



# Environment, Social & Governance (ESG) Report 2021



# About this Report

*At Inspired PLC, we recognise the reality of climate change.*

This is our second ESG report and it provides detailed information on our key policies, targets, and environment, social, and governance plans. We have used the Global Reporting Initiative Framework (GRI) to prepare our ESG disclosures to ensure transparency and consistency in how we report. We have built upon last year's report and will continue to do the same next year.

This ESG report draws together information from our existing mandatory reporting obligations, including energy and emissions data from our Streamlined Energy and Carbon Reporting (SECR) disclosure, climate-risk information from our Task Force on Climate-related Financial Disclosures (TCFD) report and figures from our Gender Pay Gap statement.

The scope of this report covers all of Inspired's brands and operations for our financial year, 1 January to 31 December 2021. We have not sought external

assurance for this ESG Report. We intend to submit targets to the Science-Based Targets Initiative (SBTi) in 2022.

If you have any queries or feedback, please contact: +44 (0) 1772 689 250



*The lynx is Europe's largest cat species. They are shy, solitary animals that live in forests.*

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## 2021 in Review

## SIZE &amp; SCALE

**2** COUNTRIES  
ACQUISITIONS

**+47%**   
£67.9m  
REVENUE

**£19.8m** ADJUSTED GROUP  
EBITDA (+55%)

## EMPLOYEES

**608** EMPLOYEES

**46%** GENDER  
DIVERSITY

**7%** AVERAGE GENDER PAY  
GAP BY GRADE

## ESG GOVERNANCE

ESG PERFORMANCE COMMITTEE  
HELD INAUGURAL MEETING

## EMISSIONS

**58.8tCO<sub>2</sub>e** **100%**  
ACTIONS LOGGED SAVINGS ON SDGME RENEWABLE  
PURCHASED ENERGY

CALCULATED  
OUR **SCOPE 3**  
EMISSIONS

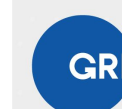
**CARBON NEUTRALITY**

ACHIEVED FOR **SCOPE 1 & 2**

& CONSUMED  
**SCOPE 3 EMISSIONS**



**NOVEMBER 2021**  
RECOGNISING THE SIGNIFICANT  
DEVELOPMENT OF OUR  
SUSTAINABILITY OFFERING



COMMUNITY MEMBER

2022

MEMBERSHIPS & PARTNERSHIPS ([P.10](#))



## Our Lynx to the Forest

*Biodiversity and the natural habitat form a symbiotic and inseparable bond.*

Climate change threatens that delicate balance.

With increased drought, flooding, wildfires and storms, the natural habitat - and the biodiversity that flourishes among it - is in danger of being destroyed.

At Inspired PLC, our operations have a limited impact on biodiversity but we still want to be making a difference. We will therefore highlight a different animal or habitat each year to provide

a focus to our efforts. This will be the basis for actions throughout the year, including employee engagement activities, and will inspire the images in our ESG and TCFD reports.

This year, in conjunction with our TCFD report, we have chosen to start with the natural habitat of the lynx. This wild cat was once found across the UK but died out over 1,000 years ago due to hunting and severe habitat loss - a symbol of why we need to take action against biodiversity loss, and prevent other native species from becoming extinct.

Considered a keystone species of their environment, lynxes are most commonly found in dense forests. As a result, most lynxes can be found in Siberia and in the boreal forests of Norway, Alaska and Canada.

The relationship between humans and lynxes is complex. Considered a threat to livestock, the reintroduction of lynxes have been heavily contested by farmers and local communities. However, their presence can go unnoticed for many years due to their shy and elusive nature.

Currently, the reintroduction of lynxes into the rest of Europe has also been mostly focused in similar climates, which have cold winters at higher altitudes.

*The boreal forest is often cold for much of the year, with rain and snow. The trees that often grow in these forests include spruce, fir and pine trees.*

## Our Progress in 2021

### *Focusing on the Future*

Our Group purpose can be summarised as: *“Help businesses manage their journey to net-zero and respond to the climate emergency whilst controlling their costs”*.

2021 brought a name change from Inspired Energy PLC to Inspired PLC to reflect the evolution of the Group structure and strategy into a market leader for energy procurement, utility cost optimisation and sustainability enhancement in the UK and Ireland. We recognise the increasing pressure on businesses to take environment, social and governance issues seriously, in order to be perceived as a sustainable and responsible business.

During 2021, we proved the concept of ESG solutions through demonstrating we could sell and deliver services to existing clients. Over the last year both our ESG department and number of clients taking our services have significantly increased. In doing so, we have developed an understanding of the value proposition and the value that clients will ascribe to such services. We help businesses manage their energy costs, optimise their energy consumption, reduce their carbon emissions and prove their net-zero, ESG and environmental strategies to their investors and clients.

### *Assessing Climate Impacts on our Business*

In 2021, we produced our second voluntary TCFD report in which we assess the potential impacts of climate change on our business. This year we introduced an additional scenario and an additional time horizon to add more granularity to our assessment of the associated risks and opportunities. The transitional climate-related issues associated with the shift to a lower carbon world still hold the highest risks and opportunities for Inspired, with the potential physical impacts being limited, even in a <3°C scenario in the long term. More detail of our climate-related risks and mitigation plans can be found in our [2021 TCFD Report](#).

### *ESG Governance*

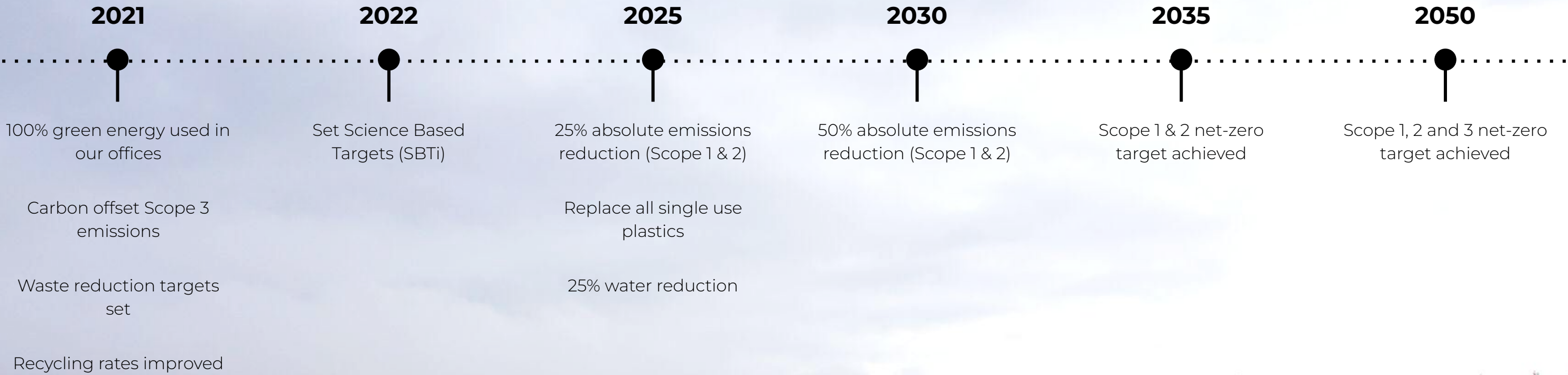
This year our ESG Performance Committee held its inaugural meeting. The Committee is responsible for holding the Executive Directors to account concerning all aspects of ESG. Our ESG Advisory Committee will be holding its first meetings in 2022. It includes independent experts to ensure that we are in a thought leadership position for our ESG-related products and services. Further details are provided under Governance.

### *Further Acquisitions*

In March 2021, the Board was pleased to conclude the acquisitions of Businesswise and GEM, which are highly complementary additions to the Group. We welcome the Businesswise and GEM teams to the Group.



Looking Ahead: Net-Zero





## A Message from Mark Dickinson, Our CEO

*It is important to us that Inspired is a responsible business and that is why we build our strategy on the three pillars of environment, social and governance (ESG).*

Our voluntary ESG and TCFD reports increase transparency and provide a framework for action within the business. A key part of this is establishing metrics and targets by which our progress can be tracked. In 2022, we will be building a robust strategy for reaching net-zero by our target date of 2050.

For 2022 we are focused on the following:

### Improving Our Governance

We want to improve day to day management of our sustainability journey. We will be assigning responsibility for specific ESG actions and targets to named roles. They will be responsible for driving and monitoring progress in their specified areas. We will be creating our Employee Social and Environment Committees to embed sustainability throughout the organisation.

### Planning Our Net-Zero Journey

We have set targets to achieve net-zero for Scope 1 and 2 on a location basis by 2035 and for Scope 3 by 2050. The next step is to set interim goals to keep us on track to achieve this and submit our targets to the Science-Based Targets Initiative.

### Assessing our Supply Chain

Whilst we ask that companies within our supply chain comply with our policies concerning anti-bribery and corruption, we do not currently have a program for proactively screening for this. We aim to improve our assessment of suppliers concerning their social, environmental and economic impacts, including assessing their legal compliance, anti-bribery and anti-corruption measures. This will be in the form of a supplier questionnaire.

### Social Impacts

We will be continuing to address the gender imbalance in our company. This is an ongoing, long-term project. As well as using leadership training to support women within our organisation, we will also be developing a STEM scholarship programme with a diversity and inclusion focus.

