

Streamlined Energy & Carbon Reporting (SECR)

Inspired PLC
FY2023

SECR Highlights

Inspired PLC

Reporting Year: 1st January 2023 – 31st December 2023

Year-on-year Changes

- Building Energy: Increased on-site activity has seen a rise in energy consumption.
- Transport: EV scheme has seen a reduction in transport emissions.
- FTE intensity: Reduction in transport intensity has seen an overall reduction in emissions per FTE.

Energy Saving Projects: Highlights

- Climate Awareness.
- Building Efficiency.
- EV Scheme.

Table 1: Energy Source Breakdown for Total Location-Based Emissions

	Natural Gas	Electricity	Transport	Total
FY2023 Global Carbon & Energy Consumption				
kWh	296,661	328,053	1,185,436	1,810,150
tCO ₂ e	54.27	68.72	266.61	389.60
FY2022 Global Carbon & Energy Consumption*				
kWh	272,410	291,776	1,239,991	1,804,177
tCO ₂ e	49.73	58.01	288.44	396.18
YOY percentage change (tCO ₂ e)	+9.13%	+18.47%	-7.57%	-1.66%

Table 2: Emission Intensity Breakdown for Total Location-Based Emissions

	Natural Gas	Electricity	Transport	Total
Global Carbon Intensity Metric				
FY2023 tCO ₂ e per Full-time equivalent (FTE)	0.08	0.10	0.38	0.55
FY2022 tCO ₂ e per Full-time equivalent (FTE)	0.08	0.09	0.45	0.62
YOY percentage change (tCO ₂ e)	-3.53%	+8.17%	-15.60%	-10.21%

*FY2022 figures have been restated. See Methodology, page 8

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Executive Summary

SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1st April 2019.

This report summarises Inspired PLC's (Inspired's) energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR). This is implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Mandatory information for compliance is detailed on pages 4, 7 and 8 of this report.

The appendix (page 8) includes the methodologies utilised for all calculations related to the elements reported under energy and carbon.

Under the legislation, Inspired must disclose its energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented for all UK operations. Inspired has also included consumption and emissions for its global operations.

50.49% of consumption data used for SECR has been estimated to achieve 100% data coverage. This has increased from the FY2022 estimation level of 24.60%.

