



2025 Impact Report

tepeo

Heat your home, not the planet

Certified



Corporation

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Leadership Letter

This year marks an important milestone for tepeo as we publish our first B Corp Impact Report. Becoming a B Corp was a natural step for us and a public commitment to growing our business in a way that is fair, transparent and aligned with our purpose: accelerating the transition to low carbon heating and helping every home play its part in a clean, flexible and affordable energy system.

Over the past year, we strengthened the foundations needed for the next stage of our growth. We improved the performance of the ZEB, prepared for manufacturing scale-up and deepened our engagement with installers, customers and policymakers. We also helped develop new industry standards for thermal storage, supporting a more consistent and trusted market for low carbon heating.

It has also been a challenging year, with ongoing policy uncertainty across the sector. These challenges underline why our B Corp commitments matter. They guide how we invest in our people, support our communities and reduce our environmental impact, even in a difficult environment.

Looking ahead, we plan to expand our manufacturing, support the introduction of minimum standards for heat batteries and help the wider heating sector move away from fossil fuels. We will keep developing our team, strengthening our culture and helping people understand the real-world impact of our technology.

Thank you for being part of our journey.

Johan du Plessis
CEO - tepeo



About tepeo



Mission and Purpose

tepeo exists to accelerate the transition to low carbon heating in a way that is affordable, scalable and equitable.

Our purpose is to enable every home to become an active participant in the decarbonised energy system, reducing carbon emissions while supporting a cleaner, more flexible electricity grid.

We believe the path to net zero requires not only innovative technology but also a commitment to doing business responsibly, transparently and in service of people and the planet.



Overview of Products & Impact

Our flagship product, the Zero Emission Boiler ZEB®, is a compact heat battery that replaces a traditional boiler with minimal disruption. It charges using low carbon and low cost electricity, typically when demand is low or renewable generation is high, and then releases heat when needed. This gives households the same comfort as a fossil-fuel boiler, but with far lower emissions.

This year, we improved the ZEB's performance and expanded our data-driven work to understand its real-world carbon impact. As thermal storage becomes increasingly important in the energy system, tepeo's technology is helping households cut emissions, support renewable energy and reduce system costs through greater flexibility.

We also focused on shaping the policy and regulatory environment needed for low carbon heating to scale. The retrofit sector is highly regulated, so we worked closely with officials and ministers to promote the changes required to support ClimateTech innovation and ensure fair access to decarbonisation support for all households.



Journey to B Corp Certification

tepeo's decision to pursue B Corp certification was driven by a deep conviction that heating must be reimagined - not just in technical terms, but as a force for social and environmental good. As the first domestic heating manufacturer to achieve this certification, tepeo is setting a precedent for the industry.

For tepeo, B Corp goes beyond a badge. It's a way to formalise and communicate our commitment to high standards of governance, social responsibility, and environmental stewardship.

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How B Corp aligns with tepeo's culture and long-term strategy

B Corp certification reinforces tepeo's identity as a purpose-driven business: one that builds technology not just to decarbonise, but to do so in a way that is ethical, transparent and accountable.

01

Culture of integrity

B Corp certification underpins tepeo's drive to embed responsibility at every level. We view certification as more than a milestone – it's a commitment to keep pushing ourselves and our industry forward.

02

Strategic differentiation

In a rapidly evolving heating sector, B Corp status helps tepeo stand out. It signals to customers, installers, partners and investors that tepeo's innovation is matched by rigorous social and environmental governance.

03

Long term alignment

tepeo's mission – to help customers heat their home, not the planet – clearly resonates with B Corp's ethos. Certification strengthens our ability to scale responsibly, building a business that trades sustainably and for positive impact.

Our B Corp Score

When tepeo became B Corp certified in 2024 we received an Impact Assessment score of 97.8.