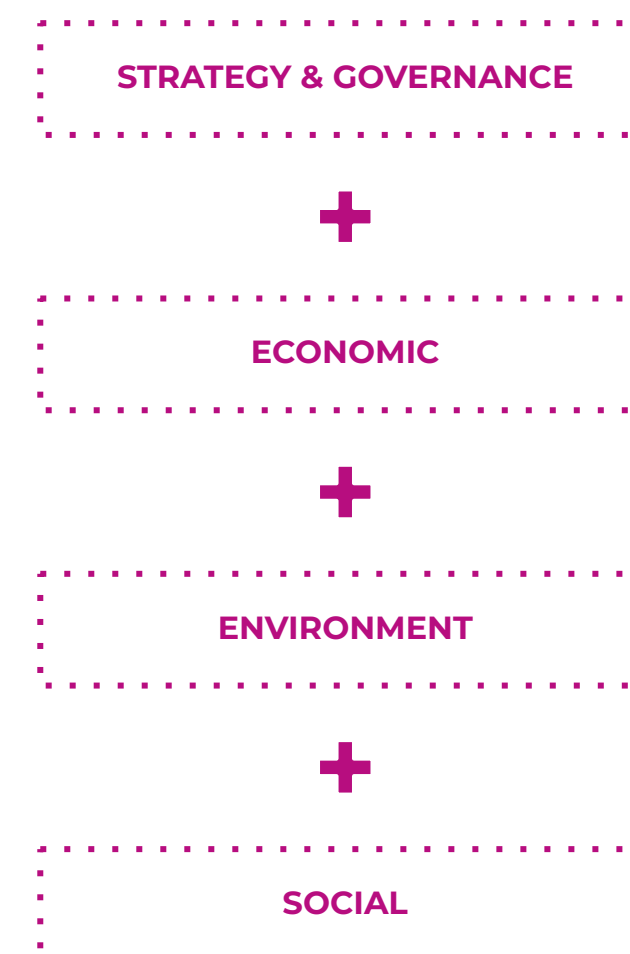
### Looking Ahead

Addressing ESG topics is not a tick box exercise at Inspired. We will continue to look for areas where we can improve, listening to all our stakeholders and taking their concerns into account.



**Mark Dickinson**  
Chief Executive Officer

Figure 1: ESG report structure







## Strategy & Governance

Inspired recognises the current climate change challenges facing UK businesses and, in response, is emerging as a leading provider of ESG disclosure services.



## About Us

*Inspired is a leading B2B technology-enabled service provider delivering solutions that enable corporate businesses to transition to net-zero and manage their response.*

Since its founding in 2000, our business has evolved from providing assurance services, helping clients procure and manage their energy, into a leading designer of technology-enabled solutions assisting clients in reducing their energy consumption and delivering net-zero through our specialised optimisation services. This year we changed our name from Inspired Energy PLC to Inspired PLC to reflect this evolution of the business.

Today, Inspired recognises the current climate change challenges facing UK businesses and, in response, is emerging as a leading provider of ESG disclosure services. Our Disclosure Services help clients publish ESG information and reports. This builds on skills we already have within the business, such as setting up robust processes and managing large

data sets. Once a business is disclosing ESG information, we further help clients work from this baseline to design solutions to improve their ESG impact.

### Our Divisions

We support over 3,500 clients across our three divisions. The services of each division feed into each other to enable us to offer our clients a full suite of ESG services.

#### Inspired Energy Solutions

Inspired Energy Solutions helps corporate businesses optimise their energy cost equation, by helping them reduce the price they pay for their energy as well as reducing their consumption and carbon emissions.

#### Inspired Software Solutions

Inspired Software Solutions provides the technology platform that underpins our Energy Solutions and ESG Solutions to third party service providers, including other TPIs (Third Party Intermediaries). Currently over 50 organisations use our software to provide solutions to clients.

### Inspired ESG Solutions

We provide ESG services to investment funds and corporate businesses in two key areas: Disclosure and Impact.

ESG Disclosure Services: Support in implementing a robust and practical data collection process covering the full spectrum of statutory, regulatory and internal metrics and enabling the Corporate Business to make comprehensive and accurate disclosure, appropriate to all ESG frameworks, in an auditable and consistent way.

ESG Impact Services: Support in the design and implementation of business-specific policies and initiatives that enhance corporate business' ESG proposition for all stakeholders, including their employees, local communities, customers, suppliers and investors.

## Our Principles

*Four principles underpin our approach to ESG disclosures and guide our governance processes as we embed climate-related risks and opportunities in the business strategy.*

### 1. Transparency

Disclosures that represent relevant information that is specific and complete about the business.

### 2. Honesty

Clear, balanced, and understandable disclosures that reflect what we can and cannot do as an organisation based on the overall needs of the business.

### 3. Practicality

Implementing improvements that address our environmental and social impacts while being mindful of not prejudicing the underlying business strategy.

### 4. Pragmatism

Recognising that maintaining employment and access to capital through the delivery of market expectations is also important.



## Our ESG Strategy

*Our ESG strategy has two aspects: improving our business operations and working with clients to help them manage their ESG impacts.*

Our business started as an energy consultancy focused on optimising energy costs for clients. Over time with increased regulation around energy and carbon emissions, we started offering disclosure support for Energy Savings Opportunity Scheme (ESOS) and Streamlined Energy and Carbon Reporting (SECR), assisting in setting up onsite generation, and more recently, creating net-zero carbon plans.

Our business vision is to provide a full suite of ESG solutions to help our clients on their ESG journey. We want to deliver an increasing number of market-leading, technology-enabled services to a growing number of clients so that together we can beat the climate emergency.

We aim to lead by example in the sustainability arena so that we can speak from a position of first-hand experience when guiding our clients. That is why we are publishing full TCFD and ESG Reports before this is mandated for our company. We have

also set an ambitious net-zero target of 2035, which is ahead of the UK Government's target of 2050. In 2022, we will be setting the interim goals needed to monitor our progress and submitting these to the Science-based Targets Initiative.

We consider it important to support and partner with leading organisations in our industry. These are our current ESG memberships and partnerships:

- Global Reporting Initiative (GRI): we are a member of the GRI Community and support its mission to empower decision makers everywhere to take action towards a more sustainable economy and world.
- Principles for Responsible Investment (PRI): we are a Service Provider Signatory as we advise asset owners and investment managers on ESG topics and support them in submitting PRI reports.
- Global Real Estate Sustainability Benchmark (GRESB): we are a Data & Premier Partner and help clients report asset data directly to the GRESB Portal.

- edie: we have had a relationship with edie since 2018 and collaborate on a range of activities to educate and inform their readership about topics including energy management, compliance reporting, data management and sustainable reporting.
- UK Business Council for Sustainable Development (UKBCSD): we became a member of the UKBCSD in 2021. It aims to lead sustainable business growth, supporting technological innovation and advocating for the role of sustainable development.

By offering services that reduce our clients' ESG impacts, we extend the change we can make as a company beyond our business operations. Customer service and product innovation are core elements of our business strategy, and our ESG Solutions division supports both of these areas. Following a successful launch of our ESG services in 2021, we will be making more substantive investment into our ESG resources and capability in 2022. This is against the favourable backdrop of expanding mandatory TCFD reporting.

When planning and managing our operations, we are cognisant of applying the 'Precautionary Principle' set out in Principle 15 of the Rio Declaration. To date, there have been no specific risks or operational impacts concerning Principle 15.

### Within Our Business

- Improve business processes to allow better management of our supply chain, waste and water management
- Rationalise our office locations so that we have the potential to meet absolute net-zero.

### For Our Clients

- Grow our energy assurance, optimisation and ESG services
- Develop products to support all elements of the ESG impact mitigation.



# Creating Sustainable Value

*Our Purpose: "To enable businesses to respond to the climate emergency, we focus on solving their toughest challenges. By managing data comprehensively, sourcing energy sustainably and reducing carbon efficiently, we help our clients manage costs effectively, make authentic ESG disclosures and improve their business performance whilst powering their journey to net-zero."*

We are able to support our clients in many aspects of being and becoming a sustainable business, from energy management and sustainable procurement to ESG disclosures and impact reduction. We aim to take our clients on a journey to net-zero and, as part of this, can help design solutions to reduce their environmental impact.

## Green Revenue

In November 2021, we received the London Stock Exchange Green Economy Mark for the second time. This recognises businesses generating at least 50% of their revenue from green revenue streams as defined by FTSE Russell's Green Revenues taxonomy. In 2021, 95% of our revenue came from green revenue streams. Our green revenue comes from:

## Procurement

We help companies engage in environmentally responsible behaviour such as energy reduction initiatives and onsite renewable energy generation by managing their renewable obligations, feed-in tariffs, and climate change levies.

## Energy Accounting

We validate corporate clients' energy consumption data, which forms the basis of Streamlined Energy and Carbon Reports and sustainability reporting.

## Monitoring & Targeting Monitoring

By monitoring site energy consumption, we can reduce energy and water waste and drive energy-efficient behaviour from employees.

## Optimisation Services

We assist clients with consumption reduction management through energy efficiency, demand-side response and onsite renewable generation.

## Case Study - FTSE 100 Retailer

*The client has over 600 stores, spending c.£35 million on electricity, gas and water and started working with us in 2017.*

Over a five-year period, this client has increased its recurring spend with Inspired PLC from £160k per year to £320k per year delivering benefits of more than £12.5 million to date. Additionally, we have delivered £6 million in projects to reduce energy consumption at the relevant stores by 30% per year.

The client spends £220k with us annually on assurance services which is c0.6% of its annual procurement spend. It spends £100k on ESG disclosure services which can directly impact the value of the company and is less than 0.002% of that company's value per year.

We expect to deliver a further £8 million of projects delivering an annual saving on utility spend of 30% across the portfolio and c.9,000 tonnes of carbon per year.



## Materiality

*Due to the limited economic, environmental and social impact of our operations compared to larger organisation, the number of material GRI topics is relatively small for Inspired.*

We have therefore decided to report on as many indicators as possible, providing the highest quality disclosure we can. This is part of our commitment to full transparency.

We have chosen to provide disclosures on the topics below. Further information is provided in the relevant sections of the report.

**Economic:** anti-corruption, anti-competitive behaviour, taxation

**Environment:** emissions, energy, water, waste, recycling, biodiversity

**Social:** employment, labour, occupational health & safety, training & education, diversity, human rights assessment, local communities, public policy, customer privacy, socioeconomic compliance

## Targets

*We view ESG and sustainability as a journey. Based on our materiality assessment, we have developed short, medium and long-term ESG targets for each business division. We have set interim targets to monitor our progress and ensure we are on track.*

### Our ESG Targets

Details of our environmental targets are available [here](#) and we will be working on setting measurable social targets in 2022.

