

Sponge ESG Impact Report.

2025

Sponge.

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About Sponge.

For more than 20 years, Sponge has been the people enablement partner of choice to 43% of the Interbrand Global 100, one in 10 of the Nasdaq, and a third of Europe's Fortune 500.

Supporting leaders tasked with high-stakes transformation, we've spent over 20 years delivering targeted shifts in behaviour, culture, and capability through unforgettable learning. Sponge's approach combines strategic learning consultancy, grounded in the science of what moves people, with world-class creative – delivered end-to-end across digital, blended, and in-person experiences.

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 leader 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.

In a year shaped by continued economic volatility, geopolitical uncertainty, and accelerating expectations on responsible business, I am proud of how Sponge has remained firmly anchored to its ESG commitments while continuing to evolve and strengthen our impact.

At Sponge, environmental, social and governance considerations are not treated as a parallel agenda or a periodic reporting exercise. They are woven into how we manage risk, make decisions, govern our business, and support our people and clients. As Head of Risk and Compliance, my role is to ensure that our ambitions are underpinned by robust governance, clear accountability, and meaningful measurement – and that our commitments translate into practical, credible action.

In 2025, this approach has delivered tangible outcomes. We achieved carbon neutrality for the fifth consecutive year, strengthened our oversight of environmental and information security risks, and continued to mature our governance frameworks through ISO-certified management systems and proactive compliance monitoring. At the same time, we expanded our focus on social impact – investing in wellbeing, inclusion, capability development, and community engagement – recognising that a resilient business is built on safe, supported, and empowered people.

This report reflects the collective efforts of teams across Sponge to embed ESG principles into everyday operations. From responsible supply-chain oversight to improved transparency of our emissions data and the introduction of enhanced people policies, we have continued to raise the bar on what “good” looks like for our organisation. Importantly, we have also strengthened collaboration across the Aliter Capital portfolio through the Aliter ESG Squad, enabling shared learning, consistent standards, and more ambitious targets at group level.

Looking ahead, we recognise that ESG expectations will continue to evolve – as will the risks and opportunities facing our business and our clients. Our focus for 2026 and beyond is clear: to keep improving the quality of our data, sharpen our targets, and ensure that environmental and social considerations remain embedded within risk management and strategic decision-making. Our alignment with the UN Sustainable Development Goals provides a clear framework for action, helping us focus our efforts where we can have the greatest impact.

This report is both a reflection of our progress to date and a statement of intent. It demonstrates our commitment to transparency, ethical leadership, and continuous improvement – and reinforces our belief that long-term business success and positive societal impact go hand in hand.

Julia Pugh
Head of Risk and Compliance

ESG achievements for 2025.

Despite a year where the sands have continued to shift in a somewhat turbulent macro-economic climate, Sponge has celebrated some significant ESG achievements:

- Maintained a carbon neutral status for the fifth consecutive year with verified offsets
- Maintained zero waste to landfill for our electrical and electronic equipment
- Vetted 100% of our critical supply chain against our sustainability standards
- Reported zero environmental incidents
- 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 and Men's Mental wellbeing
- Completed remote working Health & Safety Risk Assessments
- Launched our new L&D Programme
- Launched 2 x paid volunteering days to connect the communities in which we live and work
- Launched Enhanced Maternity Pay
- Delivered Safe Use of AI training bundle to all colleagues



*Launched our new
L&D Programme*

*Carbon neutral
for the fifth
consecutive year
with verified
offsets*



*Maintained
a robust
governance
framework*

*Celebrated
PRIDE,
Men's Mental
wellbeing*

Looking ahead to 2026.

Our ESG Goals for 2026



Environment

Reduce carbon emissions, ensure business continuity, and embed sustainable practices to create a greener, more resilient business.

