

Environmental, Social and Governance (ESG) Report 2022

About this Report

This is our third environmental, social, and governance (ESG) report and provides detailed information on our key policies, targets and ESG plans.

As an ESG service provider, we hold ourselves to the highest standards and part of this is being transparent about what we are doing as a business, both internally and with our clients.

We have used the Global Reporting Initiative (GRI) to prepare our ESG disclosures to ensure transparency and consistency in how we report measuring our progress year-on-year. The GRI framework, is one of the most comprehensive and globally recognised ESG standards. 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 and voluntary disclosures, 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 2022. We have not sought external assurance for this ESG Report.

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

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2022 in review

GOVERNANCE



B SCORE

ecovadis

SILVER MEDAL



SOCIAL

48 %

GENDER DIVERSITY

27 %

GENDER PAY GAP

- NEW MATERNITY POLICY ANNOUNCED.
- JOINED SOCIAL VALUE UK/ INTERNATIONAL.
- LAUNCHED AN ELECTRIC CAR SCHEME FOR EMPLOYEES.

ENVIRONMENT

25.52 tCO₂e

9,500 ACTIONS HAVE BEEN LOGGED ON SDGME APP

3% ↓

REDUCTION OF ABSOLUTE CARBON COST OF OPERATIONS

CARBON NEUTRALITY
ACHIEVED FORSCOPE 1 AND 2
& CONSUMEDSCOPE 3
EMISSIONS

100% RENEWABLE Purchased Energy

OPENED OUR LONDON OFFICE IN A

BREEAM IN-USE VERY GOOD
RATED BUILDING.SCIENCE
BASED
TARGETSSUBMITTED
LETTER OF INTENT

96%

GREEN ECONOMY MARK
FOR GREEN REVENUE.

£88.8m REVENUE

INCREASE ON
PREVIOUS YEAR 31% ↑

Eagles Eye: Soaring above Climate Change

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 therefore highlight a different animal or habitat each year to provide a focus to our efforts. This is the basis for actions throughout the year, including employee engagement activities, and inspires the images in our ESG and TCFD reports.

This year, in conjunction with our TCFD report, we have chosen to focus on the natural habitat of the white-tailed sea eagle. It is a large, striking bird of prey which was once widespread across Britain. Despite being a versatile species with a generalised diet and broad habitat preferences, decades of persecution by humans culminated in the last UK-bred eagle being shot in Shetland in 1918.

Scottish National Heritage and the RSPB started a reintroduction programme in 1975 and the project saw its first successful breeding pair in 1985. Reintroduction projects have since been introduced across the UK.

The white-tailed sea eagle is on the Red List which classifies endangered birds, and has an amber rating which means there is moderate concern for the species. This shows that with hard work and patience, we can start to restore the biodiversity and ecosystem connections which have been lost.



Our Progress in 2022

Focusing on the Future

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

Through 2022, we have continued to provide technology-enabled services, to reduce energy costs and control consumption for our customers. To further support companies in their journey to become more sustainable, we provided energy and carbon calculation and ESG reporting covering their operations. This financial year annual sales for our ESG divisions increased by 167%, with an overall excellent performance from the company.

Planning for net-zero

This year we have submitted our letter of intent to the Science-based Targets initiative (SBTi), committing us to submit our targets for validation within the next two years. As part of this, we have been planning the actions that we will need to take, to reach net-zero for all emissions.

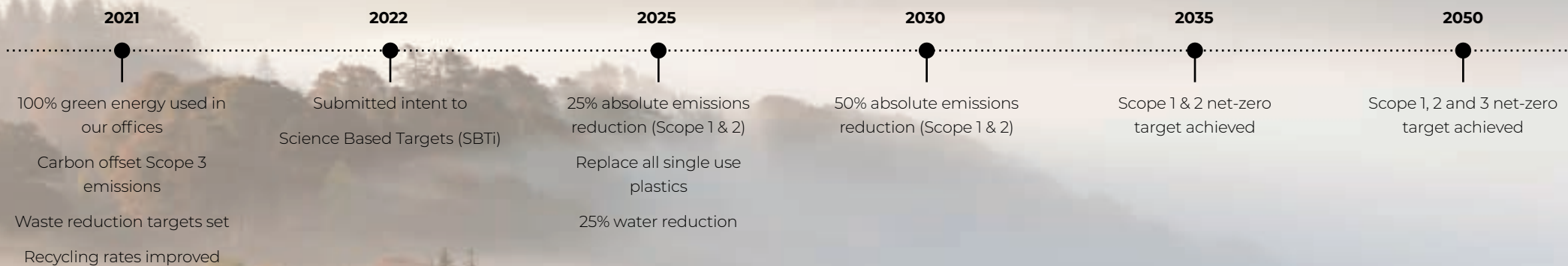
Assessing Climate Impacts on our Business

In 2022, we produced our third voluntary TCFD report in which we assess the potential impacts of climate change on our business. 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 [2022 TCFD Report](#).

ESG Governance

This year, our ESG Performance Committee participated in climate-related and net-zero capacity building sessions to deepen their understanding about climate change. We revised the terms of reference for our ESG Action Committee and Employee Engagement Committees, outlining the responsibilities of each committee and how they support each other. Further details are provided under the Governance section.

Looking ahead – net-zero



Message from our CEO

“We believe it is important to be transparent about our ambitions and progress, which is why we have committed to reporting annually using the Global Reporting Initiative (GRI) and TCFD Frameworks.”

During 2022 the global energy crisis continued to dominate, and energy was still at the forefront of board-level discussions. Inspired continued to respond to this by supporting clients in reducing their energy consumption and carbon emissions.

As well as supporting our clients in their sustainability journey, it is important to us that we set high standards for internal operations as a business. That is why we produce a voluntary ESG and TCFD report each year, to increase transparency and provide a framework for action within the business.

For 2023, we will be focussing on the following:

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 plan interim goals to keep us on track, to achieve this and have our targets validated by 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 these policies. 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 organization, 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. We will listen to all our stakeholders and take their concerns into account.

Mark Dickinson,
Chief Executive Officer



Governance & Strategy

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 PLC is a leading B2B technology-enabled service provider, delivering solutions that enable corporate businesses to transition to net-zero carbon and manage their response to climate change in the UK and Ireland.

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. We assist clients in reducing their energy consumption and delivering net-zero solutions, through our specialised optimisation services.

Inspired recognises the current climate change challenges facing UK businesses. In response, we are 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, for example, setting up robust processes and managing large data sets and leveraging ESG expertise. We work in partnership with our clients to develop their baseline, design solutions and measure their year-on-year performance.

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 support our clients in many aspects associated with sustainable business practices, 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, we can help design solutions, to reduce their environmental impact.

Our Divisions

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

Assurance Services

We assist businesses in managing their energy and utility costs, by helping assure them that they have bought optimally and professionally, managed their risks effectively, accounted for their costs correctly and complied with their statutory and regulatory obligations.

ESG Services

We recognise the increasing pressure on businesses to get serious about sustainability, and we are emerging as a leading provider of ESG disclosure services. We establish a solid foundation of ESG data collection and disclosure processes for our clients, ensuring all legal requirements are met. We create clear and actionable long-term plans, to improve their ESG impact. This makes investment easier to obtain and carbon reductions quicker to realise.

Optimisation Services

Whether we work with client on assurance of their energy costs or their ESG disclosures and impact, all paths lead to a carbon action programme which require a physical intervention with a clients premises or operations to actually remove the marginal units of carbon emissions and energy consumption from their operations they pay and helping them to reduce their energy consumption. This reduces the carbon footprint of our clients, and we provide support in taking further steps towards sustainability goals and ambitions through our ESG Services division.

Software Services

Our Assurance and ESG Services are underpinned by a proprietary technology platform that offers energy monitoring and targeting to reduce energy consumption and spend as well as reports, budgets, and market insights. We provide this platform for third-party service providers through our SystemsLink brand.

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 are 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 important.

Our ESG Strategy

“We continue to believe that ESG management is key to good business practice and want to ensure that our operations are sustainable for people and the planet”

We are committed to doing our part in creating a sustainable world. Our ESG strategy has two aspects: improving our business operations and working with clients to help them manage their ESG impacts. For both, we consider sustainability to be a journey, starting with legal compliance and benchmarking, followed by building a robust strategy, processes and reporting, always with the goal of net-zero in mind.

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

Our business vision is to provide a full suite of ESG solutions, to help our clients on their 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 address the climate emergency.

We aim to lead by example in the sustainability arena, so that we can speak from first-hand experience when guiding our clients. That is why we are publishing full ESG and TCFD Reports, before this is mandated for our company. Also, we have set an ambitious net-zero target of 2035 (for Scope 1 and 2), which is ahead of the UK Government's target of 2050. We have sent our letter of intent to SBTi with the aim to submit our targets for validation in 2023.

We consider it important to support and partner with leading organisations in our industry. Currently, our ESG memberships and partnerships include:

- **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 Reporting Initiative (GRI):** we are a member of the GRI Community and support its mission to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.
- **Global Real Estate Sustainability Benchmark (GRESB):** we are a Data and Premier Partner as we 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 its 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.

- **Social Value UK and Social Value International:** this year we have become members of these organisations which change the way the world accounts for value by including environmental and social factors.

- **Disability Confident Employer:** is a movement of change, encouraging employers to think differently about disability and take action to improve how they recruit, retain and develop disabled people.

- **Social Mobility Pledge:** encourages organisations to being a force for good by putting social mobility at the heart of their purpose.

- **Mental Health at work commitment:** is a commitment to implementing each of the standard including ideas and tools to get organisations started.

- **The Global Business Collaboration for Better Workplace Mental Health Pledge:** is an initiative that seeks to advance progress by committing senior leaders to a Pledge to create mentally healthy workplaces.