### Our Business Targets

In the long term (5-25 years), we aim to maintain a market-leading position for each division in each country of operation and maximise cash generation for the benefit of all stakeholders. To achieve this objective, we have set short and medium-term interim targets for organic growth and development for each division as follows:

#### Energy Assurance Services

In the short term (2021-2022), we want to maintain our position as the market leader in the UK and Ireland, focus on customer service to maximise client retention rates (target of at least 85%) and deliver 6 to 8% organic growth. In the medium-term (2-5 years), we are planning to deliver a market entry into 10 new countries by acquisition whilst maintaining 6-8% organic growth.

#### Energy Optimisation Services

In the short term (2021-2022), we are focusing on delivering Carbon Action Programmes to deliver net-zero strategies for clients. We aim to deliver 15-18% organic growth, which we want to maintain in the medium term (2-5 years).

### ESG Services

Our short-term focus (2021-2022) is on growing the provision of taxonomy and ESG framework-agnostic solutions to corporate businesses in the UK and Ireland. In 2021, we proved our concept of ESG Solutions and 2022 will see us start to make a more substantive investment into ESG resources and capability. In the medium-term (2-5 years), we want to establish a market-leading position as a technology-enabled service provider for ESG disclosure solutions in the UK & Ireland and build ESG impact capability for all elements of the ESG wheel.

### Software Solutions

In the short term (2021-2022), we aim to deliver 25-30% organic growth and deploy Capex to deliver 6 - 8 new technology solutions per year. In the medium term (2-5 years), we want to internationalise our user base and maintain 25% to 30% organic growth.



## Sustainability Governance Framework

*We promote a culture of good governance throughout the business by creating an environment of openness, transparency, accountability and responsibility. We adopt the Quoted Companies Alliance (QCA) Code to ensure the highest standards of corporate governance.*

Our Board has established an ESG Performance Committee to sit alongside the Audit, Remuneration, and Nominations committees. Forming this Committee has integrated climate governance into our existing governance processes, and our employee-led committees will champion embedding climate governance throughout our operations.

### Executive Responsibility

Our approach to ESG is guided by our CEO Mark Dickinson and his drive to create a better world in the face of the climate emergency. He has executive responsibility for the ESG performance of Inspired and specific responsibility for ensuring that environment, social, and governance-related risks, opportunities and responses are incorporated into the business strategy. He also approves the ESG report. Responsibility for considering climate-related risks on the company's financial performance rests with the Group's CFO, Paul Connor.

### The Board

The Board is responsible for approving the ESG strategy and regularly reviewing our performance against our ESG KPIs. The Board plays a crucial role in the company's governance by providing an external and independent perspective, ensuring adequate internal controls and risk management measures. We must have a diverse Board that brings a broad range of experience and expertise into the business. In 2021, we met our target of ensuring each gender represents at least 37.5% of the Board's composition, with a current gender diversity of 50%.

From 1 April 2022, the Board will consist of three Executive Directors, supported by a Non-Executive Chairman and three independent Non-Executive Directors, representing a broader mix of skills and diversity, in line with the Group's evolving strategy and governance.

### Embedding ESG Within the Company

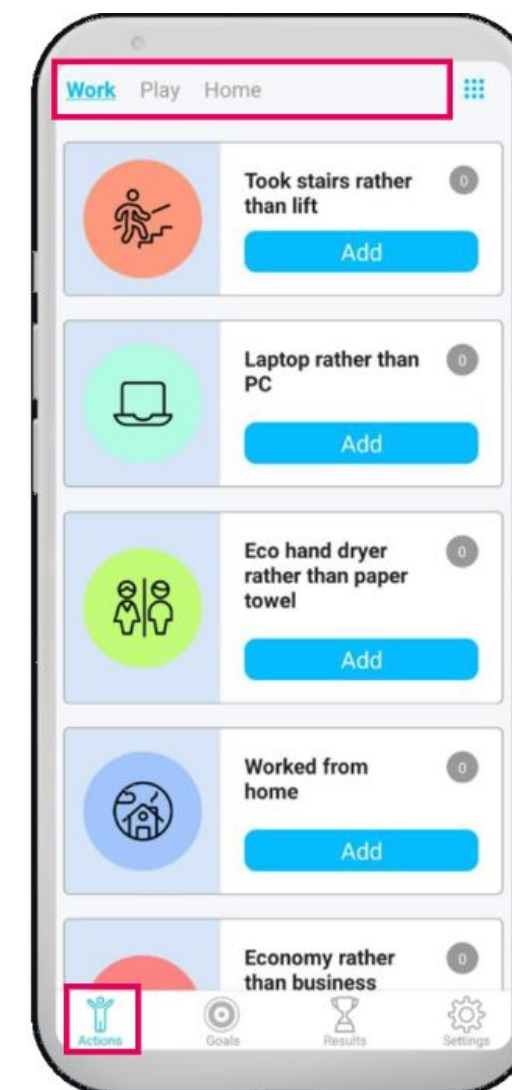
#### Environmental Action Committee & Social Action Committees

We intend to set up these committees because we believe that ESG needs to be led from the top and championed by our employees. The committees will consist of representatives across the nine business departments. The role of each committee member is to facilitate ESG dialogue and implement the various ESG initiatives within their departments. They will engage directly with our CEO and the ESG Performance Committee.

### SDGme

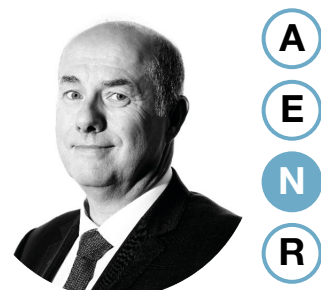
We want to embed the UN SDGs into our organisational culture and in 2021 we launched our SDGme app. It encourages our employees to make greener choices in their everyday lives. Since its launch in November 2021, over 4,400 actions have been logged, saving a total of 58.8 tCO<sub>2</sub>e.

Figure 2: SDGme interface





## Our Board



**Richard Logan**  
Non-Executive Chairman



**Sarah Flannigan**  
Non-Executive Director



**Sangita Shah**  
Non-Executive Director



**Dianne Walker**  
Non-Executive Director



**Mark Dickinson**  
Chief Executive Officer



**Paul Connor**  
Chief Financial Officer

### Skills & Experience

Richard is a chartered accountant with over 35 years' experience of working in industry. He was Finance Director of cloud computing company iomart Group plc from 2006 until his retirement in December 2018.

Sarah is a portfolio Non-Executive Director and technology consultant, who brings a wealth of energy industry experience having most recently held the position of CIO at EDF Energy. Prior to this, Sarah was CIO at the National Trust and was named European Chief Information Officer of the Year in 2017.

Sangita has extensive experience in corporate finance, journalism and senior consultancy, holding a number of senior roles within Unilever, Mars, Ernst & Young and KPMG. Sangita is a qualified accountant and a frequent keynote Chair and speaker in forums for the Windsor Leadership Trust, and - in the past - the European Parliament.

Dianne has a strong background in finance, risk and governance. Prior to holding non-executive and board advisory roles, Dianne was a member of the senior management team at PwC overseeing audit and transaction support professional services. Dianne is a Fellow of the Institute of Chartered Accountants in England & Wales.

Mark joined the Board during 2016 as a Non-Executive Director and became CEO in October 2017. Mark is an energy consultancy specialist with over 25 years' experience, bringing significant industry knowledge and expertise in executing acquisitions. He has a Master's in Finance from the London Business School, where he was voted Accomplished Entrepreneur of the Year in 2012.

Paul was appointed Finance Director in December 2014, having joined the company as Head of Finance in September 2013. Paul has been responsible for facilitating and delivering the acquisitions of eighteen businesses. Paul qualified as a chartered accountant in 2009.

### External Appointments

Richard is a Director of Perpetual Topco Limited, the parent company of Microsoft cloud infrastructure company The Incremental Group. He is also a Non-Executive Director and Chairman of the Audit Committee of broadcasting software solutions company Pebble Beach Systems Group plc.

Sarah is currently Chair of Yeo Valley Production Ltd, Riverford Organic Ltd and Sawday's Ltd. She is a Non-Executive Director at the Institute of Physics Publishing and a Trustee at the Royal Botanic Gardens, Kew. Sarah is a consultant Board advisor on strategy, leadership and technology, primarily working in private equity.

Chair of AIM quoted companies Bilby Plc and RA International Group plc, a Board Director of NASDAQ listed Forward Industries Inc. and the Quoted Companies Alliance, and a Director of Global Reach Technology EMEA Limited, Odyssean Enterprises Limited, and SHSS Partnership LLP.

Non-Executive Director of Development Bank of Wales Plc, Senior Independent Director and Chair of the Audit Committee of Scott Bader Co. Ltd, Non-Executive Director and Chair of J&L Elevator Components (EOT) Ltd and Non-Executive Director of Cygnet Texkimp Limited.

None.

None.



# Our Committees

## ESG Performance Committee

Our ESG Performance Committee, chaired by Sarah Flannigan (NED), has responsibility for holding the Executive Directors to account concerning climate risks and impacts, including all ESG-related matters. The committee also supports the Board in approving the ESG strategy and reviewing performance.

Climate change is a standing agenda item of the ESG Performance Committee, and they are responsible for reviewing and validating the strategy for managing climate-related risks, opportunities, and responses. The Committee will annually assess the key roles and responsibilities for oversight relating to climate-related risks and opportunities.

## ESG Advisory Group

We have created an ESG Advisory Group, which includes external advisors who can further develop our Board's knowledge and insight. The Advisory Group ensures we are providing a position of thought leadership for ESG-related products and services.

## Sustainability & Board Committees

### Remuneration Committee

Our remuneration committee supports our ESG goals by designing remuneration packages that reward progress towards our ESG targets. We want ESG to be a core part of how we do business and in 2021 we introduced an ESG component to our Executive Remuneration. For 2022, we have overhauled our remuneration policy for executives and created the Inspired Incentive Plan; within this, ESG targets will have a weighting of 20%.