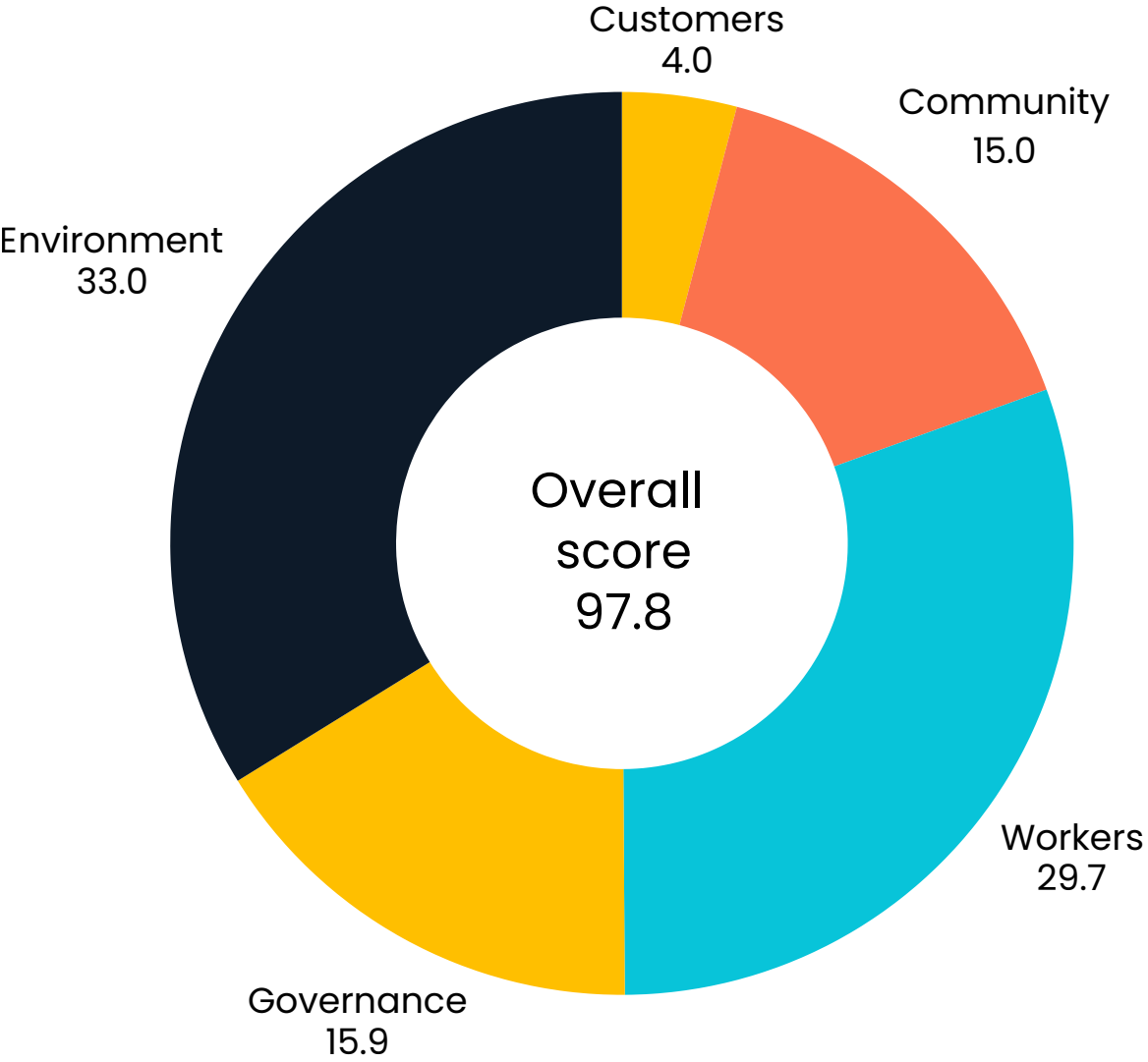
Looking ahead to our next recertification, we will be aiming to increase our score to at least 110. This reflects both our ambition to lead within the low carbon heating sector and the opportunities we see across the new B Corp impact topics.

Priority areas for action include establishing formal carbon-reduction targets, strengthening engagement with suppliers on ESG performance, and deepening our work to support diversity and inclusion as the team grows.

We also plan to enhance the customer experience, continue advancing industry standards for thermal storage and lay the foundations for future accreditation of our production facilities. Together, these improvements will help ensure our impact grows in line with the company.



Verified B Corp Score



Governance

What we said we'd do

- Implement environmental targets for carbon reduction, creating a clearer framework for how tepeo intends to manage and reduce its operational footprint as the company grows.
- Improve the quality and availability of publicly accessible information on tepeo's social and environmental performance, including through regular impact reporting and clearer explanations of how the ZEB contributes to a low carbon energy system.



