

Sponge.[®]

ESG *Impact* Report.

2024



Contents.

03	About Sponge.
04	A message from our Head of Risk and Compliance.
05	ESG achievements for 2024.
05	Looking ahead to 2025.
06 - 08	The bigger picture – Aligning with the UN Sustainable Development Goals (SDGs).
09	Our ESG targets.
10 - 13	Environment: our year in numbers.
14	Social: our year in numbers.
15 - 16	Governance: our year in numbers.
17	From strategy to impact: supporting client sustainability.
18	Summary and conclusion.
19	Disclaimer.



About Sponge.

Sponge Group is a digital and blended learning provider offering a wide range of services to enhance workplace training. The bespoke learning and people enablement strategy arm of the group, Sponge Learning, creates bespoke digital learning solutions, from custom elearning, blended experiences, learning games and gamification, to learning campaigns, animation, motion graphics, interactive video and immersive technologies. Our learning consultancy services encompass strategic learning consultancy, experience design, and ensuring brand alignment.

Sponge also offers learning technology and ready-to-go training solutions for large-scale compliance, through our specialist arm, Sponge Compliance. Along with an adaptive compliance learning library of over 200 courses, this includes Spark LMS, a cloud-based Learning Management System and 460+ compliance-complementary microlearning courses.

Sponge primarily serves large (50k employees+) multinational organisations across diverse sectors including pharmaceutical, retail, technology, automotive, manufacturing and engineering, finance, professional services, and FMCG with a focus on the UK, the USA and Europe.

Sponge Group has approximately 130 staff working across our offices in the UK and Germany. Our digital learning is used in more than 124 countries worldwide and we continue to grow and strengthen our library of market-leading, digital learning content. As a leader in digital learning, we strive to be a role model and embed environmental, social and corporate governance (ESG) best practice into our own operations and we help our customers to improve their own performance in these areas through our elearning solutions.

A message from our Head of Risk and Compliance.