### Nominations Committee

Our nominations committee ensures we have the expertise needed on our Board, including the knowledge to drive our sustainability strategy. Appointments are made on merit against objective criteria and concerning the benefits brought to the Board and the Group.

Full details of all committees can be found in our Annual Report.

### Audit Committee

Our audit committee is responsible for managing risk effectively across the business. This includes providing oversight on the management of our climate-related risks, as identified in our TCFD report.

## How We Manage Risk

Successfully identifying and managing risks is key to our continuing success. Senior management is responsible for risk identification and mitigation with oversight provided by the Audit Committee and quarterly reviews by the Board of Directors. Our principal risks have been identified based on the likelihood of occurrence and the severity of the potential impact. Principal ESG-related risks are:

**Staff Recruitment, Development and Retention:** we have noticed greater workforce churn following the COVID-19 pandemic which caused great changes

in people's personal and professional lives. We are working to keep and grow our staff through Graduate Training and Apprenticeship schemes. We aim to be a responsible employer in our approach to the pay and benefits our employees receive.

**Health & Safety:** although primarily office-based, we do have some employees in Optimisation Services who need to make site visits to install and remove equipment. To mitigate potential risks to employees and contractors, all client site visits require an approved Risk Assessments and Method Statements (RAMs).

We are also aware of the need to ensure employees are safe and comfortable when working from home. Each month we survey employees to check they have a suitable working space at home and also require a regular display screen equipment (DSE) assessment.

**Ethics, ESG & Political:** as a provider of ESG disclosures for clients, it is vital we remain at the forefront of thought leadership and behaviours in this area. To ensure this, we provide voluntary reports and have a comprehensive set of policies and performance information published on our website.



## Business Practices

**Transparency:** We value good ethics and are committed to being transparent about our business operations. Our policies are published on our website, disclosing our ethical business practices, how we care for our people, and our environmental policy.

**Ethical Business Conduct:** Our Anti-bribery and Corruption Policy and Supplier Code of Conduct set out clear standards for the behaviour we expect throughout our operations. We have several mechanisms for raising concerns and complaints, including a whistle-blower policy. There have been no complaints or reported incidents with respect to Anti-Bribery and Corruption in 2021.

**Caring for People:** People are our most valued asset, and we want to ensure we are creating a supportive and inclusive work environment. We do not tolerate discrimination and appreciate the strengths that a diverse workforce brings. This is supported by our anti-discrimination, diversity, and equal pay policies.

Most of our work is office-based, and therefore at low risk for health & safety issues. However, we do have some employees and contractors who conduct site visits and onsite work

that are at higher risk. We have a robust health & safety policy which is explained in more detail [here](#).

Our operations and supply chain are at low risk of potential human rights violations, but we are aware of these issues and have policies to ensure we continue to provide a safe workplace. This includes our human rights policy, our statement on modern slavery and human trafficking, and our recognition of the ILO Conventions. There have been no complaints or reported incidents with respect to modern slavery or human trafficking in 2021.

**Environmental Awareness:** We are fortunate to be able to influence both our own environmental impacts and those of our clients. We are working to reduce our energy and water usage in our operations and decrease the waste we generate whilst increasing reuse or recycling rates. We promote video conferencing where possible to avoid unnecessary travel.

We support our clients in reducing their energy consumption and increasing onsite generation. As of 2020, we can help clients with their ESG reporting and assess their broader environmental impacts.

**Stakeholder Engagement:** We have a duty to all our stakeholders, shareholders, employees, clients, suppliers and wider society. We recognise the importance of effective, two-way communication with our stakeholders to understand and consider their needs.

— **Employees** We have regular town hall meetings where employees are updated on business performance. We have an employee-led Engagement Committee that organises fundraisers, team building and other employee-related initiatives.

— **Investors** Our AGM is the key forum for our investors to communicate with us. The outcomes of resolutions put to the AGM are published on our website. Throughout the year, we have Investor Weeks, where our CFO and CEO hold one-to-one meetings. We also use the London Stock Exchange Regulatory News Service (RNS) to advise the market of performance and significant matters.

— **Customers** Customer relationships are managed by senior personnel and analysts, particularly the Directors and Senior Management Team.

In H2 2021, the energy crisis impacted corporate businesses and Inspired continued to focus on helping its clients manage their costs through this crisis. As a result of the crisis, the economics of projects that reduce energy consumption and carbon emissions offer a materially enhanced return on capital in this environment and the Group is well placed to help clients through these unprecedented times.

— **Suppliers** We value all of our suppliers and have multi-year contracts with our key suppliers. Supplier relationships are managed by senior personnel and analysts, particularly the Directors and Senior Management Team.

— **Environment and Society** In 2021, we added the environment and society as a stakeholder, in recognition of the importance of considering our impact on world around us. Our social and environmental targets are set out in this report.





## Economic

We are excited to have rebranded as Inspired PLC this year to reflect the evolution of our business strategy.



## Economic Overview

*The Group delivered strong growth in 2021, as the UK economy bounced back from COVID-19. We made significant progress in delivering on our strategy to provide a holistic suite of services to support corporate businesses on their journey towards net-zero and manage their response to climate change. The favourable underlying value drivers of net-zero and ESG continued to drive growth and opportunity.*

Overall, group revenue grew by 47% to £67.9m. Of this, 95% or £64.62 can be classed as green revenue according to the criteria of the London Stock Exchange's Green Economy Mark. This is an increase from 91% in 2020.

In Q1 2021, we acquired Businesswise Solutions Limited ("Businesswise") and General Energy Management Limited ("GEM"). These acquisitions act as favourable macro drivers in relation to net-zero and ESG, helping us to

widen the ESG impact we can offer clients and our internal expertise. In 2022 our acquisition focus is likely to shift towards businesses that provide Optimisation Services and ESG Solutions.

### Climate-Related Risks & Opportunities

Annual assessment of our climate-related risks and opportunities, including financial modelling of the potential impacts, is now embedded in our reporting cycle through our voluntary TCFD report. The process enables us to understand potential climate impacts and increase our businesses strategic resilience to climate-related matters.

As a technology-enabled service provider supporting green energy procurement, net-zero delivery and ESG disclosure services, climate change provides the Group with several opportunities and risks. Our TCFD disclosure details the impact of climate change on the business, outlining the material climate-related risks and opportunities that have the highest potential to impact our operations. Further information on the financial implications of climate change is available in our TCFD report [here](#).

*Lynxes are quiet and elusive animals, so their presence could go unnoticed for years.*





## Our Organisation at a Glance

### Evolving into Inspired PLC

During 2021, the Group completed its evolution into Inspired PLC, operating with three divisions and four reporting segments, with the Group starting to report financial results under this structure for the first time. As a business, our strengths are:

#### **Enabling carbon emissions**

**reduction:** We offer a range of services which help clients to reduce their carbon emissions.

#### **Helping clients set net-zero goals:**

We help our clients set realistic, science-based targets to drive their carbon emission reductions.

**Value to customers:** By cross-selling our services to clients, we are able to build on our existing client knowledge and relationships to deliver efficient end-to-end services.

**Skilled colleagues:** We constantly look to develop our colleagues and provide growth opportunities, helping to preserve the culture of the business and create long-term value.

### Acquisitions

We completed the acquisitions of Businesswise and GEM, in Q1 2021, as the final phase of the deployment of our capital from the 2020 equity raise. These acquisitions focused on the Energy Assurance Space and increased the units of opportunity (carbon emission points) that we work with and increases the surface area of opportunity to provide Optimisation and ESG services to these clients.

### The War in Ukraine

At the time of publishing our 2021 results, the impacts of the war in Ukraine have been fast moving and continue to cause significant volatility and uncertainty across commodity and energy markets. As set out in our update to the market on 21 March 2022, we have proactively considered the impact of this event in its entirety and the Group is focused on the mitigating actions we can take by supporting clients with contract replacement. Inspired remains focused on helping its clients manage their costs and sustainability challenges through this crisis.

### ESG Services

Our organic entry into the ESG market for the provision of disclosure services was very encouraging, as we went from a standing start to revenues of £0.9m, pioneering a pragmatic, practical and data driven service that cost effectively delivers ESG disclosures for clients.

### Social Value: The New Competitive Frontier

More than at any previous time in history, businesses today are being asked to take responsibility for the way corporate activities impact local and global society. Whilst environmental concerns often hit the headlines, especially in autumn 2021 with COP26 in Glasgow, there is also increasing demand for businesses to consider social impact. This includes how they are considering human rights, diversity and equality, taxation and being a good corporate citizen. Consumers and buyers are factoring in these issues when buying and this filters through the supply chain as retailers and manufacturers pass these obligations on to their suppliers.

At Inspired, we are keen to not only ensure we are actioning the same

### Taxation

Inspired does not have an explicit taxation strategy above and beyond complying with local laws in the jurisdictions in which it operates. In 2021, the company had no claims or disputes concerning taxation in any location. It received no government financial assistance.

change but that we can enable our clients to do the same. We recognise the importance of not overlooking the S in the ESG pillars to action long-standing change. Whilst companies may need to report on this in tender responses or supplier questionnaires, we believe it is important that these topics are embedded into company culture and used as a pathway to growth. Inspired aims to help businesses to measure and evaluate data so that they can understand the impact of their projects, assets and locations, as well as seeking out suppliers and partners that align with their values.





# Environment

Environmental stewardship is a fundamental aspect of our business strategy, and we are committed to reducing our impacts and improving our environmental performance.



## Environment Overview

### Our Business Operations

We have set a target of achieving absolute net-zero on a location basis by 2035. In 2021, we have used offsets to achieve carbon neutrality for Scope 1, 2 and consumed Scope 3 emissions. In 2022, we will be creating our net-zero strategy which will set out our interim targets for meeting that 2035 goal.

### Our Clients

Our ESG Solutions division was created as part of our recognition of how important the climate emergency we face is. Given that our organic entry into ESG has proved successful, 2022 will see us start to make a more substantive investment into ESG resources and capability.

