

# Leep Utilities

## Environmental, Social and Governance Report 2025

**Owner:** Vicky Bell

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leep utilities™

Leep Utilities (Leep) are a multi-utility adoption only independent operator providing services in the Water, Electricity, and Heat sectors.

Investment in our people, systems and processes are key to our ethos to drive success in competitive markets. We strive to be recognised as pioneers of sustainable growth in the Utility Sector by delivering sustainable utility solutions and exceptional customer experiences through trusted partnerships.

**We will pioneer a future of sustainable growth through innovation, greener solutions, and smart investments.**

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# CEO Statement / Welcome

Welcome to Leep's Environmental, Social and Governance Report for 2025.

As CEO it is my privilege to share with you our commitment to responsible and sustainable business practices and the strategy we have developed to target these critical areas.

Whilst we are at the start of our ESG journey it has been pleasing and reassuring to note the practices currently in place throughout the business already aligns to the expectations of good Social and Governance practises. As always there is room for continuous improvement, which we pride ourselves on, therefore Health & Safety and skills development also feature within our forward-looking plan.

As a growing, adoption-only provider of water and wastewater, electricity and heat, we recognise, via our decarbonisation strategy the potential impact of our services on the environment. We are fully committed to minimising and where necessary offsetting the impact of our business on the environment.

At Leep, we prioritise environmental sustainability, social responsibility and robust governance practices to drive long term value for our stakeholders. Our ESG policy is not just a mandate but a core value that guides our decision making and strategic direction.

We believe that our commitment to ESG will create a brighter future for our company, our customers, stakeholders, and the planet.



**Victoria Louise Manfredi**  
**Chief Executive Officer**

# Identifying our Key ESG Objectives

We have examined our ESG objectives from 5 distinct perspectives in order to ensure that they are robust and relevant to the broadest possible range of perspectives.

## 1. Materiality Assessment

As an IDNO, NAV, and Heat Network Operator, we play a crucial role in supporting the UK's transition to a low-carbon economy while ensuring resilient and sustainable infrastructure. To identify our key ESG objectives we conducted a materiality assessment that included:

- **Stakeholder consultations** with clients, investors and employees to explore expectations regarding sustainable energy distribution, affordability and network resilience.
- **Regulatory and policy alignment** with government net-zero targets, Ofgem's sustainability principles, and industry standards such as Heat Networks Investment Project (HNIP) and Future Homes Standard.
- **Benchmarking against peers** in the IDNO, NAV and Heat sectors to identify best practices in decarbonisation, efficiency and responsible business operations.
- **Risk assessment** to evaluate the impact of climate change, technological advancements, and regulatory shifts on our business model.

## 2. Stakeholder Engagement

Given the nature of our operations, we engaged with key stakeholders to ensure our ESG objectives align with industry needs and long-term sustainability goals:

- **Regulators** – Understanding evolving compliance requirements, carbon reduction targets, and customer protection policies.
- **Developers** – Collaborating on energy efficient infrastructure and sustainable heating solutions.
- **Investors** – Aligning with responsible investment criteria, such as ESG-linked financing.
- **Employees** – Promoting safety, diversity, ethical procurement, and workforce well-being.

## 3. Risk and Opportunity Analysis

We assessed ESG related risks and opportunities based on their potential financial, operational and reputational impacts. This analysis helped us prioritise areas where we can create the most value while mitigating risks associated with climate change, social equity, and governance integrity.

## 4. Alignment with Business Strategy

Our ESG objectives are fully integrated into our business model, focusing on:

- **Sustainable Infrastructure Development** – Investing in future proof, low carbon technologies that enhance energy / water efficiency.
- **Customer Centric Solutions** – Providing reliable, affordable and sustainable energy / water distribution while improving service quality.
- **Responsible Business Practices** – Upholding high standards of governance, ethical supply chain management, and workforce safety.