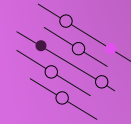
- Responsible offsetting of carbon produced by business operations
- 50% reduction in landfill waste (number of bags to landfill) from Bristol office
- Zero WEEE waste to landfill
- Completion of all BCP tests planned in Annual Calendar, meeting all RTO and RPO objectives
- Reduce Scopes 1 and 2 emissions by 42% by 2030 (based on 2022 baseline year)
- 100% renewable powered cloud hosting by 2030
- Scope 3 emissions of 0.73 TCO₂e per head



Social

Create an inclusive, collaborative, and high-performing environment where people feel valued, empowered, and inspired to contribute to our shared success.

- Minimum 2 days of learning and development time per employee annually
- Maintain 50% gender balance
- eNPS score of +10
- Zero Health & Safety Accidents - All Accident Frequency Rate (AAFR) of zero
- Rolling average of 85% employee retention at 12 months service (voluntary)
- Publish annual gender pay gap and action plan
- Zero breaches of GDPR or adverse legal proceedings
- Achieve 95% completion of all mandatory training and policies



Governance

Sponge Group is committed to operating within a legal and compliance framework, to meeting all our regulatory requirements and those of our clients, our investors and of other stakeholders.

- <2 Major Information Security incidents
- <5 Minor Information Security incidents
- Raise awareness in the business and externally on Sponge's ESG commitment and performance
- Cyber Security Training is reissued and completed by all employees annually
- We have in place a contract governance framework for customers and suppliers
- We have in place the right policies for our business
- There is an annual Compliance calendar in place
- Maintain an average of 9 out of 10 in NPS survey by end of FY27

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.





Goal 3: Good health and wellbeing.

Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential health-care 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 support, organisations play a critical role in fostering a healthier workforce, strengthening employee relationships, and supporting long-term engagement and productivity.
- We continue to strengthen the support available to our employees and have established a dedicated Wellbeing Team to promote health and wellbeing initiatives across the company. This includes continued access to our health cash plan, which provides additional financial support for a range of health and wellbeing needs, helping to reduce barriers to essential care.
- To further support employee wellbeing and work-life balance, we have also introduced an enhanced maternity and paternity pay policy, providing greater financial security for parents during key life stages. This reflects our commitment to supporting family wellbeing, reducing financial stress, and promoting inclusive and equitable workplace practices.
- Our Bristol and Berlin offices have also benefited from a range of wellbeing initiatives, including monthly chair massages, access to healthy snacks and breakfast supplies, and regular social activities such as after-work events. Together, these measures contribute to a supportive working environment that prioritises both physical and mental wellbeing.
- Remote working DSE assessments: We provide Display Screen Equipment (DSE) assessments for remote workers, with tailored support and adjustments offered where issues are identified, helping ensure safe, comfortable, and healthy home-working environments for all employees.



Goal 4: 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

- To embed inclusion consistently across the organisation, we have introduced a Diversity and Inclusion learning bundle on Spark, ensuring that all colleagues receive a shared foundation of knowledge and understanding. This core training supports inclusive behaviours across recruitment, progression, and day-to-day working practices, reinforcing our commitment to equity and belonging for everyone.
- Our EDI Squad has also produced a compelling series of podcasts featuring colleagues sharing their lived experiences across a range of equity, diversity, and inclusion topics – including coming out, women in leadership, the secret strength of women, and living with autism. These honest and powerful stories help foster empathy, awareness, and meaningful dialogue across the organisation.
- Through our Learning & Development programme, Sponge continues to invest in long-term skills and inclusive career pathways. We currently support four live levy-funded apprenticeships, covering a range of disciplines, helping ensure equitable access to professional development and progression opportunities.



Goal 8: 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 e-learning 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.



Goal 10: 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.
- In 2025, we strengthened our approach by merging our Equity, Diversity and Inclusion (EDI) and ESG squads, creating a more integrated forum for addressing social impact, workplace equity, and sustainability. This combined group plays a key role in raising awareness of equity-related issues, fostering open dialogue, and championing a culture of belonging across the full employee experience.
- To support continuous learning and inclusive behaviours, we launched a new Learning & Development programme in 2025, with a strong focus on wellbeing, leadership, and inclusion. As part of this programme, we delivered a Diversity and Inclusion training bundle on Spark, ensuring all colleagues have a shared foundation of knowledge and understanding.
- These initiatives are complemented by curated learning resources and targeted training on themes such as accessibility, Pride, and inclusive leadership, helping to empower all colleagues to thrive in an inclusive and supportive working environment.

