



# Low Carbon Transition Plan

Our pathway to net zero



## 1 Forward

### **A Message from Nneka Abulokwe, Chair of Responsible Business Committee**

At Capita, we are passionately committed to tackling climate change and a successful transition towards a low carbon economy. As leaders of this organisation, we understand the immense importance of being a responsible business and are dedicated to aligning our efforts with global climate goals.

#### **Leadership and Responsibility**

Our Responsible Business Committee, guided by our leadership, is spearheading this critical transition. Achieving net zero emissions is a shared responsibility that involves every one of our stakeholders—employees, customers, suppliers, partners, and communities. Together, we can make a profound impact. Leadership is not just about setting targets but also about inspiring and empowering others to join us on this journey. Our commitment to being a responsible business is deeply ingrained in our corporate culture, and we are determined to lead by example.

#### **Strategic Vision**

Our vision is bold and clear: to achieve net zero emissions by 2045, in line with the Paris Agreement and future UN global agreements. This transition plan outlines our unwavering commitment to reducing greenhouse gas emissions across our entire value chain, with a focus on substantial reductions before considering carbon credits. We are dedicated to managing climate-related risks that could impact our business and seizing opportunities to grow sustainably by empowering our customers with solutions to meet their net zero goals. Our strategic vision is not just about compliance; it is about creating a resilient and sustainable business model that can thrive in a net-zero carbon economy.

#### **Urgency and Moral Imperative**

The urgency of addressing climate change cannot be overstated. The scientific consensus is clear: to limit global warming to 1.5°C, immediate and sustained efforts are necessary. This is not just a corporate responsibility but a moral imperative that we must act upon now. The journey to net zero is about doing what is right for our planet and future generations. We are driven by a sense of urgency and a deep commitment to making a positive impact on the world. The time to act is now, and we are ready for the journey.

#### **Scope and Impact**

Our transition plan encompasses all areas of our business, including operations, supply chain, and the services we provide. By prioritising substantial reductions in greenhouse gas emissions, we aim to make a positive impact on society, the environment, and the economy. Our efforts will empower our customers to meet their sustainability goals and drive sustainable growth. We are committed to ensuring that our business model remains relevant and profitable in a net-zero carbon economy. The Scope of our plan is comprehensive, covering every aspect of our operations and extending to our entire value chain. By taking a holistic approach, we can achieve meaningful and lasting change.

#### **Collaboration and Stakeholder Engagement**

Collaboration is key to our success. We are committed to working with internal teams, external partners, and the broader community to achieve our low carbon goals. Initiatives and partnerships will play a crucial role in supporting this transition.

We are committed to fostering a culture of collaboration and engagement, recognising that everyone has an essential role to play in our journey. This principle is central to Capita's core value of 'Achieve

'Together'. By uniting our efforts, we can not only reach our goals but also create a brighter, more sustainable future for all.

### **Transparency and Accountability**

We pledge to transparently report our progress, using the most accurate data available. Our near and long-term targets have been verified by the Science Based Targets Initiative, ensuring that our efforts are grounded in the latest climate science. We will continuously strive to improve our practices and remain accountable to our stakeholders. We understand that we do not have all the answers now, and our transition plan will evolve over time. As we progress on this journey, we will continuously learn, adapt, and refine our strategies to ensure we are making the most effective impact. Transparency and accountability are at the core of our approach, and we are committed to being open and honest about our challenges and successes.

### **Call to Action**

Achieving net zero is a collective responsibility, and we invite all stakeholders to join us on this journey. Every action counts, and every contribution matters. Together, we can create a sustainable future for generations to come. We are excited about the possibilities that lie ahead and are confident that we can achieve our ambitious goals. Thank you for your commitment to a better, more sustainable world.

**Nneka Abulokwe**

**Chair of Responsible Business Committee**

## 2 Introduction

Capita's low carbon transition plan (LCTP) provides a clear framework for reaching net zero across its value chain by 2045. This plan details the practical steps and governance needed to move towards a low-carbon future, focusing on actionable initiatives and measurable progress.

The plan specifies how emissions reductions will be achieved, outlining strategies for both immediate and long-term improvements throughout operations and supply chains. Central to this approach is the engagement of employees, customers, suppliers, and broader partners, ensuring that progress is driven by collective effort and shared accountability.

Transparency is embedded at every stage. Capita will consistently report on its progress, using rigorous, science-based methodologies, and refine its activities in response to evolving climate research. Verification by the Science Based Targets initiative underscores the credibility and accountability of our transition.

This document serves as a practical guide for stakeholders, clarifying how individual and collective roles support the net zero objective. It offers accessible explanations of Capita's methods, highlighting areas for involvement and providing orientation for those eager to contribute meaningfully to the plan's success.

By building on collaboration, transparency, and continuous improvement, Capita's transition plan charts a course for real, lasting impact—supporting a just transition and the creation of a resilient, sustainable future.

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## 3 Our Ambition

Capita is taking significant steps towards climate action with the ambitious goal of achieving net zero emissions across its entire value chain by 2045. This commitment is ahead of the timeline set by the Paris Agreement, an international treaty adopted in 2015 that brings nations together to combat climate change. The Paris Agreement aims to limit global warming to well below 2°C above pre-industrial levels, while pursuing efforts to keep the increase to 1.5°C. Key commitments include setting national targets for emissions reductions, regularly reporting on progress, and strengthening adaptation and resilience efforts. Capita is dedicated to adhering to the principles and future updates of the agreement as it continues its journey towards sustainability.

Capita isn't just making declarations; it's actively implementing them. The company sees numerous opportunities in sustainable growth, focusing not only on internal improvements but also on helping customers achieve their sustainability goals through innovative solutions.

The commitment extends beyond business operations. Capita aims to make a tangible impact on society and the environment by promoting a just transition that protects ecosystems and biodiversity. Moreover, Capita will transparently report its progress using the most accurate data available.

### 3.1 **Our Targets**

Capita has approved near and long-term science-based emissions reduction targets with the Science Based Targets initiative (SBTi):

#### **Overall net zero target**

Capita PLC commits to reach net zero greenhouse gas emissions across the value chain by 2045.

#### **Near-term targets**

Capita PLC commits to reduce absolute Scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year. Capita PLC also commits to reduce absolute Scope 3 GHG emissions from business travel 46.2% within the same timeframe. Capita PLC further commits that 50% of its suppliers by spend covering purchased goods and services, capital goods, and upstream transportation and distribution will have science-based targets by 2025. Our near-term targets will be updated with SBTi in 2026.