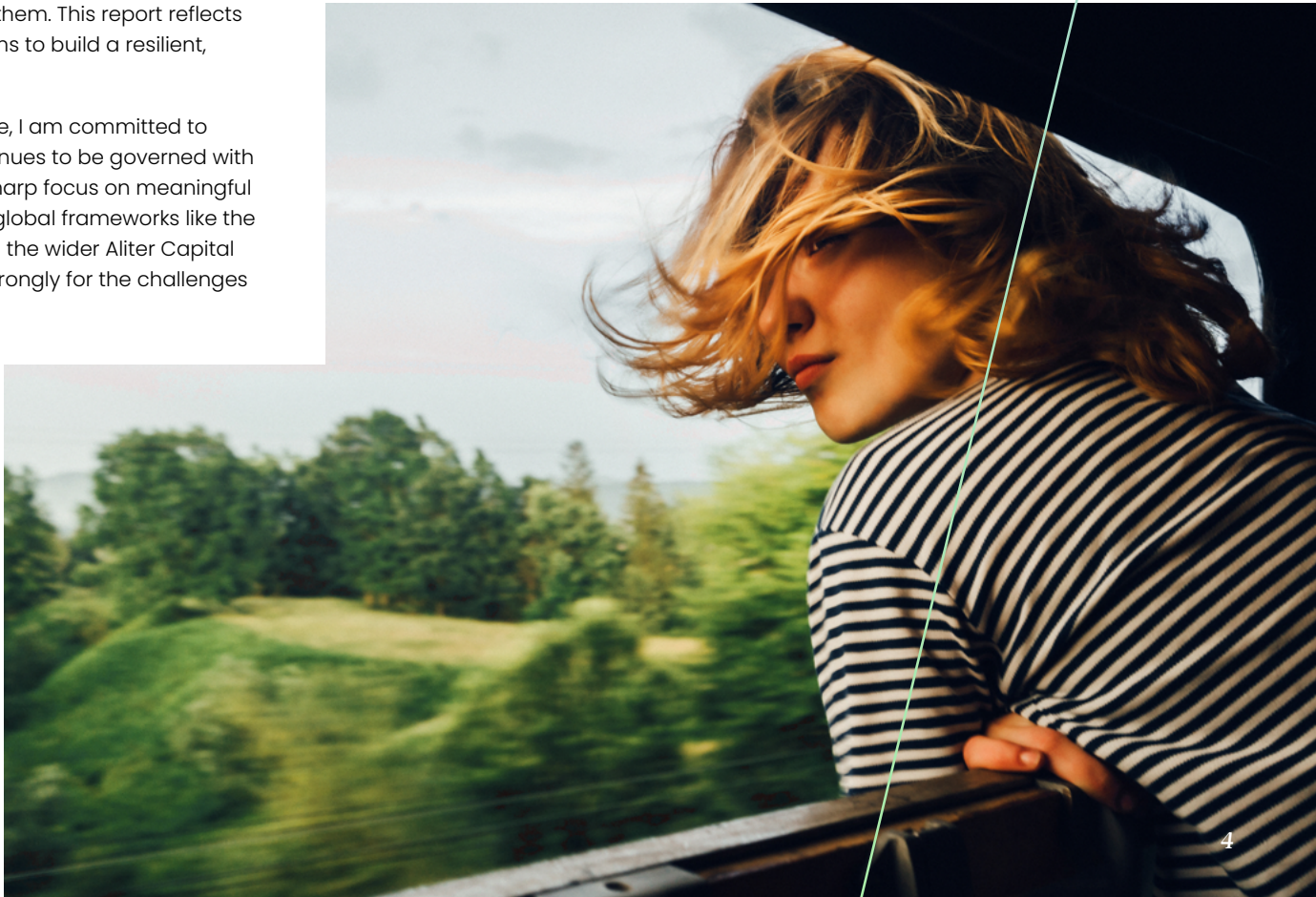


Julia Pugh
Head of Risk and Compliance

In a year defined by continued economic volatility and global uncertainty, I am incredibly proud of how we have stayed true to our ESG values and elevated our impact across Environment, Social and Governance.

ESG is not a side initiative – it is embedded in how we operate, the choices we make and the way we empower our people. From achieving carbon neutrality for the fourth consecutive year to deepening our social and community engagement, we have not only maintained our commitments but evolved them. This report reflects the collective effort across teams to build a resilient, ethical and inclusive business.

As Head of Risk and Compliance, I am committed to ensuring our ESG strategy continues to be governed with transparency, integrity and a sharp focus on meaningful outcomes. Our alignment with global frameworks like the UN SDGs and collaboration with the wider Aliter Capital Group ESG Squad position us strongly for the challenges and opportunities ahead.



ESG achievements for 2024.

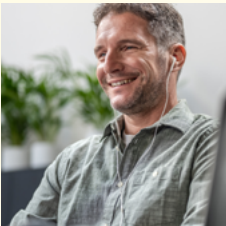
Sponge has celebrated some significant ESG achievements this year, despite the sands continuing to shift in a somewhat turbulent macro-economic climate:




- Maintained carbon neutral for the fourth consecutive year with verified offsets.
- Reduced our carbon emissions by 59.76 TCO₂e.
- Maintained zero WEEE waste to landfill for our electrical and electronic equipment.
- Vetted 100% of our critical supply chain against our sustainability standards.
- Reported zero data breaches and zero environmental incidents.
- Trained Mental Health First Aiders.
- Introduced People Champs to give employees a voice and direct access to leadership.
- Continued our partnership with the Aliter Capital Group of companies to form the Aliter ESG squad, setting powerful, challenging, reportable and meaningful targets for ESG performance as a group of businesses.
- Maintained a robust governance framework, ISO27001, ISO9001, ISO14001 and ISO22301 and Cyber Essentials along with WCAG 2.1 (Accessibility Standard).
- Delivered EDI Podcasts featuring our own colleagues' stories.
- Celebrated Pride.
- Improved our Absence and Benefits Package.
- Introduced NAVIT for our German colleagues, a platform that enables our German teams to benefit from public transportation.

Looking ahead to 2025.

We continue to work towards:

- Remaining carbon net-zero with verified offsets.
- Targeting 0.65 TCO₂e Scope 3 emissions per head.
- Reducing Scopes 1 and 2 carbon emissions by 42% by 2030.
- Segregating office waste streams allowing for more accurate metrics on recycling.
- Broadening our EDI Metric set so that we can plan strategies to further improve Equity, Diversity and Inclusion for our colleagues.
- Launching our new L&D Calendar.
- Launching our Volunteering programme to connect the communities in which we live and work.
- Strengthening and communicating new policies for EDI and other social matters.



Maintained carbon neutral for the fourth consecutive year.	Introduced NAVIT for our German colleagues.	Trained Mental Health First Aiders.	Delivered EDI Podcasts.	Celebrated Pride.		
Reduced our carbon emissions by 59.76 TCO ₂ e.		Introduced People Champs.		Maintained zero WEEE waste to landfill.	Vetted 100% of our critical supply chain.	Reported zero data breaches.