We aim to be a valued partner for our customers, helping them reduce their carbon footprint. We have 20 years of experience in energy and are well-placed to meet client needs concerning optimising energy, a key pillar of many businesses ESG strategy.

We help clients with energy efficiency, onsite generation, procurement of green electricity and compliance with environmental regulations. We provide solutions to deliver net-zero and Science-Based Targets (SBTs). We bring value to our clients through unpicking their existing ESG related work, building upon their processes and setting a long-term trajectory for ESG.

### Our Suppliers

We only work with suppliers whose environmental standards are consistent with ours. We check this during onboarding by reviewing their environmental policies. However, we plan to improve this and assess a suppliers environmental performance too. As such, we can bring our suppliers with us on our road to net-zero.

### COP26 Insights Hub

*From 31st October - 12th November 2021, the UK hosted COP26 - the United Nations' 26th annual global climate change conference.*

During the conference, over 190 world leaders worked together to reach an agreement on how to tackle climate change to achieve global net-zero by 2050 and limit global warming to 1.5 degrees.

Throughout COP26, our Insights Hub provided daily updates from our carbon reduction specialists on what the latest developments and discussions meant for businesses. This is part of our aim to support clients in understanding and moving towards a net-zero world. Whilst also raising awareness internally on the gravity of the climate crisis.

After COP26, we published a number of resources to support businesses in taking action. This included a Business Energy guide with our experts' best advice on how to manage energy use,

from auditing consumption to validating bills. We also have a Net-Zero Plan Builder which provides context on what other businesses are currently doing and practical next steps.

All these materials and more are available on our website at: <https://inspiredenergy.co.uk/cop26/>





# Environmental Policy

*We are committed to reducing our environmental impact. Continually improving our environmental performance is fundamental to our business strategy and something we embed across our operations.*

To improve our performance during the year we have considered the opportunities and impacts of our business operations, resource usage, offices, business travel and our impact on the local community. We encourage our customers, suppliers, and business associates to do the same. Not only is this sound commercial sense for all, but it is also a matter of delivering on our duty of care for future generations.

●

Within Our Business

●

Resource Management

●

Travel

●

Office

●

Local Community

- We wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice. This is demonstrated by our voluntary ESG and TCFD reporting, as well as our disclosure of our full Scope 3 emissions and ISO 14001 certification.
- We assess the environmental impact of any new processes or products we are considering introducing. In 2022, we will be looking at performing a life cycle assessment of some of our sold products, and will establish a Life Cycle Assessment Focus Group to spearhead this work.
- We use only licensed and appropriate organisations for waste disposal purposes.
- We operate and maintain company vehicles (where appropriate) with due regard to environmental issues as far as reasonably practical and encourage the use of alternative means of transport including public transport, cycling and car sharing.
- We promote the use of travel alternatives such as e-mail or video, or phone conferencing.
- We are currently assessing our offices in terms of energy efficiency and usage. We are moving towards a collection of smaller collaboration hubs as most employees are now working primarily remotely. This will reduce the energy and water usage associated with our office space.
- We are increasing the use of environmentally friendly cleaning materials where possible.
- When refurbishing our offices, we aim to maximise the use of as many environmentally friendly materials as possible.
- We consider environmental impact when purchasing products and services and encourage others to do the same.
- We aim to be continuously reducing the air, water, noise and light pollution from our premises and any impacts from our operations on the environment and local community. We prioritise using local labour and materials where available to reduce CO<sub>2</sub> emissions and help the community both economically and environmentally.

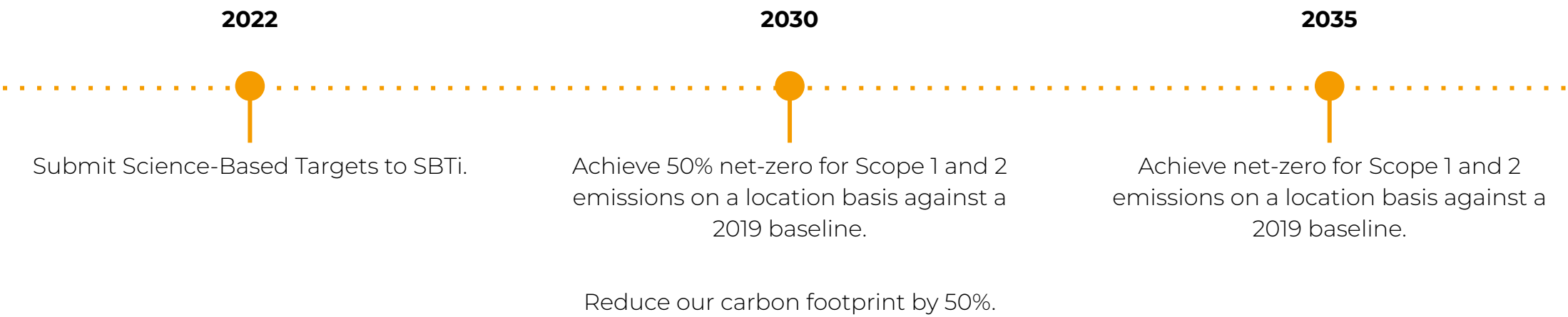


# Environmental Targets

As an office-based company with a simple supply chain, our environmental impacts are limited, but we can still make improvements in the following areas:

## 1. Emissions

Our long-term target is to achieve net-zero for all emissions by 2050. This year we have achieved carbon neutrality for Scope 1, 2 and partial Scope 3 (our services supplied to customers), equating to 4,708 tCO<sub>2</sub>e of our 9,928 tCO<sub>2</sub>e total carbon emissions.



## 2. Energy

We have been purchasing electricity from 100% renewable sources since 2020 and commit to doing so each year going forward. We will also continue to implement measures to reduce our energy consumption similar to the energy efficiency opportunities we provide to our clients.

## 3. Water

We are aiming to reduce our water usage by 25% by 2025. Once we have finished the process of rationalising our office space, we will start to install metering equipment where permitted so that we can measure water usage, target hot spots, and make reductions which we can monitor over time.

## 4. Waste

By 2025 we aim to reduce paper usage by 50%, recycle 90% of paper waste, and replace or remove single-use plastic. Due to the nature of our operations our waste is a relatively small area of our impact. All paper and cardboard we purchase is FSC certified and have procurement processes in place to ensure this.

## 5. Suppliers

As part of improving our supply-chain screening, by 2025, we would like 80% of our suppliers (by spend) to be making a TCFD disclosure or equivalent



## Environmental Progress: 2021 & Beyond

In 2021, we have been assessing the data we collected in 2020 and deciding on our priority actions for the next few years. Our main areas are energy & emissions, waste & recycling and water. We also recognise the importance of biodiversity and have assessed our potential impact.

*As a result of deforestation and expansion of human settlements, lynx habitats rapidly decreased, driving them towards extinction.*



## Greenhouse Gas Emissions

This is our second year of reporting on all 15 Scope 3 categories. Our scope 1 and 2 emissions represent 3% of our total impacts, with scope 3 representing the remaining 97%. Whilst we are working to reduce our emissions across all three scopes, we have purchased 5,692 tCO<sub>2</sub>e of carbon offsets for 2021 to cover our value chain so that our services are carbon neutral. As a next step, we will review which optional items are important to stakeholders and within our reasonable operational control to reduce.

As a company, we sell products to help customers manage their energy use. Selling energy-using products adds a layer of complication to setting carbon reduction targets. Growth in this area of our business, would lead to an increase in our Scope 3 emissions, which would not accurately reflect the impact our services are having. We have therefore included information on emissions from energy-consuming products sold to customers and the carbon savings made by these products in our Carbon Balance Sheet. Our carbon intensity metric also demonstrates how we have reduced our relative emissions despite growth. Our per full-time equivalent (FTE) intensity metric shows a 12.10% year-on-year reduction in 2021.

(right) Table 1: Inspired PLC Carbon Balance Sheet 2021

### GHG inventory

Emissions Scope & Scope 3 Category	Location-based tCO <sub>2</sub> e			Market-based tCO <sub>2</sub> e		
	2021	Re-Stated 2020	%chg	2021	Re-Stated 2020	%chg
<b>Scope 1</b>	<b>105</b>	<b>89</b>	<b>18%</b>	<b>40</b>	<b>46</b>	<b>-13%</b>
Natural Gas	65	43	51%	0.1	0.1	0%
Transportation (excluding grey fleet)	40	46	-13%	40	46	-13%
<b>Scope 2</b>	<b>74</b>	<b>107</b>	<b>-31%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Scope 3</b>	<b>16,111</b>	<b>9,643</b>	<b>67%</b>	<b>16,111</b>	<b>9,643</b>	<b>67%</b>
1. Purchased Goods & Services	5,860	5,368	9%	5,860	5,368	9%
Energy Consuming Products for Resale	539	183	195%	539	183	195%
Other Goods & Services	4,829	5,185	-7%	4,829	5,185	-7%
2. Capital Goods	192	414	-54%	192	414	-54%
3. Fuel-related Emissions	63	65	-3%	63	65	-3%
4. Upstream Transportation and Distribution	56	3	1900%	56	3	1900%
5. Waste Generated in Operations	1	1	-9%	1	1	-9%
6. Business Travel	146	105	39%	146	105	39%
7. Employee Commuting	226	263	-14%	226	263	-14%
8. Upstream Leased Assets	0	0	0%	0	0	0%
9. Downstream Transportation and Distribution	0	0	0%	0	0	0%
10. Processing of Sold Products	0	0	0%	0	0	0%
11. Use of Sold Products	9,567	3,512	172%	9,567	3,512	172%
12. End-of-life Treatment of Sold Products	1	0.2	400%	1	0.2	400%
13. Downstream Leased Assets	0	0	0%	0	0	0%
14. Franchises	0	0	0%	0	0	0%
15. Investments	0	0	0%	0	0	0%
<b>Total All Scopes</b>	<b>16,290</b>	<b>9,928</b>	<b>64%</b>	<b>16,151</b>	<b>9,689</b>	<b>67%</b>
<b>All Scopes kgCO<sub>2</sub>e per £(Revenue)</b>	0.24	0.22	11%	0.24	0.21	13%
<b>All Scopes tCO<sub>2</sub>e per Employee</b>	26.8	17.9	50%	26.6	17.4	52%