Our ESG performance.

Environment:
Our year in numbers.

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

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 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.

Energy

UK operations	CY 2023	CY 2024	CY 2025
Electricity (kWh)	23,024	35,386	32,647
Gas (kWh)	0	0	0
Total	23,024	35,386	32,647

Transport

Employee mileage	CY 2023	CY 2024	CY 2025
Total employee miles reclaimed (diesel/petrol)	35,171	14,460	7,904
EV claimed mileage	4,754	3,415	878
EV %	13.53%	23.62%	11.11%



Employee travel emissions – summary.

(CY2023–CY2025)

Over the period from CY2023 to CY2025, the company has made clear progress in reducing emissions associated with employee business travel, particularly through a substantial reduction in total mileage claimed.

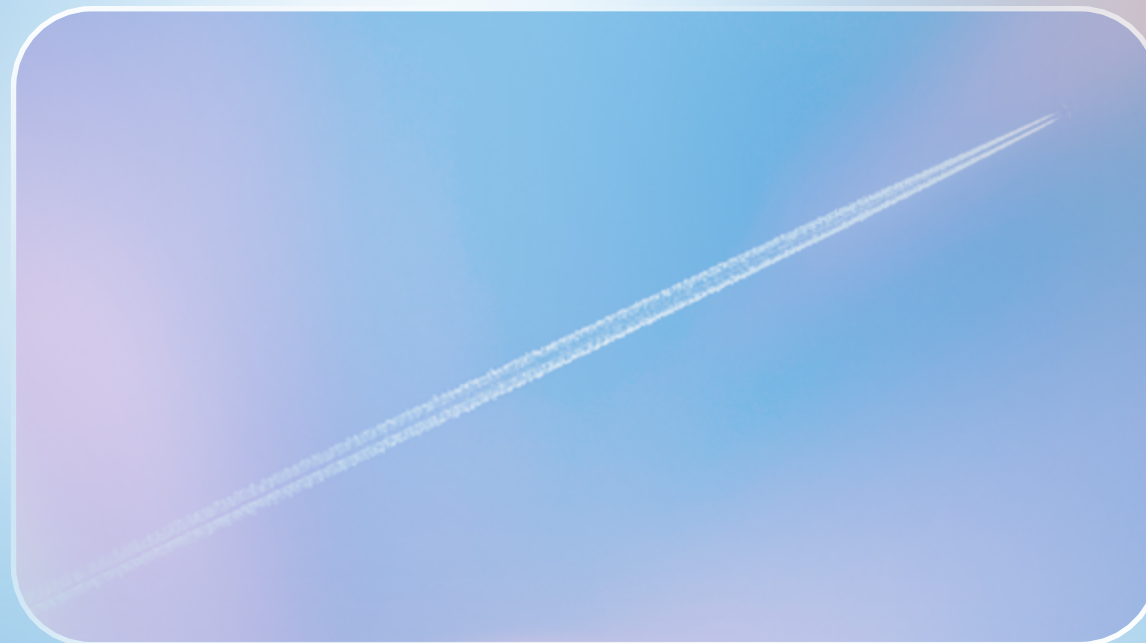
Total employee mileage using petrol and diesel vehicles fell significantly across the three years, decreasing from 35,171 miles in CY2023 to 14,460 miles in CY2024, and reducing further to 7,904 miles in CY2025. This represents an overall reduction of more than three-quarters since CY2023, reflecting sustained efforts to limit non-essential travel, encourage alternative ways of working, and reduce the carbon intensity of business activity.