The bigger picture – aligning with the UN Sustainable Development Goals (SDGs).

The Sustainable Development Goals (SDGs) – established by the United Nations – comprise 17 global objectives designed to promote peace, prosperity and environmental sustainability.

We have identified four SDGs that most closely align with our core areas of impact. These goals serve as a guiding framework through which we can demonstrate both our current contributions and our ongoing commitment to responsible growth.

Building on the momentum of the past four years, we have taken a deeper look to highlight the specific targets we have already addressed within each goal. At the same time, we remain forward-looking, aiming to expand and deepen our impact in these priority areas.

These goals and their underlying targets provide a valuable structure to guide our Environmental, Social and Governance (ESG) efforts and reflect internationally recognised areas of focus set by global leaders.





Good health and wellbeing.

Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Our contribution:

- Health is a fundamental human right and a vital indicator of sustainable development. By providing safe working conditions and access to health and wellbeing services, organisations help foster a healthier workforce and stronger employee relationships – often leading to improved engagement and productivity.
- We continue to strengthen the support we offer our employees and have established a Wellbeing Team to promote health and wellbeing initiatives across the company, this includes the continued access to our health cash plan, which offers additional health and wellbeing benefits to employees.
- Our Bristol HQ has enjoyed a range of wellbeing initiatives, including monthly chair massages and the popular Sponge Run Club. To mark World Mental Health Week, we also hosted a dedicated Wellbeing Week, featuring mindfulness sessions, yoga classes, and curated feel-good playlists to support mental and physical wellbeing.



Quality education.

Target 4.7

By 2030, ensure that all learners gain the knowledge and skills necessary to support sustainable development. This includes education focused on sustainable lifestyles, human rights, gender equality, global citizenship, the promotion of peace and non-violence, cultural diversity, and an understanding of culture's role in sustainable development.

Additionally, the goal aims to significantly increase the number of young people and adults equipped with relevant skills – such as technical and vocational training – to support access to decent work, employment opportunities and entrepreneurship.

Our contribution:

- We have created a comprehensive library of ready-to-use learning modules centred on sustainability, guaranteeing accessible and equitable education on ESG for both our employees and our broader client community.
- Our EDI Squad has produced a compelling series of podcasts featuring colleagues who share their lived experiences on a range of equity, diversity, and inclusion topics – including coming out, women in leadership and living with autism. These honest and powerful stories offer valuable insights and help foster greater understanding across our organisation.
- At Sponge, we have six live levy-funded apprenticeships covering a range of subjects including Finance qualifications in CIMA level 7 and AAT level 3.





Decent work and economic growth.

Target 8.2:

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

Our contribution:

- We are committed to enhancing economic productivity by delivering innovative, high-quality elearning solutions that equip the workforce with the skills necessary to navigate the complexities of the 21st century. Our engaging and accessible digital content supports continuous learning and professional development, fostering a more adaptable and skilled labour force.
- In addition, our Governance, Risk and Compliance (GRC) solutions empower clients to uphold ethical business practices and cultivate safe, inclusive working environments. By providing tools and training that address codes of ethics, anti-bribery and corruption measures, anti-modern slavery protocols and robust health and safety standards, we contribute to the development of high-value sectors that prioritise both productivity and social responsibility.
- By integrating AI tools into our workflows, we have streamlined repetitive tasks, allowing our teams to focus on higher-value, creative and strategic work. This shift not only enhances efficiency but also supports a more fulfilling work environment. Our approach ensures that technology is used responsibly to foster innovation, boost productivity and contribute to sustainable economic growth – reflecting our commitment to creating a resilient and future-ready organisation.



Reduce inequalities.

Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.

Our contribution:

We are committed to embedding inclusion throughout our organisation, with inclusive principles guiding our recruitment, promotion and retention practices.

Our dedicated Equity, Diversity and Inclusion (EDI) Squad plays a key role in raising awareness of workplace equity issues, fostering dialogue, and championing a culture of belonging across the full employee experience.

To support continuous learning, we've developed curated playlists and training modules on key themes such as accessibility, Pride and diversity and inclusion, helping ensure that all colleagues have the tools and knowledge to thrive in an inclusive environment.



Our ESG targets.

It is important that our ESG targets align with this universal call to action to help transform our world by 2030.



Environment.

