

# ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

2023



## In this report

### Overview

2023 ESG highlights	3
Red squirrels: facing an uncertain future	4
Our progress in 2023	5
Our path to net-zero	6
CEO's statement	7

### Governance & Strategy

About us	9
Our ESG strategy	10
Our reporting	11
Our business targets	12
Sustainability governance framework	13
Our Board	14
Our committees	15
Stakeholder engagement	18
How we manage risk	19
Our business practices	20

### Economic

Economic overview	23
Green Economy Mark	24

### Environment

Environment overview	27
Environmental policy	28
Environmental targets	29
GHG emissions	30
Carbon balance sheet	31
Energy	32
Other environmental impacts	33

### Social

Social overview	35
Our people	35
Learning & development	36
Benefits	37
Healthy & safety	38
Employee well-being	40
Equal Opportunities	41
Human Rights	42
Local Communities	42
Data privacy and compliance	43

### Appendix

	46
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## About this report

As an ESG service provider, Inspired holds itself to the highest standards, including being transparent about what we do as a business, internally and with our clients. Therefore, we have published a detailed, standalone environmental, social, and governance (ESG) report each year since 2020. It provides information on our key policies, targets and ESG plans.

The structure and content of this report are based on the Global Reporting Initiative (GRI) framework, one of the most comprehensive and globally recognised ESG standards. Using these guidelines ensures consistency in our reporting and guides the development of our reporting each year.

As a public company based in the UK, we are subject to several reporting obligations. This report draws together information from those and from disclosures we have made voluntarily as a sign of our commitment to best practice. It includes 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 Inspired's brands and operations for our financial year, 1 January to 31 December 2023. We have not sought external assurance for this ESG Report.

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

# 2023 ESG Highlights

## Governance

96%

green revenue according to the LSE Green Economy Mark

## B rating

Carbon Disclosure Project (CDP)

## GRI

community member

## Social

50%

gender diversity  
2022: 48%

25%

gender pay gap  
2022: 27%

## Maternity Leave

New policy introduced

## Environment

## SBTi

targets updated and awaiting verification

## Carbon neutral

for Scope 1, 2 and consumed Scope 3 emissions

2,000 actions

saving 8.1 tCO<sub>2</sub>e

## Red squirrels: facing an uncertain future

The species within an ecosystem often evolve together to form a complex web of interactions and relationships.

This balance can be threatened by changes such as the introduction of new species or altered weather patterns.

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

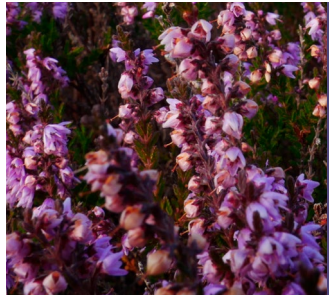
actions throughout the year, including employee engagement activities, and inspires the images in our ESG and TCFD reports.

This year, in conjunction with our TCFD report, we have chosen to focus on the red squirrel and its natural habitat. Once a common sight, the introduction by the Victorians of the grey squirrel, which is native to North America, saw their numbers decline. They are now considered near threatened in Scotland and endangered in the rest of the UK,

according to the Red List, which classifies endangered animals.

The red squirrel's natural habitat is coniferous forests and deciduous woods but these have also been in serious decline over recent centuries. With fragmented habitats, it becomes difficult for animals to establish and expand their populations, due to limited territory, resources and genetic diversity. This means that even with ongoing protection and reintroduction efforts, red squirrels are facing an uncertain future.

## Our progress in 2023



### More ambitious targets

The Board decided to revise our Scope 1 and 2 net-zero target and make it more ambitious by bringing it forward from 2035 to 2030.



### Net-Zero Head Office

Our Kirkham Head Office is set to be a net-zero building as part of our phase 2 development during 2024. This is a key part of our net-zero plan.



### SBTi submission

We submitted our revised Scope 1 and 2 net-zero target, and our long-term Scope 3 net-zero target to the Science-Based Targets Initiative (SBTi).



### Supplier Engagement

Commenced engagement with two of our tier 1 suppliers and two of our tier 2 suppliers. Also, started discussing Life Cycle Assessments (LCAs) with our suppliers.

## Our path to net zero

### Completed

- |      |  |
|------|--|
| 2021 | 100% green energy used in our offices.<br>Carbon offset operational Scope 3 emissions.<br>Waste reduction targets set. |
| 2022 | Submitted Letter of Intent to the SBTi.<br>Opened our London office in a BREEAM in-use Very Good building.             |

### Planned

- |      |   |
|------|---|
| 2024 | Open our new head office in Kirkham, set to be net-zero after development.  |
| 2025 | 25% absolute emissions reduction (Scope 1 and 2).<br>Replace all single-use plastics.<br>25% water use reduction. |

### Net-zero targets

- |      |  |
|------|--|
| 2030 | <b>Updated target:</b> Scope 1 and 2 net-zero target achieved. |
| 2050 | Scope 1, 2 and 3 net-zero target achieved.                     |

## CEO's statement



We aim to lead by example, and it is important to us that we set high standards for internal operations as a business.

### **Mark Dickinson**

Chief Executive Officer  
Inspired PLC



Since 2017, we have been working to transform Inspired from a procurement-focused energy advisor into a full-suite sustainability services provider.

A key part of this has been developing our ESG department, which provides a range of new services to all our clients and builds on our existing offerings. Also, we can offer clients comprehensive support on all the main regulations and reports around environmental, social and governance topics.

In addition, it has diversified our business revenue and aligned it to some of the most relevant macro themes that are facing society today. For example, energy crisis, defence, ESG and net-zero.

We are pleased to have experienced strong growth again this year and are proud to be a market-leading commercial energy and sustainability advisor.

We aim to lead by example, and it is important to us that we set high standards for internal operations as a business. I am therefore pleased to present our fourth ESG report, which gives insight into our progress and plans for ESG internally.

### **Mark Dickinson**

Chief Executive Officer  
Inspired PLC



# GOVERNANCE & STRATEGY

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

*In the UK, our native woodlands are isolated and in poor condition with a decline in woodland wildlife, including red squirrels.*



## About us

Inspired PLC is a full-suite sustainability service provider, offering innovative solutions to help businesses achieve net zero and thrive in the future low-carbon global economy. Our services range from utility data management and procurement to consumption reduction and intelligent ESG strategies. We offer a full range of integrated sustainability solutions through our four divisions, which are outlined below.

We aim to take our clients on a journey to net-zero, by offering customised and practical solutions which help them to manage risks and succeed in the future net-zero economy. Energy is essential for all businesses, playing a crucial role in achieving business goals and reducing carbon emissions with the transition to net zero. Therefore, our focus is on helping our clients improve cost control, reduce energy consumption and carbon emissions, and comply with regulations.

**Our Purpose:** To create value for our stakeholders in the present and future economy. We do this by considering the needs of our clients and enabling them to manage and benefit from the global transition to net zero.

**Our Vision:** To be the client-focused leader of energy and sustainability services in the UK. We are confident that our focus on the delivery of our four business units will lead to continued success and growth.

**Our commitment:** We are committed to doing our part in creating a sustainable world. We approach this from two angles. This involves improving our operations and supporting clients in managing their ESG impacts. For both, we consider sustainability a journey that starts with legal compliance and benchmarking, followed by building a robust strategy, processes and reporting, always with the goal of net zero in mind.

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

### Assurance Services

Our Assurance Services Division helps our clients manage their utility data and costs.

### ESG Services

Our ESG Services Division specialises in supporting businesses making revenue critical ESG disclosures to retain customers, comply with regulations and attract investment.

### Optimisation Services

Our Optimisation Services Division delivers innovative solutions to help our clients transition to net-zero by reducing carbon emissions, cutting costs, and optimising utility usage.

### Software Services

Our Software Services Division delivers technology and software solutions to manage the vast amounts of sustainability data that underpin the services provided by Inspired. Also, Inspired's software is licenced by third parties.

## Our ESG strategy

We are committed to doing our part in creating a sustainable world by being as sustainable as we can be ourselves and supporting our customers on their net-zero path.