## 5. Establishing Measurable Targets

To ensure accountability, we have set clear, measurable ESG targets aligned with the UK's decarbonisation strategy and global sustainability frameworks:

- **Carbon Reduction:** Targeting net-zero emissions by 2050, with the development of clear milestones for Scope 1 and minimisation of Scope 2. We will also explore opportunities to reduce Scope 3 emissions.
- **Energy Efficiency:** Reducing network losses and improving efficiency across IDNO and NAV operations.
- **Green Heating Networks:** Expanding low-carbon heat network development and increasing renewable energy integration.
- **Social Impact:** Enhancing customer protection policies and investing in community engagement initiatives.

By embedding sustainability into our operations and decision making, we are committed to delivering long term value for our stakeholders whilst contributing to the UK's clean energy transition.

# Mapping the Sustainable Development Goals to Leeps ESG Objectives

At Leep, we recognise the importance of aligning our sustainability efforts with global frameworks such as the United Nations Sustainable Development Goals (SDGs). The SDGs provide a blueprint to addressing key environmental, social and governance challenges, many of which directly relate to our role as an IDNO, NAV and Heat Network Operator.






## 1. Our Approach to SDG Alignment



To ensure meaningful integration of the SDGs into our ESG strategy, we followed a structured process:

- **Materiality Assessment:** Identified the most relevant sustainability issues based on stakeholder engagement, industry benchmarking, and regulatory requirements.
- **SDG Relevance Analysis:** Assessed which of the 17 SDGs align with our core business activities, risks and opportunities.
- **Strategic Integration:** Mapped SDG targets to our ESG objectives, ensuring that our initiatives contribute to measurable global progress.
- **Performance Measurement:** Established KPIs to track our contribution to specific SDGs and reported progress transparently.

## 2. Key SDGs and Our ESG Commitments

We have prioritised the following SDGs, which are most relevant to our operations:

SDG	How We Contribute	Aligned to ESG Objectives
	Promoting the health, safety and wellbeing of our workforce.	Ensure healthy lives and promote wellbeing.
	Initiatives to minimise gender pay gaps, encouraging women into male dominated roles i.e. STEM.	Reduce inequality.
	Reducing our carbon footprint through net-zero commitments, clean energy investments, and emissions tracking.	Minimising/reducing emissions.

	Ensuring quality education, development programmes and apprenticeships.	Workforce training, apprenticeships and education initiatives.
	Protecting water resources by encouraging water efficiency and minimising environmental impacts.	Water conservation, reduce water use and improve sustainability in urban developments.

### 3. Key SDGs and Our ESG Commitments

By integrating the SDGs into our ESG framework, we ensure that our sustainability initiatives are globally aligned, industry relevant, and impact driven. Our commitments include:

- Embedding SDG aligned KPIs into business performance tracking
- Collaborating with stakeholders, policymakers and industry groups to drive SDG progress
- Reporting transparently on our impact and continuous improvement efforts
- Exploring and acquiring ESG accreditation.

As we continue our ESG journey, we remain committed to advancing the SDGs and delivering sustainable long term value for our stakeholders and communities.



# Highlights

## Environment

- 100% of electricity sourced for private networks is REGO certified from renewable sources
- Planning in progress to decarbonise current combined heat and power plant
- BREEAM accredited office in Manchester with 0 waste to landfill
- 20% of water meters exchanged to Smart technology to conserve water resources
- Less than 5% Unaccounted for Water on our water networks

## Social

- Lost Time Injuries – 4 years without a lost time injury
- We continue to promote charitable donations internally, supporting Macmillan during 2024
- 64 hours of employee's time was volunteered to local charities during 2024 in both Manchester and Reading to assist with their important work
- Customer satisfaction scores of 4.8 Trustpilot and 4.6 Google

## Governance

- Scope 1 and 2 Emissions Data for 2024 has been assured by a qualified third party
- Employee Engagement increased to 8.2, measured on a scale of 0-10
- Working in highly regulated sectors across water, electricity and heat we continue to demonstrate compliance to the regulators including Ofwat, DWI, Ofgem and various industry code bodies.
- Implementation of internal audit processes together with companywide risk management identification, review and mitigation.
- Against a target of >95%, 97% of our workforce completed all cybersecurity trainings
- 95% of employees completed AWL, fraud and GDPR training

# Our ESG Ambitions

We aim to lead with innovation, smart solutions and strong governance to drive environmental stewardship and social responsibility, creating a sustainable and equitable future for all.