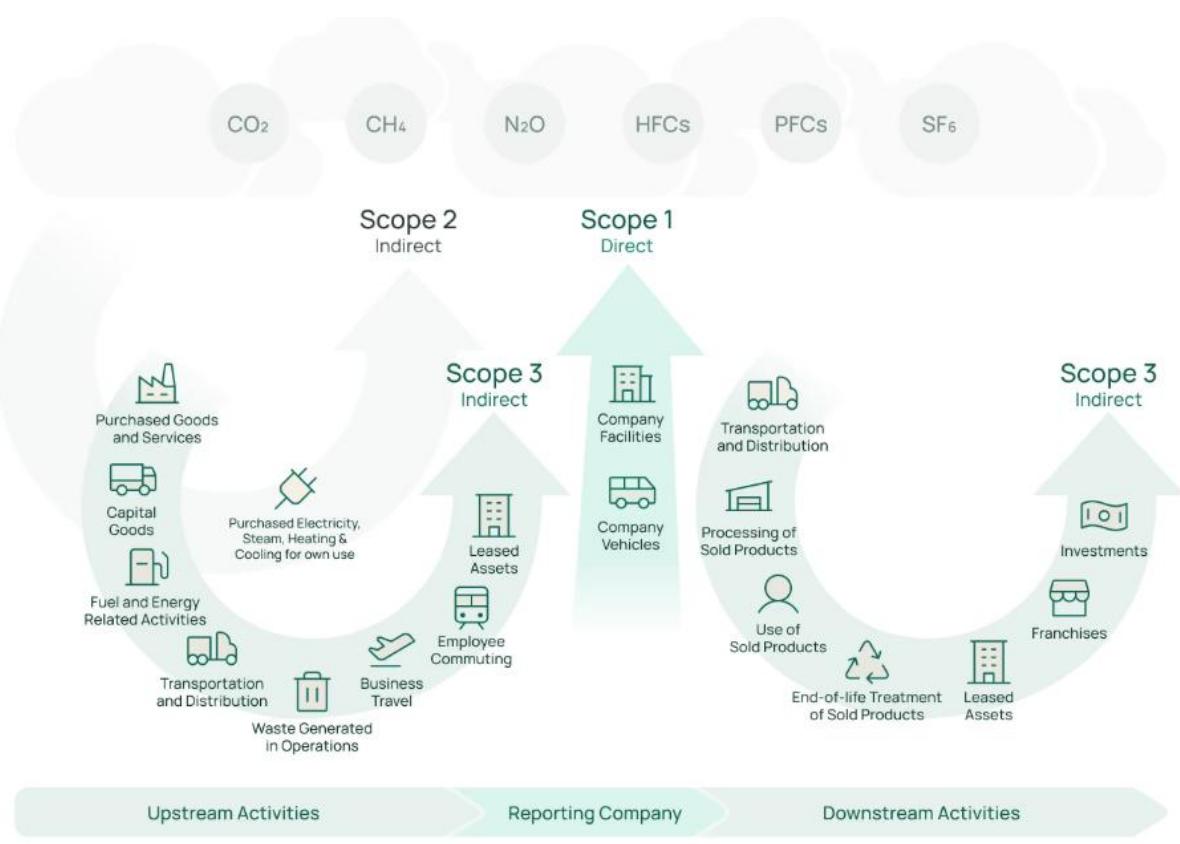
#### **Long-term targets**

Capita PLC commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2045 from a 2019 base year. Capita PLC also commits to reduce absolute Scope 3 GHG emissions 90% within the same timeframe.

We are committed to these challenging targets at every level of our organisation, setting decarbonisation as our overarching objective. Our goal is to reduce emissions by 90% from our 2019 base year, before neutralising all residual emissions in line with SBTi criteria to reach net zero emissions.

### 3.2 Our Carbon Footprint

The diagram below illustrates how greenhouse gas emission scopes are defined and interact, showing the categorisation of Scope 1, Scope 2, and Scope 3 emissions.



Our base year for our global climate footprint was **2019**, with total emissions of **426,842 TCO2e**. In **2024** we have reduced our total carbon footprint by **51%** to **208,542 TCO2e**.

We regularly update our emissions and measurement methods as we improve data and adapt to best practice in greenhouse gas emission calculation methodologies. These updates are transparently disclosed in our method statement published in our annual report.

The following table outlines the composition of our emissions:

Category	2019 Emissions (TCO2e)	2024 Emissions (TCO2e)	% change from base year
<b>Scope 1</b>	18,960	5,150	-73%
<b>Scope 2 Market Based</b>	27,651	4,076	-85%
<b>Scope 2 Location Based</b>	41,894	16,010	-62%
<b>Scope 3 category 1 - Purchased goods and services</b>	196,330	117,235	-40%
<b>Scope 3 category 2 - Capital goods</b>	106,646	11,133	-90%
<b>Scope 3 category 3 - Fuel and energy related activities (not included in Scope 1 &amp; 2)</b>	10,874	7,405	-32%
<b>Scope 3 category 4 - Upstream transport and distribution</b>	2,893	14,343	+396%
<b>Scope 3 category 5 - Waste generation in operations</b>	58	76	+31%
<b>Scope 3 category 6 - Business travel</b>	30,823	5,154	-83%
<b>Scope 3 category 7 - Employee commuting</b>	7,147	5,573	-22%
<b>Scope 3 category 8 - Upstream leased assets</b>	n/a	n/a	n/a
<b>Scope 3 category 9 - Downstream transportation and distribution</b>	25,302	22,233	-12%
<b>Scope 3 category 10 - Processing of sold products</b>	n/a	n/a	n/a
<b>Scope 3 category 11 - Use of sold products</b>	159	n/a	n/a
<b>Scope 3 category 12 - End of life treatment of sold products</b>	n/a	n/a	n/a
<b>Scope 3 category 13 - Downstream leased assets</b>	n/a	8,219	n/a
<b>Scope 3 category 14 - Franchises</b>	n/a	n/a	n/a
<b>Scope 3 category 15 - Investments</b>	n/a	n/a	n/a
<b>Total (Scope 1, 2 market based and all applicable categories of scope 3)</b>	<b>426,842</b>	<b>208,542</b>	<b>-51%</b>

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## 4 Strengthening our long-term resilience

We understand the critical importance of addressing climate-related risks and opportunities to ensure that we are well-prepared to navigate the challenges and seize the opportunities presented by the transition to a low-carbon economy. By integrating climate considerations into our business strategy, we aim to enhance our resilience, drive innovation, and contribute to a sustainable future.

In 2025, we undertook a comprehensive climate-related risk and opportunity quantification project to strengthen our alignment with evolving disclosure requirements, including TCFD, CSRD, and the UK Transition Plan Taskforce. This initiative involved identifying 15 key climate-related risks and 5 opportunities, which were assessed across three climate scenarios (Orderly, Disorderly, and Hot House) and over short, medium, and long-term time horizons. Each risk was scored for likelihood, magnitude, and vulnerability, while opportunities were evaluated based on size and Capita's ability to execute.

The project introduced climate scenario analysis as a strategic tool to support informed decision-making and ensure our assessments are robust, transparent, and evidence based. Subject matter experts across the business were engaged to validate and refine provisional scores, ensuring that our risk quantification reflects real-world operational and financial exposure. This collaborative approach has enabled us to model the financial implications of climate risks — such as increased capital expenditure, regulatory compliance costs, and supply chain volatility — and to identify opportunities in energy efficiency, renewable energy procurement, and low-emission service delivery.

These insights are now informing our approach to strategic planning, capital allocation, and governance, with oversight mechanisms being developed to support integration into our risk framework. We continue to disclose progress through TCFD-aligned reporting and CDP submissions, reinforcing our commitment to transparency, accountability, and effective climate risk management.

See Capita's TCFD statement (pages 59-67) for more information [Capita plc – Annual Report and Accounts 2024](#)

## 5 Ensuring a just transition

We recognise that the transition to a low-carbon economy must be inclusive and equitable, ensuring that no one is left behind. Capita can significantly contribute to a 'just transition' that ensures equitable and inclusive progress towards a greener future. Through pre-contract engagement activities with diverse organisations, Capita can identify and leverage opportunities for additional environmental benefits, such as reducing carbon emissions and enhancing biodiversity.

Collaborative initiatives with the supply chain and the creation of green spaces in society will not only improve air quality and promote clean energy but also foster community involvement and support. By reconnecting people with the environment through educational programmes and community events, Capita can raise awareness and influence behaviour towards environmental protection. Training and education will further reinforce sustainable practices, ensuring that everyone is equipped to contribute.

Additionally, Capita aims to create a community proposition that supports small medium enterprises (SMEs), voluntary, community and social enterprises (VCSEs), and society at large. By providing resources, training, and collaborative opportunities, Capita will empower others to adopt sustainable practices and contribute to the overall environmental objectives.