What we did

- Published new blog content explaining the environmental benefits of the ZEB, helping customers, installers and wider stakeholders understand the role of thermal storage in supporting a clean, flexible electricity system.
- Improved our cost and carbon calculator, giving households more accurate and accessible insight into the potential environmental and financial benefits of adopting the ZEB.
- Published this, our first impact report as a B Corp, establishing a transparent baseline for how we measure, communicate and improve our performance across the new B Corp impact topics.
- Faced significant policy uncertainty around support for alternative low carbon heating, which limited our ability to progress carbon reduction targets; as a result, this work has been deferred to next year when external conditions and business growth will allow for a more robust and meaningful approach.

Goals for next year

- Implement carbon reduction targets that reflect tepeo's growth, operational footprint and long-term environmental ambitions.
- Continue expanding the publicly available information on the environmental impact of tepeo and the ZEB, including improved modelling, real-world data and updates as external factors evolve, such as the ZEB's ability to respond to flexibility signals and the continued decarbonisation of the electricity grid.

Workers

What we said we'd do

- Maintain our already high levels of employee engagement, with an ambition to increase the proportion of employees reporting that they feel “satisfied” or “engaged” to above 90 percent.
- Support employees transitioning into new or adjusted roles following the redundancies in early 2025, ensuring that affected team members received appropriate guidance, formal training where required and opportunities for informal learning as responsibilities shifted.
- Increase the availability of staff share options to strengthen alignment between employees and the long-term success and purpose of tepeo.



What we did

- Achieved an employee engagement score of 90 percent this year, maintaining strong levels of satisfaction and commitment despite a challenging external backdrop and the organisational changes that followed.
- Supported employees taking on new responsibilities by providing training and guidance on revised roles and processes, helping to maintain continuity and resilience across the team during a period of transition.
- Granted additional share options to all staff, ensuring that everyone directly participates in the company's long-term value creation and remains aligned with tepeo's purpose and growth trajectory.

Goals for next year

- In response to employee feedback, review and enhance our pension contributions to ensure our benefits package remains competitive and supportive of long-term employee wellbeing.
- Explore options for implementing indoor environmental quality monitoring, such as air-quality monitoring, at our manufacturing facilities to help maintain a healthy, safe and comfortable working environment as production expands.
- Assess opportunities to offer internships, apprenticeships or technical training programmes as our manufacturing capability grows, helping to build a skilled workforce and support wider access to careers in low carbon heating and clean-tech manufacturing.

Community

What we said we'd do

- Increase employee utilisation of paid time off for volunteering or community service, ensuring that staff feel supported and encouraged to contribute to local initiatives.
- Continue our policy advocacy work aimed at improving environmental outcomes, particularly within the heating sector and wider thermal storage ecosystem.
- Strengthen engagement with our supply chain on environmental, social and governance (ESG) considerations to ensure our impact extends beyond our direct operations.



What we did

- Worked with industry partners and policymakers to develop the new MCS standard for thermal storage. As part of the Working Group, we helped shape rules that ensure heat batteries store enough energy to charge during low-carbon periods, supporting real emissions reductions.
- Organised volunteering opportunities with a local organisation that draughtproofs homes to help residents save energy and reduce bills. Staff completed training and are now able to support this work, and we plan to reschedule the volunteering activity next year.
- Planned to strengthen engagement with suppliers on ESG issues, but progress was limited due to the company restructure. This remains an important focus as capacity increases.

Goals for next year

- Increase workforce diversity as we grow, using inclusive recruitment practices and encouraging applications from a wide range of candidates.
- Continue working with policymakers and the thermal storage sector to develop strong product standards, including clear requirements on storage capacity and heat retention.
- Support the decarbonisation of social housing and low-income homes through ZEB installations, tailored customer support and partnerships with housing providers.
- Rebuild structured engagement with suppliers on ESG performance, including clearer expectations and assessment processes.

Environment

What we said we'd do

- Implement environmentally preferable purchasing policies to ensure that the materials and components used in the ZEB reflect stronger environmental performance and support circularity principles.
- Explore options for transitioning to electric vans within our delivery fleet, with the intention of reducing transport-related emissions associated with ZEB distribution.