By offering services that reduce our clients' ESG impacts, we extend the change that 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 areas.

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 and energy use.
- Rationalise our office locations, so that we have the potential to meet absolute net-zero carbon.

For our clients

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

Materiality

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

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

Outlined below are the topics that our disclosures cover. Further information is provided in the relevant sections of the report.

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

Environmental: emissions, energy, water, waste, recycling, biodiversity.

Social: employment, labour, health & safety, training & education, equal opportunities, human rights, local communities, public policy and customer privacy.

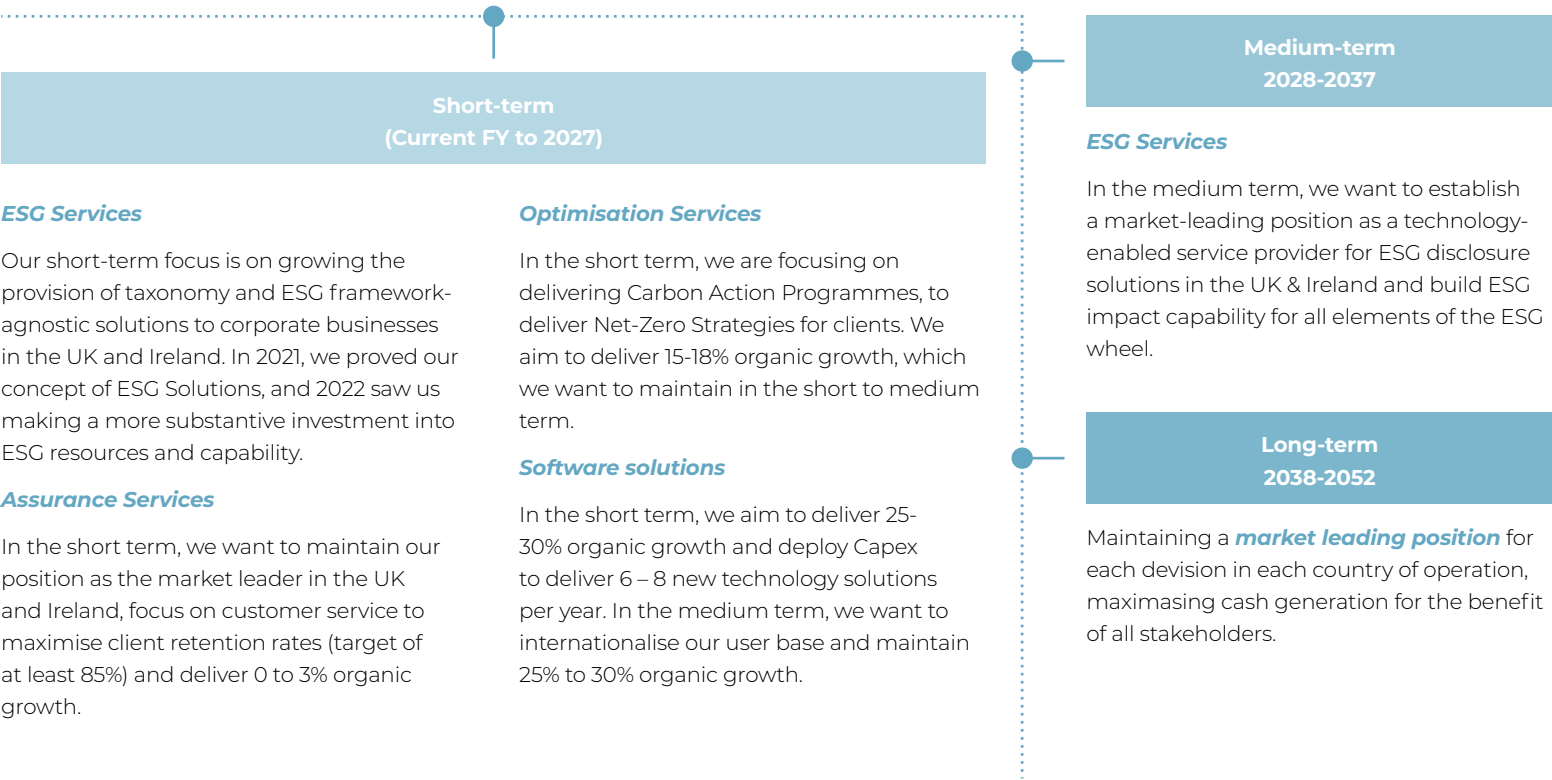
Our ESG Targets

We view ESG and sustainability as a journey. Therefore, we must set interim targets, to monitor our progress and ensure that we are on track.

For our environmental targets, we have adopted a Science-Based Target (SBT) methodology, to align our climate-related KPIs, targets and Net-Zero Strategy with the Paris Agreement (2015). From 2023, our ESG Action Committee will support the setting and monitoring of targets for other areas of the business.

Our Business Targets

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 targets for organic growth and development for each division as follows:



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 alongside the Audit, Remuneration, and Nominations committees. This Committee was formed to integrate ESG into our existing governance processes, and our employee-led committees champion embedding ESG throughout our operations.

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 2022, the PLC Board had a gender diversity of 42.9%, complying with our target to achieve 37.5% by December 2022. Subsequent to the Board changes on 2 March 2023, the Board has a gender diversity of 28.6%. Consistent with its policy of non-discrimination the Board will continue to seek to expand the Board to achieve its target as and when it is appropriate to do so.

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 environmental, social, and governance-related risks, opportunities and responses are incorporated into the business strategy. He also approves the ESG report. The Group's CFO, Paul Connor, is responsible for considering climate-related risks associated with the company's financial performance.

Governance structure

Figure 1: Corporate governance structure



Our Board

Mark Dickinson

Chief Executive Officer



Skills and experience

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 of developing and advising companies in the sector. Mark was CEO of M&C Energy Group, where he led the buy and build strategy, completing four acquisitions before selling the company to Schneider Electric in 2013.

He brings significant industry knowledge coupled with experience in executing acquisitions and has a Master's in Finance from the London Business School, where he was voted Accomplished Entrepreneur of the Year in 2012.

External appointments

None.

Paul Connor

Chief Financial Officer



Skills and experience

Paul was appointed Chief Financial Officer 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 18 businesses. Paul qualified as a chartered accountant in 2009.

External appointments

None.

Dave Cockshott

Chief Commercial Officer



Skills and experience

David joined the Group in 2020 as Chief Commercial Officer, bringing over 30 years' experience in the energy sector and was appointed to the Board as Executive Director in April 2022. He has held board positions at Marubeni-owned Smartest Energy Limited and at Inenco Group, as well as had executive responsibility for I&C and latterly, Domestic Markets for energy supplier Npower. David assumed operational responsibility for the Group's Energy Solutions Division for the 2022 year.

External appointments

None.

Our Board continued

1. Richard Logan

Non-Executive
Chairman



Skills and experience

Richard is a chartered accountant with over 30 years' experience of working in industry. Having qualified with Ernst & Young in 1984, he has held senior roles with Ben Line Group, a shipping and oil company, and Kingston SCL Limited, a provider of mobile phone billing software, where he was involved in a private equity-backed management buyout and subsequent trade sale. Richard was Finance Director of cloud computing company iomart Group plc (AIM: IOM) from 2006 until his retirement in December 2018. Richard holds a BA in Accountancy from the University of Stirling and in 2013 was Smaller Quoted FD of the Year at the FD Excellence Awards.

External appointments

Richard is a Non-Executive Director and Chairman of the Audit Committee of Pebble Beach Systems Group Plc, an AIM listed company (PEB) providing software solutions to the broadcasting industry.



2. Sangita Shah

Senior Independent
Non-Executive Director



Skills and experience

Sangita is the non-executive Chairman of AIM quoted companies Bilby plc and RA International Group plc, lead board director of NASDAQ listed Forward Industries Inc. and a director of Global Reach Technology EMEA Limited.

Sangita has extensive experience in corporate finance, journalism and senior consultancy. She has held a number of senior roles within blue chip organisations, including Unilever, Mars, Ernst & Young and KPMG, was a former board director of Swindon Town FC and a past President of the Chartered Institute of Journalists. She has consulted to a number of organisations including HM Cabinet Office and HSBC.

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.

External appointments

Sagnita is currently Chairman of AIM quoted companies Kinovo plc and RA International Group plc, a board Director of Ten Entertainment Group plc, and NASDAQ listed Forward Industries Inc. On a policy level she presides over the Quoted Companies Alliance, and as an investor presides over several proivate companies.



3. Dianne Walker

Non-Executive
Director



Skills and experience

Dianne is an experienced, award-winning, Non-Executive Director with 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. Diane is a Fellow of the Institute of Chartered Accountants in England and Wales.

External appointments

Dianne hold the position of Non-Executive Director and Chair of the Remuneration Committee of Victoria Plumbing plc, Non-Executive Director of Development Bank of Wales plc and Senior Independant Director and Chair of the Audit Committee Scott Bader Co.Ltd.

Dianne is also Non-Executive Chair of two small private limited companies, J&L Elevator Components (EOT) Ltd and Cygnet Texkimp Limited.



4. Peter Tracey

Non-Executive
Director



Skills and experience

Peter is Managing Director of Blackdown Partners Limited, an independent investment bank. He brings over 25 years of capital markets experience, including senior leadership roles at Liberum Capital, as Head of Investment Banking and at Merrill Lynch across cash equities and investment banking in London, Frankfurt and New York.

Peter is currently a Non-Executive Director of Water Babies Group Limited and is Chairman of Hurtwood Capital Limited, a private family office with interests in the real estate and media sectors.

External appointments

Peter is a Non-Executive Director of Water Babies Group Limited and is Chairman of Hurtwood Capital Limited, a private family office with interests in the real estate and media sectors.