In CY2024, progress was also seen in the proportion of electric vehicle (EV) mileage claimed. Although total claimed EV mileage fell slightly from 4,754 miles in CY2023 to 3,415 miles in CY2024, the share of EV miles increased from 13.53% to 23.62%. This indicates a positive shift in employee behaviour and vehicle choice, with a higher proportion of business travel being undertaken using lower-emission vehicles.

However, this positive trend was not maintained in CY2025. While overall business travel continued to decline – supporting a further reduction in absolute emissions – EV mileage dropped to 878 miles, and the proportion of EV mileage fell to 11.11%. This suggests that the reduction in total travel during the year disproportionately affected EV usage, or that fewer EV claims were made relative to petrol and diesel. As a result, the emissions intensity of remaining travel did not improve to the extent seen in the previous year.

	CY2023		CY2024		CY2025	
	Km	tCO ₂ e	Km	tCO ₂ e	Km	tCO ₂ e
Rail travel	112,668	3.96	76,522	2.71	49,670	1.76
Air travel	261,653	50.51	135,916	28.5	292,797	39.57

Overall, the data demonstrates strong progress in reducing total travel-related emissions through a significant decline in mileage claimed. At the same time, the variability in EV uptake highlights an opportunity for further action. Strengthening incentives for EV use, improving access to charging infrastructure, and reinforcing sustainable travel guidance will be important to ensure that future reductions in travel volume are matched by consistent improvements in the emissions profile of unavoidable journeys.



Air and rail travel emissions – summary.

(CY2023–CY2025)

Between CY2023 and CY2025, the company continued to reduce emissions from rail travel while experiencing a more mixed trend in air travel as business priorities evolved.

Rail travel shows a clear and consistent reduction over the three-year period. Total rail distance travelled declined from 112,668 km in CY2023 to 76,522 km in CY2024, before reducing further to 49,670 km in CY2025. Correspondingly, emissions fell from 3.96 tCO₂e to 2.71 tCO₂e and then to 1.76 tCO₂e. This sustained decrease reflects active efforts to rationalise travel, greater use of remote collaboration tools, and more focused trip planning. Where travel has remained necessary, rail continues to be prioritised as a lower-carbon alternative to short-haul flights, supporting the company's wider transport decarbonisation objectives.

Air travel demonstrates a more variable pattern. In CY2024, both distance travelled and emissions reduced substantially compared with CY2023, with air travel kilometres halving from 261,653 km to 135,916 km and emissions falling from 50.51 tCO₂e to 28.5 tCO₂e. This reduction aligns with continued scrutiny of discretionary travel and increased reliance on virtual meetings.

In CY2025, however, air travel increased to 292,797 km, with associated emissions rising to 39.57 tCO₂e. This uplift reflects a strategic increase in long-haul travel linked to collaboration and in-person engagement with clients in North America, a market that the company is actively growing. These journeys are considered business-critical to support relationship building, project delivery, and the long-term development of this expanding client base.

While the increase in air travel represents a less positive outcome from an emissions perspective, it has occurred alongside an overall reduction in rail and ground travel and remains below CY2023 emissions levels. The company continues to actively manage air travel emissions by challenging the need for flights, consolidating trips where possible, and prioritising virtual engagement when it can deliver equivalent outcomes. As international operations and client collaboration continue to develop, further attention will be given to balancing commercial growth with emissions reduction, including the potential use of emissions reporting, internal guidance, and future mitigation measures.

Carbon footprint.

	CY2023 tCO ₂ e	CY2024 tCO ₂ e	CY2025 tCO ₂ e
Scope 1	0.00	0.00	3.57
Scope 2	4.45	7.33	7.3
Scope 3	155.32	92.69	94.42
Total	159.45	100.00	105.29

	CY2023	CY2024	CY2025
Headcount	162	141	130
Total emissions per head	0.99	0.71	0.81
Scope 3 emissions per head	0.96	0.66	0.73

34%
decline in carbon footprint between 2023 and 2025



Carbon footprint.