### Operational Analysis

Carbon Cost of Operations tCO <sub>2</sub> e		
2021	2020	%chg
40	46	-13%
		0%
		0%
<b>0</b>	<b>0</b>	<b>0%</b>
<b>5,513</b>	<b>6,037</b>	<b>-9%</b>
4,829	5,185	-7%
		0%
4,829	5,185	0%
192	414	-54%
63	65	-3%
56	3	1900%
1	1	-9%
146	105	39%
226	263	-14%
		0%
		0%
		0%
		0%
		0%
<b>5553</b>	<b>6083</b>	<b>-9%</b>
0.08	0.13	-38%
9.1	10.9	-17%



Table 2: Inspired PLC Carbon Balance Sheet Analysis

Analysis of Carbon Benefits from Customer Use of Energy Consuming Products									
Emissions Scopes & Categories	Carbon Cost of Energy Consuming Products Sold to Customers tCO <sub>2</sub> e			Carbon Saving from Use of Energy Consuming Products by Customers tCO <sub>2</sub> e			Customers Net Carbon Impact from Use of Energy Consuming Products tCO <sub>2</sub> e		
	2021	2020	% chg	2021	Re-Styled 2020	% chg	2021	2020	% chg
<b>Scope 1</b>	-	-	0%	-	-	0%	-	-	0%
<i>Natural Gas</i>	-	-	0%	-	-	0%	-	-	0%
<i>Transportation (excluding grey fleet)</i>	-	-	0%	-	-	0%	-	-	0%
<b>Scope 2</b>	-	-	0%	-	-	0%	-	-	0%
<b>Scope 3</b>	<b>540</b>	<b>183</b>	<b>195%</b>	<b>10,658</b>	<b>3302</b>	<b>223%</b>	<b>10,118</b>	<b>3119</b>	<b>224%</b>
1. Purchased Goods & Services	-	-	0%	-	-	0%	-	-	0%
<i>Energy Consuming Products for Resale</i>	539	183	195%	-	-	0%	-539	-183	0%
<i>Other Goods &amp; Services</i>	-	-	0%	-	-	0%	-	-	0%
2. Capital Goods	-	-	0%	-	-	0%	-	-	0%
3. Fuel-related Emissions	-	-	0%	-	-	0%	-	-	0%
4. Upstream Transportation and Distribution	-	-	0%	-	-	0%	-	-	0%
5. Waste Generated in Operations	-	-	0%	-	-	0%	-	-	0%
6. Business Travel	-	-	0%	-	-	0%	-	-	0%
7. Employee Commuting	-	-	0%	-	-	0%	-	-	0%
8. Upstream Leased Assets	-	-	0%	-	-	0%	-	-	0%
9. Downstream Transportation and Distribution	-	-	0%	-	-	0%	-	-	0%
10. Processing of Sold Products	-	-	0%	-	-	0%	-	-	0%
11. Use of Sold Products	-	-	0%	10,658	3302	223%	10,658	3302	223%
12. End-of-life Treatment of Sold Products	1	0.2	400%	-	-	0%	-1	-0.2	400%
13. Downstream Leased Assets	-	-	0%	-	-	0%	-	-	0%
14. Franchises	-	-	0%	-	-	0%	-	-	0%
15. Investments	-	-	0%	-	-	0%	-	-	0%
<b>Total All Scopes</b>	<b>540</b>	<b>183</b>	<b>195%</b>	<b>10658</b>	<b>3302</b>	<b>223%</b>	<b>10,118</b>	<b>3119</b>	<b>224%</b>
<b>All Scopes kgCO<sub>2</sub>e per £(Revenue)</b>	0.01	0	99%	0.16	0.07	118%	0.15	0.07	119%
<b>All Scopes tCO<sub>2</sub>e per Employee</b>	0.9	0.3	170%	17.5	5.9	195%	16.6	5.6	197%



## Further Environmental Impact

### Energy

Our energy consumption is relatively minor and relates primarily to the utilisation of our offices. However, we are still committed to year-on-year improvements in operational energy efficiency. As such, a register of available energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

#### **Measures prioritised for implementation in 2021:**

- 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.
- Environment Social Governance (ESG) performance has been emphasised throughout all

business operations throughout 2021. Sustainable Development Goals (SDGs) achievement have been introduced throughout business operations, with voluntary tracking for all employees through our app (SDGMe). This process highlights where staff can contribute towards reducing our environmental impact as a business, whilst also encourage sustainability efforts in their personal life. 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.

#### **Measures prioritised for implementation in 2022:**

- LED refit in offices currently utilising fluorescent lighting.

- 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.

### Water

Our water use and waste production are relatively low and, with an increase in homeworking due to the COVID-19 pandemic, have reduced in recent years. Despite this we have set the following targets to reduce our water usage and waste further in the short term. We are currently in the process of determining where we can use metering equipment to monitor and reduce our water consumption.

### Waste

Like water, our waste generation is relatively small and directly related to our number of employees. Historically, this is an issue that we have not focused on, and this disclosure process allows us to recognise that this is an area of improvement. We shall implement appropriate measurement

and data collection processes to improve our disclosures moving forward.

### Recycling

Waste from our offices is recycled but the rate is not currently measured. Once we are measuring this, we will be able to set appropriate targets. We also plan to analyse our spending on consumable goods to identify categories that can be transitioned to recyclable material through making recycled materials a part of the selection criteria when buying goods.

### Biodiversity

We have assessed each of our locations for biodiversity and have no concerns about our biodiversity impact. The Kirkham office is within a priority area for Countryside Stewardship measures for local lapwings and curlews birds. Our offices at Burgess Hill are adjacent to an area with Great Crested Newts, a protected species that could restrict the expansion of this site. However, we have no plans to develop any of our sites and welcome the opportunity to protect the natural wildlife.



An aerial photograph of a lush, rolling green landscape. The terrain is divided into various fields by stone walls and hedgerows. Several large, mature trees are scattered throughout the scene, casting long shadows. In the lower-left quadrant, a herd of cattle is grazing in a field. The overall atmosphere is peaceful and rural, with warm lighting suggesting late afternoon or early morning.

## Social

Our people are fundamental to the delivery of our strategy, and their health and well-being is a vital consideration in how we do business



## Social Overview

*Our success as a Group depends on our ability to keep pace with the rapidly evolving market. As a technology-enabled service provider in a specialist marketplace, our employees are fundamental to the quality and provision of our services.*

We believe in providing a collaborative and safe working environment that supports diversity, equity and inclusion (DEI) to empower our employees and attract the best talent. We are committed to protecting the rights of our employees, our supply chain and the communities we operate in. We aim to be a beneficial stakeholder through holding ourselves accountable to being a Real Living Wage Employer and using local suppliers.

## Our People

We believe that keeping our people within a fair, rewarding and client-focused culture drives quality. The overall number of employees at the financial year end in the UK was 608 (476 FY2020) a growth of 13%. The majority of our employees are on permanent contracts with just three people on fixed term contracts and two on apprentice contracts. We also have four employees from agencies that work in temporary positions. In 2021 our employee turnover was 17% (2020: 6%).

Fair and honest working conditions are the foundations of how we do business. We promote strong workplace standards in our industry and seek to enable all our employees to achieve their potential through a high-performance environment.

In 2021, we became a signatory to the Social Mobility Pledge. This encourages organisations to take steps to boost social mobility through the three key elements of outreach, access and recruitment. At Inspired, we are developing our Apprenticeship Scheme, which is detailed below. We are also looking to develop a Science, Technology, Engineering and Mathematics (STEM) scholarship programme for girls and young women in the local communities we operate in.

We are part of the Government's Disability Confident scheme and strive to provide employment, training and development to disabled people wherever possible. We are committed to supporting employees who become disabled during employment and helping disabled employees make the best use of their skills and potential, consistent with all other employees.

The communities around us are a vital source of inspiration for how we operate, so over 80% of our senior managers are hired from the local community. An internal recruitment function maintains an active recruitment pipeline for all critical roles within the organisation.

Communication is essential for our success, so we have several channels to enable dialogue with our employees. These include initiatives from the Employee Engagement Committee, interactive Q&A sessions with Senior Management, social media and corporate publications and engagement surveys.

As a technology-enabled service provider, we do not currently have any employees covered by collective bargaining agreements.

In 2022, we will be setting measurable targets for our social performance. In the long-term (5-25 years), we aim to maintain an equitable distribution of benefits between all stakeholders in proportion to the performance of the business. To develop social support and equity in our company, we have set short and medium-term targets based on learning from past experiences to strengthen our company culture and invest in initiatives that promote diversity and inclusion.



## Learning & Development

Developing our people is essential for future success and employee satisfaction. That is why we designate significant resources to provide our employees with specialised training. We are proud to work with our colleagues to increase their skillset and enable them to improve processes and performance.

All our employees receive training through our Eloomi portal during the first six months of their employment, and then on an annual basis. This core training includes:

- Anti-Corruption and Bribery
- Health & Safety
- Equality & Diversity
- Workplace Bullying
- Intro to GDPR
- Cyber Security

We also provide employees with specialised training outside of this system which is not currently tracked. For example, employees who deliver engineering services on third party premises are provided with specific health and safety training. This year we have also facilitated our first member of the leadership to participate in the Global MBA programme at INSEAD and provided professional coaching to our Finance Director.

We use the Blanchard Situation Awareness training to ensure that all our managers speak the same language when supporting employees and setting targets. By offering training in this, we aim to bridge the organisational language between senior management and junior employees. In 2021, 45 employees completed this training, and we will continue this in 2022. In addition, we are proud to report that 27 female employees participate in our Women in Leadership programme, provided by White Water Strategies.