*Through the delivery of its contract with Barnet Council, Capita made a donation of £4500 to Trees for Streets. This donation funded the purchase of five fruit trees, which were planted in the community garden at Hollickwood Park Orchard. Here, community members have the opportunity to learn how to grow, care for, and cook with locally grown fruit. This initiative not only enhances the local environment but also fosters a sense of community and sustainability. The project is set to be repeated in 2025, continuing to bring people together and promote environmental stewardship.*

*In the 2023/24 period, Capita made a meaningful contribution towards fostering a greener future by mobilising volunteers to assist primary schools across North Tyneside. These dedicated volunteers worked hand-in-hand with local children, planting trees and hedges to enhance the local environment. This initiative was in collaboration with "Hope for Hedges," a passionate community group committed to planting hedges in the grounds of North Tyneside Schools. This partnership not only beautified the school grounds but also instilled a sense of environmental stewardship in the young students, teaching them the importance of sustainability and community involvement.*

## 6 The Impacts of the LCTP on Capita's stakeholders

At Capita, our commitment to achieving net zero emissions by 2045 is a collective responsibility that involves every stakeholder. Our LCTP will have significant impacts on employees, customers, society, the economy, our supply chain, the natural environment, and our landlords. We are dedicated to ensuring that these changes are positive, inclusive, and supportive of sustainable growth and well-being.

### **Our people**

Capita's LCTP will positively reshape the employee experience by embedding sustainability into our culture and operations. Employees will be empowered through dedicated training programmes and supported by an environmentally focused Employee Network Group and Net Zero Representatives across the business. Workplace practices will continue to evolve through digital-first collaboration, reduced business travel, and a transition to energy-efficient buildings. These changes aim to foster a culture of environmental responsibility, innovation, and collective action, ensuring that every employee plays a meaningful role in Capita's journey to net zero.

### **Our customers**

Capita's LCTP will deliver significant value to customers through innovative, low-emission solutions and digital-first service models. Capita will support clients in achieving their own net zero goals while enhancing operational efficiency and resilience. Customers will benefit from access to service-specific emissions data, enabling more accurate reporting and targeted decarbonisation strategies. By aligning with evolving policy, market, and technological trends, Capita will continue to develop tailored, future-ready solutions that help customers navigate the transition to a low-carbon economy with confidence.

### **Society**

Capita's LCTP is designed to deliver meaningful benefits to society by promoting environmental stewardship, supporting inclusive growth, and fostering community resilience. Through initiatives such as tree planting, green space creation, and partnerships with schools and local councils, Capita is actively contributing to biodiversity enhancement and improved air quality. By embedding social value into service delivery and advocating for equitable climate policies, Capita aims to create lasting positive impacts that extend beyond its operations and into the communities it serves.

### **Economy**

Capita's LCTP will contribute to a more resilient and sustainable economy by driving innovation, supporting green job creation, and enabling low-carbon growth across sectors. Through investment in energy-efficient infrastructure, renewable energy procurement, and sustainable service delivery, Capita will stimulate demand for environmentally responsible technologies and practices. The plan's emphasis on supplier engagement will help build capacity across the value chain, encouraging broader economic participation in the transition to net zero. As Capita develops new services and solutions aligned with customer sustainability goals, it anticipates increased revenue opportunities and long-term cost savings, reinforcing the economic viability of climate action.

### **Supply Chain**

Capita's LCTP will drive significant transformation across its supply chain by embedding sustainability into procurement practices and supplier engagement. The plan sets clear expectations for suppliers to adopt science-based targets and LCTPs, with a long-term goal of ensuring all suppliers align with Capita's net zero ambitions. Investments in supplier management platforms and sustainability scorecards will enhance transparency, improve emissions data quality, and enable more targeted decarbonisation efforts. Capita will also support SMEs and high-emitting suppliers through knowledge sharing and capacity building, fostering a more resilient and environmentally responsible supply chain.

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These actions will not only reduce emissions but also strengthen supplier relationships and promote innovation across the value chain.

## **Natural Environment**

Capita's LCTP will deliver substantial benefits to the natural environment by reducing greenhouse gas emissions, enhancing biodiversity, and promoting sustainable land use. Through initiatives such as tree planting, green space creation, and partnerships with community organisations, Capita is actively contributing to habitat restoration and improved air quality. The plan's emphasis on renewable energy procurement, circular economy principles, and low-emission service delivery will help minimise environmental degradation and resource consumption. By embedding environmental stewardship into its operations and supply chain, Capita is committed to protecting ecosystems and supporting a healthier planet for future generations.

## **Landlords**

Capita's LCTP will influence its landlord relationships by driving a shared focus on energy efficiency, renewable energy sourcing, and infrastructure decarbonisation. For properties under long-term leases with suboptimal EPC ratings, Capita will collaborate with landlords to improve building performance, recognising that such upgrades may require joint investment and mid-term planning. Where landlords control energy procurement, Capita will actively engage them to transition to renewable energy sources. These partnerships will be essential to achieving our targets and ensuring that leased properties align with Capita's sustainability standards. The plan encourages a proactive and cooperative approach, positioning landlords as key enablers in the journey to net zero.

## 7 Our Action

The actions we are taking and how they will help us achieve our strategic ambition.

### 7.1 Property

Capita is committed to reducing carbon emissions through strategic management of our property portfolio. Our approach focuses on making sure our property portfolio is the right size, enhancing energy efficiency, increasing the use of renewable energy, and decarbonising our infrastructure. This section outlines our key initiatives and strategies to achieve these goals.

#### What we have achieved so far

Reduced Scope 1 and 2 emissions by 81% in 2024, from our 2019 base year, largely due to our focus on making sure our property estate is the right size for our business, by reducing the number of buildings we have.

Created energy consumption dashboards and established regular energy review calls to examine data insights and explore opportunities to reduce consumption, resulting in a reduction of 8,873,940 kWh per year (compared to a 2016 base year).

#### Key actions to 2045

##### *Reducing Property Footprint*

We will continue to right-size our property footprint by consolidating office spaces and promoting digital-first working. This initiative has already contributed to significant reductions in our Scope 1 and Scope 2 emissions.

##### *Energy Efficiency Standards*

We are committed to creating a 'sustainable property' policy that details our requirements for new and renewed leases. Wherever possible, all new and renewed leases will be in energy-efficient buildings, with a target of achieving an 'A' grade EPC rating where applicable. Investing in energy-efficient buildings may come with higher upfront rental costs, but we anticipate that the long-term savings from reduced utility expenses may offset these costs.

Our facilities management team will continue to monitor energy data for our larger properties quarterly, leading to efficiency actions and upgrades.

##### *Renewable Energy Procurement*

Where we have influence, we will procure 100% renewable energy for our properties. In cases where landlords are responsible for energy procurement, we will engage with them to advocate for a transition to renewable energy sources.

##### *Decarbonising Long-Term Leases*

For buildings with long-term leases that have an EPC rating of C or below, we will work with landlords to decarbonise the infrastructure. We expect this action to happen mid-term in our plan and it will involve financial investment and collaboration with property owners. We do not think it is useful to estimate expenses at this stage as we expect technology and associated costs to significantly change over the next decade.

## *Resilience to Climate Change*

Capita will maintain a flexible property and delivery strategy to minimise disruption from climate-related events. Our business continuity plans include response options to ensure resilience and adaptability.

By implementing these strategies, Capita aims to significantly reduce carbon emissions through our property portfolio, contributing to our overall goal of achieving net zero emissions by 2045.

## **Metrics and Targets**

We will use a broad suite of metrics and targets to drive and monitor progress towards our strategic ambition of achieving net zero emissions. These include:

1. Total scope 1 and 2 emissions
2. % reduction from base year
3. Percentage of properties with 'A' grade EPC ratings
4. Percentage of electricity from renewable sources
5. Number of properties in our portfolio
6. Emissions from downstream leased assets

## **Key dependencies**

### *Availability of renewable energy sources*

Capita's LCTP is closely tied to the availability of renewable electricity across the global locations where we operate. Access to clean energy sources is essential for powering our property footprint in an environmentally responsible manner. While renewable electricity is a key component of our strategy to achieve net zero emissions by 2045, we recognise the importance of global collaboration and investment in renewable energy infrastructure.