(CY2023–CY2025)

Scope 1 emissions

Scope 1 emissions were reported as zero in both CY2023 and CY2024. In CY2025, Scope 1 emissions increased to 3.57 tCO₂e, reflecting the identification and inclusion of emissions from company cars for the first time.

This increase does not represent a material change in operational activity between years, but rather an improvement in the completeness and maturity of the company's carbon reporting. During CY2025, data became available that enabled the company to accurately measure direct emissions associated with company-owned vehicles, which had not previously been captured within the Scope 1 inventory.

By incorporating these emissions, the company has strengthened the robustness of its footprint measurement and alignment with greenhouse gas reporting best practice. Scope 1 emissions from company cars will now be monitored on an ongoing basis, providing a clearer baseline for future management actions, potential transition planning, and targeted emissions reduction initiatives.

Overview

From CY2023 to CY2025, the company achieved a significant overall reduction in its carbon footprint, alongside some areas of year-on-year increase that reflect changes in operational activity and data coverage. Total emissions reduced from 159.45 tCO₂e in CY2023 to 100.00 tCO₂e in CY2024, before increasing modestly to 105.29 tCO₂e in CY2025. Despite this small uplift, total emissions remain approximately 34% lower than CY2023, demonstrating sustained progress in reducing the company's environmental impact.

Scope 2 emissions

Scope 2 emissions increased from 4.45 tCO₂e in CY2023 to 7.33 tCO₂e in CY2024, remaining broadly stable at 7.3 tCO₂e in CY2025. This increase reflects a change in the company's electricity procurement strategy during the period.

In CY2023, a higher proportion of electricity consumption was supplied through renewable energy sources. From CY2024 onwards, the company moved away from renewable energy tariffs due to cost pressures, resulting in a higher emissions factor being applied to electricity consumption and, consequently, increased reported Scope 2 emissions.

While this shift represents a less positive outcome from an emissions perspective, it was driven by broader economic considerations and the need to manage operational costs effectively. Scope 2 emissions continue to represent a relatively small proportion of the company's overall carbon footprint, and electricity consumption has remained broadly consistent between CY2024 and CY2025.

The company continues to keep its energy procurement approach under review, balancing financial sustainability with environmental impact, and will reassess opportunities to reintroduce lower-carbon electricity options as market conditions allow.

Scope 3 emissions

Scope 3 emissions account for the majority of the company's carbon footprint and show the most notable improvement over the period. Emissions reduced substantially from 155.32 tCO₂e in CY2023 to 92.69 tCO₂e in CY2024, reflecting reduced business travel, lower mileage, and more selective use of high-emission activities. In CY2025, Scope 3 emissions increased slightly to 94.42 tCO₂e, driven primarily by increased air travel associated with business-critical client engagement and collaboration activity. Despite this uptick, Scope 3 emissions remain significantly below CY2023 levels, indicating sustained structural improvement rather than short-term fluctuation.

Total emissions and intensity

The reduction in absolute emissions is reinforced when viewed through an intensity lens. Headcount decreased from 162 in CY2023 to 130 in CY2025, and total emissions per head fell from 0.99 tCO₂e to 0.71 tCO₂e in CY2024, before increasing to 0.81 tCO₂e in CY2025. While the increase in CY2025 reflects higher emissions from unavoidable business activities, emissions intensity per employee remains meaningfully lower than in CY2023, demonstrating improved carbon efficiency across the organisation.



Why we measure scope 3 emissions per head

Given that Scope 3 emissions consistently represent the largest share of the company's total footprint, measuring Scope 3 emissions per head provides a more meaningful indicator of performance than absolute emissions alone. This metric allows the company to understand how emissions scale relative to workforce size and business activity, supporting fairer year-on-year comparisons during periods of growth, contraction, or structural change.