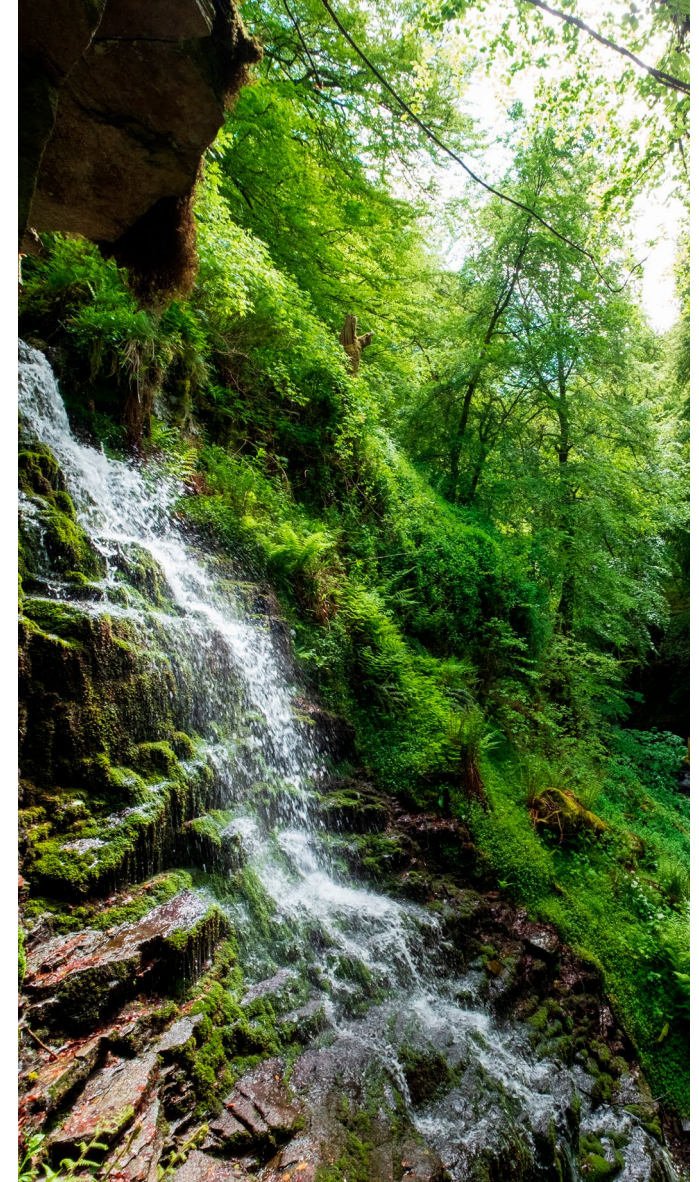
### For customers

- Deliver market opportunities afforded by three core macro themes (energy crisis defence, ESG and net-zero).
- Utilise our proprietary software platform to manage clients' sustainability data and deliver our services.
- Evolve trusted adviser C-suite relationships with our customers.
- Enhance C-suite relationships by managing their ESG disclosures.
- Support clients in meeting their net-zero obligations and implement solutions that reduce actual carbon emissions.

### For Inspired PLC

- Set ambitious targets and work to achieve the targets. In 2023, we revised our Scope 1 & 2 net-zero emissions target from 2035 to 2030 based on our 2019 baseline.
- Lead by example through our comprehensive reporting and disclosures. In 2023, we published our fourth TCFD and GRI reports. Also, we plan to sign the Taskforce on Nature-Related Financial Disclosures (TNFD) pledge in January 2024.
- Support our employees to reduce their carbon emissions through our electric vehicle employee benefit scheme and the SDGme app that we have developed.
- Develop social programmes. We are currently working on the foundations of our STEM programme, which we anticipate launching in 2024.

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.



## Our reporting

Transparency is a key element of ESG, ensuring stakeholders have the relevant information they need and that businesses can be held accountable for their actions and intentions. As an ESG service provider, we produce reports to demonstrate our capabilities to clients. Hence, we produce the following reports and publish them on our website:

- **Task Force on Climate-Related Financial Disclosures (TCFD) report:** explains our assessment of climate-related risks and opportunities for Inspired and our strategic response to climate change.
- **Streamlined Energy and Carbon Reporting (SECR) disclosure:** outlines our energy use, Scope 1, 2 and partial 3 (grey fleet) carbon emissions and carbon intensity, as well as how we are improving energy efficiency within the business.
- **CDP disclosure:** outlines how we are managing our environmental impacts and climate-related risks and opportunities. We received a B Climate Change score for 2023.

- **ESG report:** which is aligned with the Global Reporting Initiative (GRI) standards and provides detailed information on the topics of economics and strategy, environment, governance and social for the financial year.
- **Gender pay gap report:** detailing the gender pay differences across the business as a whole and within each level of the company.

The disclosures are underpinned by four principles:

**Transparency:** disclosures that represent relevant information about the business that is specific and complete.

**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.

**Practicality:** implementing improvements that address our environmental and social impacts while being mindful of not prejudicing the underlying business strategy.

**Pragmatism:** recognising that maintaining employment and access to capital through the delivery of market expectations is important.

### Materiality

Our business has limited economic, environmental and social impacts compared to larger organisations. Therefore, the number of material GRI topics is relatively small for Inspired.

In balancing our principles of transparency, honesty and practicality, we have decided to report on as many indicators as possible, providing the highest quality disclosure. These include:

**Governance:** Board diversity, stakeholder engagement, ESG governance.

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

**Environmental:** net-zero strategy, emissions, energy, water, waste, recycling and biodiversity.

**Social:** employment, health & safety, well-being, training & education, equal opportunities, human rights, local communities, supply chain engagement, public policy and customer privacy.

# Our ESG business targets

We have set ambitious (greenhouse gas GHG) reduction targets. This financial year, the Board agreed to bring our Scope 1 and 2 net-zero target forward by five years to 2030. Our GHG targets have been set using the Science-Based Target (SBT) methodology, and we are awaiting validation by the SBTi.

## 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, which are outlined below.

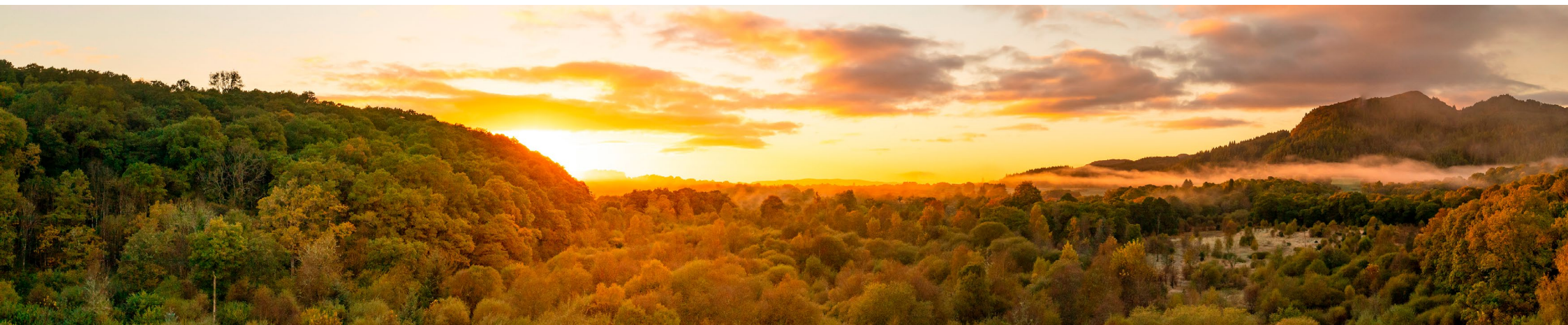
ESG Services: this division entered the market in 2021 and continues to expand its client base and

enhance the lifetime value of existing clients. In the short term, we aim to continue this organic growth by extending our taxonomy and ESG framework agnostic solutions and expanding our offering to support our client's business operations that are captured by the emerging EU and US disclosure frameworks.

Optimisation Services: this division enhances client value by physically implementing solutions within buildings, meeting the growing need for net-zero solutions and cost reduction, and aligning with ESG and climate change priorities. These themes present a substantial growth opportunity for the Group over the next two decades and beyond. The short-term focus is on delivering Carbon Action Programmes to deliver net-zero carbon strategies for clients, aiming to deliver 15% to 25% organic Gross Profit growth.

Assurance Services: this division provides a stable client base, where our data management and processing allow us to design and implement optimisation solutions, in turn enabling us to increase the client lifetime value (CLV) of the client through the delivery of solutions to help them meet the challenge of net-zero. It had another record year for new business generation in 2023, with underlying organic revenue growth of 6%; ongoing organic revenue growth of 1-3% is targeted in the short term.

