

Enabled by

# technology

Powered by



**We innovate boldly, to grow better together...**

Capita supports clients across the public and private sectors to run complex business processes more efficiently. We provide people-based services underpinned by market-leading technology, creating better consumer experiences.

Our vision – to be the leading AI enabled business process outsourcer (BPO).

# Driven by Our values



**Customer**  
first, always

We prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service



**Fearless**  
**innovation**

We love bold ideas and adopt the best solutions to continuously improve, working at pace to serve our customers and communities better



**Achieve**  
together

We believe in the power of collaboration and being open, working together, holding each other to account to reach our shared goals



**Everyone is**  
**valued**

We create a welcoming and inclusive environment where everyone feels valued and empowered to succeed

# Contents

## Strategic report

- 2 Financial and non-financial highlights
- 4 Chair's statement
- 6 Investment case
- 7 Business model
- 8 Chief Executive Officer's review
- 13 A Better Capita
- 20 Market trend in focus
- 22 Operating review
  - 22 Public Service
  - 25 Experience
- 29 Delivery achievements in 2025
- 30 Chief Financial Officer's review
- 37 Responsible business
  - 40 Double materiality assessment
  - 44 Strategy
  - 45 Our people
  - 54 Our communities
  - 56 Our business
  - 59 Engaging with our stakeholders
  - 64 Our planet and TCFD
- 79 Risk management and internal control
- 86 Viability statement

This Annual Report, other corporate publications, our latest news and announcements, and more information about us are available on our website, [www.capita.com](http://www.capita.com)

## Corporate governance

- 89 Chair's report
- 91 Monitoring culture
- 92 Governance at a glance
- 94 Board members
- 96 Corporate governance report
- 104 Nomination Committee report
- 107 Responsible Business (RB) Committee report
- 110 Audit and Risk Committee (ARC) report
- 119 Directors' remuneration report

Throughout this document we use a number of financial, non-financial and market standard acronyms. In each case we define the term when it is first used in the document but thereafter we use the short form. You can find a full list of the acronyms used and definitions of other industry terms in the Glossary on page 245.

## CEO review

» Read our CEO review on pages 8 to 12

## Financial statements

- 139 Independent auditor's report
- 161 Consolidated financial statements
- 166 Notes to the consolidated financial statements
- 230 Company financial statements
- 232 Notes to the Company financial statements

## Other information

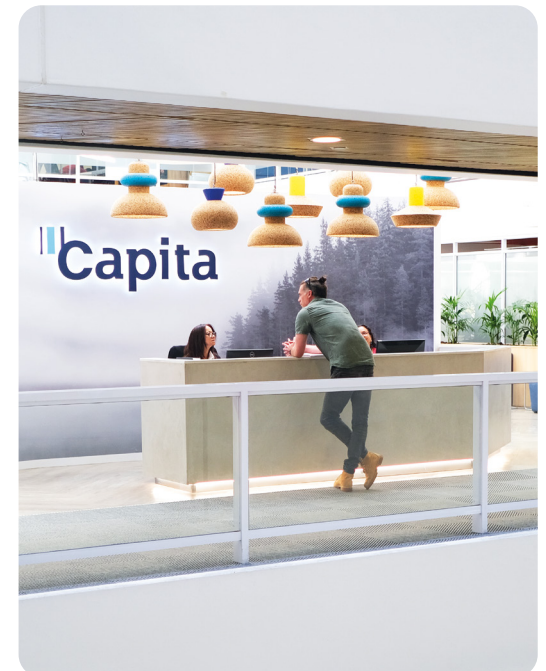
- 238 Additional information
- 239 Alternative performance measures (APMs) and glossary
- 246 NFSIS
- 247 Directors' report

## Responsible business

» Read more about our approach to being a responsible business on pages 37 to 78

## Cautionary statement

The directors present the Annual Report for the year ended 31 December 2025, which includes the strategic report, corporate governance reports and audited financial statements for the year. Pages 1 to 137 of this Annual Report comprise a report of the directors which has been drawn up and presented in accordance with English company law, and the liabilities of the directors in connection with that report shall be subject to the limitations and restrictions provided by such law. Where the directors' report refers to other reports or material such as a website address, this has been done to direct the reader to other sources of Capita plc information which may be of interest. Such additional materials do not form part of this report.