Scope 3 emissions per head reduced from 0.96 tCO₂e in CY2023 to 0.66 tCO₂e in CY2024, before rising to 0.73 tCO₂e in CY2025. While the increase in the most recent year highlights the emissions impact of strategic business growth and increased collaboration, it also reinforces the importance of this metric in identifying where future efficiency gains can be made. Tracking Scope 3 intensity helps ensure that emissions considerations remain embedded in decision-making, even as the company evolves.



Looking ahead

Overall, the data shows strong progress in reducing the company's carbon footprint since CY2023, particularly through reductions in Scope 3 emissions and improved emissions efficiency per employee. Where emissions have increased, these changes are linked to increased measurement maturity and business-critical activity, rather than unmanaged growth. The company remains committed to balancing commercial objectives with environmental responsibility, using clear metrics such as emissions intensity to guide future action and continuous improvement.



Carbon offsetting.

We're proud to announce that for the fifth consecutive year, Sponge is carbon neutral! Carbon offsetting helps address emissions that cannot yet be eliminated. After calculating our unavoidable carbon emissions, we purchased an equivalent number of verified carbon credits through Ecologi, ensuring these emissions are balanced by certified projects that reduce or remove greenhouse gases elsewhere. This approach allows us to take immediate climate action while continuing to reduce emissions at source.

This year we're supporting a landfill gas-to-energy project in Türkiye. The project captures methane emissions from landfill sites around Istanbul – preventing the release of a highly potent greenhouse gas – and converts them into renewable electricity supplied to the national grid. By transforming waste into clean energy, the scheme delivers long-term climate benefits, modernises waste management practices, and supports Türkiye's transition towards more sustainable, domestically generated power.

This project directly supports the UN Sustainable Development Goals, including SDG 7 (Affordable and Clean Energy) by generating renewable electricity, SDG 12 (Responsible Consumption and Production) through improved waste management, and SDG 11 (Sustainable Cities and Communities) by reducing the environmental impact of urban landfill sites. Importantly, it also strongly aligns with SDG 8 (Decent Work and Economic Growth) by supporting sustainable economic activity and innovation within the energy and waste sectors, and SDG 13 (Climate Action) by significantly reducing methane emissions and helping mitigate climate change.

Through continued investment in this project, Sponge reinforces its commitment to SDGs 8 and 13, supporting initiatives that balance sustainable economic growth with urgent action to reduce greenhouse gas emissions and address long-term climate risks.



Social.

Learning & Development Programme – 2025

In 2025, we launched a strengthened Learning & Development (L&D) programme with a strong focus on wellbeing, inclusion, leadership capability, and long-term skills development. The programme delivered a wide range of attendee-based learning sessions, alongside continued investment in apprenticeships.

Key areas of focus included mental health awareness and support, with Mental Health Champion training, Mental Health First Aider certification, and targeted insight sessions covering language and mental health, stress management, and addiction. Leadership development was supported through a dedicated Women in Leadership programme, alongside menopause awareness and train-the-trainer sessions to build internal capability and sustained learning.

In total, the programme delivered significant learner-hours across structured training sessions, complemented by four active apprenticeships, reinforcing our commitment to developing future talent and building skills for long-term growth. Collectively, the 2025 L&D programme reflects our ongoing investment in employee wellbeing, inclusive leadership, and continuous professional development across the organisation.

36 hours of
sessions, total
learner hours:
1,699



Governance.

Strong, transparent governance is the foundation of our ESG commitments. In 2025, we continued to enhance our governance practices to ensure responsible, ethical, and resilient operations.

Board governance and oversight.

We operate under the strategic guidance of our Private Equity parent, with board-level governance playing a central role in overseeing our ESG performance. ESG matters are regularly reviewed as part of formal board reporting, which includes updates on risk management, SHEQ (Safety, Health, Environment and Quality) KPIs, and progress against priority UN Sustainable Development Goals (SDGs).

All governance policies are subject to annual board review and ratification, ensuring they remain current, effective, and aligned with regulatory requirements and industry best practices.



Cross-portfolio ESG collaboration.