## 1. Environmental Stewardship

Dedicated to achieving Net Zero through investments in renewable energy sources, energy efficiency initiatives, and responsible resource management. We also seek to develop future service offerings that may help clients to decarbonise, adapt and transition.

## 2. Social Responsibility

Providing a safe and healthy work environment for all employees and contractors and to foster a diverse and inclusive workplace where everyone feels valued and have opportunities for growth.

## 3. Good Governance

To continue to conduct our business with integrity and transparency, adhering to the highest ethical and regulatory standards whilst operating a strong corporate governance framework that ensures accountability, transparency, and responsible decision-making.

# Our ESG Targets

## 1. Environmental Stewardship

- Net Zero by 2050
- Minimising our carbon footprint and our impact on the environment
- Conserving water resources
- Minimising the risk of pollution incidents

## 2. Social Responsibility

- Ensure workplace safety and health for all employees
- Empowering our workforce whilst embracing diversity and promoting inclusion
- Continuing to invest in the communities we work within

## 3. Good Governance

- Maintain key policies and ways of working that enables compliance to ethical conduct, corporate governance and IT security standards
- Implementation of ESG data assurance
- Continued engagement with Customers, Employees and Stakeholders to inform key strategic decisions and our ESG commitment to drive sustainability in all we do
- Continuing to deliver outstanding service within a regulated framework

# Environmental Stewardship

## Reducing Carbon Footprint

### Net Zero by 2050

We are committed to reducing the impact of our business on the environment. To date we have been tracking Scope 1 and 2 emissions and are broadening this to include Scope 3 emissions from 2025 onwards.

### Minimising our carbon footprint and our impact on the environment

We have developed a decarbonisation strategy to reduce the emissions from our Combined Heat and Power plant that currently provides heat to circa 1000 residents at Media City in Salford:

- During 2025-26 we are working to optimise the system and drive efficiency improvements to reduce current emissions.
- From 2026 onwards we are committed to the incremental installation of low carbon technologies to meet the demands of the planned expansion and growth of Media City targeting further emission reductions

### Sourcing renewable energy to supply our private networks

In 2022 we switched suppliers for the provision of electricity to our private networks and 100% of energy requirements at our private sites are now sourced from renewable sources and are REGO certified.

### Reducing energy usage in our offices

Our Manchester office is BREEAM accredited recognising its high standards of sustainability, energy efficiency and environmental performance. This globally recognised certification aligns with our ESG commitments by minimising our environmental impact and promoting a healthier workspace.



## Conserving Water Resources

Aligned to our WRMP24 commitments we are dedicated to improving water efficiency across all our sites with ambitions to achieve Per Capita Consumption of 110 litres per person per day and maintaining Unaccounted for Water below 5% during the life cycle of this plan (2050).

We are developing reporting to enable proactive monitoring and management and to understand fluctuations in demand to tailor our response and engage with customers to influence water use trends.

We are committed to improving real time monitoring through the phased implementation of AMI metering and bulk metering loggers.

## Minimise Pollution

We are committed to maintaining rigorous environmental standards to minimise the risk of sewerage discharge across our networks. During the past 2 years (FY22/23 – FY 23/24) we have had 0 discharge incidents and aspire to maintain this track record.