# Improving cash flow performance

## 2025 financial highlights and leading indicators

Adjusted operating margin<sup>1</sup>

**5.2%**

(2024: 3.8%)

Reported revenue

**£2,312.3m**

(2024: £2,421.6m)

Adjusted revenue<sup>1</sup>

**£2,199.5m**

(2024: £2,225.7m)

Reported operating margin

**(5.6)%**

(2024: (0.4)%)

Free cash flow excluding  
business exits<sup>3</sup>

**£(54.0)m**

(2024: £(110.9)m)

Reported basic  
(loss)/earnings per share<sup>2</sup>

**(144.13)p**

(2024: 68.06p)

Adjusted basic earnings  
per share<sup>2</sup>

**49.71p**

(2024: 1.60p)

Net cash flow from  
operating activities

**£4.7m**

(2024: £(25.2)m)

1. Refer to alternative performance measures (APMs) on pages 239 to 245.
2. Refer to note 2.7 to the consolidated financial statements.
3. Refer to note 2.9 to the consolidated financial statements.

Highlights › Non-financial

# Positive progress against KPIs

## 2025 non-financial highlights and leading indicators

Employee engagement index

**63%**

(2024: 64%)

Customer net promoter score (cNPS)

**+31pts**

(2024: +28pts)

Workforce diversity: ethnicity<sup>5</sup>

**41/21%**

(2024: 38/19%)

Total shareholder return (TSR)<sup>7</sup>

**92.8%**

(2024: (36.3)%)

Workforce diversity: gender F/M/ other and did not disclose

**47/52/1%**

(2024: 51/48/1)

CO<sub>2</sub> emissions (market based) Scope 1, 2 and 3 (tCO<sub>2</sub>e)<sup>6</sup>

**193,413**

(2024: 201,691)

Reduction in carbon footprint (market based)<sup>6</sup>

**55%**

(2024: 53%)

Reduction in carbon footprint (location based)<sup>6</sup>

**55%**

(2024: 52%)

Employee net promoter score (eNPS)

**-22pts**

(2024: -33pts)

Suppliers paid within 60 days<sup>4</sup>

**97%**

(2024: 92%)

Voluntary employee turnover

**17.0%**

(2024: 21.7%)

4. Data includes invoices paid through Capita UK companies.

5. White/ethnic minorities in the total workforce. 38% of people (2024: 43%) chose not to respond or specify.

6. Refers to reduction since baseline year of 2019. Statistic updated to cover all relevant emissions from Scope 1, 2 and 3, to align with improved emissions transparency. See pages 64 to 78 for more information.

7. Calculated as the change in the share price with any dividends reinvested on the relevant ex-dividend dates.

## Chair's statement



The Board and management team set out clear strategic priorities at the start of the year and I am pleased to report that we have made meaningful progress against each of them.

David Lowden, Chair

### Summary

This has been an important year for Capita in its transformation, one in which we have focused relentlessly on execution and delivery. The Board and management team set out clear strategic priorities at the start of the year and I am pleased to report that we have made meaningful progress against each of them.

Our strategic themes; better technology, better delivery, better efficiencies and better company, which we outlined at the Group's 2024 Capital Markets Day, continue to guide the Board and the Executive Team, ensuring that every initiative is aligned with the long-term vision for Capita.

We had a number of material developments this year, resolving some legacy challenges that Capita faced, and the Group has made significant progress in our aim to become the leading AI-enabled business process outsourcer (BPO), globally.

In the Contact Centre business, we have reduced operating costs significantly and improved the competitiveness of our offerings, however we are aware that the financial performance is still not where it needs to be. We remain focused on delivering greater value from this business in 2026.

The advancements we have made this year, underpin our longer-term journey, as we improve the Group's financial performance. In 2026, we expect the Group to deliver sustainable positive free cash flow. We are seeing good revenue growth in Public Service and Pension Solutions and in all divisions other than Contact Centre, we are now delivering an adjusted operating margin<sup>1</sup> above our medium-term target of 6 – 8%.

Change provides many opportunities but can also be challenging for our people and I would like to extend my sincere thanks to all Capita colleagues. Your professionalism, resilience, and commitment have been instrumental in driving the Group forward during a period of significant change. The strides we made this year would not have been possible without your hard work and dedication.

### 2025 achievements

We are continuing our business improvement journey utilising three waves of change; cost transformation, innovation & ways of working and investing in future growth, as we adapt to changing markets.

The Group achieved its target of £250m annualised cost savings this year as part of its cost transformation journey. These savings are improving Capita's cost competitiveness and adjusted operating margin<sup>1</sup> performance while offsetting wider cost pressures across the Group, including the increase in National Insurance in the UK which came into effect in April 2025.