Software Solutions: this is our proprietary software, which powers the technology behind our other services, which depend heavily on managing and processing unstructured data. It has a short-term organic growth target of 10-20%.

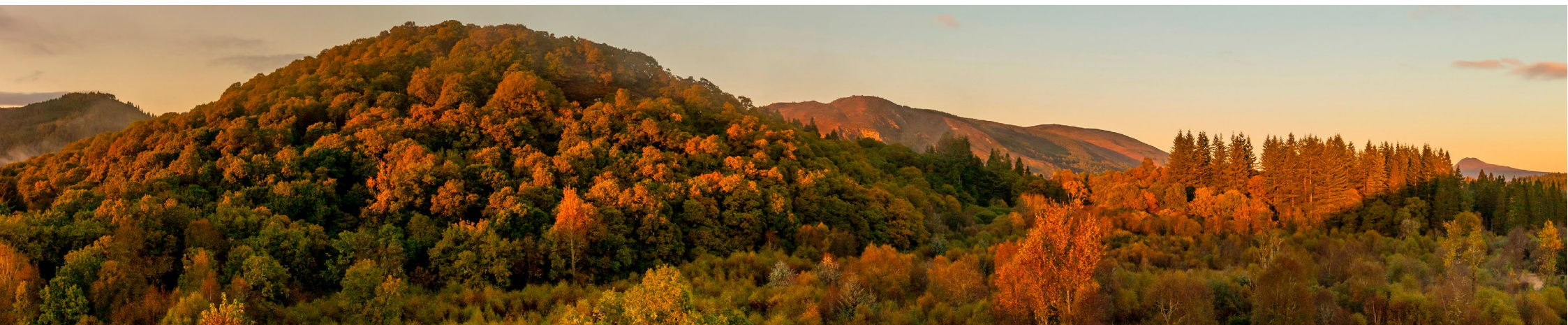


# Sustainability governance framework

Driven by our CEO, Mark Dickinson, and the Board, we have been working to establish a strong ESG governance framework over the past few years, building on our culture of good governance throughout the business, which is based on creating an environment of openness, transparency, accountability and responsibility. We want ESG to be at the core of our business, from the Board of Directors to our employees.

The Board shares responsibility for approving the ESG strategy and reviewing performance with the ESG Performance Committee. Our ESG Performance Committee plays a crucial role in the company's governance by providing an external and independent perspective and ensuring adequate internal controls and risk management measures are in place. Our ESG Action Committee drives the day-to-day progress towards our goals and supports our Employee Engagement Committee in its actions, where appropriate.

Figure 1: The diagram below gives a summary of the Group's governance structure



## Our Board

The Board plays a crucial role in the company's governance, ensuring adequate internal controls and risk management measures. The independent members provide an external perspective. The Board has overall responsibility for approving the ESG strategy and reviews our performance against our ESG KPIs at least once a year.

The Board acknowledges the importance of having a diverse Board that comprises individuals from different genders, ethnicities, backgrounds, skills, experiences, ages, and other protected characteristics. This diversity helps the Board better understand, challenge, and address opportunities, issues, and risks, leading to more informed and effective decision-making. Our company's female representation on the Board decreased from 42% to 29% in 2023, which is below our target of 37.5% for minority gender representation. This reduction was due to the resignation of Sarah Flannigan on 1 March 2023 and the appointment of Peter Tracey on the same day. As per our non-discrimination policy, the Board is committed to expanding Board representation and achieving its target as and when it is appropriate to do so.

The Chair commissions an annual Board effectiveness review where Directors evaluate Board performance via a survey. The Board discusses the survey results and agrees on measures to enhance Board effectiveness.

During 2023, the Board made progress with respect to the matters raised in the 2022 Board evaluation by:

- Introducing a fuller KPI suite to better reflect the size and scale of the business and improve the efficiency of Board meetings.
- Introducing Board Management software to better manage document flow.
- Reverting to more face-to-face Board meetings and improving the timeliness of information flow to and from the Board.

As a result of the Board evaluation for the 2023 period, the Board will seek to improve effectiveness by focusing on the following in the next financial year:

- Consideration of Board and Committee Composition.
- Frequency of meetings of Independent Non-Executive Directors.
- Monitoring of leadership and development within the Group.

### Executive Responsibility

Our approach to ESG is guided by our CEO, Mark Dickinson, and his drive to create a better world in a changing climate. 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 Chief Financial Officer (CFO), Paul Connor, is responsible for considering climate-related risks associated with the company's financial performance.

Table 1: Board gender representation.

Year	Target minority gender	Male	Female
2020	N/A	80%	20%
2021	37.5%	50%	50%
2022	37.5%	58%	42%
2023	37.5%	71%	29%

## Our committees

### ESG Performance Committee

Our ESG Performance Committee supports the Board in approving the ESG strategy and reviewing performance, as well as holding the Executive Directors to account concerning climate risks and impacts. The Committee met quarterly in 2023 and attended a climate risk workshop in November 2023 to further their knowledge and understanding of this key topic.

### 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.

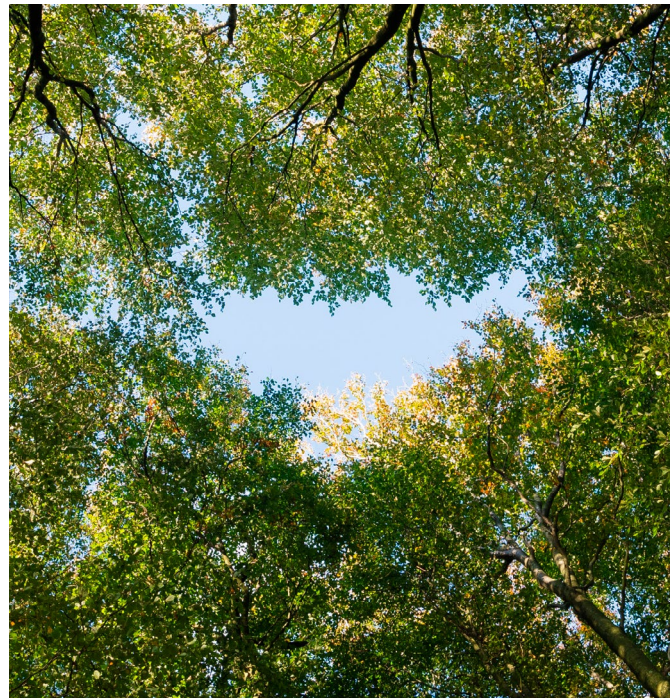
### Remuneration Committee

Our Remuneration Committee supports our ESG goals by designing remuneration packages that reward progress towards our ESG targets. To embed ESG into the core of our business, the remuneration policy for executives includes ESG targets, which 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

Our ESG Action Committee monitors and manages 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. It met three times in 2023, and after each meeting, it reported to the ESG Performance Committee and, therefore, indirectly, the Board.

#### Employee Engagement Committee (EEC)

We want environmental and social action to be driven by our employees from the ground up, and that is why we have our Employee Engagement Committee, supported by the ESG Action Committee, where necessary. For example, the ESG Action Committee can support with developing plans or submitting requests for funds to the Board. This ensures the EEC is empowered to act while remaining a safe space outside of management for employees.

## Our Board

### Richard Logan

Non-Executive  
Chairman



### Mark Dickinson

Chief Executive  
Officer



### Paul Connor

Chief Financial  
Officer



### David Cockshott

Chief Commercial  
Officer



### Skills and experience

Richard is a chartered accountant with nearly 40 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.

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.

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.

David joined the Group in 2020 and became Chief Commercial Officer in March 2022, bringing over 30 years' experience in the energy sector. 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.

### 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.

N/A

N/A

N/A



**Sangita Shah**

Non-Executive

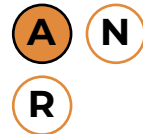
Director



**Dianne Walker**

Non-Executive

Director



**Peter Tracey**

Non-Executive

Director



**Skills and experience**

Sangita is the Senior Independent Non-Executive and 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.

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.

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






**External appointments**

Sangita 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 private companies.

Dianne holds 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 Independent Director and Chair of the Audit Committee Scott Bader Co.Ltd. Dianne is also Non-Executive Chair of a small private limited companies, J&L Elevator Components (EOT) Ltd.

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
-  Chair

# Stakeholder engagement

Two-way communication with our stakeholders is important to us so that we can be confident in understanding their expectations and objectives and informing them about our plans and progress.

