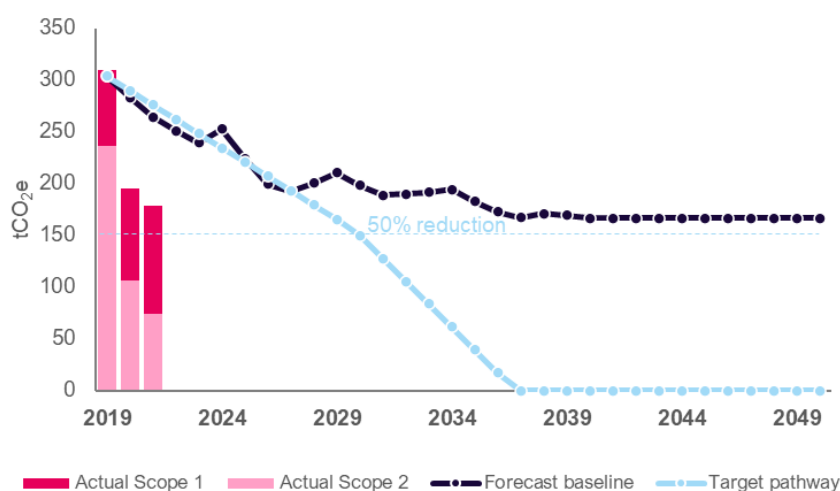
<sup>3</sup> BEIS 2021 biomethane conversion factor used to convert purchased RGGOs to Scope 1 market-based emissions

# Emissions reduction targets

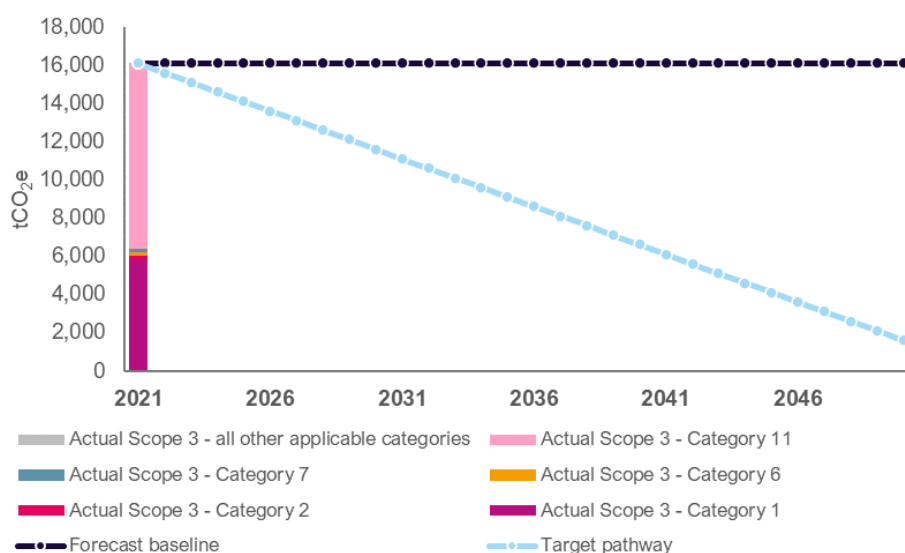
Inspired PLC aims to achieve net-zero<sup>4</sup> Scope 1 and 2 emissions by 2035, compared to a 2019 baseline. We are then aiming to achieve net-zero<sup>4</sup> Scope 3 emissions by 2050, compared to a 2021 baseline. We have an interim target to achieve a 50% reduction in our Scope 1 and 2 emissions by 2030, compared to a 2019 baseline.

We are currently in the process of developing and submitting emission reduction targets to the Science-Based Target Initiative for validation.

Progress against our Scope 1 and 2 targets can be seen in the graph below<sup>5</sup>:



Our baseline emissions<sup>6</sup> and Scope 3 target can be seen in the graph below:



<sup>4</sup> To achieve net-zero we are aiming for an at least 90% reduction in absolute emissions compared to our base year – any residual emissions will be offset with carbon sequestration offsets, as per the Science-Based Targets Initiative's Net-Zero Standard guidance.

<sup>5</sup> The Scope 1 and 2 forecast baseline takes into account projected changes in the UK's electricity grid emissions factor based on the BEIS 'UK's power producers emissions intensity' forecast. No change is assumed in the actual consumption of gas and electricity by Inspired.

<sup>6</sup> The baseline forecast assumes to change in the level of Scope 3 emissions associated with Inspired.



# Carbon Reduction Projects

## Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 Scope 1 and 2 baseline. The carbon emission reduction achieved by these schemes equate to 130tCO<sub>2</sub>e, a 42% reduction against the 2019 baseline and the measures will be in effect when performing the contract.