Key:

- Audit & Risk Committee
- Nomination Committee
- Remuneration Committee
- ESG Performance Committee
- Chairman

Our Committees

ESG Performance Committee

Our ESG Performance Committee, chaired¹ by Sangita Shah (NED), has responsibility for holding the Executive Directors to account concerning climate risks and impacts, including all ESG-related matters. It also supports the Board in approving the ESG strategy and reviewing performance. It is responsible for holding the Executive Directors to account, with respect to all ESG-related matters to the business. In 2022 a Climate Risk and Net-Zero capacity building sessions were held with committee members to develop their knowledge on climate change and the potential climate-related risks and opportunities. In 2023 the Committee will meet quarterly.

Audit Committee

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

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. In 2021, we introduced an ESG component to our Executive Remuneration, and in 2022 overhauled our Remuneration Policy for executives and created the Inspired Incentive Plan; within this, ESG targets have a weighting of 20%.

Nominations Committee

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

Full details of all committees can be found in our [Annual Report](#).

Embedding ESG within the Company

ESG Action Committee

Now that we have established a governance structure for ESG within Inspired, we aim to increase employee engagement with sustainability topics. In 2022, we created the terms of reference for our ESG Action Committee (formerly referred to as the Environmental and Social Action Committees). Our ESG Action Committee is responsible for monitoring and managing the day-to-day actions that will help us achieve our ESG targets and ambitions. It consists of a representative from each business area and reports into the ESG Performance Committee. The role of each committee member is to facilitate ESG dialogue and implement the various ESG initiatives within their departments. The first meeting will be held in January 2023 and quarterly thereafter, reporting into the ESG Performance Committee.

Employee Engagement Committee (EEC)

We believe that ESG needs to be led from the top and championed by our employees. Now we have a governance structure in place for ESG within Inspired, we are aiming to increase employee engagement with sustainability topics. In 2022, we have signed-off on the terms of reference for our EEC, giving them clear guidelines on

their role within our governance structure and the support they need to achieve their ambitions. They are also supported by the ESG Action Committee, where necessary. For example, the ESG Action Committee can provide support in developing plans or submitting requests for funds to the Board. This ensures the EEC is empowered to act whilst also remaining a safe space outside of management for employees.

SDGme

We want to embed the UN Sustainable Development Goals (SDGs) into our organisational culture and have developed an app called SDGme, which encourages our employees to make greener choices in their everyday lives. This is available to all employees, and we are in the process of rolling it out to clients.

Figure 2. SDGme interface



¹ The committee was formerly chaired by Sarah Flannigan in 2022 subsequent to the 2 March 2023 Board change.

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 that we expect throughout our operations. We have several mechanisms for raising concerns and complaints, including a [Whistleblower Protection Policy](#). This sets out the legal protections, the definition of whistleblowing, assurance that whistleblowers are protected and various routes for reporting concerns, depending on the circumstances.

There have been no complaints or reported incidents with respect to Anti-Bribery and Corruption in 2022.

Our Policies

To ensure transparency about how we operate, we currently publish the following policies on our [website](#):

- [Anti-bribery and corruption Policy](#)
- [Anti-Discrimination Policy](#)
- [Board Gender Diversity Policy](#)
- [Climate Change and the Environment Policy](#)
- [Complaint Process Policy](#)
- [Employee Gender Diversity and Equal Pay Policy](#)

- [Equal Opportunities and Diversity Policy](#)
- [Health and Safety and Accident Prevention Policy](#)
- [Human Rights Policy](#)
- [Modern Slavery and Human Trafficking Policy](#)
- [GDPR and Privacy Notice](#)
- [Recognition of ILO Conventions Policy](#)
- [Supplier Code of Conduct](#)
- [Whistleblower Protection Policy](#)

Our certifications

It is important that our internal processes are run to the highest standards to ensure that we are providing a safe working environment for our employees, quality products and services for our clients and are actively managing our environmental impact. That is why we have the following ISO Certifications:

- ISO 9001-2015 - Quality Management Systems
- ISO 27001-2015 - Information Security Management Systems
- ISO 14011-2015 - Environmental Management Systems
- ISO 45001-2018 - Occupational Health and Safety Management Systems

Caring for People

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

Most of our work is office-based, so there is a low risk for health & safety issues. However, we have some employees and contractors that conduct site visits and on-site work, which are considered to have a higher risk level. We have a robust [Health and Safety and Accident Prevention Policy](#).

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 that 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 2022. In 2023, we will be reviewing our modern slavery statement, to ensure it is in line with best practices and the latest industry guidelines.

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 that we generate, whilst increasing reuse and recycling rates. We promote video conferencing (where possible), to avoid unnecessary travel.

We support our clients in reducing their energy consumption and increasing on-site generation, and for the last three years, have been enabling clients with their ESG reporting and assessing the broader environmental impacts of their operations. For further information, visit our [webpage](#).

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 outlined below.

Staff Recruitment, Development and Retention: we have experienced greater workforce turnover following the COVID-19 pandemic, due to the significant changes this caused in people's personal and professional lives. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. In 2022, we introduced a new training portal, which offers employees sessions and courses, to improve their skills. For example, presentation skills, time management and project management.

Health & Safety (H&S): although primarily office-based, some of our Optimisation Services employees need to conduct on-site work to install and remove equipment. All client site visits require an approved risk assessment and method statement (RAMS), to mitigate potential risks to employees and contractors. To protect the safety and wellbeing of our home-working staff, they complete a monthly survey confirming they are able and willing to work from home, and undertake a quarterly Display Screen Equipment (DSE) assessment. In 2022, we are pleased to confirm that we have completed our first year with ISO 45001 certification for the H&S management system.

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

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. In 2022, we have rewritten the Terms of Reference for this committee, to ensure its aims and actions are clear and provide the support it needs from other internal committees.

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.

Throughout 2022, the energy crisis has continued to impact corporate businesses. Inspired has 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. The Group is well-placed to help clients through these unprecedented times.

Suppliers

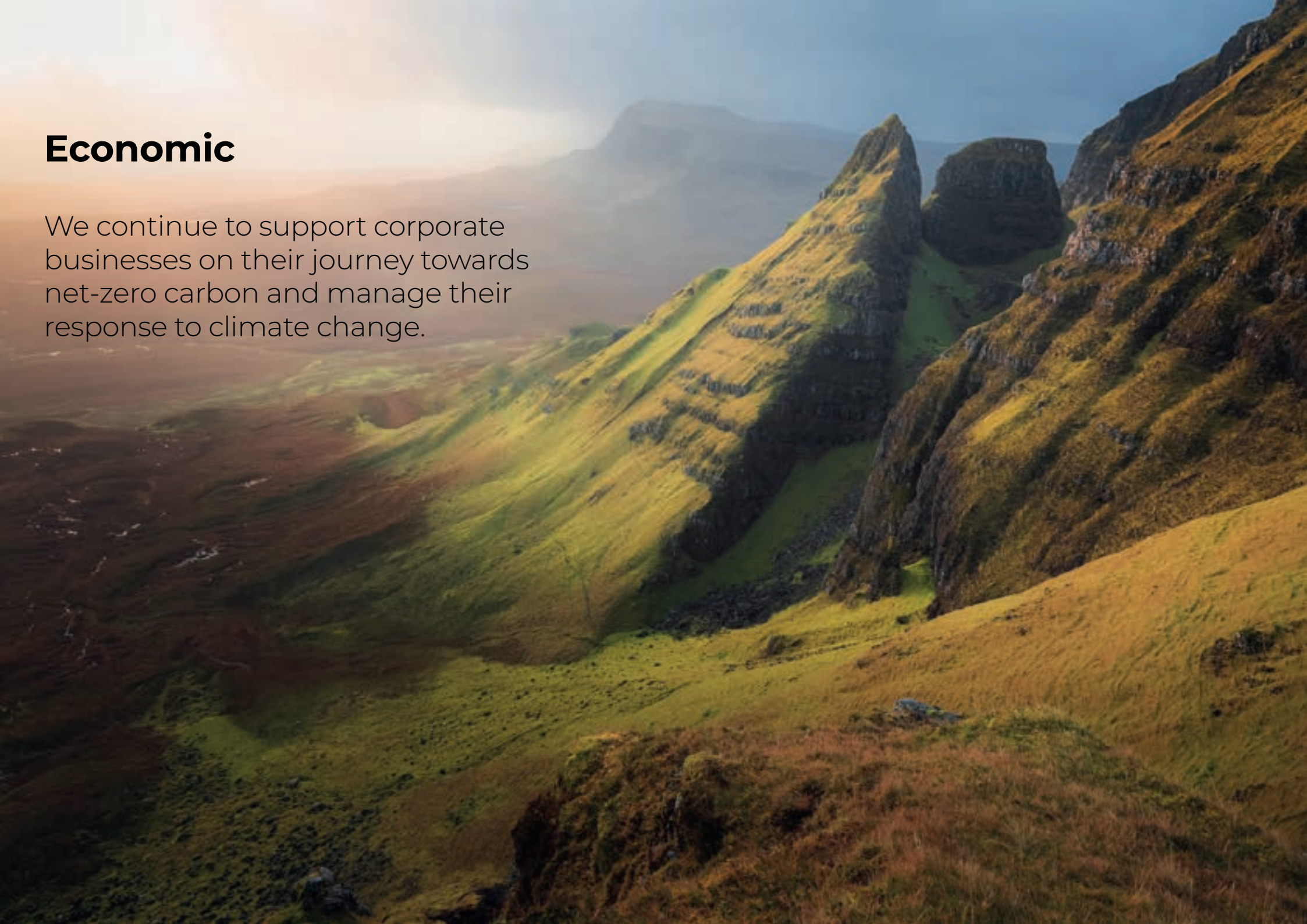
We value all our suppliers and have multi-year contracts with our key suppliers. Supplier relationships are managed by senior personnel and analysts, particularly the Directors and Senior Management Team.