## Employees

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 on business operations and performance at the Group level. Our communication channels are a two-way system, enabling employees to express any concerns. Clear and effective communication between all levels of Inspired is fundamental 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 concerning proposed changes. If an understanding cannot be made, we provide any minimum notice required by the local laws.

**Senior Management communication:** in June 2023, our CEO, Mark Dickinson, and Chief Commercial Officer (CCO), David Cockshott, led a company-wide call to explain recent changes to the business structure for employees. This followed

individual calls with the departments affected to provide detailed information on the changes. The Board issues business updates to employees as appropriate throughout the year.

**Employee newsletter:** our monthly newsletter keeps employees informed about the business and acts as a space for celebrating achievements.

HR (Human Resources) portal: our cloud-based human resources portal creates a single location for employees to manage absences and payslips, apply for internal vacancies, and much more.

**Employee Engagement Committee:** this consists of employees from across the business and our offices. It runs engagement initiatives and charity fundraising.

## Shareholders

The Board engages with shareholders regularly, and their views are sought on key issues such as strategy, governance, financial performance, and Board remuneration. Our investor relations programme provides shareholders with regular updates on operational and financial performance, including regular market announcements, presentations, face-to-face meetings with investors, roadshows, and the Annual General Meeting.

**Annual General Meeting (AGM):** this is the main forum through which our investors communicate with us. We publish the outcomes of all resolutions on our website.

**Investor meetings and roadshows:** these are held both virtually and face-to-face, often centred around major events such as the full-year results and half-year results. During 2023, we participated in four capital markets events hosted by our brokers to widen our investor interaction and delivered a deep dive event for our Optimisation Services Division.

**London Stock Exchange Regulatory News Service (RNS):** we use the RNS feed to advise the market of performance and significant matters. All RNS announcements are also available via our website.

**Annual Report and Corporate Website:** these are used to make public information with all our stakeholders on our results, reports, policies and more.

## Customers

Our clients want services which ensure compliance with the necessary regulations, help them prepare for the future and provide value for money. We work closely with them to ensure we are providing this.

**Account Managers:** act as a customer liaison, ensuring customer satisfaction and providing support outside of service delivery.

**ESG Services Team:** works very closely with our customers, engaging with them regularly throughout the year and tailoring our services to meet our customer's business needs as the year unfolds.

**Events:** in-person workshops, such as our "Energy and Sustainability Roadshows," foster meaningful connections with current and potential clients nationwide. In response to the feedback from our Roadshows, we have evolved our approach for 2024. Instead of centralised locations, we brought the workshops directly to our clients' sites, allowing further collaborative opportunities and offering attendees a firsthand perspective and site tour.

**Client content:** we strive to provide valuable content and foster ongoing dialogue through monthly newsletters, webinars, training sessions, and policy updates to an active social media presence.

## Suppliers

We value all our suppliers as a vital part of our business. We have established relationships and multi-year contracts with our key suppliers. Supplier relationships are managed by senior

personnel and analysts, particularly the Directors and Senior Management Team.

**Supplier onboarding:** our supplier onboarding process includes checks to ensure that new suppliers align with our standards and values. For example, we ask that they all agree to our Supplier Code of Conduct, which sets out our expectations with respect to the conduct of our supply chain, including on matters such as anti-bribery and corruption, human rights and modern slavery. Furthermore, we review our suppliers' environmental policies during our onboarding process to ensure that they work to environmental standards consistent with our own.

**Supply chain emissions:** close engagement with our suppliers becomes even more important as we work on reducing our carbon footprint. We will be working with key suppliers in the coming years to better understand their supply chain, its impact on our Scope 3 emissions, and how we can work together to reduce emissions to meet our net zero target by 2050.

## 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.

# Risk management

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 aim to be a responsible employer in our approach to our employees' pay and benefits. We have created an internal training portal offering employees sessions and courses to improve their skills; for more details, see here.

**Health & Safety (H&S):** our H&S management system is ISO 45001 certified; for more details, see here.

**Ethics, ESG & Political:** as a provider of ESG disclosures for clients, we must 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.

# Our Business Practices

## Our Policies

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.

Our policies currently include the following:

- 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

Several of our internal processes and systems are ISO-certified to ensure we are operating to the highest standards, providing a safe working environment for our employees, quality products and services for our clients, and actively managing our environmental impact. This financial year we have received ISO 22301 (Business Continuity) certification for the first time. Also, members of our ESG Division have been trained as lead auditors to verify clients' GHG emissions to ISO 14064-1-2018 GHG Gases.

- 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
- ISO 22301:2019 - Business continuity management systems

## Memberships and partnerships

In addition to our internal reporting and processes, 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 their 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 various 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):** In 2021, we became a member of the UKBCSD. 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:** Since 2022, we have been a member of these organisations, which change how the world accounts for value by including environmental and social factors.

### Ethical Business Conduct

Our Anti-Bribery and Corruption Policy and Supplier Code of Conduct outline standards for the behaviour we expect throughout our operations, including in our supply chain. 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 2023.

### Tax

Inspired is committed to being a good corporate citizen and pays all applicable taxes in the countries in which it operates. Our tax payments are laid out in more detail in our Annual Report, available on our website.

### 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.

For more detail on our H&S, training and development and other related topics, please see Social.

### Environmental Awareness

We are fortunate to be able to influence both our environmental impacts and those of our clients. We are working to reduce our energy and water usage in our operations and decrease the waste we generate while 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 onsite generation. Since 2021, we have been able to assist clients with their ESG reporting and assessing the broader environmental impacts of their operations. For further information, visit our webpage.

# ECONOMIC & INNOVATION

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

*Trees are a key part of a sustainable future, storing carbon and providing services such as reducing pollution and flooding.*

# Economic overview

The Group delivered another strong performance in FY23, successfully executing against our organic growth plan, to double adjusted EBITDA (earnings before interest, taxes, depreciation, and amortisation) in the five years to 2027, achieving double-digit EBITDA growth of 19% to £25m. This reflects the anticipated strategic progress across all four divisions during the financial year.

## Impact of macro environment

Sustainability reporting has become a mainstream consideration for businesses in all economic sectors, evolving from a reluctant compliance obligation to a revenue-critical item. Even without a current compliance obligation, businesses aiming to attract new clients, staff, or investors typically need to make effective ESG disclosures and progress towards a net-zero strategy. ESG is, therefore, essential for any business looking to grow.

Overall, the Group's revenue increased by 11% to £98.4m. Of this, 96% or £94.8m, 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 GHG emissions reduction:** We offer a range of services that help clients reduce their GHG emissions.

**Helping clients set net-zero goals:** We help our clients set realistic, science-based targets to drive their GHG 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 aim to develop our colleagues and provide growth opportunities, helping preserve the business's culture and create long-term value.





## Green Economy Mark

We have proudly received the London Stock Exchange's Green Economy Mark since 2020, recognising our contribution to a more sustainable economy and our commitment to delivering long-term sustainable success.

It is awarded to companies generating at least 50% of their revenue from green revenue streams as defined by FTSE (Financial Times Stock Exchange) Russell's Green Revenues taxonomy. We first received it in 2020 and are pleased to have achieved it again this financial year, with 96% of our revenue being associated with green revenue streams.



## Green Economy Mark *continued*

Our green revenue comes from:

**Procurement:** We help companies engage in environmentally responsible behaviour. For example, energy reduction initiatives and onsite renewable energy generation, by managing their renewable obligations, feed-in tariffs, and climate change levies.

**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 onsite renewable generation.

**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).

Table 2: Green revenue for Inspired PLC in 2023 and 2022, split by services and division.

Service	Description	2023 revenue £000	2023 green revenue £000	2022 revenue £000	2022 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.	23,087	23,087	24,781	24,781
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 CDP.	7,949	7,949	6,341	6,341
Monitoring and targeting	Monitoring of site energy consumption to reduce energy and water waste and drive energy-efficient behaviour from employees.	7,812	7,812	7,281	7,281
ESG	Production of net-zero Programmes and setting of science-based targets. Creation of TCFD and SECR disclosures and ESG reports.	5,476	5,476	2,580	2,580
Forensic audit	Historical cost recovery relating to consumer energy and water invoices.	3,811	-	4,345	-
TRIAD alerts	Forecasting and notifying of TRIAD periods to energy consumers.	182	-	84	-
Optimisation Services	Consumption reduction management through energy efficiency, demand-side response and onsite renewable generation.	50,440	50,440	43,364	43,364
Total		98,757	94,764	88,776	84,347
% green revenues			96%		95%

# ENVIRONMENTAL

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

*Climate change poses a further threat to the woodland habitat of red squirrels, including changes in rainfall patterns and increased storm damage.*

## Overview

### Environmental Progress

This financial year, we have brought forward our net-zero target for our direct emissions (Scope 1 and 2) by five years to 2030. This followed a Board education workshop in October 2023 and underlines our ambitions as a Group. It is based on our transition plan modelling. Our targets have been submitted to the SBTi, and we are awaiting their validation.