# Social Responsibility

## Ensure workplace safety and health for all employees

The health and wellbeing of our employees is a number 1 priority for us at Leep. Following the recruitment of our organisation SHEQ practitioner, who is a Chartered Member of the Institute of Occupational Safety and Health (CMIOSH), we have recently launched our 'Leep Safe Keep Safe' ethos and are building a culture to:

**Stay Safe** – Create a healthy, secure environment for everyone

**Assess Risks** – Spot hazards early and take action to remove them

**Focus Fully** – Work with care, protect yourself and the environment

**Everyone's Responsibility** – Look out for your safety and the safety of others.

### Key Achievements

- 4 years without a lost time injury
- No RIDDOR reportable incidents during the past 2 years
- Total Recordable Injury Rate (TRIR) maintained at 0.00 since 2022
- Head of SHEQ recruited to lead and deliver the board approved Health & Safety strategy

## Empowering our workforce whilst embracing diversity and promoting inclusion

At Leep, we pride ourselves on our diverse and inclusive workplace and are regularly considering opportunities to further develop the diversity of our workforce. Recognising that roles within our Operations and Water Quality teams have traditionally been male dominated areas, we are pleased to see more women being attracted to engineering and STEM roles and are working to encourage more diversity in these areas.

We are committed to developing opportunities at Leep both internally and externally, recognising that the ability to nurture home grown talent can improve retention. Work is in progress to develop and launch our career framework to support the future development needs of our employees.

### Key Achievements

- During 2024 we recruited our first graduate
- Women in STEM – 100% female Water Quality Team
- 37% female employees in the overall workforce

## Continuing to invest in the communities we work within

We take our responsibility of being part of the local community and supporting others very seriously.

Our employees are encouraged to assist the local communities with volunteering days which were introduced in 2023 and are run annually with at least 1 project in Manchester and 1 project in Reading, within the vicinity of our office locations.

We ran 3 events during 2024 contributing 64 hours of our employee's time to the vital work undertaken by Mustard Tree in Manchester, and The Cowshed in Reading. In addition to this we also ran events to raise money for other charities and have recently provided donations to Macmillan, Save The Children and Claire House Children's Hospice.



## Good Governance

### Leep Board

Leep have a solid independent governance process with a Board comprising of both executive and non-executive directors and an independent non-executive chair. Each member provides a balance of skills and knowledge. The Board meets monthly and is complimented by the Audit and Risk Committee, providing oversight on key areas of internal audit and risk management processes.

The Senior Leadership Team is critical towards good governance and driving continuous improvement in our policies and procedures. The Senior Leadership Team works closely together to hold each other accountable to key requirements, especially those pertaining to legal or regulatory obligations.

### Maintain key policies and ways of working that enables compliance to ethical conduct, corporate governance and IT security standards

We maintain rigorous standards in regard to the management of critical areas of governance:

- Diversity, equality and inclusion
- Modern Slavery Policy
- Anti-Bribery and Corruption Policy
- GDPR and Information Security Policies – we have successfully maintained our Cyber Assurance and Cyber Essentials accreditations for 3 years since implementation

### Implementation of ESG assurance

To support our future ESG journey we plan to test the strength of our current practices by implementing GHG assurance. Taking this step will provide a timely moment to reflect on our current ESG action plan and consider whether we are targeting the right areas for improvement.

## Continued engagement with Customers, Employees and Stakeholders to inform key strategic decisions and our ESG commitment to drive sustainability in all we do

Leep has numerous stakeholders that we are accountable to and responsible for. These stakeholders underpin the strategy and direction of the business. Understanding what is important to them enhances our business.

- ✓ Customers are at the heart of our business – we seek feedback through Trustpilot and Google Reviews to assess what matters most to our customers to drive our customer improvement plan. Over the past 2 years our results have improved from 4.0 Trustpilot / 1.8 Google Reviews to 4.8 Trustpilot / 4.6 Google Reviews.



- ✓ Investors backing is critical to the ongoing development of the business therefore we seek feedback when developing our business strategy and more recently in regard to our ESG strategy to ensure alignment in the key areas of focus.
- ✓ Regulatory bodies define our everyday parameters – working with these bodies ensures fairness and consistent high standards.
- ✓ We encourage a strong employee voice throughout our business - Annually we seek feedback from employees through our engagement survey which assesses employee engagement using a 0-10 scale.