The Business is increasingly focused on our Grow Your Own policy, which promotes the growth and development of young professionals. In 2019 we started our Graduate Placement Scheme to attract new talent. The scheme gives graduates the chance to work across a range of departments at Inspired while exposing them to a real-world working environment. They stay with each team for 3-6 months and can choose to stay in a team if they are successful in the role. The scheme has been an

immense success with 12 graduates starting in 2021. We will again open our graduate scheme in 2022 to help attract the next generation. We also

have an apprenticeship scheme which is open to new starters and some current employees. We currently have two apprentices in the business.

### Benefits

We offer both full time and part-time employees the same benefits packages. When we acquire a new company, we aim to harmonise its best practice with the Group within two years of ownership. We do not provide additional benefits to temporary workers and currently do not have specific programs to manage employment endings due to redundancy or retirement.

### Bonuses

We believe people must be rewarded for their hard work and dedication. All staff have a quarterly bonus structure which provides a high precision tool for aligning rewards to behaviours. 25% of this bonus is retained for 12 months and is lost if the individual leaves the company. The reward system is frequently reviewed to ensure it is competitive, and employees receive regular appraisals to ensure their work is of the highest standards.

### Share Schemes

We have a Share Option Scheme in place, under which options are granted to senior staff members. All senior managers are incentivised with share options with a 12 to 24 month forward horizon. We also reward loyalty by offering a Sharesave scheme to employees who have been with us for more than six months.

### Parental & Sick Leave

We operate with an accommodating approach, and our policies help employees leave periods when necessary to deal with exceptional personal circumstances. All employees have the right to maternity and paternity leave in line legal requirements. In 2021, 19 employees took 2,067 days of maternity leave, and 6 employees took 50 days of paternity leave.



## Health & Safety

*Creating and maintaining a safe and healthy working environment for our people is of utmost importance to us at Inspired. Our goal is to create an environment where everyone is free from physical and mental injury.*

Every employee deserves to work in a safe environment, and we work hard to ensure the highest levels of safety. As a technology-enabled service provider, the potential for work-related injuries is relatively low compared to many organisations. We have an occupational health and safety management process to cover physical risks and in 2021 we achieved the ISO 45001: Occupational Health and Safety standard.

Safety is guided by our Health & Safety Steering group. Our CEO, Director of Compliance and Integration, the Group Office Manager and Head of HR, form the steering group and oversee the formulation and implementation of the company's Health & Safety & Accident Prevention Policy.

The Health & Safety Steering Group is also assisted by local managers when required. The Director of Compliance and Integration is responsible for managing daily health and safety matters. Any staff member can report any issues they may suspect or become aware of to the Health & Safety Steering Group. The Employee Engagement Committee also provides a forum for employees to engage with the steering group's occupational health & safety systems. To ensure workplaces are safe, Senior Management conducts a walk-around inspection of their area of operations every quarter.

After the pandemic, most of our people shifted to remote working, which presented us with new challenges to make sure all our employees remain safe during their working days. In 2021, we implemented an online Display Screen Equipment assessment tool to keep our employees safe from the risks of working with display screen equipment. Every remote worker is required to complete the assessment. Any employee who cannot maintain a safe home working environment is contractually required to return to the safe office environment. We also regularly survey employees to check that they are still happy and productive working from home.

Our Optimisation team specialises in working with clients to future-proof their buildings against rising utility costs. This work involves individuals visiting sites to install or remove electrical equipment. All employees and contractors must provide and operate an approved Risk Assessment and Method Statement (RAMS) when working on a client's site.

To ensure we provide a safe working environment for all our employees, we carry out the following activities:

- Where we provide services on third party premises, an appropriate risk assessment and method statement are produced (RAMS).
- Where a third party provides services on our premises, the third party receives and reviews a RAMS where appropriate.
- HSG65 audits are conducted for each premise, and an independent external consultant assures the quality.
- Our employees' complete 5-point health and safety questions monthly. The questions aim to assess our employees' capacity to continue working remotely and how to best support them.
- An assessment of Display Screen Equipment and how we use it.

- The Accident and Near Miss register is reviewed monthly for trends to implement preventative actions.
- Where an employee has a protected characteristic, and we consider making a reasonable adjustment for them under our legal obligations –third parties are used to conduct the assessments and advise the company.

In 2021, the Group registered 16 accidents, no RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and no health and safety-related fatalities. There have been 6 referrals to occupational health for a work-related issue, and a total of 1,312.5 days were lost due to non-work-related illness.

Concerning our products and services' health and safety impacts, our data management and consultancy services to corporate businesses are performed electronically. We currently do not have any known negative effects in this area.



## Employee Wellbeing

*We want to ensure our employees are thriving. We know that wellness and well-being are very personal and can be different for each individual.*

This year we have engaged with our employees to improve their health and well-being, going beyond our legal obligations to create a physically safe environment. This has included assessing the budget that should be made available per employee for wellness and wellbeing compared to performance-related pay.

As part of this journey, we are part of the Mental Health at Work committee and the Global Business Collaboration for Better Workplace Mental Health Pledge. These both focus on raising awareness of mental health and removing stigma. As part of this, we have added two new external initiatives for our employees: an Employee Assistance Programme through our health insurer and the Unmind app.

### Employee Assistance Programme

The Employee Assistance Programme offers support for various issues, including health problems, finances and personal or work life concerns. It is available as an app and as telephone support from experienced counsellors and advisers.

### Unmind App

Unmind is an app which is confidential and free to use for all employees. It provides various expert tools based on neuroscience, cognitive behaviour therapy, mindfulness, and positive psychology. This year, 160 Inspired employees have registered with Unmind.

## Employee Engagement

*We have an open dialogue with our employees and use multiple channels to communicate ideas and processes effectively. The channels allow us to frequently update each employee with business operations and performance at the Group level.*

Our communication channels are a two-way system enabling employees to express concerns. Clear and effective communication between all levels of Inspired is fundamental for us to continue operating successfully.

In 2021, the CEO delivered quarterly webinars to the Group to provide updates on the productivity of each department, new acquisitions and any issues affecting the company. Our Directors comply with their statutory duties according to s172(1) Companies Act 2006, including stakeholder engagement management.

We are aware that operational changes within an organisation can affect our employees, regardless of the reason. We manage these on a case-by-case basis and they are communicated to employees with adequate warning. Employees are encouraged to voice any concerns they may have. If such an agreement is not possible, we always provide any minimum notice required by the relevant local laws.



## Human Rights

*We are committed to treating people fairly and respectfully within our organisation, our direct supply chain, and business partnerships.*

Our commitments are established in our Human Rights Policy, Modern Slavery & Human Trafficking Policy, and Supplier Code of Conduct. They include the prohibition of forced labour, slave labour, child labour and human trafficking. To this end, we maintain the highest business and ethical behaviour standards, including compliance with all applicable laws and regulations and company

policies, practices, and procedures. In 2021, there were no complaints or reported incidents with respect to human rights, modern slavery or human trafficking. All employees receive training on Modern Slavery as part of their onboarding and annual refresher training.

The geographical scope of our operations is limited to the UK & Ireland, with a localised and relatively simple supply chain. There is a significantly low risk of human rights issues within the Group's supply chain. Nevertheless, we intend to apply a rigorous approach to solidifying our human rights approach.

We recognise that to grow the Group; we must develop strong business partnerships. However, these relationships expose us to modern slavery and human trafficking risks, and we will perform rigorous due diligence checks where necessary. Our supply chain management is carried out by formal contractual agreements where each supplier is asked to comply with our policies. We do not currently screen suppliers using social criteria.

The Group does not have any known areas where freedom of association and collective bargaining are at risk. There are also no known areas of risk concerning incidents of child labour or compulsory labour. Furthermore, we do not have any operations that directly or indirectly impact the rights of indigenous people.



Equal Pay

As a company, we take our responsibilities for equal pay very seriously. The table below shows a summary of our gender pay gap.

One of the challenges with the statutory disclosure is that the measurement period does not relate to the Group's financial reporting period or our continuing operations. The statutory report only covers a subset of our employees. It focuses on a different reporting period and average numbers, not those from continuing operations. We have provided the equal pay analysis based on our 2021 financial year, continuing operations, and employee disclosure.

Our overall gender pay gap reduced from 30% in 2020 to 27% in 2021. The root cause of our disparity for the pay of the minority gender remains our low level of diversity at senior management levels. This is the key focus area for improvement.