Environment and Society

The environment and society have been recognised as a stakeholder since 2021, in recognition of the importance of considering our impact on the world around us. Our environmental and social targets are set out in this report.

Economic

We continue to support corporate businesses on their journey towards net-zero carbon and manage their response to climate change.



Economic Overview

The Group delivered strong growth in 2022. We made significant progress in delivering on our strategy, to provide a comprehensive suite of services, to support corporate businesses on their journey towards net-zero carbon and manage their response to climate change. The favourable underlying value drivers of net-zero carbon and ESG, such as increased legislative reporting requirements, continued to drive growth and opportunities.

Overall, the Group's revenue increased by 31% to £88.8m. Of this, 95% or £84.4m, can be classed as green revenue, according to the London Stock Exchange's Green Economy Mark criteria ([see here for more details](#)).

Our Organisation at Glance

Enabling carbon emissions reduction

We offer a range of services that help clients 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 can 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 preserve the business's culture and create long-term value.

ESG Services

We are pleased to report that our newest department, ESG Services experienced substantial growth in 2022, with revenues growing 30% year-on-year.

Social value: the new competitive frontier

In addition to our net-zero targets and services, we are aware of the need to support businesses, in becoming more socially responsible and sustainable. More than ever, businesses today are being asked to take responsibility for how corporate activities impact local and global society. This includes how they are considering human rights, diversity and equality, taxation and being a good corporate citizen. Consumers and buyers are considering 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 that we are actioning the same 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 suppliers and partners that align with their values.

Climate-related Risks and 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 business's strategic resilience to climate-related matters.

As a technology-enabled service provider supporting green energy procurement, net-zero carbon delivery and ESG disclosure services, climate change provides the Group with several opportunities and risks. Our TCFD disclosure outlines the impact of climate change on the business, 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](#).

Tax

Inspired is committed to being a good corporate citizen and as such pays all applicable tax in the countries in which it operates. Our tax payments are laid out in more detail in our Annual Report, available [here](#).

Green Economy Mark

We are pleased to have received the London Stock Exchange's Green Economy Mark. It recognises those companies that are contributing to a greener and more sustainable economy and allows greater visibility for investors interested in green economy activities. To receive it, companies must generate at least 50% of their revenue from green revenue streams as defined by FTSE Russell's Green Revenues taxonomy. We first received it in 2020 and are pleased to have achieved it again this year, with 95% of our revenue was associated with green revenue streams.

Our green revenue comes from:

Procurement: We help companies engage in environmentally responsible behaviour. For example, energy reduction initiatives and on-site 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 submissions for sustainability reporting and voluntary schemes such as the Carbon Disclosure Project (CDP).

Monitoring and Targeting: 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 on-site renewable generation.

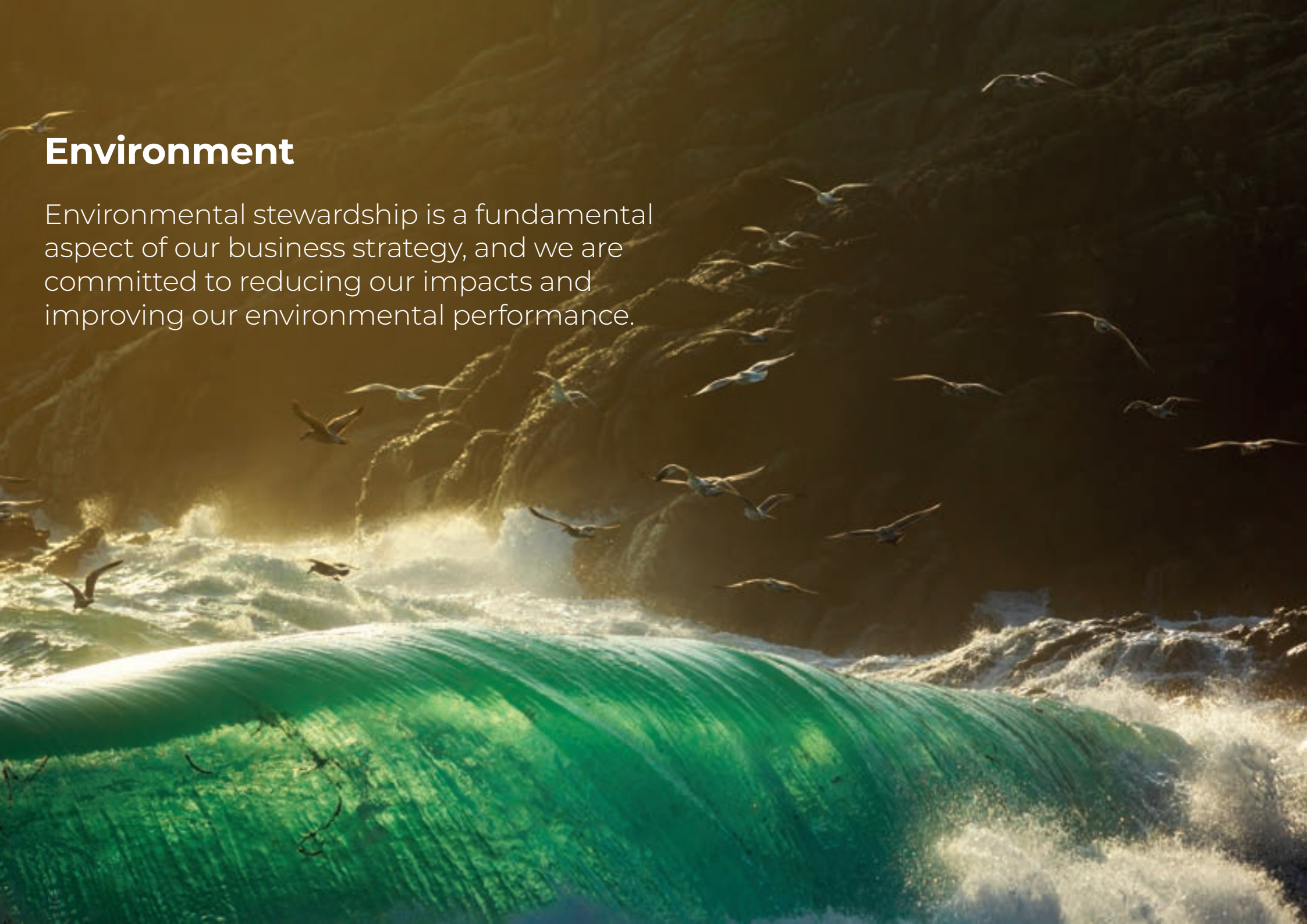


Table 1: Green revenue for Inspired PLC in 2021 and 2022, split by services and division.

Service	Description	2022 revenue £000	2022 Green revenue £000	2021 revenue £000	2021 Green revenue £000
Procurement	Consultancy and advisory services on placing energy supply contracts for corporate consumers. Focusing on the management of renewable obligations, feed-in tariffs and climate change levies	24,726	24,726	24,443	24,443
Energy accounting	Verification of energy invoices and charges for corporate energy consumers, including validation of consumption data which forms the basis of submissions for sustainability reporting and voluntary schemes such as the Carbon Disclosure Project	6,341	6,341	5,965	5,965
Monitoring and targeting	Monitoring of site energy consumption to reduce energy and water waste and drive energy-efficient behaviour from employees	7,362	7,362	7,039	7,039
ESG	Production of net-zero carbon action programmes and setting of science-based targets. Creation of TCFD and SECR disclosures and ESG reports	2,580	2,580	966	966
Forensic audit	Historical cost recovery relating to consumer energy and water invoices	4,344	—	3,093	—
TRIAD alerts	Forecasting and notifying of TRIAD periods to energy consumers	84	—	127	—
Optimisation services	Consumption reduction management through energy efficiency, demand-side response and on-site renewable generation	43,397	43,397	26,308	26,308
Total		88,834	84,405	67,942	64,721
% green revenues			95%		95%

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 2022, we have again used offsets to achieve carbon neutrality for Scope 1, 2 and consumed Scope 3 emissions. In 2022, we submitted our letter of intent to the SBTi. In 2023, we will have our carbon targets validated and publish our Net-Zero Strategy.

Our Clients

Our ESG Solutions division was created as part of our recognition of the climate emergency. 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, on-site generation, green electricity procurement, and environmental regulations compliance. We provide solutions to deliver Net-Zero Carbon and Science-Based Targets (SBTs). We bring value to our clients by 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 our suppliers' environmental performance. As such, we can bring our suppliers with us on our road to net-zero.

COP 27 Insights

From the 6th to the 18th of November 2022, Egypt hosted COP27 – the United Nations' 27th annual global climate change conference.

COP27 is now over, with many new commitments, pledges and initiatives made to curb the rising global temperature over the two-week event.

For the duration of COP27, our Insights Hub was packed with the latest news, blogs, guides, and information.

- Insight articles exploring the key discussion topics at COP27
- Regular updates on the negotiations
Downloadable guides
- The chance to have your say and share your current energy and sustainability challenges through an online survey

Our COP27 Insights Hub will remain available for anyone to access the resources created. For anyone you feel would gain valuable insights and information from our COP27 content, please direct them to our COP insights hub.

Our work towards net-zero isn't over yet. There are many businesses who continue to work towards their net-zero strategies and Inspired PLC aims to be at the forefront.



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 a matter of delivering on our duty of care for future generations.

Within our Business

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; disclosing of our full Scope 3 emissions; and ISO 14001 certification.

We assess the environmental impact of any new processes or products that we are considering introducing. In 2022, our net-zero team received training on conducting life cycle assessments. We are creating a five year plan, to assess the most carbon-intensive products. This will be finalised in 2023, and the first products will be assessed.

Resource Management

We use only licensed and appropriate organisations for waste disposal purposes.