### *Availability and affordability of technologies*

We are dependent on the availability and affordability of technologies and equipment that will help decarbonise our heating systems. As we strive to achieve net zero emissions by 2045, the integration of advanced heating solutions is crucial for reducing our carbon footprint across our global property footprint. Access to innovative and cost-effective technologies, such as heat pumps, solar thermal systems, and energy-efficient boilers, will enable us to transition away from fossil fuels and towards sustainable heating methods. This dependency highlights the importance of ongoing investment in research and development, as well as collaboration with industry partners to ensure that these technologies are accessible and affordable.

## **Case Study – Mutual Park, Cape Town, South Africa**

Mutual Park is renowned for its state-of-the-art sustainability features, making it an ideal location for Capita. The complex boasts a range of green building certifications, including LEED and Green Star ratings, which are a testament to its eco-friendly design and operations.

**Energy Efficiency:** Mutual Park is equipped with advanced energy management systems that optimise energy consumption. The building utilises renewable energy sources, such as solar panels, to reduce its carbon footprint. High-efficiency HVAC systems and LED lighting further contribute to energy savings.

**Water Conservation:** The complex has implemented innovative water-saving technologies, including rainwater harvesting and greywater recycling systems. These measures significantly reduce water consumption and promote sustainable water management practices.

**Waste Management:** Mutual Park has a comprehensive waste management programme that emphasises recycling and waste reduction. The building's design encourages the segregation of waste at the source, ensuring that recyclable materials are properly processed.

**Indoor Environmental Quality:** The office complex prioritises the health and well-being of its occupants. It features ample natural light, excellent ventilation, and the use of low-VOC (volatile organic compounds) materials, creating a healthy and productive work environment.

## 7.2 Business Travel

### Ambition

We aim to adopt sustainable travel options and continuously improve our practices, and we understand that achieving this goal will also depend on advancements within the aviation sector. We are committed to collaborating with industry partners to support and leverage these changes, ensuring that our actions are both effective and realistic.

### What we have achieved so far:

We have already made significant strides in reducing business travel emissions. Our digital-first policy has been instrumental in achieving an 83% reduction in business travel emissions from the 2019 base year. By prioritizing virtual meetings and digital interactions, we have minimised the need for physical travel, thereby reducing our carbon footprint.

### Key actions to 2045

To achieve our targets, we will implement the following key actions:

#### *Virtual Collaboration Tools*

To minimize the need for business travel, Capita will continue its digital first policy and invest in and promote the use of advanced virtual collaboration tools such as Microsoft Teams. These platforms enable seamless communication and collaboration across our global operations, significantly reducing the necessity for in-person meetings and associated travel emissions.

#### *Optimise Travel Policies*

Capita are updating our travel policy to prioritise the use of trains over flights for short journeys. This change not only aligns with Capita's sustainability goals but also offers substantial environmental benefits. Trains produce significantly lower carbon emissions compared to flights, making them an eco-friendlier option. By encouraging employees to choose train travel for short distances, we can reduce our overall carbon footprint and contribute to a healthier planet.

#### *Decarbonise our Fleet*

We are prioritising the transition to low-emission vehicles as a key lever in reducing our operational carbon footprint. As of now, only hybrid or fully electric cars are available to order as new company cars. This policy shift reflects our ambition to operate a fully electric car fleet by 2030. To support this transition, we are reviewing infrastructure requirements, including charging availability at key sites, and engaging with employees to ensure a smooth rollout. For commercial vehicles such as vans, we

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recognise the need for a more tailored approach. We will consult with our clients to explore the feasibility of electric alternatives that meet operational needs, while actively monitoring advancements in electric commercial vehicle technology. This will allow us to adopt new solutions as they become viable, ensuring we balance environmental impact with service delivery.

## Metrics and Targets

1. Total business travel emissions TCO2e
2. % reduction from base year
3. Business travel emissions per employee in each business unit
4. % of trips taken by each mode of transport
5. Carbon intensity of travel (total emissions divided by the total distance travelled)
6. Flights taken for short journeys
7. % of flights using sustainable aviation fuels
8. % of car fleet electrified
9. % of commercial fleet electrified

## Key Dependencies on Aviation Sector Developments

Our ability to achieve our targets will depend on key developments in the aviation sector, including:

- Increased use of sustainable aviation fuels (SAFs).
- Development of electric and hybrid aircraft, which produce lower emissions.
- Ongoing improvements in aircraft efficiency and design for better fuel economy.
- Supportive regulations and policies for reducing aviation emissions.

By staying informed about these developments and integrating them into our travel policies, Capita can significantly reduce its business travel emissions and move closer to its net zero goal.

## Case Study: Capita's Reduction in Business Travel Emissions Through Virtual-First Working

Capita has made significant strides in reducing its environmental impact, particularly in business travel emissions. While the COVID-19 pandemic initially catalysed a shift to virtual working, Capita has since embedded these practices into its long-term operational model, resulting in sustained emissions reductions.

In response to the Covid 19 pandemic, Capita rapidly adopted a virtual-first approach to internal meetings and collaboration. This was formalised in its travel and expense policies, which state that “virtual meetings are the default” and that employees should only travel when necessary. Microsoft Teams and other digital collaboration tools became the standard for internal communication, supported by training and guidance to ensure adoption across the organisation.

This shift was not a temporary measure. Capita has maintained and expanded its virtual-first policy post-pandemic, recognising the environmental, financial, and productivity benefits. Employees are encouraged to challenge the need for face-to-face meetings, especially those under two hours, and to prioritise digital alternatives wherever feasible.

The results of this policy shift have been profound. Capita's Scope 3 business travel emissions have decreased by 83% from the 2019 base year, falling from 30,823 tCO<sub>2</sub>e in 2019 to just 5,154 tCO<sub>2</sub>e in 2024.

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Capita's experience demonstrates how a crisis-driven shift to virtual working can evolve into a long-term sustainability strategy. By institutionalising digital-first practices and aligning them with emissions reduction targets, Capita has significantly reduced its business travel footprint while maintaining operational effectiveness. This case study offers a compelling example of how policy, technology, and culture can converge to drive meaningful environmental outcomes.

### 7.3 Procurement and Hyperscaler Partnerships

Capita is dedicated to reducing carbon emissions throughout our supply chain, recognising that, in 2024, 57% of our emissions originate from purchased goods and services and capital goods. Our procurement strategy is designed to drive sustainability, enhance transparency, and foster collaboration with our suppliers to achieve our net zero goals. We will collaborate closely with our suppliers to reduce emissions and support the transition to a low-GHG emissions economy.

We updated our supplier charter in 2023. Capita's Supplier Charter sets out how we conduct business in an open, honest and transparent manner, and what we expect of our suppliers. As a minimum, we expect our suppliers to comply with all applicable laws and regulations. This includes the provision of safe working conditions, treating workers with dignity and respect, acting ethically and being environmentally responsible. Our aim is to collaborate with our suppliers to achieve net zero carbon emissions for Capita, address the impact of our operations on the environment and nature, and excel in low carbon solution design for our customers. We expect our Supplier Charter to evolve with our time horizons to support the objectives we have set.

### Our use of Artificial Intelligence (AI)

AI is transforming the way Capita delivers services, drives innovation, and supports clients. However, we recognise that AI presents environmental challenges, including energy consumption, carbon emissions, water usage, electronic waste, and the sourcing of rare earth materials. As the adoption of AI accelerates, the procurement of AI services—particularly from hyperscaler partners—becomes a critical area for environmental stewardship.

Capita is committed to embedding sustainability directly into our procurement practices for AI services. We will continue to evaluate hyperscaler partners not only on technological capability, but also on their commitment to transparent measurement, responsible management, and ongoing improvement of environmental impacts associated with AI.