What we did

- Implemented environmentally preferable purchasing policies for product input materials, strengthening the controls and criteria we use to assess environmental performance across our supply chain. This helps ensure that materials used in the ZEB align more closely with our broader sustainability goals as we scale.
- Explored environmentally preferable fleet options, including assessing the feasibility of transitioning both our service and support vehicles, as well as our delivery vehicles, to electric alternatives. Existing lease agreements meant that we were unable to change vehicles this year, but we will evaluate electric options as leases expire. We will continue to monitor emerging technologies and review options as we refresh and expand our fleet in the future.

Goals for next year

- Reduce the overall volume of materials used in building the ZEB. Much of this will be driven by the HEATBATS project, which aims to develop a smaller ZEB format capable of fitting under a kitchen counter, supported by reductions in the volume of high embodied carbon materials such as the steel outer casing and other components without compromising performance.
- Improve the management of water throughout the product lifecycle, identifying opportunities for reductions, reuse or improved efficiency in manufacturing.
- Give customers the option to offset the carbon associated with ZEB production, providing an additional pathway for households to reduce or balance the impacts linked to the manufacturing stage of their heating system.



Raising Industry Standards

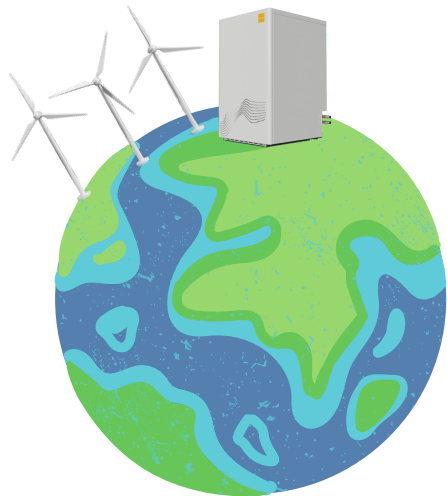
As thermal storage becomes more important for a low carbon energy system, the lack of clear installation standards has been a barrier for consumers, installers and manufacturers. In 2024–25, tepeo helped address this by contributing to the creation of the Microgeneration Certification Scheme’s (MCS) first design and installation standard for Thermal Energy Storage Systems (TESS).

As part of the cross-industry Working Group, we worked with manufacturers, installers, experts and policymakers to ensure the standard delivers real environmental benefits. A key focus was setting minimum storage requirements so heat batteries can reliably charge during low-carbon, off-peak periods.

Using our engineering expertise and anonymised real-world data from our fleet, we provided evidence to show how storage capacity affects carbon impact. This helped shape strong requirements within the new standard, ensuring certified systems genuinely support emissions reduction.

The TESS standard will improve product quality, installation safety and environmental performance across the sector. It gives consumers greater confidence, provides installers with clearer guidance and sets a consistent baseline for the industry as thermal storage scales.

For tepeo, this work reflects our commitment to shaping fair, future-proof standards that support people, the energy system and the planet.



Customers

What we said we'd do

- Improve overall customer satisfaction to ensure that at least 90 percent of customers report being satisfied with their experience of tepeo and the ZEB.
- Implement external audits of our data security practices to provide assurance that customer data is managed safely and responsibly.

What we did

- Increased customer satisfaction to 92 percent, based on regular customer-satisfaction surveys. This improvement was supported by expanding opportunities for self-service problem solving, increasing the efficiency and responsiveness of our customer-service team and addressing product pain points and bugs as they arose. We also saw improvements in independent review platforms, reflecting strengthened customer trust and experience.
- Implemented external audits of our data and wider cyber-security practices by achieving Cyber Essentials Plus certification, demonstrating our commitment to robust data protection and secure system management.
- Delivered a series of app improvements to enhance user experience, informed directly by customer feedback on usability, clarity and performance.
- Increased direct engagement with customers through initiatives such as our customer forum, enabling us to gather deeper user insights, test ideas and ensure that product development reflects real-world use and customer needs.



Goals for next year

- Maintain customer satisfaction levels at above 90 percent, continuing to refine our support processes, product performance and user experience.
- Work towards having our production facilities assessed by an accreditation body, in preparation for the implementation of the forthcoming MCS product standard expected within the next two years.
- Improve smart-charging and boosting functions in response to customer feedback, ensuring that ZEB performance continues to evolve with user needs and the changing energy-system landscape.



**We appreciate you taking
the time to read our very
first Impact Report.**

For further information or any questions please don't hesitate to contact us.



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