During 2025, the Executive Team oversaw further momentum and growth in our technology strategy in a fast evolving market, supporting our aim to become the first AI-enabled BPO. The Group's AI Catalyst Lab, and more recently launched AI Catalyst Stack, have been integral to our progress in this space. These initiatives have standardised our approach to identifying, developing, and scaling AI solutions, both for clients and our own internal operations. The result is faster innovation cycles, improved model governance and measurable improvements in efficiency and service quality.

In 2025, the Executive Team resolved a number of longstanding challenges that Capita had faced, which will reduce the complexity of the Group.

1. Refer to APMs on pages 239 to 245.

The Group has continued to strengthen its cyber security posture, with enhanced controls, updated incident response plans and increased Board oversight. Cyber risk remains a top priority for the Board and the Executive Team, and we will continue to invest in our defences in a continually evolving risk landscape.

A key legacy issue we resolved this year was reaching the £14m settlement with the Information Commissioner's Office, closing the chapter on the March 2023 cyber incident. The payment was made in 2025 and draws a line under the investigation.

It is pleasing we are seeing positive trends in a number of our key stakeholder metrics, despite the pace of transformation across the Group. The Group's customer net promoter score (cNPS) improved by three points to +31, reflecting our service consistency and the benefits of our technology-enabled delivery. Employee engagement, which we deem as key during this transformation, was consistent at 63% (2024: 64%) supported by enhanced training, clearer career pathways and a renewed focus on wellbeing and engagement. The Group's employee net promoter score (eNPS) also increased by 11 points to -22.

In December 2025, we announced a hand back agreement with Royal London's legacy business, the remaining client in our loss making closed book Life & Pensions business. This marks the resolution of a key element of our 'manage for value' strategy and provides certainty over the cessation of a material cash drain on the Group in the long term. As part of the agreement, we also welcomed Royal London onto the share register, which will provide stability during the migration period.

## The Board and governance

Across 2025, the Board maintained a strong focus on strategy, risk and culture, ensuring that we remain aligned with our goals and the expectations of our stakeholders. The Board's priorities include full alignment with the 2024 UK Corporate Governance Code, ensuring our culture is embedded across the Group and that material controls are firmly established and effective and that, in 2027, the Board will be able to make the required declaration on the effectiveness of the Group's material controls as at 31 December 2026. We remain committed to providing constructive challenge and support to the Executive Team and wider management as the Group advances its transformation.

In March 2025, Capita issued £94.2m equivalent of US private placement loan notes (PPN), issued in three tranches with maturity dates across 2028 – 2030 and with an average interest rate across the maturities of 7.4%.

In July 2025, the Group extended the maturity date of its revolving credit facility (RCF) to 31 December 2027, a 12-month extension against the existing maturity date that includes a £50m accordion option.

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Following approval at the Group's AGM in April 2025, we completed the cancellation of the Group's share premium account and executed a 15:1 share consolidation. Cancelling the Group's share premium helped to optimise our balance sheet and increased the Company's distributable reserves.

The share consolidation was successfully completed on 29 April and the Board believes this has improved the marketability of our shares to a wider pool of investors.

# “Capita is well positioned to move forward with increased clarity and purpose.”

Together with the PPN issuance outlined above, the cancellation of the share premium account and share consolidation provides a strong foundation for Capita's next phase of growth.

We have seen a strong share price performance across 2025 with a 92.8% increase seen over the course of the year, reflecting the progress the Group has made during this period. We appreciate that in recent years, our shareholders have not seen strong financial returns from the Group's transformation and we hope for further upside for our shareholders in our continued momentum and delivery.

During 2025, Brian McArthur-Muscroft stepped down as an Independent Non-Executive Director due to the activity levels of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. On behalf of the Board, I would like to thank Brian for his significant commitment and valuable contribution to Capita during his tenure.

## Looking ahead

Capita is well positioned to move forward with increased clarity and purpose. Our focus is firmly on delivering our medium-term targets and building a Better Capita for all stakeholders.

The actions taken in 2025 across technology, delivery, efficiency and governance are all helping to build a better Capita. We are focused on sustainable growth, improved margins and the generation of positive free cash flow, all underpinned by a culture of accountability and continuous improvement.

2026 will see continued discipline in execution, further scaling of AI-enabled solutions for our internal processes and client delivery and a sustained commitment to developing our people and a best-in-class culture. We remain committed to delivering for all stakeholders: clients; colleagues; communities; and, especially, our shareholders, who have shown patience and support as we transform the business.

Our capital allocation priorities remain as previously stated. Firstly investing in the business to deliver our strategy, secondly ensuring we're optimally financed from a debt and leverage perspective, thirdly returning to dividend payments once we are generating consistent positive free cash flow and finally excess capital returns to shareholders once all of the above have been met.