### What we have achieved so far:

In 2024, 58% of Capita's suppliers by spend have established science-based targets as part of their commitment to sustainability. Additionally, Capita has successfully achieved a 48% reduction in emissions from purchased goods and services and capital goods compared to the 2019 base year.

### Key actions to 2045

#### *Investing in a Supplier Management Platform*

Capita is investing in a supplier management platform to provide a comprehensive view of our suppliers. The plan includes integrating sustainability scorecards and third-party information feeds, such as Ecovadis scores, to obtain a complete view of any environmental risks. This platform aims to enhance our supply chain emissions data by expanding the visibility of environmental management information from our suppliers and increasing the availability of supplier-specific emissions data.

#### *Prioritised Supplier Engagement*

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We will engage with our suppliers to ensure they are aligned with our sustainability goals. When onboarding we will continue to ask our suppliers if they have set science-based targets. As we move into the medium term, we will begin to prioritise supporting suppliers who account for the largest population of our Scope 3 emissions, but have not yet set science-based targets. We also expect to provide specific help to our SME suppliers at that time by sharing our knowledge and helping to set targets and create transition plans. Longer term, we will insist that our suppliers have set science-based targets and have LCTPs.

#### *Improving our Data*

To improve the quality of supplier emissions data we will use our key supplier questionnaire to gather supplier specific emissions data from our top 18 suppliers, which covers circa 30% of our spend. We aim to progress this further in the medium term by obtaining an annual update on emissions data from all suppliers. In the long term we aim to further improve the accuracy of our data by working with our suppliers to get product or service specific emissions.

This transition will not only improve the reliability of our emissions reporting but also strengthen our commitment to transparency and accountability in our LCTP.

#### *AI Environmental Impact Data Transparency*

We will require our hyperscaler partners to deliver comprehensive, measurable, and regularly updated reports on the environmental impacts associated with their AI services. This will encompass detailed information on energy consumption and carbon emissions generated by AI workloads, offering transparency about the sources of energy—such as the use of renewable versus non-renewable resources—powering data centres. In addition, partners will report on water usage within cooling systems, ensuring responsible stewardship of natural resources. We will also request lifecycle analyses of the hardware supporting AI infrastructure, to understand the full Scope of environmental impacts. By collecting and scrutinising these data points, we aim to hold our partners accountable and support continual improvement in sustainability across all aspects of our AI operations.

#### *Bi-Annual Environmental Review Meetings for AI Hyperscaler Partners*

To further our environmental responsibility, we will hold bi-annual review meetings with our hyperscaler partners to closely evaluate their environmental performance data and monitor progress against sustainability commitments. These sessions will provide a platform to discuss energy usage, emissions, and resource consumption, while also fostering dialogue about new sustainability challenges and innovative solutions for reducing environmental impact. Importantly, we will collaborate with our hyperscaler partners during these meetings to identify and implement specific actions that Capita itself can take to further minimise the environmental impacts associated with AI operations. These collaborative meetings are intended to drive accountability, encourage continuous improvement, and reinforce our commitment to integrating sustainability into all aspects of our AI operations. In addition, Capita will provide an annual environmental impact update to the AI, Cloud and Data Governance Council, ensuring transparency and oversight of sustainability performance within our AI governance framework.

#### *Responsible AI Procurement*

In the medium term, we will further embed sustainability into our procurement processes by developing robust environmental performance benchmarks specifically for AI services. These benchmarks will become a fundamental part of our criteria for evaluating, selecting, and renewing technology partners, ensuring that every partnership aligns with our net zero ambitions from the outset. Our approach will focus on integrating sustainability requirements within procurement documentation and supplier selection

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frameworks, clearly outlining expectations for responsible practices related to emissions, resource efficiency, and innovation in environmental performance.

## Metrics and Targets

We will use a broad suite of procurement focused metrics and targets to drive and monitor progress towards our strategic ambition. These include:

1. % of suppliers by spend with SBTI targets
2. % of suppliers by spend with a LCTP
3. TCO2e from supply chain emissions
4. % of supply chain emissions that are categorised as direct supplier emissions
5. Number of suppliers with direct supplier emissions data
6. GHG emissions reductions by suppliers (top emitting suppliers by spend)
7. Number of suppliers with Platinum, Gold or Silver Ecovadis scores
8. % of AI services with verified environmental impact data.
9. Number of hyperscaler partners participating in bi-annual reviews.

## Key dependencies

### *Supplier Collaboration*

Our suppliers' commitment to sustainable practices directly impacts our carbon footprint. Their cooperation is essential for achieving our decarbonisation goals.

### *Innovative Technologies and Materials*

Adopting innovative technologies and materials is crucial for reducing emissions. Staying ahead in technological advancements ensures we remain competitive and sustainable.

### *Political Dependencies*

Government policies and international agreements influence the availability of resources and support for low-carbon initiatives. Adapting to political changes is vital for our success.

### *Accurate Data from Suppliers*

The ability of suppliers to provide increasingly accurate data is crucial for tracking and reducing emissions. Accurate data allows us to make informed decisions, set realistic targets, and measure progress effectively. Without precise data, our efforts to decarbonise the supply chain may be hindered by misinformation and inefficiencies.

## Case Study: Capita's Hyperscaler Partnership with Salesforce

Capita sought a technology partner that not only provided cutting-edge AI services but also shared its responsible business values. Salesforce emerged as one of our hyperscaler partners due to its comprehensive approach to sustainability, particularly in the realm of AI. Salesforce's commitment to reducing its carbon footprint and promoting sustainable practices in AI development and deployment resonated with Capita's own environmental objectives.

### Salesforce's Sustainable AI Practices

1. *Energy-Efficient Data Centres:* Salesforce operates some of the most energy-efficient data centres in the industry. By utilising renewable energy sources and optimising energy

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consumption, Salesforce ensures that the AI services provided to Capita are powered by clean energy. This significantly reduces the carbon footprint associated with data processing and storage.

2. *Sustainable AI Development*: Salesforce is dedicated to developing AI solutions that are not only innovative but also environmentally responsible. This includes optimising algorithms to reduce computational requirements and energy consumption. By focusing on efficiency, Salesforce minimises the environmental impact of its AI services.
3. *Transparent Reporting and Accountability*: Salesforce maintains a high level of transparency in its sustainability efforts. The company regularly publishes reports on its environmental impact, including detailed information on energy usage, carbon emissions, and progress towards sustainability goals. This transparency allows Capita to confidently align its own sustainability reporting with Salesforce's data.
4. *Ethical AI Framework*: Salesforce has implemented an ethical AI framework that prioritises fairness, accountability, and transparency. This framework ensures that AI solutions are developed and deployed responsibly, considering both environmental and social impacts. Capita benefits from AI services that are not only effective but also ethically sound.

The partnership between Capita and Salesforce exemplifies how businesses can collaborate to achieve both technological advancement and environmental responsibility. By choosing Salesforce as one of our hyperscaler partners for AI services, Capita has reinforced its commitment to being a responsible business while benefiting from innovative and efficient AI solutions. This case study highlights the importance of selecting partners who share a commitment to net zero and demonstrates the positive impact of such partnerships on achieving our targets.

## 7.4 Our Services

We are committed to ensuring that the services we provide actively support the transition to a low carbon economy—for our clients, our communities, and our own operations. As a trusted delivery partner across public and private sectors, we recognise the opportunity and responsibility to embed sustainability into the design and delivery of our services.

We will partner with our customers to empower them to achieve their net zero goals through innovative and sustainable services. Our comprehensive suite of solutions includes improving energy efficiency, increasing green energy generation, tracking and reporting and transitioning to net zero.

By leveraging advanced technologies such as AI, we help our clients optimise energy usage, streamline operations, and implement effective sustainability strategies.

As the demand for low carbon solutions grows, our services will continue to evolve, incorporating cutting-edge advancements and adapting to emerging environmental challenges. Together, we can drive meaningful change and create a better future for all.

