



Impact Report 2023



» In 2023, we made significant strides in supporting our customers and growing our business, while increasing our focus on sustainability and long-term impact.

The year was spent supporting our customers to maintain and optimise their critical asset performance to ensure the resiliency and longevity of their utility networks.

This report provides a snapshot of the impact our business has had across the year. It includes an overview of our emissions, our social value initiatives and insights into the difference our services make.

In May 2023, IK Partners (Private Equity) invested into our business which has provided the platform to accelerate our growth ambitions. This resulted in quickly acquiring OTL Electrical Services Ltd which further enhanced our high voltage distribution expertise, expanding our presence in key regions and strengthened our ability to support infrastructure optimisation and the clean energy transition.

This document is our fourth impact report and represents a significant evolution from the previous publications. We have decided to simplify the format and increase the focus on the priority areas of our business. This coincides with bringing on board our new Head of ESG, who is driving our business-wide strategic approach to sustainability. Expect to see further evolution in future reports as this strategy unfolds.

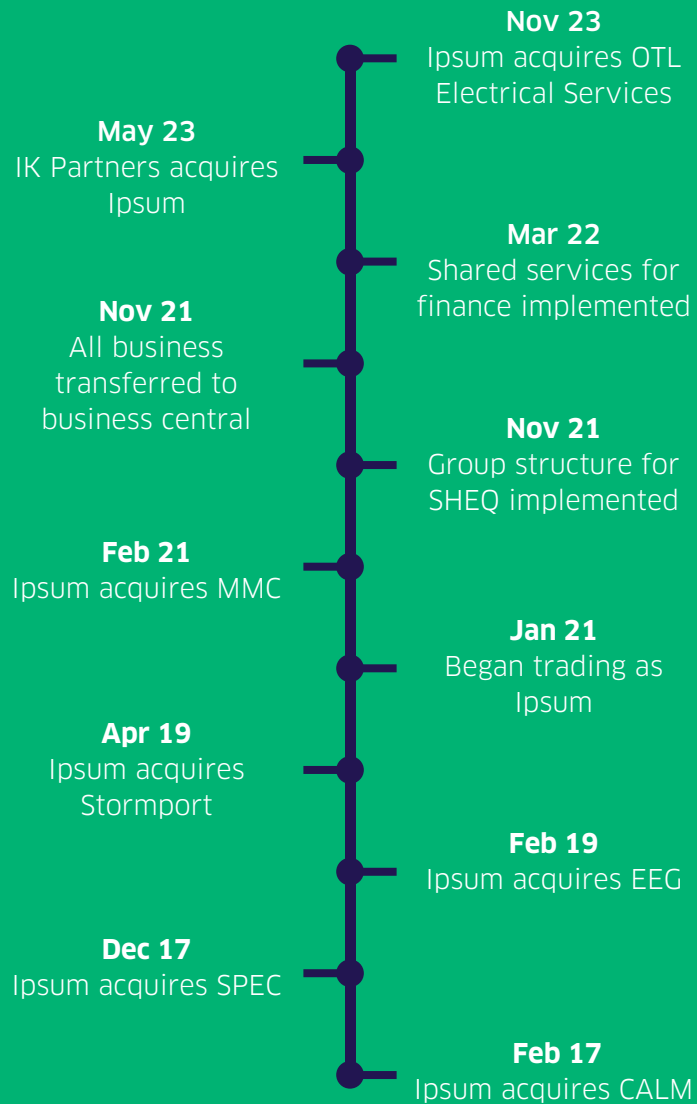


Who we are

» What we do

We are a specialist service provider working across both the regulated and non-regulated Water and Power sectors.

In 2023, we navigated the rising pressures in those sectors, delivering essential services to help our clients address environmental challenges, strengthen infrastructure, and drive sustainable progress.



» The Water sector

In this sector, we predominantly focus on the wastewater assets and networks. The attention on this sector grew in 2023, where there were 2,174 pollution incidents in the year, an increase on 2022 and the highest number since 2019.