We have started reviewing the TNFD recommendations in preparation for our reporting in FY24 and so that we can support our clients in this important and developing area of biodiversity disclosure.

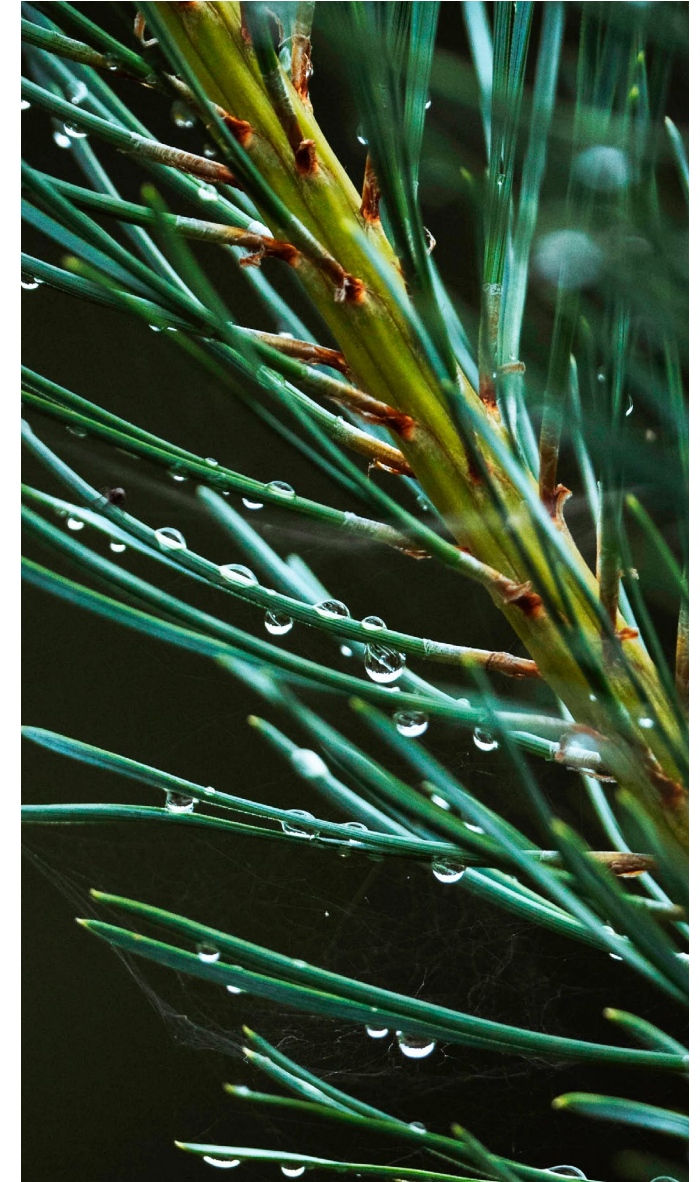
### Our Clients

Through all our divisions and services working together, we aim to be a valued partner for our customers, helping them reduce their carbon footprint. We have 20 years of experience in energy management that we can utilise, making us well-placed to meet client needs around 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 require all our suppliers to agree to maintain our environmental standards. This is checked during onboarding through a review of their environmental policies. However, we plan to improve this and assess our suppliers' environmental performance as we need to bring our suppliers with us on our road to net zero.



## Environmental policy

As demonstrated by our net-zero targets, we are proactively reducing our environmental impact every year. Continually improving our environmental performance is fundamental to our business strategy and something we embed across our operations.

### Within our Business

We aim to set and follow high standards for environmental reporting and standards, as demonstrated by our voluntary ESG and TCFD reporting, disclosing of our full Scope 3 emissions, and ISO 14001 certification.

As part of reducing our environmental impact, our net-zero teams have received training on conducting life cycle assessments and are starting to assess our most high-impact products.

### 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 using alternative means of transport, including public transport, cycling and car sharing. We promote using travel alternatives, for example, e-mail, video, or telephone conferencing.

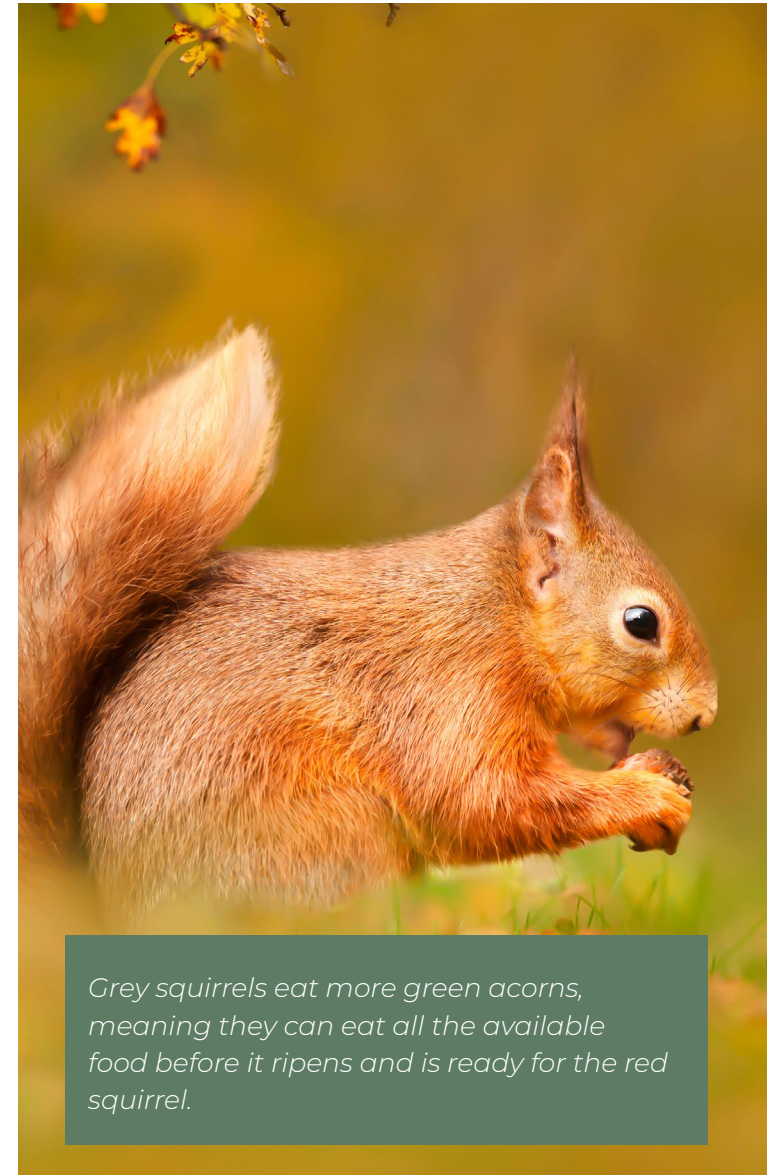
### Offices

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 now work remotely. This will reduce the energy and water usage associated with our office space. We are increasing the use of environmentally friendly cleaning materials, where possible.

We have signed for a new head office in Kirkham for 2024, which will allow us to create a net-zero building. Our London office is within a BREEAM-certified building. 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 GHG emissions and help the community, both economically and environmentally.



*Grey squirrels eat more green acorns, meaning they can eat all the available food before it ripens and is ready for the red squirrel.*

# 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 overall GHG reduction target is to achieve net-zero carbon for all emissions by 2050. This has been set following the SBTi guidelines and is an absolute target relying on a maximum of 10% offsets. Each year, we purchase offsets to achieve carbon neutrality for Scope 1, 2 and partial Scope 3 (our services supplied to customers), which this year equated to 3,258 tCO<sub>2</sub>e of our 18,245 tCO<sub>2</sub>e total carbon emissions (location-basis).

## 2. Energy

We are committed to purchasing electricity from 100% renewable sources and have been since 2020. In addition, each year, we research how we can continue to reduce our energy consumption.