## What we have achieved so far

- Partnered to provide net zero products and virtual power networks, targeting one million social housing properties in the next five years, aiming to reduce energy bills for vulnerable communities, support ambitious net zero targets, and enhance the resilience of the national grid.

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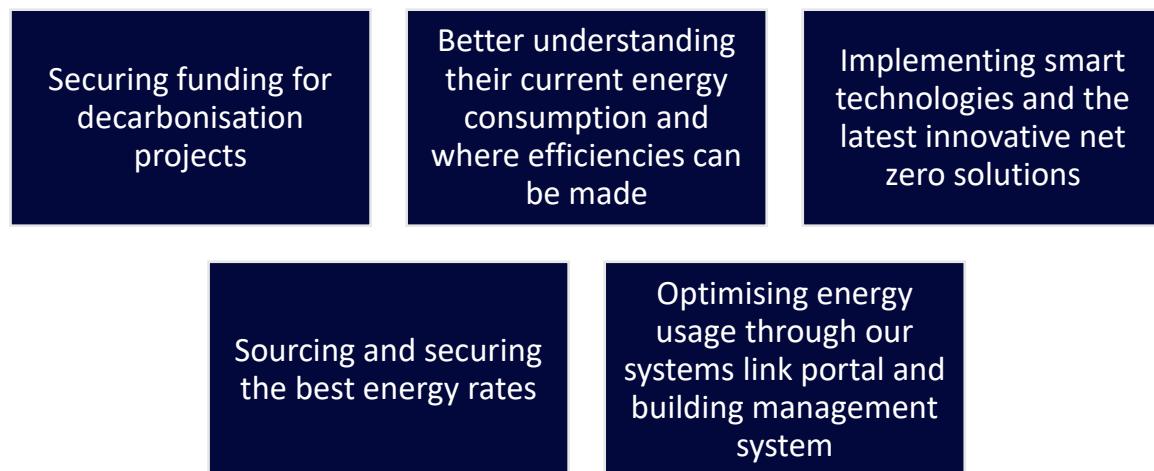
- Managed the world's largest ultra-low emission zone. This service, on behalf of Transport for London, has resulted in a 75% early compliance rate and meant that Nox (Nitrogen Oxide) emissions have reduced by a massive 44% in just two years, protecting Londoners from harmful levels of pollution.
- Helped Blackburn with Darwen Council on their path to net zero by securing funding under the Public Sector Decarbonisation Scheme. We helped the council to significantly reduce the carbon footprint and fuel bills of 23 council buildings through the installation of sustainable power, heating and management technologies.

## Key actions to 2045

### *Develop services for a better environment*

Capita will continue to innovate and expand its services available to support our customers' net zero targets. This includes enhancing existing solutions and creating new offerings that align with our customers' sustainability objectives. We're dedicated to helping our customers identify, manage and solve their sustainability challenges and create exceptional outcomes, driving them closer to their net zero targets.

We support our customers with



### *Digital by default, human where it matters*

Digital transformation should enhance—not replace—the human experience. Our approach to service delivery is digital by default, meaning we prioritise digital channels where they add value, reduce environmental impact, and improve accessibility. But we also recognise that some interactions require empathy, trust, and personal connection—qualities that only human engagement can provide. Where digital is appropriate, we will automate routine tasks, use AI to analyse data and provide insights, and support decision making with predictive tools that improve service efficiency and responsiveness. This will be done with responsible technology partners to embed sustainability into our digital design principles.

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## *Commitment to Social Value*

Capita is dedicated to enhancing the social value of the contracts we deliver. Our commitment to social value is deeply embedded in our service offerings, and we strive to make a positive impact on society through various initiatives. These include energy efficiency assessments, carbon reduction initiatives, community engagement programmes and where appropriate ESG investment tilting. By integrating these elements into our operations, we help customers across various sectors achieve their sustainability targets and significantly enhance the social value of their activities. This not only supports our customers in meeting their environmental goals but also contributes to the broader community, fostering a more sustainable and socially responsible future.

## *Circular economy*

Capita will explore opportunities to integrate circular economy principles into our services and operations. This includes identifying areas where reuse, repair, and recycling can be enhanced—particularly in IT asset management. We already work with a third-party supplier on a take-back and refurbishment scheme and will look to pilot a service model that reduces material use and promotes resource efficiency.

## *Service specific emissions data*

We will work towards providing our customers with emissions data specific to the services they get from Capita. This will enable them to enhance the accuracy of their emissions reporting and develop more precise and effective emissions reduction plans.

## **Metrics & Targets**

1. Number and types of net zero focused services available
2. Positive impact created through compliance with social value metrics
3. Number of services with service specific emissions data available

## **Key dependencies**

### *Market demand*

We project that more customers will seek to reduce their carbon footprints and align with environmental goals, and therefore the need for innovative, low emission services will increase. This growing demand will drive the adoption and implementation of Capita's sustainable solutions, encouraging us to continue developing and offering services that meet these needs, ensuring that our LCTP remains relevant and effective.

### *Technology advancements*

The faster technologies evolve, the more options Capita will have to integrate them into its operations and services. For Capita's LCTP to be successful, it is important that these technologies are not only advanced but also commercially ready. This means they must be cost-effective, reliable, and accessible for implementation across various sectors.

### *Global and national policy*

Supportive policies will shape the direction of our sustainable solutions. For instance, stricter regulations on emissions may require us to develop and offer more advanced low emission services to help our clients comply with these new standards. By staying aligned with these policy changes, Capita can

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ensure that our services remain relevant, compliant, and effective in helping our clients achieve their environmental goals.

#### *Economic Trends*

Economic conditions will shape market demands and financial constraints, requiring Capita to adapt its services accordingly. For instance, during economic downturns, there may be increased demand for cost-effective and efficient solutions, while periods of economic growth could drive investment in innovative and sustainable technologies.

### **Case Study: Emphasising Resident Wellbeing and Sustainability**

Through the implementation of smart buildings technology and data-driven insights, we have significantly enhanced the living conditions at Serene Care, a boutique care home operator that provides a safe, personalised and intimate home for residents.

At their Stoneyford Care Home, we strategically placed sensors to continuously monitor critical environmental factors, such as light levels, temperature, humidity, CO2 concentration and occupancy. Our net zero and place specialists analysed the sensor data and crafted a series of recommendations to promote good practices and behaviours within the care home. These recommendations were complemented by targeted interventions designed to maximise energy savings and operational efficiencies.

The combined efforts of our technology, expertise, and actionable insights have resulted in a healthier and more sustainable environment for Serene Care's residents.

#### *Enhanced wellbeing for residents*

Utilising data collected from our smart buildings technology, we closely collaborated with Serene Care to enhance the wellbeing of their residents. Our multifaceted recommendations included:

1. Optimising lighting levels: We identified areas where lighting improvements were necessary to meet industry benchmarks tailored to each specific space. By ensuring adequate illumination, our goal was to create a more comfortable and conducive environment for residents.
2. Reducing CO2 emissions: Through on-site management strategies, we pinpointed ways to minimise carbon dioxide (CO2) emissions within the care home. This not only benefits the environment but also contributes to the overall health and comfort of residents.
3. Managing overheating: In hot weather conditions, overheating was a concern. We provided guidance on ventilation improvements to maintain optimal indoor temperatures, ensuring the comfort and safety of residents.
4. Heating and ventilation policies: We recommended specific heating and ventilation policies, which have now been successfully implemented across all five Serene Care homes. These policies aim to create a healthier, more sustainable living environment for residents.

#### *Improved energy efficiency*

With our support, Serene Care successfully transitioned their energy contracts to more cost-effective tariffs, resulting in immediate savings on their bills. Upon analysing the collected data of this fully electric care home, our team of experts identified that the care home was consuming energy at a rate

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significantly higher than the recommended practices for its building type. These findings highlighted the substantial potential for reducing their energy costs by 66% through:

- Building management system: The incorporation of this system is projected to save up to 25% on electricity costs.
- System updates: New controls, an upgraded heating system and retrofitting are projected to provide additional savings of up to 46%, providing a clear pathway to achieve the full 66% savings target.