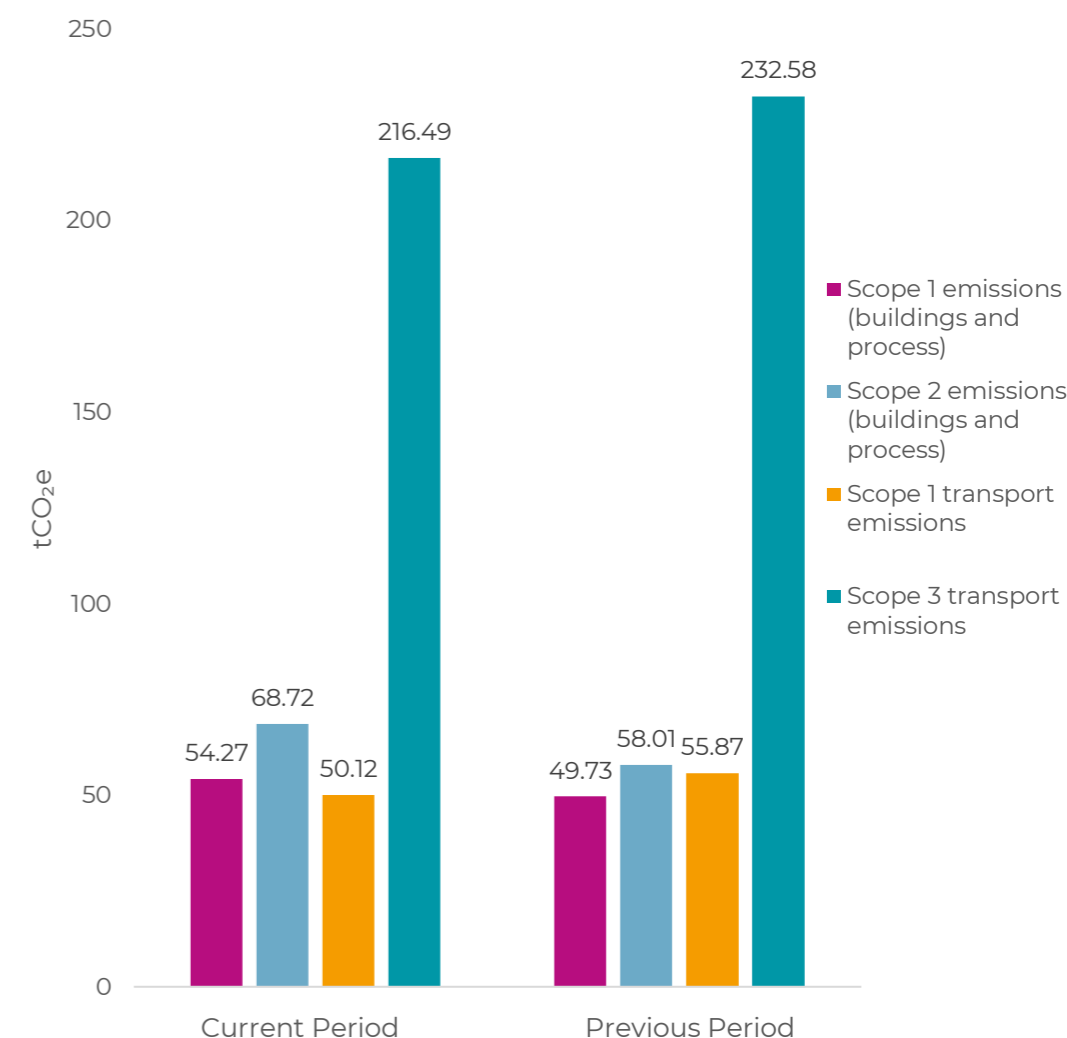
Reporting Year: January – December 2023

Inspired's Scope 1 direct and Scope 3 indirect emissions (combustion of natural gas and transportation fuels) for this reporting year are 320.88 tCO₂e, resulting from the direct combustion of 1,482,098 kWh of fuel. This represents a carbon reduction of 5.11% from last year, ending December 2022 (Figure 1).

Scope 2 indirect emissions (purchased electricity) for this reporting year are 68.72 tCO₂e, resulting from the consumption of 328,053 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 18.47% from last year, ending December 2022 (Figure 1).

Inspired's operations have an intensity metric of 0.55 tCO₂e/FTE for this reporting year. This represents a reduction in the operational carbon intensity of 10.21% from last year, ending December 2022.

Figure 1: Scope 1, 2 and 3 emissions (tCO₂e): this reporting period vs. the previous reporting period.



Annual Reporting Figures: Consumption and Location-Based Emissions

The following tables show the consumption and associated emissions for the financial years ending December 2023 and December 2022 for all operations.

Inspired have chosen to disclose its consumption and emissions data for its global operations, in addition to mandatory UK consumption and emissions data. Total consumption and location-based emissions are reported in Tables 4 and 5.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by Inspired i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Table 3: Inspired PLC Total Emissions Intensity Metric.

Intensity Metrics	Location-based		Market-based	
	FY2023	FY2022	FY2023	FY2022
Total Full-time equivalents (FTE)	702	641	702	641
All Scopes tCO₂e per FTE	0.55	0.62	0.38	0.45
Percentage change	-10.21%		-15.58%	

Table 4: Inspired PLC FY2023 Total Energy Consumption (kWh).

Utility and Scope	FY2023 Consumption kWh			FY2022 Consumption kWh*		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	519,526	0	519,526	504,072	0	504,072
Gaseous and Other Fuels (Scope 1)	296,661	0	296,661	272,410	0	272,410
Transportation (Scope 1)	222,865	0	222,865	231,661	0	231,661
Scope 2 Total	314,518	13,535	328,053	276,294	15,482	291,776
Grid-Supplied Electricity (Scope 2)	314,518	13,535	328,053	276,294	15,482	291,776
Scope 3 Total	962,572	0	962,572	1,008,329	0	1,008,329
Transportation (Scope 3)	962,572	0	962,572	1,008,329	0	1,008,329
Total	1,796,615	13,535	1,810,150	1,788,695	15,482	1,804,177

Table 5: Inspired PLC FY2023 Total Location-based Emissions (tCO₂e).

Utility and Scope	FY2023 Consumption tCO ₂ e			FY2022 Consumption tCO ₂ e*		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	104.39	0.00	104.39	105.59	0.00	105.59
Gaseous and Other Fuels (Scope 1)	54.27	0.00	54.27	49.73	0.00	49.73
Transportation (Scope 1)	50.12	0.00	50.12	55.87	0.00	55.87
Scope 2 Total	65.13	3.60	68.72	53.43	4.58	58.01
Grid-Supplied Electricity (Scope 2)	65.13	3.60	68.72	53.43	4.58	58.01
Scope 3 Total	216.49	0.00	216.49	232.58	0.00	232.58
Transportation (Scope 3)	216.49	0.00	216.49	232.58	0.00	232.58
Total	386.01	3.60	389.60	391.60	4.58	396.18

*FY2022 figures have been restated. See Methodology, page 8

Annual Reporting Figures: Year-on-Year Changes

- **Building Energy:** Increased on-site activity has seen a rise in energy consumption. The use of office spaces has increased over FY2023, increasing heating, cooling and energy demands. In turn, this has resulted in increased electricity and gas emissions.
- **Transport:** The EV scheme has seen a reduction in transport emissions. With staff beginning to transition to electric vehicles, there have been reductions in the number of petrol and diesel-powered journeys being taken, reducing transport emissions in FY2023.
- **FTE intensity:** Reduction in transport intensity has seen an overall reduction in emissions per FTE. Despite increased on-site activity increasing electricity and gas-related tCO₂e/FTE intensities, the reduction in transport emissions outweighs these increases, resulting in a net decrease in total emission per full-time equivalent intensity.