Travel

We operate and maintain company vehicles (where appropriate), with due regard to environmental issues, as far as reasonably practical. We encourage the use of alternative means of transport, including public transport, cycling and car sharing.

We promote the use of travel alternatives, for example, e-mail or video, or telephone conferencing.

Offices

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.

In March 2022, we opened our London office at Monument which is in a BREEAM In-Use (Building Research Establishment Environmental Assessment Method) 'Very Good' rated building. BREEAM In-Use is a standard which assesses the sustainability performance of existing buildings using established benchmarks. It considers elements such as carbon emissions, low impact design and biodiversity protection. The 'Very Good' rating represents the third-highest level and indicates that sustainability has been a priority in the project and advanced good practice has been followed.

In autumn 2022, we installed circuit-level monitoring at our Kirkham office and the best practice findings from this will be rolled out across our other offices in 2023.

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. We encourage others to do the same.

Local Community

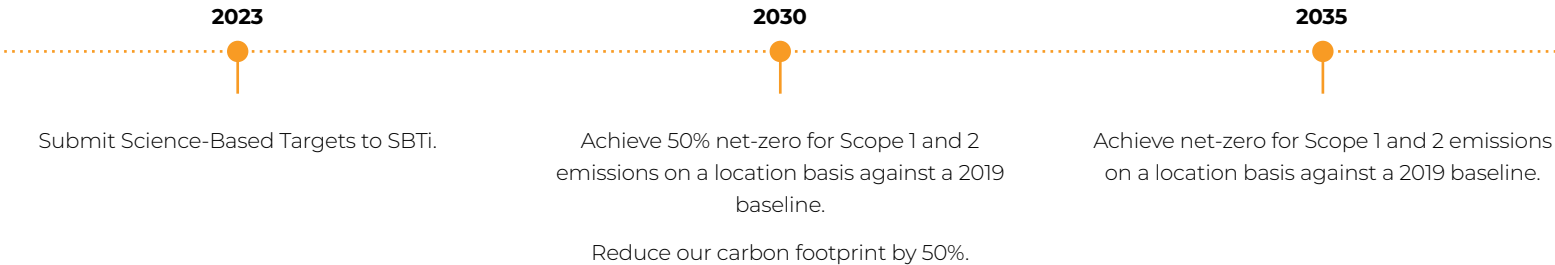
We aim to continuously reduce the air, water, noise and light pollution from our premises and any impacts from our operations on the environment and local community. We prioritise using local labour and materials (where available), to reduce CO₂ emissions and help the community, both economically and 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 carbon 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 5,381 tCO₂e of our 17,813 tCO₂e 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 places 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.

An aerial photograph of a rugged coastline. The top half of the image shows dark, jagged rock formations with some patches of yellowish-brown lichen or moss. The water below is exceptionally clear, showing a vibrant turquoise color near the shore that deepens into a darker blue further out. The water's clarity reveals the rocky seabed and some submerged vegetation. The overall scene is a beautiful natural landscape.

Environmental Progress: 2022 and Beyond

In 2022, we modelled potential net-zero pathways for our business, using the data collected in the recent years of our reporting. These are being used to create our net-zero strategy, which will be finalised and signed-off in 2023.

In addition to reducing our carbon emissions and energy use, we recognise the importance of biodiversity and continue to monitor our potential impact, which is considered low.

GHG emissions

This is our third 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%. Our operational analysis shows that our absolute carbon cost of operations reduced by 3% during 2022. While we are working to reduce our emissions across all three scopes, we have purchased 4,731 tCO₂e of offsets and sequestered 650 tCO₂e carbon to cover our value chain, so that our services are carbon neutral while on our path to net-zero.

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 leads to an increase in our Scope 3 emissions, which would not accurately reflect the impact our services are having on the environment. Therefore, we have included information on emissions from energy-consuming products sold to customers and the carbon savings made by these products in our Carbon Balance Sheet (Table 2).

Overall, our total emissions for all scopes increased by 9% between 2021 and 2022, and 99% of this increase came from Scope 3 sources. This was driven mainly by a 16% increase in the energy used by products sold to third parties. This is the largest category for Inspired and represents 62% of the Group's total emissions. When we consider this growth in the context of the increasing scale of our operations on both a revenue and employee basis, we are becoming more effective in our emissions management.

However, we know that the objective of net-zero is to deliver absolute reductions in emissions and intensity metrics only show a direction of travel.

Other air emissions

In addition to greenhouse emissions, business operations can release other polluting gases into the air, such as sulphur oxides (SO_x), nitrogen oxides (NO_x) and volatile organic compounds (VOC).

Companies that burn large quantities of fossil fuels can emit substantial amounts of these emissions from their processes and fleet. As a company, we have not reported on these emissions as they are not material to our operations; we only have one company car and do not burn substantial amounts of fuel.

White-tailed eagles eat a variety of prey. As their other common name, sea eagle, suggests, they take fish, but also birds, mammals and carrion. They are opportunistic hunters and often steal food from other birds.



Carbon Balance Sheet

Table 2: Carbon balance sheet

Emissions Scopes & Categories	GHG Inventory						Operational analysis		
	Location-based tCO ₂ e			Market-based tCO ₂ e			Carbon cost of operations tCO ₂ e		
	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change
Scope 1	106	105	+0%	56	40	+40%	56	40	+40%
Natural Gas	50	65	-24%	0.06	0.1	-57%	0.06	0.1	-57%
Transportation (excluding grey fleet)	56	40	+40%	56	40	+40%	56	40	+40%
Scope 2	55	74	-26%	0	0	0%	0	0	—
Scope 3	17,653	16,111	+10%	17,653	16,111	+10%	5,325	5,513	-3%
1. Purchased Goods & Services	5,371	5,860	-8%	5,371	5,860	-8%	—	—	—
Energy-consuming products for resale	1,257	539	+133%	1,257	539	+133%	—	—	—
Other goods and services	4,114	4,829	-15%	4,114	4,829	-15%	4,114	4,829	-15%
2. Capital Goods	345	192	+79%	345	192	+79%	345	192	+79%
3. Fuel-related Emissions	29	63	-55%	29	63	-55%	29	63	-55%
4. Upstream Transportation and Distribution	61	56	+10%	61	56	+10%	61	56	+9%
5. Waste Generated in Operations	1	1	+37%	1	1	+37%	1	1	+37%
6. Business Travel	479	146	+229%	479	146	+229%	479	146	+229%
7. Employee Commuting	297	226	+31%	297	226	+31%	296	226	+31%
8. Upstream Leased Assets	N/A	N/A	—	N/A	N/A	—	—	—	—
9. Downstream Transportation and Distribution	N/A	N/A	—	N/A	N/A	—	—	—	—
10. Processing of Sold Products	N/A	N/A	—	N/A	N/A	—	—	—	—
11. Use of Sold Products	11,069	9,567	+16%	11,069	9,567	+16%	—	—	—
12. End-of-life Treatment of Sold Products	1	1	+6%	1	1	+6%	—	—	—
13. Downstream Leased Assets	N/A	N/A	—	N/A	N/A	—	—	—	—
14. Franchises	N/A	N/A	—	N/A	N/A	—	—	—	—
15. Investments	0.1	0.1	-30%	0.1	0.1	-30%	—	—	—
Total All Scopes	17,813	16,290	+9%	17,709	16,151	+10%	5,381	5,553	-3%
All scopes kgCO₂e per £ (revenue)	0.20	0.24	-16%	0.20	0.24	-16%	0.06	0.08	-26%
All scopes tCO₂e per employee	27.8	26.8	+4%	27.6	26.6	+4%	8.4	9.1	-8%

* 2021 revenue corrected from £68.28 million estimated at time of writing the original disclosure to £67.941 million as per 2021 report and accounts restatement of percentage change from 25% to 26% of market-based carbon cost of operations for 2021.

Please note that our Inspired Net-Zero Services Team has used our data to calculate emissions

Carbon Balance Sheet continued

Table 2: Carbon balance sheet - continued

Emissions Scopes & Categories	GHG Inventory						Operational analysis		
	Carbon cost of energy consuming products sold to customers tCO ₂ e			Carbon saving from use of energy consuming products by customers tCO ₂ e			Customers net carbon impact from use of energy consuming products tCO ₂ e		
	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change
Scope 1									
Natural Gas									
Transportation (excluding grey fleet)									
Scope 2									
Scope 3	1,258	540	133%	16,364	10,658	54%	15,106	10,118	49%
1. Purchased Goods & Services									
Energy-consuming products for resale	1,257	539	133%				(1,257)	(539)	133%
Other goods and services									
2. Capital Goods									
3. Fuel-related Emissions									
4. Upstream Transportation and Distribution									
5. Waste Generated in Operations									
6. Business Travel									
7. Employee Commuting									
8. Upstream Leased Assets									
9. Downstream Transportation and Distribution									
10. Processing of Sold Products									
11. Use of Sold Products				(1,257)	(539)	133%	16,364	10,658	54%
12. End-of-life Treatment of Sold Products	1	1	30%				(1)	(1)	30%
13. Downstream Leased Assets									
14. Franchises									
15. Investments									
Total All Scopes	1,258	540	133	16,364	10,658	54%	15,103	10,118	46%
All scopes kgCO₂e per £ (revenue)	0.01	0.01	78%	0.18	0.16	18%	0.17	0.15	14%
All scopes tCO₂e per employee	2.0	0.9	121%	25.5	17.5	46%	23.6	16.6	42%

Energy

Our energy consumption is relatively minor and relates primarily to the utilisation of our offices. However, we are 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 ongoing and undertaken through 2022:

- Half-hourly monitoring has been implemented at the Kirkham office, to allow a detailed understanding of our energy use and enable us to roll out best practices across all our offices.
- Time controls have been implemented on heating and cooling plants within the Kirkham office space, to further improve the efficiency of the operation. This has included the utilisation of heat recovery systems and the programming of Bank Holidays, to ensure that the plant is not operational during periods of non-occupancy.