The Board and management team are determined to translate our progress into sustained improved financial performance and long-term value creation.

## Investment case

# Investing in Capita

Our strong market position and deep domain knowledge allow us to take advantage of the significant changes in the markets we operate in.

## Delivering on our commitments to stakeholders

### A BETTER CAPITA



**Strong foundations** to build on – customer base, knowledge and expertise of our people



**Self-sufficient strategy** funded by efficiency improvements, cash generation and exiting less attractive markets



Significant **cost reduction, efficiencies and margin improvement opportunity across all businesses and especially** in contact centres



More **consistent and strategic, go-to-market** approach to double down on **'star positions'**



Use of **next-generation technology innovation** provides an opportunity for productivity improvements, better service and to unlock growth



We are better leveraging **partnerships with hyperscalers** into complex workflows that require accountability, security and human-in-the-loop judgement

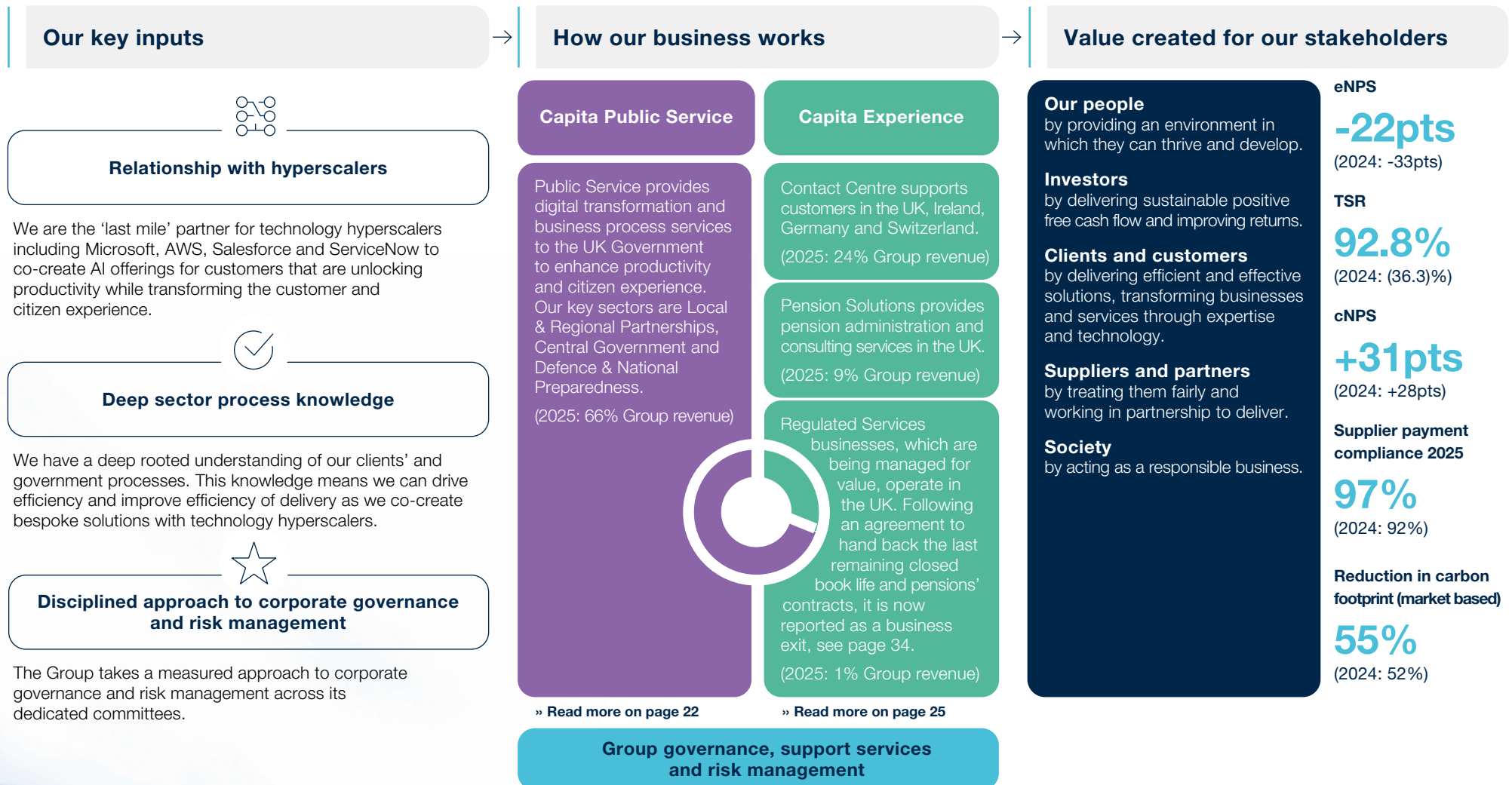
**Our focus is to deliver long-term value**