Annual Reporting Figures: Voluntary Market-Based Emissions

Inspired dual-report on location-based and market-based emissions factors. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement. See the appendix for market-based methodology. Total market-based emissions are reported in Table 6.

Table 6: Inspired PLC Total Market-Based* Emissions (tCO₂e).

Utility and Scope	FY2023 Consumption tCO ₂ e			FY2022 Consumption tCO ₂ e		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Gaseous and Other Fuels (Scope 1)	0.07	0.00	0.07	0.06	0.00	0.06
Total Scope 1	0.07	0.00	0.07	0.06	0.00	0.06
Grid-Supplied Electricity (Scope 2)	0.00	0.00	0.00	0.00	0.00	0.00
Total Scope 2	0.00	0.00	0.00	0.00	0.00	0.00

*Scope 1 market-based emissions are reported in tCO₂e and reflect the specific Scope 1 emissions associated with purchasing green gas certificates. Scope 2 emissions are reported in tCO₂ only and are associated with a REGO-backed electricity contract. Please see the Methodology in the appendix for further details.

Annual Reporting Figures: Subsidiaries

Table 7: Inspired Energy Solutions Total Energy Consumption (kWh).

Utility and Scope	FY2023 Consumption kWh			FY2022 Consumption kWh		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	237,142	0.00	237,142	273,825	0.00	273,825
Gaseous and Other Fuels (Scope 1)	31,955	0.00	31,955	42,164	0.00	42,164
Transportation (Scope 1)	205,187	0.00	205,187	231,661	0.00	231,661
Scope 2 Total	251,366	0.00	251,366	152,130	0.00	152,130
Grid-Supplied Electricity (Scope 2)	251,366	0.00	251,366	152,130	0.00	152,130
Scope 3 Total	399,578	0.00	399,578	497,855	0.00	497,855
Transportation (Scope 3)	399,578	0.00	399,578	497,855	0.00	497,855
Total	888,086	0.00	888,086	923,810	0.00	923,810

Inspired PLC's subsidiary Inspired Energy Solutions (IES) qualifies for SECR as an individual entity. The consumption and emission figures for the financial year ending December 2023 are detailed in Tables 7 and 8.

Gas consumption decreased in FY2023 in part due to longer periods of warm weather, leading to a reduced need for heating on-site, along with heating time controls being reviewed throughout the year.

EV scheme implementation has seen Scope 1 travel emissions drop in FY2023, as less petrol and diesel-fuelled road journeys were made by company cars.

Increases in on-site activity have seen electricity consumption increase in FY2023, which also correlates to an increase in Scope 3 travel emissions as staff travel to site more often.

Table 8: Inspired Energy Solutions Total Location-Based Emissions (tCO₂e)

Utility and Scope	FY2023 Consumption tCO ₂ e			FY2022 Consumption tCO ₂ e		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	51.99	0.00	51.99	63.57	0.00	63.57
Gaseous and Other Fuels (Scope 1)	5.85	0.00	5.85	7.70	0.00	7.70
Transportation (Scope 1)	46.15	0.00	46.15	55.87	0.00	55.87
Scope 2 Total	52.05	0.00	52.05	29.41	0.00	29.41
Grid-Supplied Electricity (Scope 2)	52.05	0.00	52.05	29.41	0.00	29.41
Scope 3 Total	89.87	0.00	89.87	114.83	0.00	114.83
Transportation (Scope 3)	89.87	0.00	89.87	114.83	0.00	114.83
Total	193.91	0.00	193.91	207.81	0.00	207.81

Energy Efficiency Narrative

Energy Efficiency Improvements

Inspired PLC is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

Measures ongoing and undertaken through FY2023:

Climate Awareness

In July 2023, a climate risk and net-zero workshop was held with the Board. The session gave valuable insight into decarbonising operations and wider Scope 3 categories. In October, a TCFD session was held with the Board to provide them with all necessary and relevant information for them to sign off on Inspired's carbon reduction targets and strategy.

Building Efficiency

Time controls have been continually reviewed on heating and cooling plants within the Kirkham office space to improve operational efficiency further. This has included using heat recovery systems and the programming of Bank Holidays to ensure the plant is not operational during periods of non-occupancy.