We have continued to adopt the UK Government's well-regarded Greenhouse Gas (GHG) Conversion Factors for our 2024 reporting. This marks our third consecutive year using the same methodology, enabling us to begin identifying trends and patterns in our GHG emissions. During this period, our business operations have remained relatively stable, with no significant office relocations or changes to working patterns.

To account for fluctuations in headcount, we have introduced a per capita GHG metric across Scopes 1–3. Encouragingly, we have observed a real-time reduction in Scope 3 emissions, driven primarily by decreased air travel and lower domestic mileage reimbursement.

Conversely, Scope 2 emissions – specifically energy consumption in our Bristol office – have increased. This was reported internally and led to targeted actions, resulting in a reduction in energy use later in 2024 compared to the previous year.

We also noted an increase in water consumption during this period due to a minor leak, highlighting how even small issues, if left unaddressed, can have a significant environmental impact.



Environment: our year in numbers.

Energy.

UK operations	01/05/19 – 30/04/20	01/05/20 – 30/04/21	01/05/21 – 30/04/22	01/05/2022– 31/12/2022	01/01/2023– 31/12/2023	01/01/2024– 31/12/2024
Electricity (kWh)	38,207	32,547	32,582	30,509	23,024	35,386
Gas (kWh)	0	11,499	23,911	0	0	0
Total	38,207	44,046	56,493	30,509	23,024	35,386

Waste.

As a Digital Service Provider, we pride ourselves on our minimal waste generation due to the nature of our operations. However, we recognise the importance of sustainability and have placed a strong emphasis on recycling and responsibly managing surplus or end-of-life electrical equipment.

We gifted laptops and IT equipment to The Turing Trust, a charitable organisation set up by Alan Turing’s family to enable IT supported learning by reusing computers in classrooms globally.

We have ensured we’re compliant with the DEFRA Simpler Recycling legislation, all our office waste is segregated into waste streams for onward recycling by our facilities provider.

100% of our waste electrical and electronic equipment (WEEE) is diverted from landfill



Thanks to your donation...



270 students will be able to learn vital IT skills



several trainees in our workshop gained valuable experience in IT repair



4 tonnes of CO₂ will be offset



10 trees

this is the equivalent of planting 10 trees

1 home



the embodied energy savings you created are enough to power 1 UK home for a year



Environment: our year in numbers.

Transport.

2024 travel emissions: a clear shift toward sustainability.

In 2024, we've seen a marked improvement in our efforts to reduce travel-related emissions across the business. After a spike in emissions in 2023 – largely driven by a sharp increase in air travel – we've made intentional changes that are now delivering real impact.

Air travel: sharp reduction in emissions.

Air travel has historically been the largest contributor to our business travel emissions. In 2023, we saw air kilometres peak at 261,653 km, generating 50.51 tCO₂e. By contrast, in 2024:

- Air travel dropped to 135,916 km, producing 28.5 tCO₂e.
- This represents a 43% reduction in air travel emissions year-on-year.

The decrease reflects greater selectivity around international travel and increased reliance on virtual collaboration tools and smarter travel planning.

Rail travel: a steady, low-carbon option.

Rail travel continues to provide a low-emission alternative for domestic journeys:

- After reaching 112,668 km in 2023, rail usage declined slightly in 2024 to 76,522 km, resulting in 2.71 tCO₂e.
- This stability suggests that when travel is necessary, rail remains a preferred and more sustainable choice.

Employee mileage	01/05/19 – 30/04/20	01/05/20 – 30/04/21	01/05/21 – 30/04/22	01/05/22 – 31/12/22	01/01/23 – 31/12/23	01/01/24 – 31/12/24
Total employee miles reclaimed (diesel/petrol)	17,861	5,295	21,015	31,101	35,171	14,460

	01/05/21 – 30/04/22		01/05/22 – 31/05/22		01/01/23 – 31/12/23		01/01/24 – 31/12/24	
	Km	tCO ₂ e	Km	tCO ₂ e	Km	tCO ₂ e	Km	tCO ₂ e
Rail travel	76,730	2.72	95,570	3.39	112,668	3.96	76,522	2.71
Air travel	59,222	14.5	139,873	25.23	261,653	50.51	135,916	28.5



Environment: our year in numbers.

Transport — continued.

Employee business mileage: major decline in 2024.