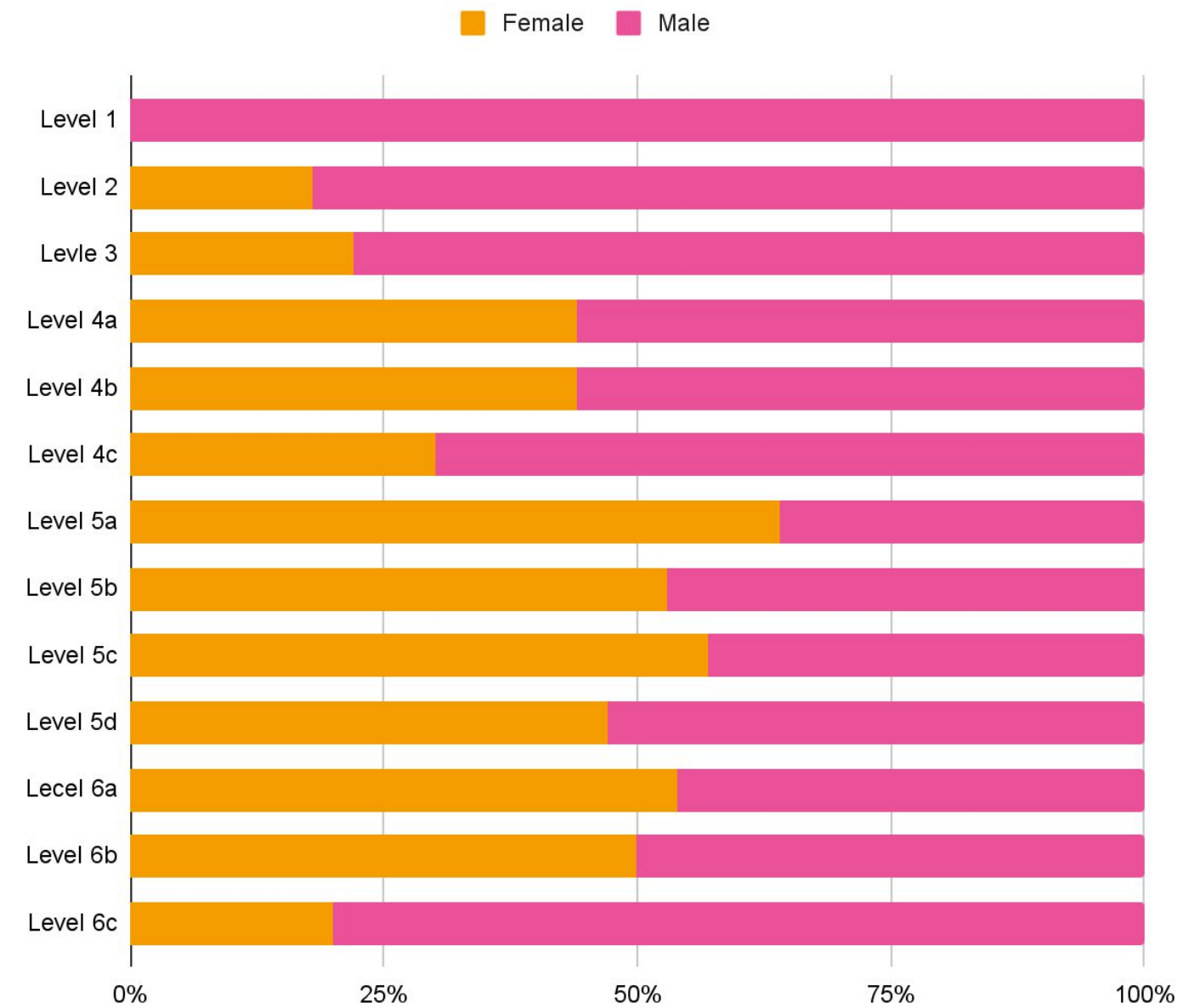
Mean Male	£24.27
Mean Female	£17.80
Gender Pay Gap	27%

At each level of the organisation there is no differentiation in pay for men and women of equal experience and performance. There is a 7% average gender pay gap by pay grade level. This reflects the differences in experience and performance of people at each level of the company.

Our Equal Pay Ratios are presented by employee category level and age groups in Table 2 and Table 3. We calculate our equal pay ratios by taking the standard hourly pay rate of the gender in the minority group divided by the average hourly rate for both genders. Employees can raise issues regarding pay discrepancies to Senior Management or Human Resources. Regarding the minimum wage for entry-level employees, the ratio of basic salary for those at level 6b compared to the April 2021 minimum wage is 135% for women and 126% for men. Level 6c represents our apprentices who are trainees. The ratio of basic pay of the highest-paid executive to the average employee is 7.6.

More information can be found in our Gender Pay Gap Report [here](#).

Figure 3: Male vs. Female Employee Ratio by Company Level





## Gender Diversity & Equal Opportunities

*We are and always have been committed to providing equal opportunities to people regardless of gender, race, physical ability, sexual orientation, gender identity and background.*

In 2021, we raised awareness of diversity and inclusion to ensure our employees from all backgrounds feel valued at work. We provided diversity and inclusion training for 538 employees, and have reported no incidents of discrimination as defined by the International Labour Organization (ILO) 'Declaration on Fundamental Principles and Rights at Work'.

### Gender Diversity Targets

We believe that gender diversity in the workplace is essential, and we want to ensure that women and men are equally represented across every level of our organisation. We have made some progress during 2021 with respect to gender diversity and reduction in gender pay gap. We know that improving gender equity in our organisation brings enhanced collaboration, improved productivity, diversification of views, and improved staff retention.

The Board drives our dedication to diversity. Our C suite is aware that our gender balance at the top level of the company has historically been unbalanced. As a result, our Board Gender Diversity Policy now targets a minimum of 37.5% for the minority gender by 2022. This was achieved in 2021 and the current Board gender diversity is 50%.

Career development for women is one of our critical diversity priorities. As a result, we have set a strategy to develop a number of our female employees into management by giving candidates the confidence to apply.

Many organisations target a headline objective of a 50:50 gender split ratio within their company. This split aims to have an equal number of male and female employees in all departments at all levels of the business. Inspired believe these definitions are impractical. A gender target should, in our opinion, be based on the minimum target representation of gender within a population at 37.5%. This is because when a team has an odd number, a 50% target is impossible to achieve. If we want to avoid positive discrimination, the maximum target a team of 8 can have for the minimum gender is 37.5%. This represents a swing of one person from a 50:50 balance.

Male employees were the majority gender in 8 of our operating levels and women were the majority gender at 5 of our operating levels. Our overall gender diversity was 46%.

As we reflect on our organisation's growth as a modern and welcoming business, there are several things we can do to look to improve our diversity and equality. These include:

1. Set gender and diversity targets for every business level at 37.5%.
2. Regularly review HR processes to ensure gender diversity bias is removed.
3. Continue to provide access to additional leadership training for women in the organisation.
4. Develop a Science, Technology, Engineering and Mathematics (STEM) scholarship programme for girls and young women in Inspired PLC's local communities.



## Local Communities

The Group takes great care to influence the communities in which we operate positively. The Employee Engagement Committee is primarily responsible for directing our interaction with the local community. In 2021, the committee organised several initiatives to raise money for local and national charities, donate food to local food banks and promote biodiversity. Highlights included:

### Buzzing Bee Bombs

We sent out wildflower seed bombs for our colleagues to help provide nectar-rich habitats for bees, butterflies, and insects across the country.

### Divine Donations

Our Kirkham and St Albans offices collected donations of food items for

Amazing Graze in Blackpool and Open Door at St Albans. To ensure we have a favourable effect on local economies, we engage with local suppliers, helping to improve our community relations.

Although our supplier engagement has decreased during the pandemic, we anticipate a return to local spending as employees transition back to their usual office routine. A goal for 2022 is to improve the record of our

spending on local and national suppliers to assess our indirect economic impacts better. We plan to launch the Inspired Foundation which will receive donations for the products that we share with clients. We also aim to create a programme to scale charitable contributions from the organisation in proportion to business growth.

*Due to centuries of logging, the reintroduction of lynxes are limited to dense forests in the North and Northwestern parts of the UK, such as in Scotland and parts of England.*



## Data Privacy & Compliance

As part of helping our clients achieve their ESG objectives, we need to collect and manage large data sets. Safeguarding our client's confidential information is core to our reputation, and as such, we are committed to protecting our clients' information and operate to a Cyber Essentials II Standard. As a B2B service provider, we do not process any personal data; however, we would suffer material reputational risk if we were victims of a cyber-attack.

Inspired is ISO 27001 Information Security Management System (ISMS) certified. Our systems use a secure data centre with restricted physical access to the equipment or servers. Data stored within the centre is encrypted, and in addition, our Software Solutions division provides SaaS-based solutions which must maintain data security to current market standards.

In 2021 we implemented a cyber security autonomous breach protection platform across all our IT assets. A third party regularly performs vulnerability and penetration tests on our proprietary software. The testing is subject to independent code reviews before release.

We believe it is essential that our employees are aware of the seriousness of data security, and as a result, we use a regular programme of simulated phishing attacks. Anyone that fails the simulation must complete a course on data security to help avoid possible breaches and cyber-attacks and encourages 'cyber safe' behaviour.

We have appointed a data privacy manager responsible for the personal data we collect and use.

The Group received no complaints about breaches of customer privacy in 2021. Furthermore, we had no known incidents of failure to comply with data security regulations, including product service information and labelling and marketing communications regulations.

### Political Donations & Lobbying

The Group did not make any political donations or enter into any lobbying activity during 2021.







Appendix



## Appendix 1 - Detailed Pay Breakdown

Table 2: Basic Male Salary / Hour (£) at Inspired by age and employee category

Age Bracket	<30	30 – 50	>50	Average
Level 1	-	136.39	109.11	127.30
Level 2	-	56.22	87.29	60.66
Level 3	-	37.18	34.37	36.74
Level 4a	22.88	26.20	29.46	26.54
Level 4b	18.14	23.57	23.29	22.97
Level 4c	16.53	24.42	25.67	24.20
Level 5a	14.22	18.49	-	16.35
Level 5b	15.30	16.82	13.40	15.88
Level 5c	14.45	20.14	18.11	18.13
Level 5d	12.50	-	-	12.50
Level 6a	11.83	12.63	13.72	12.23
Level 6b	11.06	12.53	-	11.27
Level 6c	9.28	9.90	-	9.59
Average	13.54	27.34	28.97	24.77

Table 3: Basic Female Salary/ Hour (£) at Inspired by age and employee category

Age Bracket	<30	30 – 50	>50	Average
Level 1	-	-	-	-
Level 2	-	47.74	46.15	47.21
Level 3	-	37.25	-	37.25
Level 4a	22.75	27.01	20.19	25.99
Level 4b	19.91	20.82	18.87	20.38
Level 4c	24.73	24.33	26.53	24.56
Level 5a	14.46	16.24	14.64	15.64
Level 5b	14.81	14.83	18.21	15.47
Level 5c	15.10	15.67	14.28	15.39
Level 5d	11.67	12.34	-	11.87
Level 6a	11.68	13.80	12.93	12.76
Level 6b	11.55	11.97	13.58	12.07
Level 6c	8.46	-	-	8.46
Average	14.03	19.93	16.12	17.80



Inspired Energy PLC  
Progress Business Park, Orders Lane  
Kirkham, Preston  
Lancashire  
PR4 2TZ  
United Kingdom

t +44 (0) 1772 689 250  
[investors@inspiredplc.co.uk](mailto:investors@inspiredplc.co.uk)  
<https://inspiredplc.co.uk/>

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