## 3. Water

We want to monitor and manage our water use as part of being a sustainable business. To achieve this, we will need to measure water use in our offices, which we will be able to assess once

we have finished rationalising our office space. Subsequently, we will then be able to target hot spots and make reductions which we can monitor over time. We have set a target of reducing water usage by 25% by 2025 and will review this in FY24.

## 4. Waste

Despite our waste produced being small due to the nature of our operations, we have set short-term targets of a 50% reduction in paper usage, 90% recycling rate for paper waste, and replace or remove single-use plastic by 2025. All paper and cardboard we purchase is FSC-certified, and we have procurement processes in place to ensure this.

## 5. Suppliers

As part of improving our supply-chain screening, by 2025, we would like 80% of our suppliers (by spend) to make an annual TCFD disclosure or equivalent. We are currently assessing which of our suppliers already meet this and will report on progress and numbers in FY24.

## GHG emissions

We have been reporting on our full carbon footprint since 2020. We check all categories for applicability and data availability and provide information on all possible categories. Whilst this is voluntary, we believe it is important because Scope 3 covers over 95% of our total emissions (2023: 99.1%). Our operational analysis shows that our absolute carbon cost of operations reduced by 18% during 2023. While we are working to reduce our emissions, we are buying carbon offsets that cover our Scope 1, 2 and value chain so that our services are carbon neutral. We have purchased 2,485 tCO<sub>2</sub>e of avoidance offsets, 650 tCO<sub>2</sub>e of carbon sequestration offsets, 54 tCO<sub>2</sub>e of REGOs (Renewable Energy Guarantees of Origin) and 69 tCO<sub>2</sub>e of RGGOs (Renewable Gas Guarantees of Origin) to achieve carbon neutrality across our operations.

Overall, our total emissions for all scopes increased by 14% between 2022 and 2023. This was driven by a 12% increase in the energy used by products we sold to third parties, which is by far the largest category for Inspired and represents 66% 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.

### Key findings

- The increase in emissions was driven by an increase in Scope 3 Category 11 (Use of Sold Products) and Category 1 (Purchased Goods and Services) emissions, which increased by 12% and 27%, respectively.
- The most significant emissions source is from the use of goods sold by Inspired - this Scope 3 category accounted for 66% of the company's total carbon footprint.
- Emissions embedded in purchased goods and services, capital goods and business travel are notable contributors to Scope 3 emissions.

### Sold products and our Scope 3 targets

Most of our carbon footprint comes from the energy used by products we sell to our clients. These products, such as LED lighting, help them reduce their energy consumption and lower their carbon emissions. This, therefore, adds a layer of complication to setting carbon reduction targets. Growth in the number of products we sell leads to an increase in our Scope 3 emissions, which does not accurately reflect our services' impact on the environment. Therefore, we have included

information on emissions from energy-consuming products sold to clients and the carbon savings made by these products in our Carbon Balance Sheet (Table 3).

We have also included intensity metrics, which allow us to measure whether we are reducing our relative carbon emissions despite growth. However, we know that net-zero aims to deliver absolute reductions in emissions, and intensity metrics only show a direction of travel.

### Other air emissions

We do not report on additional emissions, such as sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) 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. However, they are not material to Inspired as we only have one company car and do not burn substantial amounts of fuel.

# Carbon Balance Sheet

Table 3: Our full carbon balance sheet.

Emissions Scope & Category	Greenhouse gas emissions inventory		Operational analysis	Product analysis	Comparison
	tCO <sub>2</sub> e	%	tCO <sub>2</sub> e Operational emissions	tCO <sub>2</sub> e Product emissions	Previous Year 2022 <sup>1</sup> tCO <sub>2</sub> e
<b>Scope 1</b>	<b>104</b>	<b>0.6%</b>	<b>104</b>		<b>106</b>
Natural Gas	54	0.3%	54		50
Transportation (excluding grey fleet)	50	0.3%	50		56
<b>Scope 2 (location-based)</b>	<b>69</b>	<b>0.4%</b>	<b>69</b>		<b>55</b>
<b>Scope 2 (market-based)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Scope 3</b>	<b>18,071</b>	<b>99.1%</b>	<b>3,084</b>	<b>14,984</b>	<b>15,875</b>
1. Purchased Goods & Services	4,844	26.6%	1,971	2,873	3,806
2. Capital Goods	453	2.5%	453		345
3. Fuel-related Emissions	45	0.2%	45		40
4. Upstream Transportation and Distribution	23	0.1%	23		61
5. Waste Generated in Operations	0.3	0.002%	0.3		1
6. Business Travel	392	2.2%	392		479
7. Employee Commuting	201	1.1%	201		297
8. Upstream Leased Assets	N/A	N/A			N/A
9. Downstream Transportation and Distribution	N/A	N/A			N/A
10. Processing of Sold Products	N/A	N/A			N/A
11. Use of Sold Products	12,105	66.3%		12,105	10,843
12. End-of-life Treatment of Sold Products	6	0.03%		6	2
13. Downstream Leased Assets	N/A	N/A			N/A
14. Franchises	N/A	N/A			N/A
15. Investments	3	0.02%			0
<b>Total emissions (location-based)</b>	<b>18,245</b>	<b>100%</b>	<b>3,257</b>	<b>14,984</b>	<b>16,035</b>
<b>All tCO<sub>2</sub>e (location-based) per FTE</b>	<b>26</b>		<b>5</b>	<b>21</b>	<b>25</b>
<b>Out of Scope: Biomass CO<sub>2</sub> (Scope 3, Category 11)<sup>2</sup></b>	<b>13</b>				

# Energy

We are currently rationalising and improving our offices as these are the main source of our energy use, which is low overall. This will help us continue to reduce our energy consumption each year. We have not currently set specific energy reduction targets, but this will be an important part of reaching our net-zero targets. In 2024, we will be moving our Kirkham office to a new building, which will be net zero once refurbished.

## Measures ongoing and undertaken in FY23:

### Climate Awareness

In July 2023, a climate risk and net-zero workshop was held with the Board. The session provided valuable insight into decarbonising operations and wider Scope 3 categories. In October 2023, 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 GHG 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. 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 provide employees access to electric cars and thereby lower Scope 3 Category 6 (Business Travel) and Category 7 emissions (Employee Commuting).

## Measures prioritised for implementation in FY24:

### Water Efficiency

Further work will be carried out to improve water efficiency by using low water-consuming urinals at the new head office.

### Heat Decarbonisation

In FY24, 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).

Table 4: Inspired 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
<b>Total</b>	<b>1,796,615</b>	<b>13,535</b>	<b>1,810,150</b>	<b>1,788,695</b>	<b>15,482</b>	<b>1,804,177</b>

\*Refrigerant data unavailable for the FY23 reporting period. \*\*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.



## Other environmental impacts

### Waste

Our waste generation is small due to the nature and size of our business. We are working to improve the data collection on waste.

#### 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 that ensures we comply with hazardous waste disposal regulations.

#### Recycling

Waste from our Kirkham office goes either for closed-loop recycling (31%) or combustion (69%). We plan to analyse our spending on consumable goods to identify categories that can be transitioned to recyclable materials by 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.

### Water

As an office-based company, our water use in day-to-day operations is low. The increase in homeworking since the COVID-19 pandemic has assisted in reducing our water consumption. Despite this, we have set a target of reducing our water usage by 25% by 2025. In 2024, further work will be carried out to improve water efficiency by using low water-consuming urinals at the new head office.

### SDGme

SDGme is an app we have developed to help people manage their carbon footprint by changing small everyday actions. These actions are associated with impact on the United Nation's (UN) Sustainable Development Goals (SDGs). It allows carbon savings to be tracked and visualised.

This app is available to all employees to encourage thinking and acting more sustainably. In 2023, over 2,000 actions have been logged, saving 8.1 tCO<sub>2</sub>e. Actions include choosing active travel over driving, conserving energy by turning off devices at night and shopping locally. It has been rolled out to the first clients in 2023, and we look forward to developing it further in 2024.

### Biodiversity

We acknowledge that all businesses have an impact on the environment and know that this goes beyond our energy use and carbon emissions. We have no concerns about our biodiversity impact based on an assessment of each location. We know that the Kirkham office is within a priority area for Countryside Stewardship measures for local lapwings and curlews. However, the development of the property will not impact these bird species.

We were pleased to see the launch of the Taskforce for Nature-related Financial Disclosures guidelines in 2023. We will be preparing a report in line with the recommendations for our FY24 disclosure.