- An employee commuting survey was issued to staff, to improve the accuracy of our Scope 3 Category 7 (employee commuting) emissions data.
- An electric vehicle scheme has been introduced for Inspired employees, to provide employees access to electric cars and lower our Scope 3 Category 6 and 7 emissions (business travel and employee commuting).
- A net-zero Workshop was held with key stakeholders in July 2022. This was a training session on net-zero and Inspired's current position, to ensure net-zero is embedded throughout the business. In October 2022, a ESG Performance Committee capacity building session on TCFD, climate-related issues, and net-zero was held.

Measures prioritised for implementation in 2023:

- Best practice rollout for all our offices based on the findings from our Kirkham office's half-hourly monitoring and energy-saving initiatives.
- Improve f-gas data collection, to improve our data accuracy for Scope 1.

Circuit-level monitoring (case study)

Circuit level monitoring gives a detailed insight into energy usage so that inefficiencies and waste can be identified and tackled.

In autumn 2022, we installed 20 sensors onto the cables of the Kirkham office distribution boards. These sensors upload to the cloud via WiFi and gave us half-hourly data on energy use for each circuit within our head office. This allowed us to assess how the heating and cooling, lighting and office appliances are utilised during normal operations.

For three weekends and two full working weeks after the sensors were installed we made no specific efforts to limit consumption or change usage patterns. This period is shown as the grey shaded

area in Figure 3 below and the black data points on the left-hand side shows energy consumption during this time. This gave us an overview of baseline use and revealed that heating, ventilation and air conditioning (HVAC) is a major contributor to overall consumption and emissions for us. We identified that there was consumption overnight and at weekends, unrelated to business operations. Therefore, our first initiative was to schedule AC operation around occupied office hours. We also realised that overnight, the heat recovery intake fans are covered by the building's security shutters so we automated switching off the heat recovery outside of office hours. The green shaded area on Figure 3 shows the energy we have saved using through the efficiency measures we introduced and the blue data points are our improved energy consumption following those changes.

Figure 3. Energy consumption at our Kirkham office over the trial period



Environmental Policy

Water

Our water use in day-to-day operations is relatively low. The increase in homeworking due to the COVID-19 pandemic has assisted in reducing our water consumption. Despite this we have set the following targets to reduce our water and wastewater usage in the short term. We are currently reviewing where we can use metering equipment, to monitor and reduce our water consumption.

Waste

Our waste generation is small, due to the nature and size of our business. This year we are pleased to report on some of our waste streams for the first time. These are for our Kirkham office, where we manage the waste disposal internally. Our other locations are serviced offices where we have less insight into the waste collection processes.

Table 3. 2022 Waste data for Inspired plc, based on available data for our Kirkham office.

Waste stream	Disposal method	Weight
Paper	Closed-loop recycling	7.07
Dried mixed recycling	Closed-loop recycling	10.73
Mixed	Combustion	7.07

Hazardous Waste

Our only hazardous waste comes from our use of printer toner. For our Kirkham office, this waste is handled by an external company who ensure we comply with disposal regulations for hazardous waste. We hope to provide details on the amount of hazardous waste in 2023.

Recycling

Waste from our offices is recycled. However, the percentage is not currently measured, but we will set appropriate targets over the next two years. We 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.

E-Waste

Our e-waste is handled by an external vendor which aims to resell and recycle used electrical equipment as far as possible. This is primarily our office and data centre equipment, including monitors, printers, mobile phones and peripheral devices. All e-waste is handled in line with the Waste from Electrical and Electronic Equipment (WEEE) regulations.

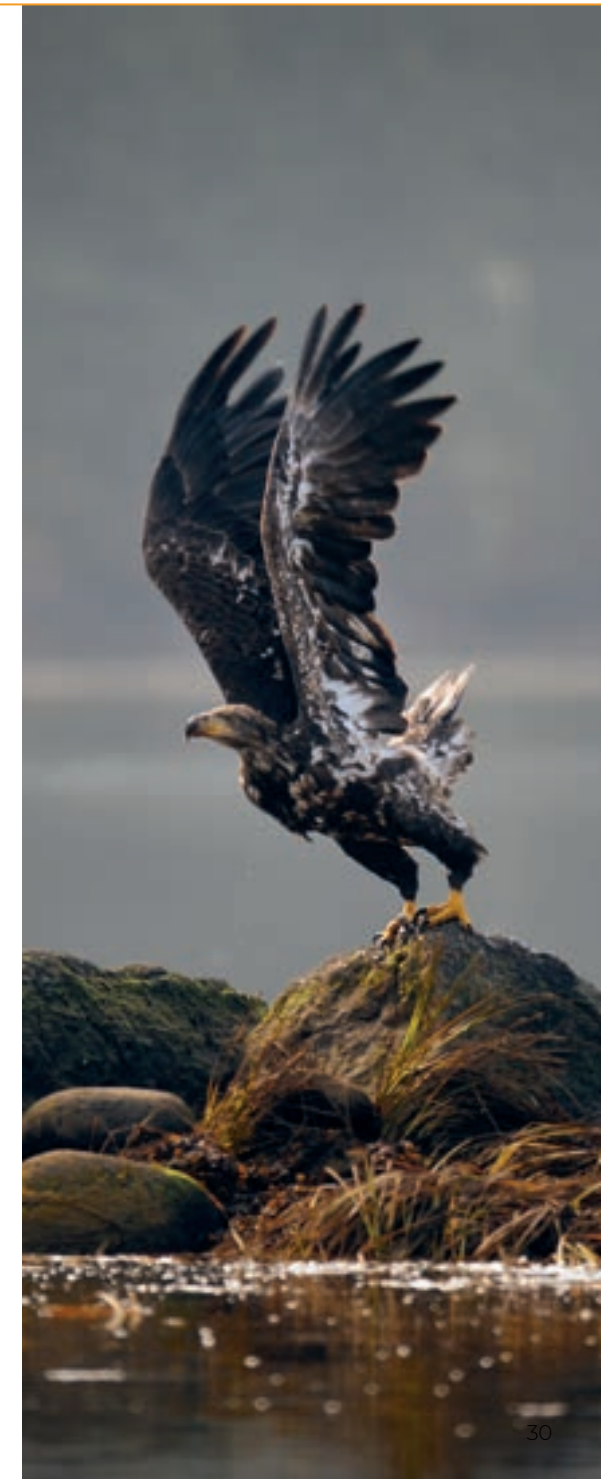
SDGme

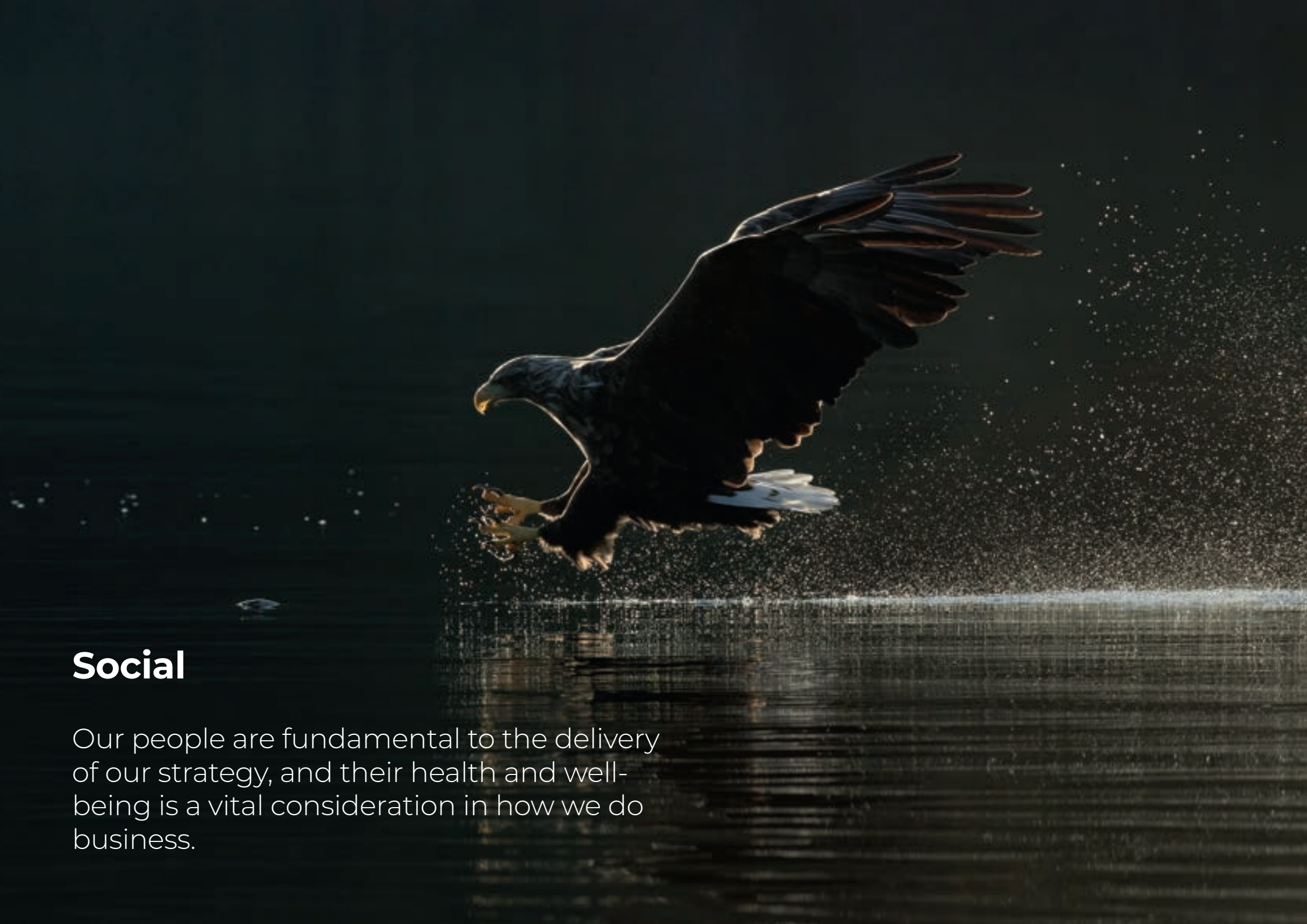
We want to embed the UN SDGs into our organisational culture, through our SDGme app. This encourages employees to record actions that save carbon and contribute to specific Sustainable Development Goals. It aims to foster employee engagement and shape individual behaviour around global social and environmental issues.