EV Scheme

An electric vehicle scheme has been introduced to give employees access to electric cars and lower Scope 3 Category 6 (Business Travel) and Category 7 emissions (Employee Commuting).

Measures prioritised for implementation in FY2024:

Heat Decarbonisation

In FY2024, Inspired will investigate methods to replace gas heating with new energy-efficient electrical heating at its new headquarters. The results of this investigation may help Inspired move away from natural gas as an energy source and, therefore, lower the Group's carbon emissions.

Refrigerant Adoption*

Inspired will implement a new refrigerant gas in its heat pumps with a lower global warming potential (GWP).

Water Efficiency

Further work will be carried out to improve water efficiency by using low water-consuming urinals at the new head office. Hand dryers in these bathrooms will also be made more efficient to aid with energy reduction goals.

**Refrigerant data unavailable for FY2023 reporting period, see Methodology, page 8*

I: Compliance Responsibility

This report has been prepared by the ESG division of Inspired PLC for Inspired PLC by means of interpreting the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as they apply to information supplied by Inspired PLC and its energy suppliers.

Inspired PLC's registered CEO and CFO are responsible for complying with the Regulations. They must be satisfied that, to the best of their knowledge, all relevant information concerning Inspired PLC's organisation structure, properties, activities and energy supplies has been provided to Inspired PLC.

This includes details of any complex ownership structures (for example, private equity funds, franchises for private finance initiatives) and electricity/gas usage that is covered by the EU Emissions Trading Scheme (ETS) or Climate Change Agreements (CCA) scheme, energy generated on-site (including Combined Heat and Power (CHP)) or supplied to/from a third party (i.e. not a licenced energy supplier or a landlord/tenant).

II: Reporting Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Resources Institute and World Business Council for Sustainable Development, 2004); *Greenhouse Gas Protocol – Scope 2 Guidance* (World Resources Institute, 2015); *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 2023 v1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/01/2023 – 31/12/2023.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Inspired PLC. These were calculated at the meter level on a kWh/day pro-rata basis.

- For the Kirkham Units 26A and 28A, The Orangery Unit 12B, and the Nelson and Manchester properties where Inspired PLC is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, the median consumption for properties with similar operations was calculated at the meter level and applied to the property with no available data.
- For the Cardiff and London properties where Inspired PLC is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, an average kWh/FTE consumption was calculated at the meter level and was applied to the properties with similar operations with no available data.
- For the Bedford property where Inspired PLC is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, a typical practice energy benchmark from CIBSE Guide F (2012) was applied to the floor area (m²) of the property.

All estimations equated to 50.49% of reported consumption. The increase in proportion of emissions estimated this year has been noted, and data improvement will be a key aspect of Inspired PLC's energy analysis going forward.

Refrigerant data was unavailable for FY2023 reporting. This has been noted and data tracking will be implemented for FY2024.

For the market-based emissions reporting methodology, an emissions factor of 0 tCO₂/kWh was applied to all electricity supplied to Inspired from renewable energy contracts. As 100% of Inspired's electricity consumption was supplied through renewable energy contracts, total Scope 2 market-based emissions equate to 0 tCO₂. Natural gas market-based emissions have been calculated to account for carbon dioxide savings from the purchase of Green Gas Certificates.

Due to a change in calculation methodology for FY2023, the figures from FY2022 have been recalculated to provide comparable results to track year-on-year progress against emission reduction targets.

Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator agreed with Inspired PLC for the relevant report period:

- Full-time equivalents (FTE) **FY2023** (FY2022)

III: Glossary

Scope 1: Emissions associated with gas usage and transportation fuels (under the company's control).

Scope 2: Emissions associated with the consumption of purchased electricity are presented on both a location-based (using country average electricity emission factors) and market-based (taking into account any purchased renewable generated electricity) approach.

Scope 3: Company's value chain emissions, divided into 15 categories, as established by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard. Under SECR this is limited to emissions resulting from sources not directly owned by the Company, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Location-based emissions: Methodology to calculate Scope 1 and 2 emissions using the average grid emissions factor of a region.

Market-based emissions: Methodology to calculate Scope 1 and 2 emissions using emissions factors specific to the contractual instruments in place.

tCO₂: Tonnes of carbon dioxide gas released into the atmosphere. This metric is often used when reporting electricity market-based emissions factors.

tCO₂e: Greenhouse gases have different global warming potentials and are converted to a carbon dioxide equivalent to ease comparison and reporting.



IV: Quality Review

Prepared for: Inspired PLC
 Document Reference: Inspired
 ESG_SECR_Report_Inspired_FY23_V1

Date: 07/03/2024

Document Version: 1

Author: Cameron Stokes

Reviewer: Christine Doherty

Document Control			
Issue Number	Date	Author	Description of Changes
1	07/03/2024	Cameron Stokes	Initial Report

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