## 8 Financial Planning

### **Business planning process**

All businesses and functions within Capita adhere to our business planning process, which spans a three-year period and is updated annually. As part of this process, we will incorporate actions to achieve the goals of our LCTP, along with the methods for funding these actions. While we have a clearer understanding of our short-term costs, our long-term costs are less predictable due to potential changes in technology advancements, global and local political influence, and the evolving needs of our customers.

Key areas which we expect to plan costs for are:

- Moving renewed and new leases to more energy efficient buildings
- Upgrading heating systems and other infrastructure in longer term leases
- Transitioning all our electricity to 100% renewable through power purchase agreements or, if necessary, through renewable energy certificates
- Resource dedicated to helping our supply chain on their transition to net zero
- Expert resource and upskilling for our teams to provide low greenhouse gas emissions services
- Carbon credits to allow us to offset residual emissions, aligning with SBTi criteria

### **Impact on our financial position**

We will track the potential financial impacts of long-term climate scenarios in our annual TCFD report, available in our Annual Report and Accounts.

As we transition to net zero, we expect to see financial savings due to energy efficiency measures and ensuring that our property portfolio is the right size for our business. We also expect our transition plan to be a significant controlling factor the amount of business travel we undertake.

We may see a positive impact on our revenue from an increasing demand for our low greenhouse gas related services or those designed to help our customers transition to net zero. Costs to develop these services and their predicted revenue will be accounted for in our business planning process.

### **Internal carbon pricing**

We recognise the benefits of setting an internal price for carbon such as encouraging sustainable practices, providing a clear incentive to reduce emissions and reducing costs. Although we have not yet implemented an internal carbon pricing mechanism, we can see the potential it holds and are committed to exploring this approach as part of our transition.

### **Carbon Credits**

Capita is committed to primarily reducing its carbon footprint. We will achieve a 90% reduction in emissions before considering any carbon offsetting measures, aligning with the Science Based Targets initiative (SBTi) criteria. To maintain the integrity and effectiveness of our offsetting strategy, Capita will prioritise high-quality carbon offsets that meet rigorous standards. These offsets will be sourced from projects that deliver verifiable and permanent emissions reductions, such as reforestation, renewable energy, and community-based initiatives. Additionally, Capita will ensure that all offsetting projects are *All photographic images used in this presentation are under license – please do not copy, reuse or redistribute.*

independently verified and certified by recognised bodies to guarantee their environmental and social benefits. The cost of carbon credits will be incorporated into the business planning process.

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## 9 Engagement and Policy Influence

Capita recognises that achieving a just and effective transition to a low carbon economy requires not only internal transformation but also active engagement with the wider policy and business ecosystem. We are committed to using our expertise, partnerships, and delivery footprint to support and influence the development of climate policy in the UK.

As a strategic supplier to the UK Government, Capita contributes to the national net zero agenda by delivering services that enable decarbonisation, digital transformation, and social value. We engage with government departments and agencies to share insights from our operations, supply chain, and customer delivery, helping to shape practical, scalable solutions that support the UK's Net Zero Strategy.

We prioritise engagement where we have the greatest ability to influence outcomes—particularly through our public sector contracts—and where policy decisions materially affect our ability to meet our net zero targets. This includes responding to consultations and participating in working groups.

Capita is an active member of the Confederation of British Industry (CBI) and the Business Services Association (BSA). Through these memberships, we contribute to collective business advocacy on climate policy, procurement reform, and social value. We regularly provide input when called upon for our expertise in areas such as net zero delivery, sustainable procurement, and inclusive economic growth.

Our engagement is guided by the principles of transparency, collaboration, and impact. We aim to demonstrate what is possible through our products and services, and to support the scaling of solutions that deliver environmental and societal benefit. This includes showcasing innovation in areas such as digital-first service models, low-emission operations, and community-based climate action.

## 10 Our Governance

### *Board*

The Board is accountable for Capita's LCTP. It is responsible for promoting long-term sustainable success, generating value for shareholders, and contributing to wider society. The Board owns the transition plan and provides strategic direction to the Executive Team.

### *Responsible Business Committee (RBC)*

The RBC plays a pivotal role in overseeing Capita's conduct as a responsible business. The RBC is tasked with providing strategic oversight, accountability, and guidance on the LCTP. Meeting four times a year, the RBC reviews progress and approves updates to the LCTP, ensuring that Capita's responsible business strategy is regularly considered and integrated into the company's operations. By maintaining a high level of oversight, the RBC ensures that the company's efforts to achieve Net Zero targets are on track and aligned with broader business objectives.

### *Chief Executive Officer (CEO)*

The CEO is responsible for driving the implementation of the plan, aligning it with the company's strategic objectives, and fostering a culture of environmental responsibility. The CEO will engage with stakeholders, including shareholders, employees, and the wider community, to promote transparency and accountability. Additionally, they oversee the allocation of resources and monitor progress to ensure that the LCTP is on track. By providing leadership and direction, the CEO ensures that Capita remains committed to reducing its carbon footprint and achieving long-term sustainable success.

### *Chief General Counsel and Company Secretary*

The Chief General Counsel and Company Secretary holds the primary responsibility for overseeing and reviewing Capita's LCTP. This role includes ensuring that the company remains on track to achieve its environmental objectives. Additionally, the Chief General Counsel and Company Secretary provides regular updates to the RBC, offering clear and measurable insights into the company's progress. Supported by the Executive Team, this role is instrumental in the development and execution of Capita's LCTP, ensuring that all initiatives are well-coordinated and effective.

### *Executive Team*

The Executive Team is accountable for implementing and operating effective governance, risk management, and internal controls related to the LCTP. Each member of the Executive Team is responsible for their respective action areas within the plan, ensuring alignment with the overall strategy and targets. By monitoring performance in line with climate change targets and objectives, the Executive Team ensures that the company's efforts are both effective and efficient. Supported by Net Zero Representatives in each area, the Executive Team plays a critical role in driving the company's sustainability initiatives forward.

### *Net Zero Representatives*

Net Zero Representatives are key players in the execution of the LCTP. Nominated by the Executive Team, these representatives are responsible for the creation and implementation of Capita's LCTP. They implement initiatives and projects aimed at achieving Net Zero targets, working closely with the Group Environmental Team for support and guidance. By providing regular updates to the Executive Team, Net Zero Representatives ensure that progress is tracked and any challenges are addressed promptly. Their role is essential in translating the company's sustainability goals into actionable steps.

### *Group Environmental Team*

The Group Environmental Team plays a crucial role in Capita's LCTP. This team provides essential support and guidance to the Board of Directors, Divisions, and Functions. They are responsible for developing comprehensive strategic plans aimed at reducing our carbon footprint. The team monitors our science-based targets to ensure we meet our environmental goals. Additionally, they obtain and analyse data to measure progress, manage legal and other environmental compliance, and complete necessary disclosures and reporting. Their efforts are fundamental to Capita's commitment to sustainability and environmental stewardship.

### *All Employees*

Our employees play a vital role in our LCTP. We will assist them in understanding the plan's objectives and consistently adhering to guidelines. This includes engaging in relevant training programmes and promoting responsible business practices within their roles. By understanding the plan and adhering to our ways of working, employees can significantly contribute to achieving our low carbon transition goals and making a positive impact on the environment.

## 11 Culture

### **Developing an Internal Culture to Reach Net Zero by 2045**

We recognise that achieving our ambitious goal of reaching net zero by 2045 requires more than just technological advancements and operational changes. It necessitates a fundamental shift in our internal culture, driven by our core values and the collective efforts of our employees. Our commitment to sustainability is deeply connected with our purpose of creating better outcomes for our clients, our people, and our communities.