# SOCIAL

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

*Whilst UK tree coverage has doubled in the last century, much of it has been non-native trees which provided a poorer habitat for red squirrels and other UK species.*

## Overview

Our employees are fundamental to our business, ensuring we can provide quality products and services and keep pace with a rapidly evolving market. We want to attract the best talent and empower our employees. We are therefore committed to providing a safe and collaborative working environment, competitive salaries and bonuses, professional and specialist training and appropriate benefits.

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.

We are part of several social initiatives to ensure we are following best practice and the highest standards:

- **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 be 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 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.

# 702

average no. employees\*  
2022: 641

# 79

additional roles created  
2022: 102

# 17%

employee turnover  
2022: 19%

## Our People

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.

The average number of employees at the financial year end in the UK was 702 (2022: 641), a growth of 10%. Most of our employees are on permanent contracts. In 2023, our employee turnover was 17% (2022: 19%).

### Disability Confident

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

### Local communities

The communities around us are a vital source of inspiration for how we operate. An internal recruitment function maintains an active recruitment pipeline for all critical roles within the organisation.

## Learning and development

Developing our people is essential for future success and employee satisfaction. That is why retention and development are considered a principal risk for the business. We, therefore, designate significant resources to providing our employees with specialised training. We are proud to work with our colleagues, to increase their skill set and enable them to improve processes and performance.

In 2023, we continued to expand our internal course catalogue for employees this financial year, adding five new professional skill courses and a variety of systems training courses. There are now 28 professional skills courses, 37 systems training courses and more options offered for Microsoft and our internal CRM. This is in addition to our core modules, which are taken each year by staff and include Equality and Diversity, Health and Safety and Cyber Security. Employees have spent the equivalent of 1,964 days on this training across the Group this financial year.

### 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

Additional specialised training is offered to employees, where appropriate. This is not currently tracked. For example, our employees who visit third-party premises to provide engineering services are given specific health and safety training. In January 2023, members of our ESG team received training in conducting life cycle assessments.

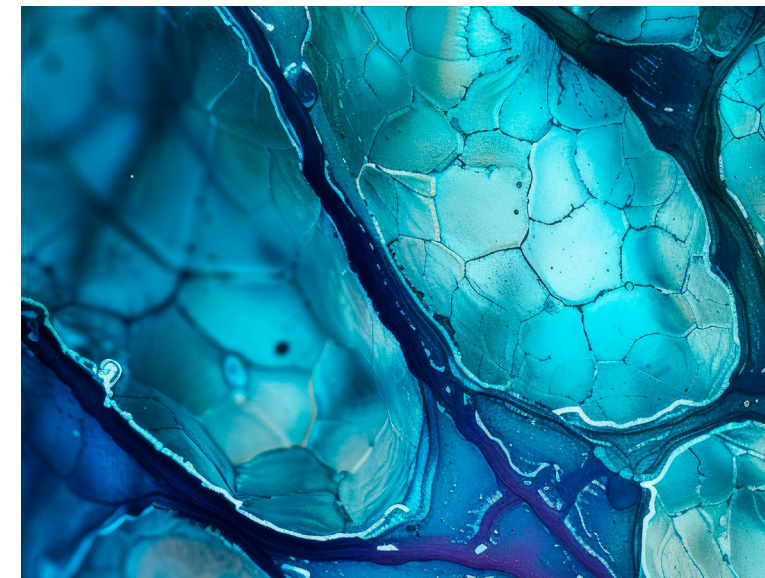
### Internal development

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.

As well as promoting from within, we recognise that employees sometimes want to widen their experience or try a different role. All job vacancies are advertised internally via our new HR portal, CIPHR, and our monthly internal newsletter.

### Regular appraisals

All employees have a quarterly review, where they can discuss their training needs and areas where they feel the need for development support. This is also an opportunity for management to share their feedback.



## 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 want to reward our staff for their hard work and dedication. In conjunction with competitive salaries, we offer a quarterly bonus to all staff.

This is determined and communicated as part of the quarterly appraisals, which provide employees with formal feedback on areas for improvement and discuss where they would like to develop or need further support.

A quarter of the bonus is retained for 12 months and is lost if the individual leaves the company. This reward system is frequently reviewed to ensure it is competitive.

### Share schemes

Senior staff members are granted options via a Share Option scheme, with a 12 to 24-month forward horizon. Employees who have been with the Group for over six months can join our ShareSave scheme.

### Group Pension Scheme

All qualifying employees can join our Group Pension Scheme, which meets all legal requirements. We have chosen a pension provider that reflects our commitment to ESG and responsible investment while offering our employees a cost-effective and competitive management fee.

### Flexible working

We 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. In 2023, we have added the option to work abroad to our contracts, within the legal limitations and if usual business hours can be kept.

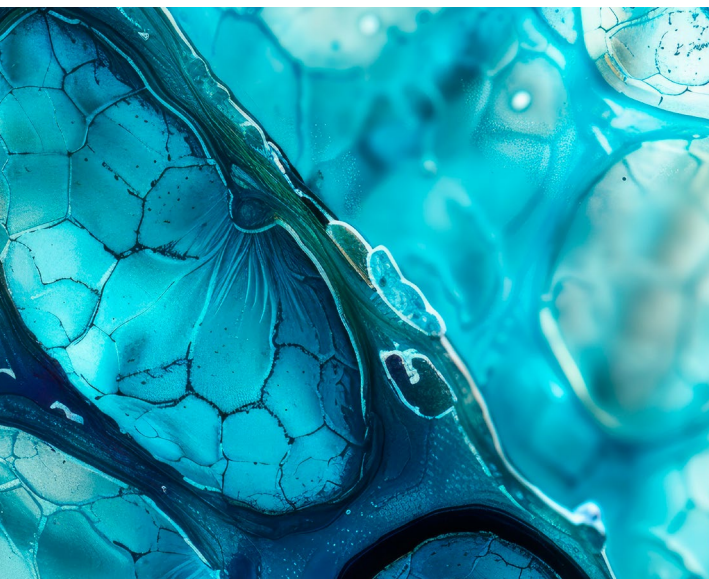
Employees can apply for flexible working hours according to the statutory provisions. This can take the form of part-time hours, job sharing or adjusted working hours.

### Parental and Sick Leave

As of April 2023, we have an enhanced Maternity Policy which provides eligible employees with 16 weeks of full pay, going beyond the legal minimum of six weeks at 90% pay. In 2023, 12 employees took maternity leave, and six took paternity leave.

### Electric car scheme

We offer a salary sacrifice electric car scheme for all employees who have passed their probationary period. This allows employees to lease a brand-new electric vehicle while benefiting from reduced income tax and national insurance contributions. It will start to lower our Scope 3 emissions from business travel and employee commuting (Categories 6 and 7).



## Health and safety

Creating and maintaining a safe and healthy working environment for our people is of utmost importance to Inspired. It is one of our principal risks as a business. 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. There are two key areas for consideration regarding the health and safety of our employees: work completed at client sites and work from our offices and employees' homes.

### 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 walkaround inspection of their area of operations every quarter.

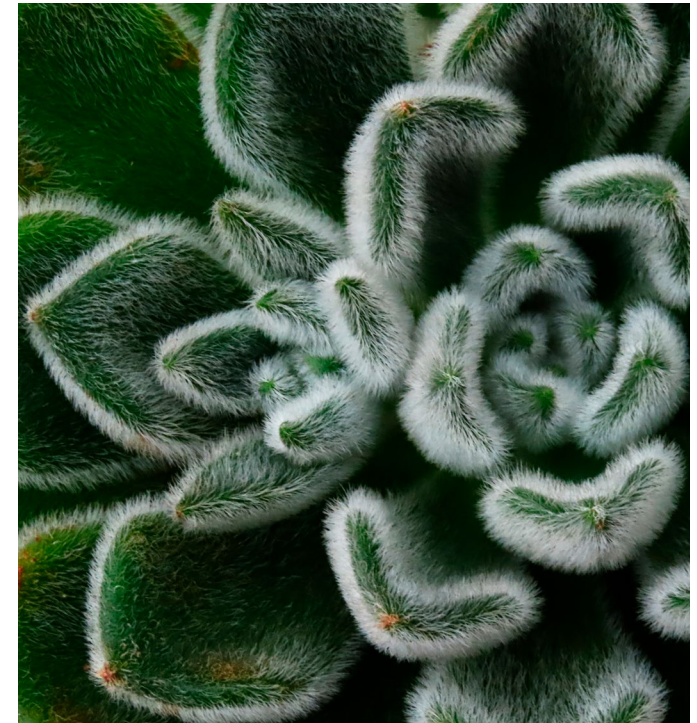
We have an occupational health and safety management process to cover physical risks. In 2021, it is certified according to the ISO 45001: Occupational Health and Safety standard. Additionally, we are registered with the Achilles Utilities Vendor Database (UVDB) scheme, which aims to manage and mitigate risks in the supply chain.