We actively participate in the Aliter ESG Squad - a cross-portfolio working group comprised of GRC (Governance, Risk, and Compliance) teams from across the Private Equity portfolio. This collaborative forum is focused on strengthening ESG strategy, improving data transparency, and sharing best practices across portfolio companies.



Risk, compliance, and management systems.

Our organisation maintains a mature ISO-certified management system, independently assessed by a UKAS-accredited certification body. This includes ISO standards relevant to quality, environment, information security and business continuity - ensuring we meet internationally recognised frameworks for responsible business practices.

In addition, our risk governance framework embeds ESG considerations into enterprise-wide decision-making, enabling us to anticipate and respond to both emerging risks and opportunities.



Commitment to transparency and ethics.

Governance at all levels is underpinned by a robust suite of policies, covering ethics, anti-corruption, data protection, and whistleblower protections. These policies are communicated company-wide and are monitored for compliance through regular internal reviews and audits. We publish our annual ESG Impact report on our website, we make our ESG metrics available on Aliter Capital's Cority R21 platform, we also share our metrics on the Ecovadis platform, making our results available for sharing across our supply chain.



Gender diversity.

As a small organisation below the statutory gender pay gap reporting threshold, we are not required to publish gender metrics; however, we choose to do so to promote transparency and accountability. Since last year, when we acknowledged that our gender pay gap of 20% was higher than we would expect, we have seen encouraging progress, with the gap reducing to 16% in 2025.

Representation of women across the workforce has continued to improve, reaching 50% in 2025, while the proportion of women among non-executive managers has increased from 30% in 2024 to 38% in 2025. Representation among the top 10 earners has also recovered to 20%, returning to 2023 levels. We recognise that figures can fluctuate in a smaller workforce, but we remain committed to monitoring trends, understanding underlying drivers, and continuing to take action to support fair and equitable outcomes.

	CY2023	CY2024	CY2025
% workforce women	48%	49%	50%
% non-exec managers women	42%	30%	38%
% top 10 earners women	20%	10%	20%
Gender pay gap	20%	20%	16%

50%
of our workforce
are female.



From commitment to capability: enabling supplier sustainability at scale.

Our client is a global consumer brands organisation with complex international supply chains and ambitious environmental targets. To support progress towards its Scope 3 emissions goals, the organisation identified the need to build sustainability capability across its global supplier network.

Since 2024, we have partnered with the client to design and deliver a scalable digital learning programme that helps suppliers understand sustainability expectations and translate them into practical action. Following an extensive discovery and consultation phase, the solution was designed to balance clear guidance with real-world application, supporting suppliers operating across diverse markets and regulatory environments.

The programme centres on a modular digital learning experience that introduces the client's sustainability strategy, reporting requirements and data standards, while building capability in areas such as emissions reporting, action planning and long-term decarbonisation. Designed for scale, the programme has been rolling out globally since early 2025 and continues to evolve to address emerging priorities across the organisation's teams, with additional topics now including Water Stewardship and Nature and Biodiversity.

Through this ongoing partnership, we've helped the client establish a consistent, engaging, and future-ready approach to supplier sustainability education, strengthening progress towards its long-term environmental ambitions and supporting meaningful action across not just its supply chain, but its entire value chain as a whole.



Conclusion.

2025 marked another year of meaningful progress against our ESG commitments, demonstrating that long-term value creation at Sponge is inseparable from responsible environmental stewardship, social impact, and strong governance. While challenges remain – particularly in balancing commercial growth with emissions reduction – our results show sustained improvement, increasing maturity, and a clear trajectory towards our 2030 ambitions.

Looking ahead to 2026, we remain focused on strengthening the quality of our data, embedding ESG considerations more deeply into decision-making, and converting targets into tangible outcomes. By continuing to collaborate across the Aliter Capital portfolio, align with global frameworks, and engage our people at every level, we are building a resilient, ethical, and future-ready business.

This report reflects not only what we have achieved, but how we intend to operate – placing accountability, transparency, and continuous improvement at the heart of everything we do.



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 May 2026 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.

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