Public and legislative pressure on water companies continues to grow and regulatory investigations could yet lead to significant sanctions. On top of this, there is increasing pressure to decarbonise the sector and take steps to address biodiversity decline.

We support our water clients face into these challenges. Our services broadly fall into these three categories:

- **Preventative services** - asset inspection and cleaning;
- **Remedial services** - network rehabilitation and upgrades;
- **Maintenance services** - asset upgrades, site clearing and vegetation management.

Our services are critical to reducing the number of internal and external pollution events. We actively support our clients to identify and address issues before they occur.

» The Power sector

The Power sector is undergoing significant transformation as the UK races to decarbonise the grid. This is driving an increased number of connections, but also forcing innovation around grid stabilisation and resiliency to overcome the 'intermittency problem' with renewables (the sun doesn't always shine, nor does the wind always blow). Additionally, climate change is causing more extreme weather which can lead to equipment failure, asset damage and power outages.

We support our clients across this broad spectrum of challenges. Our business has three core strands:

- **Regulated** - delivering a range of services (predominantly planned and emergency asset replacement) to Distribution Network Operators (DNOs).
- **Private networks** - providing inspection, maintenance, emergency call-outs and asset upgrade services to businesses who own and operate private power networks.
- **Major projects** - end-to-end delivery of green infrastructure projects, such as Battery Energy Storage Solutions (BESS).

Our goals and purpose



» Our commitment to the UN Sustainable Development Goals (SDGs) focuses on health, infrastructure, and climate action-driving impactful change where we can make the greatest difference.



The Global Goals
for sustainable development



The United Nations (SDGs) set out a blueprint to achieve a better and more sustainable future for all. We assessed the 17 goals and identified four key goals that we can have the most significant contribution to.

3 GOOD HEALTH AND WELL-BEING



» Good health and wellbeing

The health and safety of our people is hugely important to us. Every day, our staff are exposed to potential risks and hazards and ensuring they come home safely is our number one priority.

6 CLEAN WATER AND SANITATION



» Clean water and sanitation

Our Water business supports the upgrade and maintenance of the UK's wastewater network. Our core aim is to help reduce pollution incidents, aligning with the objectives of this goal.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



» Industry, innovation and infrastructure

Ipsum plays a key role in ensuring infrastructure is reliable, resilient and sustainable through the improvement of critical assets. Innovation is part of our DNA and key in both sectors to help overcome the challenges ahead.

13 CLIMATE ACTION



» Climate action

As we evolve our sustainability strategy, we will be setting short and long term targets against all relevant topics for our business to drive holistic change. We will report our progress against these in future reports.

Case studies





Electricity North West



In 2023, we installed 1,600 remotely operated actuators across the electricity grid in the North West of England. These actuators enable faster response and repair times, drastically reducing the length of any outages. This means customers are without power for less time. This is just one of many examples of how we support the UK grid to be more reliable.

National Grid Electricity Distribution



Electric vehicles and heat pumps are critical technologies for the Net Zero transition, yet many homes are unable to install these technologies as their electricity supply is 'looped'. This means that their electricity source comes from a neighbouring house. In 2023 we 'unlooped' hundreds of properties across the East Midlands. Our focus for 2024 is to increase the geographic coverage in which we operate, 'unlooping' many more properties.

Scottish Power Energy Networks



Asset upgrades support energy demands, increase reliability and efficiency, and are a core part of our service offering. At a busy hotel in Glasgow we swapped out old, inefficient switchgear and transformers for modern, energy-efficient units. The new transformers reduced energy loss by over 50%, significantly cut carbon emissions, and will reduce the hotels future electricity bill. The installation was done with minimal disruption to hotel operations.

UK Power Networks



Large scale battery storage facilities (BESS) are critical to decarbonising our electricity grid. We completed an industry leading battery storage facility including the design, installation and connection of 50MW of Tesla Megapacks supported with low-loss transformers. This setup helps to pave the way for a greener, more sustainable energy system and is a solution we are supporting other clients to roll out.