### Offices and homeworking

As a technology-enabled service provider, the potential for work-related injuries is low for most of our employees compared to many organisations.

Most employees are now offered the choice of being fully office-based, hybrid working or fully remote. To monitor employee safety and well-being whilst working from home, we have a monthly survey to ensure they are happy and comfortable working remotely and a quarterly DSE assessment to ensure their work environment is safe.

- 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.

In our offices, all workstations have height and angle adjustable monitors, an adjustable chair and a full-size mouse and keyboard to ensure employee safety and comfort. There are also two standing desks available at our Kirkham office.

### 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.

As part of ensuring 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.
- An independent external consultant conducts annual HSG65 audits for each premise, following the guidelines set by the UK Government's Health and Safety Executive (HSE). This ensures that our sites comply with the latest requirements and that we are aware of areas for improvement.

In 2023, there were no fatalities (2022: no fatalities) and no HSE-reportable injuries (2022: one). There were eleven accidents and fifty-five near-misses relating to staff and contractors. This is an increase on 2022 (six accidents and nine near-misses), which can be attributed to an increase in onsite activity and an improved process for detecting near misses. All events are logged and discussed in the monthly Health and Safety Committee meeting that is tasked with identifying trends and improvements to procedures.

In terms of the health and safety impacts of our products and services, we do not currently have any known negative effects in this area.



## Employee well-being



We know that it is important to support employees' mental health, as well as ensuring a physically safe workplace, especially since COVID-19 and the increase in homeworking. 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.

We want to support each employee as an individual. Therefore, we provide a range of tools and support systems, including 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.



# Equal opportunities

We believe in hiring the best people for the job, regardless of their gender or other protected characteristics. We know that a diverse workforce brings enhanced collaboration, productivity, diversification of views, and improved staff retention. To support this, we foster a work environment free from discrimination\* and harassment, built on a commitment to treating all employees equally. Each year, employees receive equality and diversity training.

\*There have been no reported incidents of discrimination as defined by the International Labour Organization (ILO) 'Declaration on Fundamental Principles and Rights at Work'.

## Targets

We are pleased to say that in 2023, our Company-wide gender split was 50:50, and there was a reduction in our gender pay gap. Overall, there is a 25% Group gender pay gap due to the low level of diversity in senior leadership positions. This is a reduction from last year's 27%, and we aim to continue improving it on an annual basis.

## Our targets

We aim for a minimum representation of the minority gender of 37.5% across all departments at all levels of business. We have decided this is a more practical target than the more common aim for a 50:50 gender split ratio. This is because if a team has an odd number of members, achieving a 50% target is impossible. If we want to avoid positive discrimination, the maximum target a team of eight (our average size) can have for the minimum gender is 37.5%. This represents a swing of one person from a 50:50 balance.

Figure 5 below shows there are still a few levels in the company where we are not meeting this target. These are higher-level positions, and we are working to improve this by providing additional leadership training where appropriate and long-term through the development of our STEM programme.

## Equal Pay

Equal pay is something we take very seriously and we aim to maintain an equitable distribution of benefits between all stakeholders in proportion to the performance of the business. We continually assess our salary structure to ensure all employees are compensated fairly while allowing for individual circumstances.

As explained above, we are still improving gender diversity at the higher levels of the company and as this improves, so will our gender pay gap. We are pleased to see a drop in our gender pay gap this financial year, reflecting our work to address gender diversity disparities in the organisation.

The statutory disclosure period for gender pay gap reporting does not align with the Group's financial reporting period or our continuing operations. It only covers a subset of our employees. In this report, we, therefore, provide an equal pay analysis based on our 2023 financial year, continuing operations, and employee disclosure.

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 2023 minimum wage is 110% (2022: 108%). The ratio of basic pay of the highest-paid executive to the average employee is 6.1 (2021: 7.5).

## Human rights

Our commitment to treating everyone fairly and respectfully, from our employees to our suppliers and our business partnerships, is outlined in our Human Rights Policy, Modern Slavery & Human Trafficking Policy, and Supplier Code of Conduct.

There is a very low risk of human rights issues for the Group, as our operations are within the UK & Ireland, with a localised and simple supply chain. Nevertheless, we have clear policies prohibiting forced labour, slave labour, child labour and human trafficking and are working on improving our approach further. When onboarding new suppliers or forming business relationships where there is a risk of exposure to modern slavery and human trafficking, we perform rigorous due diligence checks. Each supplier is asked to comply with our policies on human rights, conduct and the environment. We do not currently screen suppliers using social criteria.

We maintain the highest business and ethical behaviour standards, including compliance with all applicable laws and regulations and company policies, practices, and procedures. In 2023, 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 Group has no known areas where freedom of association and collective bargaining are at risk. As a technology-enabled service provider, we do not currently have any employees covered by collective bargaining agreements. Furthermore, we do not have any operations that directly or indirectly impact the rights of indigenous people.



### Local Communities

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. We take 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 employees from across the business and our offices. In 2023, 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.

#### Beach clean-up

In July 2023, employees from Inspired volunteered to litter pick on Blackpool Beach. Despite bad weather, which cut the activity short, it was attended by over 25 people and support was provided by Sea Life Centre.

#### Foodbank collection

From mid-November to mid-December 2023, we had a collection point in our Kirkham office for the local charity Amazing Graze. We are proud of the donations brought in by our employees.

## Data privacy and compliance

We deal with sensitive client information and our Software Solutions division provides Software as a Service (SaaS) - based solutions, which must maintain data security to current market standards. We are, therefore, always updating our IT systems to ensure they comply with the highest cyber security standards.

Our systems are ISO 27001 and Cyber Essentials Plus certified. They 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 2023, we continued our investment in cyber security by introducing a 24x7 Security Operations Centre. The security professionals monitor system events that are collected and correlated using Microsoft security products. Workflow automation and playbooks respond promptly if a threat is detected, including the automatic isolation of a laptop in the event of ransomware being detected.

Since 2021, we have used 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.

Additionally, we use a regular programme of simulated phishing attacks to ensure that our employees are aware of the seriousness of data security. Anyone who fails the simulation must complete a data security course to help avoid breaches and cyber-attacks and encourage 'cyber safe' behaviour.

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

### Customer Privacy

There were no complaints about breaches of customer privacy in 2023. 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 2023. We disclose this because we want to be transparent about our participation in public policy development.



# APPENDIX

*A rich intact ecosystem like an ancient woodland can support a wide variety of plant, insect, animal and bird species.*

## Appendix 1 – Estimations Methodology

Due to the nature of our estate, we used different methodologies for some offices, as detailed below:

- For our Manchester property where Inspired 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 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 is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, floorspace (m<sup>2</sup>) was utilised in conjunction with typical practice benchmark from Chartered Institution of Building Services Engineers (CIBSE) Guide F (2012) and was applied to the properties with similar operations with no available data.

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's energy analysis going forward. For the market-based emissions reporting methodology, an emissions factor of zero tCO<sub>2</sub>e/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 zero tCO<sub>2</sub>e. Natural gas market-based emissions have been calculated taking into account carbon dioxide savings from the purchase of Green Gas Certificates.

## Appendix 2 – Re-stated Figures

Table 5: 2022 Re-stated Figures

Line Item	Original 2022	Re-stated 2022	Rationale
Scope 2	50.04	53.43	The calculation methodology for electricity estimates has been updated in 2021, 2022 figures were updated to reflect the change in methodology.
1. Purchased goods and services	5,371	3,806	Category 1 emissions have been re-calculated using more recent conversion factors, to align with the 2023 calculation methodology.
3. Fuel-related emissions	29	40	Category 3 emissions have been re-calculated using more recent conversion factors, which were published after the 2022 reporting deadline.
11. Use of sold products	11,069	10,843	An error in the raw data provided for part of Category 11 calculations was discovered in 2022 data and amended to enable like for like comparison between 2022 and 2023.
12. End-of-life treatment of sold products	1	2	An error in the raw data provided for part of Category 12 calculations was discovered in 2022 data and amended to enable like for like comparison between 2022 and 2023.



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