The following environmental management measures and projects have been completed or implemented since the 2019 baseline:

- **Scope 3 (supply chain) inventory has been undertaken** in order to understand the full extent of Inspired's carbon emissions, taking into account the supply chain of our operations.
- **Heating and cooling controls have been reviewed** over the reporting year, with the implementation of tamper-proof controls in the occupied office spaces. This ensures that heating and cooling is not operational outside of standard office occupation hours, or operating at temperatures in excess of the required level of service.
- **Environmental Social Governance (ESG) performance has been emphasised** throughout all business operations throughout 2021. Sustainable Development Goals (SDGs) achievement has been introduced throughout business operations, with voluntary tracking for all employees through our app (SDGMe), highlighting where staff can support sustainability in their professional and personal lives. We have also published our TCFD and ESG performance voluntarily for 2020, and will continue to publish this alongside our annual accounts moving forwards.
- **Net-Zero targets have been set for the business** in accordance with the principles of the Science-Based Targets Initiative (SBTi), alongside aligning our strategy with the UK Government's Nationally Determined Contribution (NDC) to pursue efforts towards limiting global warming to below 2°C, ideally to a maximum of 1.5°C.
- **Completion of an LED refit** to the Kirkham and Burgess Hill offices, along with installation of motion sensors to reduce out-of-hours consumption. Motion sensors for lighting have been installed across the portfolio as far as has been permitted by landlords
- **Completion of a HVAC refit to the Kirkham office**, which included ensuring that all plant underwent a controls optimisation process, ensuring that plant is not operational outside of the office operating hours.
- **Purchasing policy for office equipment**, as the use of office equipment such as PCs, VDUs, printers etc. are a significant proportion of the energy demand of the group's offices. In efforts to mitigate this as far as possible, the group has in place a purchasing policy for replacement of equipment of this type, ensuring that all installed equipment within the offices of the group is of a high efficiency level e.g. has obtained Energy Star certification.



## Identified opportunities considered for implementation.

In the future we hope to implement further measures such as:

- **Installation of automatic meter reading (AMR) meters** to be implemented throughout the portfolio. This will improve the data quality of consumption measured by Inspired for reporting and allow for monitoring and targeting to be undertaken to further reduce out-of-hours and unnecessary energy consumption.
- **LED refit in offices currently utilising fluorescent lighting.**
- **Controls optimisation across the office portfolio.**
- **Creation and implementation of a travel policy** encouraging the use of public transportation and available technology for virtual meetings to reduce the business travel emissions, through the use of company and personal vehicles, of group employees.
- **Validation of our emissions reduction targets by the Science-Based Targets Initiative (SBTi)**, to cover near-term Scope 1 and 2 absolute reduction targets as well as Scope 3 targets such as supplier engagement targets (to action emissions from Categories 1, 2 and 4) and intensity reduction targets (to action emissions from Category 11)



## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>7</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>8</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>9</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

### Signed on behalf of the Supplier:

**Name:** Mark Dickinson

**Role:** CEO

**Signature:**

**Date:** 28<sup>th</sup> April 2022.

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<sup>7</sup> <https://ghgprotocol.org/corporate-standard>

<sup>8</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>9</sup> <https://ghgprotocol.org/standards/scope-3-standard>



# Appendix A

## Our GHG Reporting – Supporting Notes for PPN

### Methodology

Scope 1 and 2 greenhouse gas emissions have been calculated according to the 2019 UK Government environmental reporting guidance. Consistent with the guidance, relevant emissions factors published in the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) "Greenhouse gas reporting: conversion factors" database specific reporting year have been used. The CO<sub>2</sub> equivalent conversion factor has been used throughout and, where applicable, the kWh gross calorific value (CV) was used.

Scope 1 and 2 emissions have been calculated using both a location-based and market-based approach:

**Location-Based:** This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities. BEIS provides UK emissions factors for fuel and grid electricity annually, which are used in location-based reporting.

**Market-Based:** This method calculates emissions associated with fuel and electricity consumption by using contract specific emissions intensities. Market-based reporting enables companies who purchase lower carbon fuel and electricity to demonstrate the benefit of their investment. In 2020 and 2021, Inspired purchased REGOs and RGGOs to reduce emissions from their electricity and natural gas consumption.

Transport related emissions from fuel combustion were calculated using the BEIS "Greenhouse gas reporting: conversion factors" 2019 and 2021 databases, respectively.

Scope 3 emissions have been calculated based on the guidance in the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Standard".

For all Inspired operations, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.

The majority of conversion factors were sourced from the BEIS Greenhouse gas reporting: conversion factors, v1.0 2021 database. Where a spend-based approach was used, as per the GHG Protocol guidance, conversion factors were taken from the University of Leeds and Department for Environment, Food and Rural Affairs' UK Footprint Results (1990 – 2018)' study or the Department for Environment, Food and Rural Affairs' Indirect emissions for the supply chain' database. Scope 3 emissions include Well to Tank and T&D losses.