Our LCTP is not just about reducing emissions; it is about creating a better future for all. By aligning our sustainability efforts with our purpose, we are demonstrating our commitment to making a positive impact on the world. Our purpose-driven approach ensures that every step we take towards net zero is meaningful and impactful.

We believe that by fostering a culture of sustainability, we can drive innovation, enhance employee engagement, and strengthen our reputation as a responsible and forward-thinking organisation. Together, we can achieve our net zero target and create a legacy of environmental stewardship for future generations.

### **Empowering Employee Network Group**

To foster a culture of sustainability, we are leveraging the power of an environmentally focused employee network group. This group, which brings together passionate individuals from across the organisation, will play a pivotal role in driving our net zero initiatives. By providing a platform for employees to share ideas, collaborate on projects, and champion sustainable practices, we are creating a movement that will permeate every level of our company.

Our network group will focus on key areas such as energy efficiency, waste reduction, and sustainable procurement. It will also serve as a conduit for feedback and suggestions, ensuring that our transition plan remains dynamic and responsive to the needs of our workforce. Through regular workshops, training sessions, and awareness campaigns, we will equip our employees with the knowledge and skills they need to contribute to our net zero journey.

### **Net Zero Reps**

Our Net Zero Reps are responsible for creating and realising the transition plan within their respective parts of the business. They work diligently to ensure that every department is aligned with our environmental objectives and that the transition plan is effectively implemented.

In addition to their departmental roles, our Net Zero Reps advise and feed into the Executive Team. Their insights and recommendations help shape the overall strategy and ensure that all perspectives are considered in our journey towards net zero.

Chosen for their passion and expertise, our Net Zero Reps represent a diverse cross-section of the company. This wide representation ensures that innovative solutions are developed collaboratively and that all parts of the business are engaged in our sustainability efforts.

By championing sustainability, our Net Zero Reps help create a culture of environmental responsibility. Their efforts inspire others to contribute to our net zero journey.

## Embedding Sustainability in Our Values

Capita's values of *Customer First Always*, *Fearless Innovation*, *Achieve Together* and *Everyone is Valued* are the bedrock of our approach to sustainability. We are embedding these values into every aspect of our operations, from decision-making processes to everyday behaviours. By aligning our sustainability goals with our corporate values, we are ensuring that our commitment to net zero becomes an integral part of our organisational identity.

We will celebrate sustainable practices, recognising employees who go above and beyond in their efforts to reduce our carbon footprint. By highlighting success stories and sharing best practices, we will inspire others to take action and contribute to our collective goal.

## Volunteering Days for Environmental Impact

We believe that our commitment to sustainability extends beyond our operations and into the communities we serve. To support this, we offer our employees the opportunity to take paid volunteering days each year. These days can be used to participate in environmental initiatives such as tree planting, beach clean-ups, and other activities that contribute to our net zero goals. By engaging in these hands-on projects, our employees can make a tangible difference in their local environments while fostering a sense of community and shared purpose.

Our volunteering programme is designed to be flexible, allowing employees to choose causes that resonate with them personally. Whether it's a one-day event or a series of smaller activities, we encourage our team members to take advantage of this benefit and contribute to the collective effort of creating a sustainable future. By participating in these activities, employees not only help reduce our carbon footprint but also develop a deeper understanding and commitment to our sustainability goals. This involvement is crucial in embedding a culture of environmental responsibility and collective action within our organisation.

To facilitate this, we provide resources and support through our Responsible Business Viva Engage community, where colleagues can share opportunities and experiences. By creating a platform for collaboration and shared experiences, we are fostering a culture of sustainability that permeates every level of our company. This collective effort and shared purpose are essential in realising our transition plan and achieving our net zero target.

## Environmental Related Benefits

Capita is committed to supporting our employees in making sustainable choices both at work and in their personal lives. We offer a range of environmentally related benefits that align with our sustainability goals. These benefits include:

### *Exclusive Savings on Sustainable Products*

Employees have access to discounts on a variety of products and services, including energy-efficient appliances, sustainable home goods, and travel options. This helps our team members reduce their environmental footprint while enjoying cost savings. By making sustainable products more accessible, we are encouraging a culture of environmental responsibility and conscious consumption.

### *Free Online Classes and Resources*

We provide access to a wealth of online classes focused on sustainability, wellness, and personal development. These resources empower our employees with the knowledge and skills needed to make sustainable choices in their daily lives. By investing in education and awareness, we are building a culture of informed and proactive environmental action.

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### *Tree Planting with Furthr*

Capita offers employees the opportunity to plant trees as part of their flexible benefits package, contributing directly to reforestation efforts and helping to offset carbon emissions. Additionally, via the "Trees with Benefits" programme, for every eligible benefit selected on the Benefex platform, a tree is planted. This benefit not only helps restore forests and offset carbon emissions but also engages our employees in meaningful environmental action. By involving employees in reforestation, we are fostering a culture of active participation in environmental conservation and promoting a culture of direct environmental impact and responsibility.

### *Cycle to Work Scheme*

Capita's cycle to work scheme encourages employees to adopt a more sustainable mode of transport by providing access to bicycles and cycling equipment through a salary sacrifice arrangement. This benefit not only reduces our carbon footprint but also promotes a healthier lifestyle among our employees. By making cycling to work more accessible, we are fostering a culture of sustainability and supporting our net zero transition. Encouraging sustainable commuting options helps embed environmental consciousness into daily routines.

### *Electric Car Salary Sacrifice Scheme*

Capita offers employees the opportunity to get a brand new, fully maintained car for a fixed monthly amount, complete with insurance and servicing. All cars offered through this scheme are hybrid or fully electric. This scheme helps employees reduce their carbon footprint and encourages the adoption of electric vehicles.

By integrating these benefits into our employee offerings, we are not only supporting our net zero transition but also encouraging our team members to lead more sustainable lives. This holistic approach ensures that our commitment to sustainability is reflected in every aspect of our organisation.

## **Understanding the Importance of Remuneration and Incentive Payments in Achieving Net Zero**

At Capita, we recognise that remuneration and incentive payments are widely regarded as best practices for driving progress towards net zero emissions. These practices play a crucial role in motivating and rewarding employees for their contributions to sustainability initiatives and environmental performance.

While Capita does not currently provide remuneration and incentive payments specifically tied to our low carbon transition efforts, we are committed to keeping this matter under continuous review. We understand the potential impact these incentives can have on accelerating our journey towards net zero, and we will implement such payments if it becomes suitable to do so.

Our approach remains positive and forward-looking, as we strive to create a sustainable future for our company and the communities we serve. We believe that by staying adaptable and responsive to evolving best practices, we can effectively support our employees and achieve our environmental goals.

## **Training and Development**

To achieve our goal of reaching net zero by 2045, Capita is committed to investing in comprehensive training and development programmes. These initiatives will ensure that our employees at all levels are

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equipped with the necessary skills and knowledge to support our low carbon transition. We will undertake a training needs analysis to identify the specific skills and knowledge gaps within our workforce. Based on the training needs analysis, we will implement key training initiatives to include carbon literacy training, specialised technical training (for roles that require this expertise) and leadership development.

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## 12 How We Will Report Our Progress

To ensure transparency and accountability throughout our net zero journey, Capita has established a clear framework for measuring progress and reporting on our initiatives.

Updates on our progress will be provided annually through our Annual Report, ensuring all stakeholders are informed of developments, achievements, and areas for continued focus.

The data collected is used proactively to inform our strategy, drive meaningful action, and provide assurance to our stakeholders that Capita remains aligned with its net zero ambitions. Through open communication and continual review, our progress remains measurable, accountable, and visible to all.

The plan itself will be formally reviewed and updated at least every three years, or sooner if deemed appropriate, to ensure it remains aligned with emerging best practices and organisational priorities. This process allows us to respond proactively to new opportunities, challenges, and stakeholder expectations.