Above



Our emergency event teams play a critical role in preventing environmental damage. At a hazardous pipeline leak in Halifax, the team quickly responded and, using advanced technology, applied four pollution patches. These stopped the leak, preventing unwanted chemicals from reaching local water sources and nearby properties. This swift action helped safeguard the local ecosystem and the community, while also reducing the need for environmental agencies to intervene.

Carnell



Supporting waste infrastructure to perform efficiently is a core aspect of our proposition. In Derby, we carried out important night-time works on the A38, where the road was experiencing regular flooding, caused in part by blocked culverts. We set up a dam system and over-pumping equipment to keep water flowing. We were then able to safely remove built-up silt and debris from within the box culvert. Once the debris was cleared, we used CCTV technology to carefully inspect the culvert and check its condition.

BT Openreach



Vegetation management is critical to maintaining infrastructure serviceability. This was evident for the community on the Isles of Scilly where overgrown, hazardous trees were blocking key overhead communication lines. Balancing the needs of the community with environmental impact was a key consideration and so we worked closely with local environment agencies and followed regulations to ensure the environmental impact was minimised, whilst restoring this priority service to the local community.

Morgan Sindall



We delivered a project to fix and improve the drainage system in a new housing scheme in Sighthill, Glasgow. This involved digging deep underground to build new sewer pipes and manholes, ensuring reliable waste water management and protection from flood risks. This work enhanced the safety and resilience of the community's waste-management infrastructure – reducing the likelihood of future internal and external pollution incidents.



» How we do it

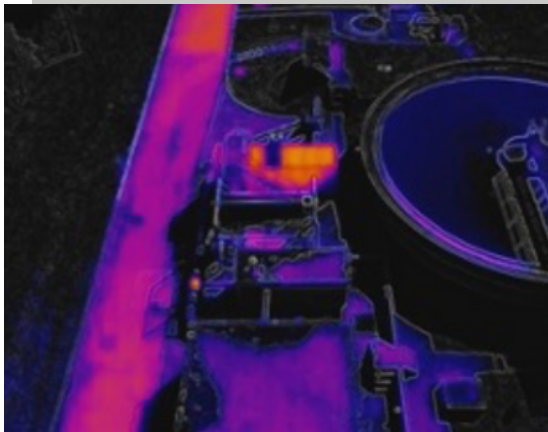
We implement a combination of strategic and technical solutions to maximise and reduce the environmental footprint of our work.

We recognise that the positive impact of our work can be even greater if we minimise the negative impacts associated with it. We have set out some examples of solutions we have deployed to do just this, along with an outline of the impact these have had.



» Solar powered CCTV vans

To inspect sewers and pipelines and to identify remedial actions we utilise robots with cameras. This equipment requires a constant power supply which typically means the support vehicle has to remain in idle. To combat this, we have installed solar panels on a number of our CCTV vans, reducing the emissions related with delivering this service.



» Digital surveys

We use a range of surveying techniques - including aerial (using drones) and Light Detection and Radar (LiDAR). These produce the information our clients need to determine the right course of action. This ensures the right fix is applied and eliminates the need for repeat visits - reducing our environmental footprint.



» Recycler unit

Our Water business utilises a range of modern recycler units on major jetting contracts. These ensure a full continuous recycling of jetting water removing the need to refill with potable water. Recycler units are estimated to increase efficiency by 55% and can entirely eliminate fresh water consumption on sewer cleaning work.



» Transformer recovery and refurbish

During transformer replacements we recover the old transformers to repair and / or refurbish. These units can then be re-deployed to an alternative customer to replace an outdated or failed transformer. This approach saves money, reduces the in-use transmission losses and reduces lifecycle emissions.