Our most notable progress has come from reductions in business mileage:

- In 2023, employees reclaimed 35,171 miles, with 14% of these driven in electric vehicles (EVs)
- In 2024, mileage fell dramatically to 14,460 miles, marking a 59% drop
- EV usage continues to rise, further lowering emissions from this category

Compared to pre-pandemic levels (17,861 miles in 2019–20), 2024 represents a step change in how we approach necessary travel – demonstrating the impact of flexible working, more thoughtful journey planning and increased environmental awareness among our people.

Key takeaway: a culture of conscious travel.

Overall, 2024 signals a successful turning point in our approach to business travel. With a significant drop in air travel, reduced mileage claims and increasing adoption of EVs, we are steadily shifting toward lower-carbon operations.

These changes support not only our sustainability goals but also a broader cultural shift – where climate-conscious decisions are embedded in how we work, move and connect.





Environment: our year in numbers.

Carbon footprint.

Carbon footprint: positive progress in 2024.

In 2024, we made strong progress in reducing our overall carbon footprint, cutting total emissions by 37% compared to 2023 – from 159.45 tCO₂e to 100 tCO₂e.

- Scope 1 emissions remained at zero, reflecting our continued avoidance of direct emissions from owned or controlled sources
- Scope 2 emissions saw a slight rise to 7.3 tCO₂e, linked to energy use
- The most notable improvement came in Scope 3 emissions – which include business travel and other indirect emissions – falling significantly from 155 tCO₂e in 2023 to 92.69 tCO₂e in 2024

This reduction reflects targeted actions to limit business travel, promote more sustainable modes of transport and encourage environmentally conscious behaviours across the organisation. We're on a clear path toward more sustainable operations and will continue to focus on high-impact areas to drive further reductions.

Our carbon footprint:

	01/05/21 – 30/04/22 tCO ₂ e	01/05/22 – 31/12/22 tCO ₂ e	01/01/23 – 31/12/23 tCO ₂ e	01/01/24 – 31/12/24 tCO ₂ e
Scope 1	0.00	0.00	0.00	0.00
Scope 2	2.75	1.79	4.45	7.33
Scope 3	148.37	88.79	155.32	92.69
Total	151.12	93.69	159.45	100.00

Proudly
CARBON NEUTRAL

Ecologi

Sponge.

Sponge.

Carbon offsetting.

We're proud to announce that for the fourth consecutive year, Sponge is carbon neutral.

We calculated our unavoidable emissions – a total of 100 tCO₂e – from areas such as energy use and business travel. To balance this impact, we purchased verified carbon credits through Ecologi, a leading climate action platform.

Ecologi invests in carefully selected carbon reduction projects around the world, all verified to internationally recognised standards such as Gold Standard and Verified Carbon Standard (VCS). These projects are independently audited to ensure real, measurable emissions reductions.

We're proud to share that Sponge has taken another step towards sustainability by purchasing 100 carbon credits to neutralise our carbon emissions. These credits directly support a vital conservation initiative in eastern Paraguay, where large areas of forest are under threat from deforestation.

Through our partnership with Ecologi, our contribution is helping to preserve over 29,000 hectares of biodiversity-rich forest. This project not only protects critical habitats for vulnerable species but also supports local communities with sustainable development opportunities.

Every credit represents a tonne of CO₂ avoided or removed from the atmosphere. We're proud to play a small part in a much bigger movement to fight climate change—one that values the health of our planet and future generations.

Offsetting is just one part of our wider sustainability journey – but it's an important step in ensuring we take responsibility for the emissions we can't yet eliminate.



Social: our year in numbers.

Our people are our greatest asset, and we're proud to have made significant progress toward our ambitious target of achieving an 85% employee retention rate. This goal has been supported by a series of impactful initiatives designed to enhance engagement, wellbeing and inclusion across the organisation.

We've scaled up our efforts in employee engagement through the successful launch of People Champs, a grassroots initiative empowering team members to shape our culture from within. Our Social Impact Project has deepened our connection to the communities we serve, while our internal communications have been overhauled with the introduction of Heads Up newsletters and The Full 360 – our quarterly town halls that bring transparency and connection to the forefront.

Wellbeing continues to be a core focus. We've rolled out Mental Health First Aid (MHFA) training, introduced enhanced sick leave and paternity pay and formalised volunteering days to support causes our people care about. We also recognised the importance of rest and recovery by launching Twixmas, giving our teams dedicated time off between Christmas and New Year.

Our commitment to Diversity, Equity and Inclusion (DEI) has expanded across the business and is now reflected not only in our internal practices but also in the learning content we deliver to clients, ensuring our values extend beyond our own organisation.