In 2022, almost 9,500 actions were logged, saving 26.52 tCO₂e. Actions include choosing active travel over driving, conserving energy by turning off devices at night and shopping locally. We are in the early stages of testing the app with clients and look forward to rolling it out in 2023.

Biodiversity

We have assessed each location 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. In 2022 we closed our Burgess Hill office which was the only site that was adjacent to an area with Great Crested Newts, a protected species.





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 empowers our employees and attracts 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, by 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 average number of employees at the financial year end in the UK was 641 (608 FY2021), a growth of 5%. The majority of our employees are on permanent contracts. In 2022, our employee turnover was 19% (2021: 17%).

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.

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 help 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, and 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 ignite dialogue with our employees. These include initiatives from the Employee Engagement Committee, interactive Q&A sessions with Senior Management, social media, corporate publications and engagement surveys. In December 2022, we launched a monthly newsletter based on employee feedback. It aims to keep employees informed about the business and act as a space for celebrating achievements.

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

In 2022, we wrote the terms of reference for our ESG Action Committee, and it will hold its first meeting in January 2023. Part of its remit is to set and monitor 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 and 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.

This year, we are pleased to have introduced a new suite of training sessions and modules. It focuses on transferable, professional skills. Courses cover topics such as communication, customer relations and project management and last from a few hours to a full day. There is a session on effective remote working, to support our employees in this new way of working. These courses have been very well received, and uptake has been high. We are planning to launch a further 20 professional skills courses in 2023, including an Inspired Leadership Programme.

As a business, we are increasingly focused on our “Grow Your Own” Policy, which promotes the growth and development of young professionals. We hope this training allows our employees to feel fully supported in their development and progression at Inspired.

Regular Training

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 the following modules:

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

Specialist training

We 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. We will commence tracking external training over the next few years.

Graduates

In 2022, we updated our Graduate Placement Scheme, based on our experience of operating the scheme since 2019. Graduates now work within one team, focusing on building their knowledge and skills in that area, whilst being introduced to the rest of the business and other roles at Inspired. This is in response to graduates and managers often requesting for them to remain in their team, rather than rotating to the next team. All job vacancies are advertised internally via our new HR portal CIPHR, which allows employees to move roles within the business and widen their experience.

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, providing a high-precision tool for aligning rewards to behaviours. As part of this bonus structure, employees receive a quarterly appraisal, giving them feedback on their work and areas for improvement, as well as a chance to discuss areas where they would like to develop or need more support. A quarter of the 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.

Share schemes

We have a Share Option Scheme, under which senior staff members are granted options. All senior managers are incentivised with share options with a 12 to 24-month forward horizon. We reward loyalty by offering a Sharesave scheme to employees that have been with the Group for over six months.

Parental and Sick Leave

We operate with an accommodating approach, and our policies help employees with leave periods when necessary to deal with exceptional personal circumstances. In 2022, all employees had the right to sick leave and maternity or paternity leave and pay, in line with legal requirements. In December 2022, we announced an extended Maternity Policy, which will be available to employees from April 2023. This will provide employees with 16 weeks of full pay, going beyond the legal minimum of six weeks at 90% pay. In 2022, 10 employees took maternity leave, and six took paternity leave.

Electric car scheme

From March 2022, Inspired were pleased to offer a salary sacrifice scheme for new electric cars to all employees who have passed their probationary period. This will start to lower our Scope 3 emissions from business travel and employee commuting (Categories 6 and 7). So far, it has been taken up by 13 employees.

Group Pension Scheme

All qualifying employees can join our Group Pension Scheme which is line with all legal requirements. From July 2022, we moved our pension provider to one which better reflects our commitment to ESG and responsible investment whilst also having a cost-effective management fee for employees which is competitive with current market pricing. Our new provider has a lower management charge and offers a market-leading ESG default fund.

Flexible working

Employees can apply for flexible working hours according to the statutory provisions. This can take the form of part-time hours, job sharing or adjusted working hours. We also offer most employees, where their role allows, the choice of working fully remotely, fully in-office or a combination of both, depending on their needs and preferences.



Health & Safety

Creating and maintaining a safe and healthy working environment for our people is of utmost importance to 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 low, compared to many organisations. We have an occupational health and safety management process to cover physical risks - as of 2021, it is certified according to the ISO 45001: Occupational Health and Safety standard. Additionally, we are registered with the Achilles Utilities Vendor Database (UVDB) scheme, which aims to manage and mitigate risks in the supply chain.

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

- Where we provide services on third-party premises, an appropriate risk assessment and method statement is produced (RAMS).
- Where a third party provides services on our premises, the third party receives and reviews a RAMS where appropriate.

- Annual HSG65 audits are conducted for each premise by an independent external consultant. These audits follow the guidelines set by the UK Government's Health and Safety Executive (HSE). They ensure that our sites are compliant with the latest requirements and that we are aware of areas for improvement.
- 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.
- A quarterly 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.

H&S management

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. They oversee the formulation and implementation of the company's Health & Safety & Accident Prevention Policy.

The Health & Safety Steering Group is assisted by local managers, when required. The Director of Compliance and Integration manages 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 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.

Home working

After the pandemic, most of our people shifted to remote working, presenting us with new challenges, to ensure all our employees remain safe during their work. To monitor employee safety and wellbeing whilst working from home, we have a monthly survey checking they are happy and comfortable working remotely and a quarterly DSE assessment to check their work environment is safe.

Site visits

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.

In 2022, there were no fatalities (2021: no fatalities) and one HSE-reportable injury (2021: none). There were six accidents, with two requiring medical treatment and nine near-misses. This is an increase from previous years. In 2022, we experienced an increase in our construction-focused projects, following a lull during the pandemic. All incidents are logged in a tracker and followed up internally, to ensure any improvements are made to reduce the likelihood of recurrence. Work-related hazards are reviewed monthly by the office management team to minimise risk.

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.

Table 4. Health and safety figures for Inspired since 2019.

	2019	2020	2021	2022
Near Hits / Misses	40	13	3	9
Accidents / Incidents	5	1	2	6
HSE Reportable injuries - RIDDOR	1	0	0	1

Employee Wellbeing

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

As part of this, 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. To support this, we offer 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, 229 (2021: 160) Inspired employees were 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.

We know that operational changes within an organisation can affect our employees, regardless of the reason. These are communicated to employees with adequate notice and employees are encouraged to voice any concerns they may have in relation to proposed changes. If an understanding cannot be made, we provide any minimum notice required by the local laws.

Employee newsletter

As of December 2022, we have a monthly newsletter to keep employees informed about the business and act as a space for celebrating achievements. This was created based on employee feedback.

Each month, there is information on new product launches or developments and updates to any internal policies, process or projects. To support employee development, each issue highlights current internal vacancies and upcoming or new training courses. We also use the newsletter to welcome new joiners, thank leavers for their service and celebrate internal promotions and work anniversaries.

HR Portal

In August 2022, we launched a new, cloud-based human resources portal. This streamlines our existing HR solutions and creates a single location for employees to manage absences, payslips, applying for internal vacancies, and much more. We plan to introduce new features to this over the coming years.

Equal Opportunities

We are an equal opportunity employer fostering a work environment free from discrimination and harassment committed to treating all employees equally.

We provided equality and diversity 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'.

Targets

We want to ensure that women and men are equally represented across every level of our organisation. We have made some progress during 2022, with respect to gender diversity and reduction in the gender pay gap. We know that improving gender equity in our organisation brings enhanced collaboration, productivity, diversification of views, and staff retention.

The Board drives our dedication to diversity and our Board Gender Diversity Policy target is a minimum of 37.5% representation of the minority gender by December 2022. This was achieved in 2021 and maintained in 2022.

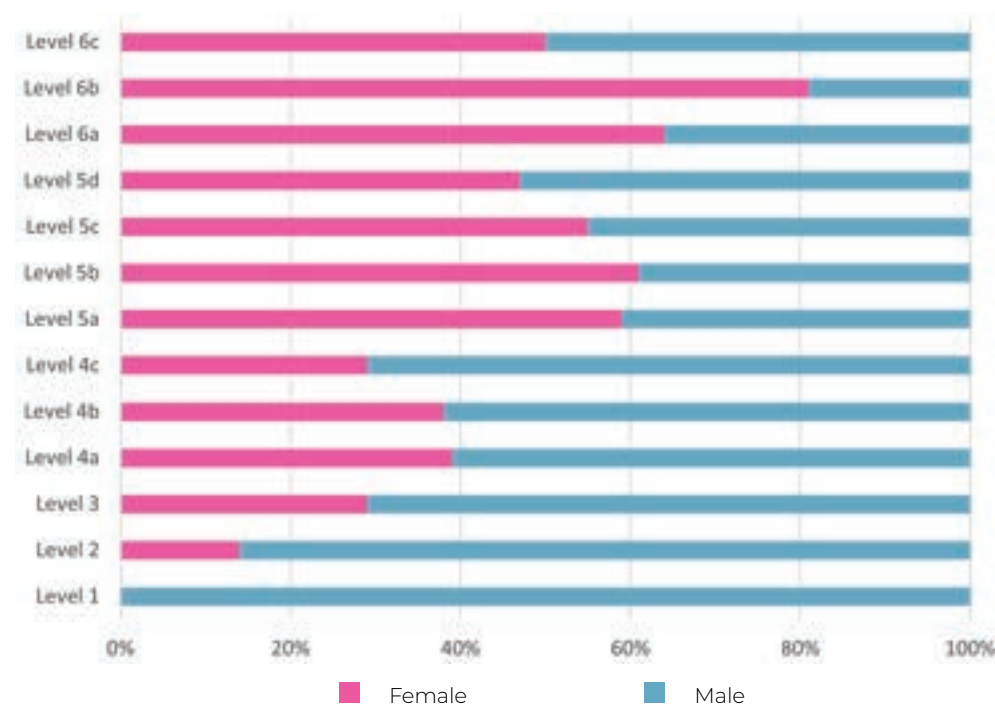
Table 5. Board's gender minority

Year	Target Minority Gender	Male	Female
2020	-	80%	20%
2021	37.5%	50%	50%
2022 ²	37.5%	50%	50%

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 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.