Our carbon footprint

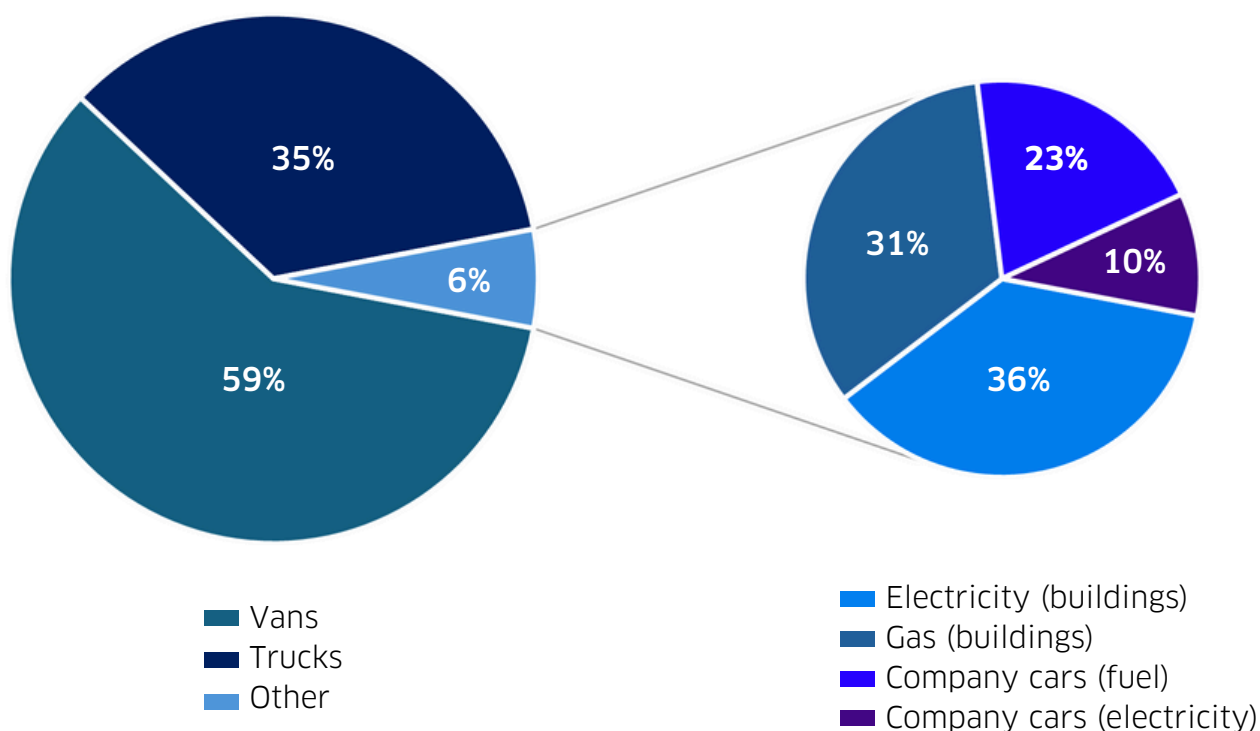
➤ Improvements in data capture and analysis has given us a better understanding of our Scope 1 and 2 emissions. This has shown that we decreased these emissions by nearly 6% in 2023 compared to 2022.

The majority of our emissions come from fuel used in our operational fleet.

Total Scope 1 and 2 emissions

3,904 tCO₂e

vs 4,135 tCO₂e in 2022





➤ **We made a number of positive interventions in 2023 to drive the reduction in emissions. These included:**



Vehicle modernisation

We replaced a large proportion of our pre-2016 vans with new, more fuel-efficient versions.



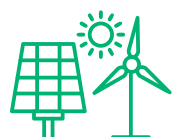
Depot consolidation

We closed several smaller locations that were not ideally suited for our current contracts. A wider consolidation exercise ensured we had vehicles more optimally placed for contracts to limit miles driven.



Electrification of company cars

Of the 53 company cars we had in 2023, 23 were plug-in hybrids and a further 22 were fully electric.



Renewable energy

We now procure 100% renewable electricity across all of our sites.