These achievements reflect a growing culture where people feel supported, heard and empowered – and we're just getting started.

We are proud to be running our Apprenticeship Programme through the UK Government's Apprenticeship Levy. This initiative enables us to invest in developing talent across our organisation by providing structured, accredited training opportunities. By utilising our Levy contributions, we are supporting both new and existing employees in gaining valuable skills and qualifications, aligned with their career progression and our business needs. This reflects our commitment to continuous learning, workforce development and long-term capability building.



85% employee
retention rate.



Governance: our year in numbers.

Training and awareness.

Sponge is a market leader in developing and delivering compliance modules, so we have made available a diverse range of learning materials to our own team to equip them to maintain awareness of ESG matters. These include:

- Preventing Corruption
- GDPR
- Cyber Security
- Health & Safety
- Protecting the Environment

96% of all modules and policies assigned to employees on Spark (our Learning Management System) have been successfully completed or signed.

*96% of all modules
successfully
completed
or signed.*



Governance: our year in numbers.

Gender Diversity

While we continue to maintain a near-equal gender balance across our overall workforce (49% women in 2024, up from 48% in 2023), we recognise that representation at senior levels remains a significant challenge – both within our business and across the wider tech industry.

In 2024, the percentage of women in non-executive management roles fell from 42% to 30%, and the proportion of women in our top 10-earning positions declined from 20% to 10%. These figures reflect a broader trend of under-representation of women in leadership roles across the sector – and we are implementing strategies to break down any barriers to alter these trends.

While our reported gender pay gap remained stable at 20%, we acknowledge that this is not where we want to be. We are actively analysing the drivers behind these disparities and are implementing a mid- to long-term strategy focused on nurturing internal talent and accelerating the development of future female leaders.

Creating equitable pathways to leadership and closing the gender pay gap remain central to our People strategy and EDI agenda – and we remain committed to building an environment where women can thrive, lead and succeed.

A close-up portrait of a woman with dark hair and bangs, wearing clear-framed glasses and a nose ring. She has her hand resting on her chin, looking thoughtfully at the camera. A white, irregularly shaped callout box is overlaid on the bottom left of the image, containing the text '49% women employees in 2024.'.

49% women
employees
in 2024.



From strategy to impact: *supporting client sustainability.*

Our client is a global FMCG company with a well-established pet food division. They needed a scalable, customised, and effective solution to upskill their more than 70,000 global associates on the topic of sustainability. We collaborated with them through an extensive consultation period, exploring the challenge from a business perspective to understand the core issue that needed to be addressed.

The outcome was the creation of a Global Sustainability Academy, designed to educate and empower every associate on how to incorporate sustainable practices into their work. This initiative consists of digital learning modules, in-person sessions, and activation campaigns. The first phase has been translated into six languages and is currently being rolled out globally.

Summary and conclusion.

In 2024, we continued to transform our ESG ambitions into real-world impact. We significantly reduced our carbon emissions, maintained carbon neutrality, and deepened our commitment to sustainable travel and responsible waste management.

Our efforts in governance were strengthened through continued ISO certifications and proactive risk management, while our social programmes – from wellbeing to equity and inclusion – flourished through initiatives like our Apprenticeship Programme and the launch of Mental Health First Aiders and our People Champs.

Looking forward, we remain focused on advancing our carbon reduction targets, evolving our EDI strategies, and further aligning with the UN Sustainable Development Goals. Through collaboration, innovation, and a shared sense of responsibility, we are building a future where positive environmental and social impact are inseparable from business success. This report is both a reflection of our progress and a reaffirmation of our unwavering commitment to sustainability and ethical leadership.



Champion
ethical
behaviour.

Pursue positive
social and
environmental
impact.

Promote the
development
of sustainable
products
and services.



Disclaimer.

This ESG Impact Report is provided for informational purposes only and does not constitute legal, financial, or investment advice. The information contained herein is based on data available as of 1st July 2025 and reflects our current understanding, estimations, and beliefs regarding our environmental, social, and governance (ESG) performance. Certain statements may be forward-looking in nature and are subject to risks, uncertainties, and changes beyond our control. Actual results or outcomes may differ materially.

While we strive for accuracy and transparency, we do not guarantee the completeness or reliability of the information, and we undertake no obligation to update this report. Nothing in this report creates any legally binding obligations or commitments, and all such obligations are governed solely by our formal agreements and applicable laws.

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