In 2022, our Group gender diversity was 48%, an increase from 46% last year.

Figure 4. Gender diversity across Inspired plc by pay level.



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

- a) Set gender and diversity targets for every business level at 37.5%.
- c) Continue to provide access to additional leadership training for women in the organisation.
- d) Develop a Science, Technology, Engineering and Mathematics (STEM) scholarship programme for girls and young women in Inspired PLC's local communities.

²Subsequent to the Board changes on 2 March 2023, the Board has a gender diversity of 28.6%. Consistent with its policy of non-discrimination the Board will continue to seek to expand the Board to achieve its target as and when it is appropriate to do so.

Equal Pay

As a company, we take our responsibilities for equal pay very seriously.

Table 6 shows a summary of our gender pay gap. We aim to maintain an equitable distribution of benefits between all stakeholders in proportion to the performance of the business.

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 additionally 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 2022 financial year, continuing operations, and employee disclosure.

Table 6. Summary of the gender pay gap

	2022	2021	2020
Mean Gender Pay Gap	27%	27%	27%

Equal Pay Ratios

Pay ratios are one method of measuring equity. However, they do not account for individual circumstances. We continually assess our salary structure, to ensure all employees are compensated fairly. We are pleased to see our ongoing work on increasing gender diversity reflected in these figures. The root cause of our disparity in the pay of the minority gender remains our low level of diversity at senior management levels.

Our Equal Pay Ratios are presented by employee category level and age groups. 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. For more information on our equal pay ratios, please see our Gender Pay Gap Report. 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 6c compared to the April 2022 minimum wage is 108% (2021: 105%). The ratio of basic pay of the highest-paid executive to the average employee is 7.5 (2021: 7.6).



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. We maintain the highest business and ethical behaviour standards, including compliance with all applicable laws and regulations and company policies, practices, and procedures. In 2022, 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. We will perform rigorous due diligence checks, where necessary. Our supply chain management is conducted 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 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.

Local Communities

The Group takes great care to positively influence the communities in which we operate. The Employee Engagement Committee is primarily responsible for directing our interaction with the local community. It consists of over 20 employees from across the business and our offices. Each month it writes and sends out a newsletter celebrating employee fundraising, sharing sustainability tips and encouraging engagement.

In 2022, the committee organised several initiatives to raise funds for local and national charities, donate food to local food banks and promote biodiversity. The highlights are outlined below.

Coffee Mornings

In June 2022, we held our first company-wide virtual coffee morning, a chance for employees from across the business to get to know each other. This was very well received, and there are now monthly coffee catch-ups with high attendance and positive feedback.

Beach Clean-Up

In September 2022, employees from Inspired volunteered to litter pick on Blackpool Beach for International Coastal Clean Up Day. Together, they collected 9.8 kg of rubbish. They also learnt about marine life thanks to Jaz from Sea Life Blackpool, who organised the event and provided equipment.

Charity fundraising

The EEC runs fundraising events throughout the year, and in 2022, these raised a total of £865.75.

Of this, £343.75 went to Shelter and Tranmere Rovers In The Community, thanks to employees who were sponsored to 'Kip on the Kop'. In early October, they spent a night outside at Prenton Park in Birkenhead to raise money for those who don't have a safe home.

Our annual Christmas Jumper Day fundraiser in December raised £522.00 for Save the Children.

Our CEO, Mark Dickinson, also has premium football tickets which he offers to employees for general use in exchange for a donation to our selected charity. In 2022, this raised around £2,500 for Shelter.

Data Privacy and 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. Therefore, we are committed to protecting our clients' information and operate to a Cyber Essentials II Standard. As a business to business (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 which is a Police Assured Security Facility (PASF), with restricted physical access to the equipment or servers. Data stored within the centre is encrypted. In addition, our Software Solutions division provides Software as a Service (SaaS) - based solutions, which must maintain data security to current market standards.

Since 2021, we have 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 breaches and cyber-attacks and encourages 'cyber safe' behaviour.

Our data privacy manager is responsible for the personal data we collect and use.

Customer privacy

The Group received no complaints about breaches of customer privacy in 2022. Furthermore, we had no incidents of failure to comply with data security regulations, including product service information, labelling and marketing communications regulations.

Political Donations and Lobbying

The Group did not make any political donations or enter any lobbying activity during 2022.



Appendix

Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) have been developed and calculated using the GHG Protocol - A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004);

Greenhouse Gas Protocol Scope 2 Guidance and [GHG Protocol Corporate Value Chain \(Scope 3\) Standard](#) (World Resources Institute, 2004), ISO 14064-1 and ISO 14064-2, (ISO, 2018; ISO, 2019);

Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting period 01/01/2022 31/12/2022.

Scope 3 Category	Applicable	Data source/s	Method comments	Data quality rating
1: Purchased Goods and Services	Yes	OPEX data	Spend-based approach OPEX. spend converted into £ value of year of conversion factors using Bank of England inflation calculator. Emissions calculated using converted spend and spend-based emissions factors from DEFRA.	Low
2: Capital Goods	Yes	CAPEX. data, bucketed into categories	Spend-based approach • CAPEX. spend converted into £ value of year of conversion factors using Bank of England inflation calculator. • Emissions calculated using converted spend and spend-based emissions factors from DEFRA.	Low
3: Fuel-related Emissions	Yes	Electricity, gas and transport fuel consumption data from SECR	Activity-based approach • Includes Well-to-Tank and T&D losses from direct (Scope 1) and indirect (Scope 2) energy consumption. • For natural gas, other fuels and transport fuel consumption, the WTT emissions factors as published by the UK Government were applied to calculate Category 3 emissions. • For electricity consumption, the transmission and distribution (T&D), WTT – generation and WTT – T&D emissions factors were applied to calculate category 3 emissions. • These losses from other sources are included in their respective categories.	High
4: Upstream Transportation and Distribution	Yes	Spend on postage.	Spend-based approach • Spend on transportation services converted into £ value of year of conversion factors using Bank of England inflation calculator. • Emissions calculated using converted spend and spend-based emissions factors from DEFRA.	Low
5: Waste Generated in Operations	Yes	Categorised waste from waste notes	Activity-based approach • BEIS emissions factors for specified types of disposed material and specified disposal routes (recycling, energy recovery/combustion, landfill) used to calculate emissions • Extrapolation required as waste data was only supplied for head office	Medium

Methodology *continued*

Scope 3 Category	Applicable	Data source/s	Method comments	Data quality rating
6. Business Travel	Yes	Travel and accommodation spend Business travel mileage	Spend-based approach <ul style="list-style-type: none"> Assumptions made on the average cost of a mile per transport mode in order to estimate the total distance travelled by each transport mode. Assumptions made on average cost of hotel stay in order to estimate number of nights of hotel usage. Distances and hotel stays converted to emissions using BEIS 2021 emissions factors.. 	Low
7. Employee Commuting	Yes	Employee commuting questionnaire results FTE number	Activity-based approach <ul style="list-style-type: none"> Employee survey used to collect distance travelled, transport type and frequency. Annual emissions calculated for each employee that responded to survey Results extrapolated to account for full number of employees 	High
8. Upstream Leased Assets	No	Not Applicable	Captured in SECR Scope 1 and 2	n/a
9. Downstream Transportation and Distribution	No	Not Applicable	No further downstream transportation and distribution of sold products	n/a
10. Processing of Sold Products	Yes	Not Applicable	No further processing of sold products.	High
11. Use of Sold Products	Yes	Quantity of products sold by product type	Activity-based approach <ul style="list-style-type: none"> Activity data from sales figures used to determine number of products sold, broken down by type of energy consuming product. Wattage and average lifespan of the sold products provided by the operational teams. Lifetime consumption calculated for all products sold and converted to emissions using BEIS emissions factors. 	High
12. End-of-life Treatment of Sold Products	Yes	Quantity, weight and item name of products sold.	Activity-based approach <ul style="list-style-type: none"> Activity data from sales figures used to determine number of products sold, broken down by type of consuming product. Weight of products provided by the operational teams. Assumed all products would be recycled at end of life. Mass of treated waste converted to emissions using BEIS emissions factors. 	Medium

Methodology *continued*

Scope 3 Category	Applicable	Data source/s	Method comments	Data quality rating
13. Downstream Leased Assets	No	Not Applicable	No downstream leased assets	n/a
14. Franchises	No	Energy usage or floor spaced of leased asset	No franchises	n/a
15. Investments	Yes	Information Prophets Ltd Deer technology Ltd Industrial and Commercial Operations Network Ltd	Activity-based approach Calculated the pro rata emissions from investment based on % share and period of investment. This was negligible in comparison to total Scope 3 emissions.	High

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