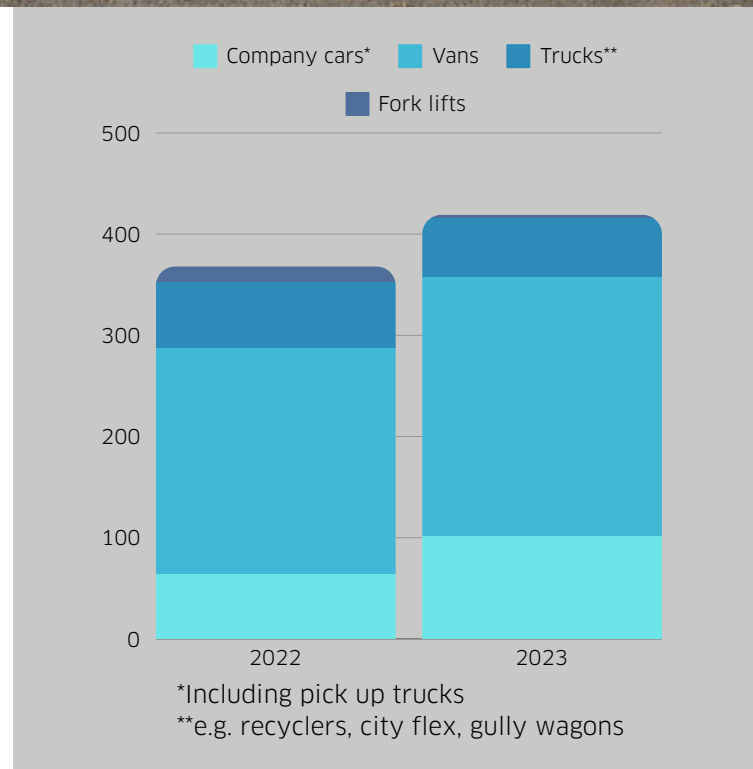
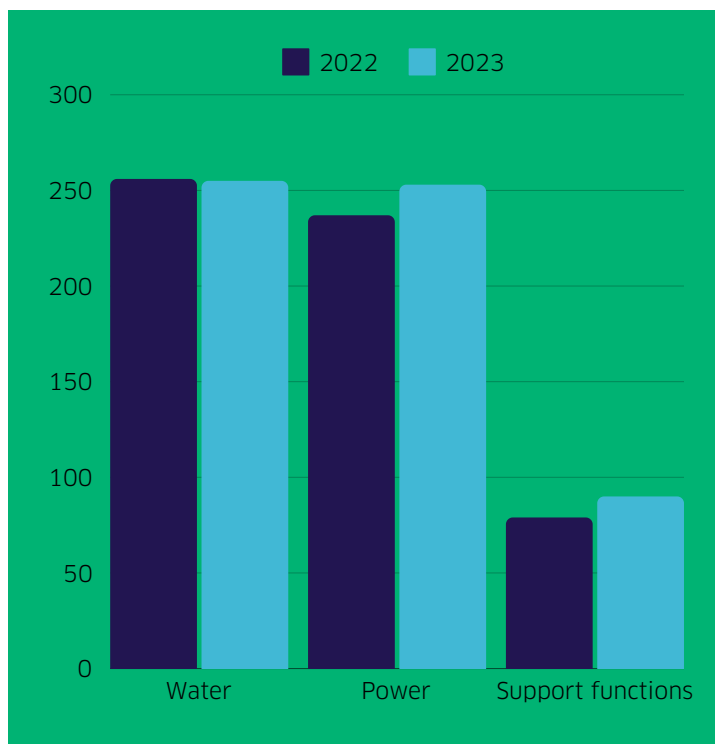
We are conscious that substantively reducing our emissions requires reducing fuel consumed in our operational vehicles. Electrification will be part of that solution and we tested an electric van in our Grantham depot to assess viability. Unfortunately, the combination of range and infrastructure challenges meant that this was not a viable solution at the time. However, we are focused on finding solutions to these challenges.

Our organisation footprint



➤ In 2023 we saw a 10% uplift in revenue compared to 2022, thanks in part to the strategic acquisitions made. Despite this growth, our emissions declined which also led to decrease in emissions intensity.

As set out in the chart below, our headcount increased by over four percent (26 staff) in 2023. This was driven by increasing the capacity in our support functions and the acquisition within Power.



Growth in our vehicle fleet was more substantial, with a 14 percent increase compared to 2022. The largest change was in our company cars and pickup trucks - deploying nearly 60 percent more of these vehicles. This was partly due to a change in policy and employing more senior support staff. We also acquired more vans to enable the delivery of our expanded Power business.

National coverage

£89.9m

FY23 revenue
+10% vs 22-23

£8.7m

FY23 EBITDA
+9% vs 22-23

11

UK hubs

598

Ipsium employees

» Glasgow

» Livingston

» Milnthorpe

» Chorley

» Haydock

» Chesterfield

» Wrexham

» Grantham

» Thetford

» Bromsgrove

» Aldershot

Our social impact

» Driven by our commitment to our local communities and social responsibility, we are not just shaping Ipsum. We are building a brighter future for society, our people and their communities.



As a major UK employer, we prioritise community engagement and societal impact through our Corporate Social Responsibility (CSR) strategy. We focus on the following key areas:

Sponsorship

We supported two professional sports clubs and five children's football teams, providing essential equipment to promote healthy, active lifestyles and enable participation in local leagues.

Charity donations

Our staff hosted multiple charity events, including funding the football kit for the Eve Morton Dreams fundraiser. We aim to formalise our charity focus to enhance this impact.

School outreach

To address sector skills shortages and the underrepresentation of women in STEM, we partnered with schools, colleges, and universities for careers days, talks, and mock interviews. The aim was to help students transition into apprenticeships or graduate roles at Ipsum.

Apprenticeships and development

We achieved Gold status with The 5% Club in 2023, with staff on 'earn and learn' placements comprising over five percent of our workforce. Our goal is to be awarded Platinum by 2026, with 10 percent of our workforce enrolled on 'earn and learn' schemes.

We are proud of our apprenticeship and graduate programmes which have enabled us to achieve this award. These programmes, combined with our training facility in Wakefield, ensure we drive an environment of continual development - which is critical to addressing the skills gaps emerging across the sector.



Our Haydock office is sponsoring local junior football club, AC Holylake JFC.



We were proud to support the Eve Morton Dreams Trust by sponsoring the kit at a charitable football match.



We came together across all offices, for the Macmillan Coffee Morning, raising funds for vital services.



The Wakefield office supported the MND Association with funds raised from its Christmas hamper raffle.



Each year, we host the Ipsum Open for the Beatson Cancer Charity. This year we raised £700 to support those affected by cancer.



Our Scotland offices proudly sponsored the Galston U14s and Pollock U13s, supporting local talent and fostering community spirit.



The Wakefield office raised over £800 for Cancer Research, as well as £250 for Red Nose Day with a 100-skips-a-day challenge.



Our Wakefield office proudly sponsored local professional rugby league team, Leeds Rhinos.



Our Grantham office sponsored local football club, Grantham Town FC.



Apprentice Sam Rodgers led Ipsum employees raising £400 for Movember, supporting men's mental health, prostate cancer, and suicide prevention.

We're heading towards the future...



➤ We are laying the foundations to enable us to maximise our impact and do so in a manner which is sustainable and supports the UK deliver on its commitments.

While we are pleased with what we have achieved so far, we know there is more we can do to have an even greater impact. Achieving this requires, in part, a maturing of our overall sustainability approach. We recognised that this topic required a greater focus and took the decision to appoint a Head of ESG. They joined in June 2024 and will be supporting the business to mature our sustainability approach. The focus will initially be on conducting a maturity assessment to accurately define what matters most to our business. From here, we will develop goals and targets, establishing robust data collection processes to report against them.

We will continue to talk to our progress on this programme through our annual impact report.

Want to know more about how we can help you?

Email info@ipsum.co.uk for more information.

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