1. Refer to APMs on pages 239 to 245.

Business model

# Creating value

Our vision is simple: being the leading AI enabled Business Process Outsourcer. We are the trusted partner for our customers, running complex business processes efficiently.



eNPS  
**-22pts**  
(2024: -33pts)

TSR  
**92.8%**  
(2024: (36.3)%)

cNPS  
**+31pts**  
(2024: +28pts)

**Supplier payment compliance 2025**  
**97%**  
(2024: 92%)

**Reduction in carbon footprint (market based)**  
**55%**  
(2024: 52%)

## Chief Executive Officer's review



We are well placed to help drive the required societal improvements in productivity and efficiency that AI and technology can unlock across both the public and private sectors.

**Adolfo Hernandez**, Chief Executive Officer

1. Refer to APMs on pages 239 to 245.

### Summary

2025 was a pivotal year for Capita as we progressed on our transformation journey to become the first AI-led business process outsourcer (BPO). I am excited about what we have achieved since I joined in 2024, and by the platform that we have created to execute our ambitions.

Our 2025 financial performance is improving across the majority of metrics and was broadly in line with our expectations. Group adjusted revenue<sup>1</sup> was 1.2% lower than 2024, with revenue growth in Public Service and Pension Solutions more than offset by a 17.5% decline in Contact Centre driven by reduced volumes in the Telecommunications vertical and contract losses. We delivered a 36% increase in total contract value (TCV) won and strong growth in our unweighted sales pipeline. Our cost saving initiatives and revenue mix have contributed to a 34.2% increase in adjusted operating profit<sup>1</sup> and 140bps improvement in the adjusted operating margin<sup>1</sup> to 5.2%. The Group's free cash outflow, excluding business exits, was £54.0m, including £53.2m cash costs to achieve savings on the Group's cost reduction programme and the £14m settlement with the ICO following the Group's March 2023 cyber incident. This was a £56.9m improvement compared to 2024 as one-off cash outflows reduce as expected.

This is a time of tremendous market opportunity for Capita and our business is fundamentally in a much stronger position than a few years ago.

We are well placed to help drive the required societal improvements in productivity and efficiency that AI and technology can unlock across both the public and private sectors, guided by our rigorous governance and AI charter. By utilising the platforms being created by our technology hyperscaler partners and coupling these with Capita's sector expertise, we are well positioned to take advantage of the growing opportunity and achieve our clear vision to be the trusted AI-led BPO partner. It will help ensure we drive superior results and create better outcomes for our clients and their customers.

Our transformation to a Better Capita is centred on the four strategic themes that we launched in June 2024: better technology; better delivery; better efficiencies; and better company. I am pleased with the progress achieved on each of these themes which form a strong foundation for enhancing Capita and ensuring the long-term resilience of the business.

#### Adjusted revenue<sup>1</sup>

**£2,199.5m**

(2024: £2,225.7m)

#### Group capital expenditure

**£46.2m**

(2024: £49.3m)

**Better technology** is at the centre of our transformation and I am proud of the pace of change and the capabilities we have built in this area. The markets in which Capita operates are changing significantly, as technology becomes an important part of service delivery. AI is already enabled in around 20% of BPO services across Europe and this is expected to rise sharply, with AI services projected to account for more than 50% of a £55bn market by 2027.

Our technology strategy is at the heart of **better delivery** and will be our engine for growth in the longer term. This year, demand for our AI solutions and digital delivery continue to grow and importantly we have further improved our cNPS to +31, up three points from 2024, the highest level since first measured by the Group in 2018.

We have now delivered our targeted £250m of annualised cost savings to drive **better efficiencies**. This has enabled investment in our product offerings, data maturity and our cyber resilience, while also improving the Group's adjusted operating margin<sup>1</sup>.

We are building a **better company** with colleagues across eight countries, helping to shape the future of the organisation. In 2025 we launched new company values, which are our guiding principles as we continue our culture improvement journey. We have maintained employee engagement at 63%, broadly in line with the prior year.

In 2025 we also resolved several legacy challenges simplifying the Group and reducing our overall risk profile. In December 2025, we announced a hand back agreement with the final customer in the loss making closed book

## “Better technology is at the centre of our transformation and I am proud of the pace of change and the capabilities we have built in this area.”

Life & Pensions business, a key component of the completion of our manage for value strategy, and completed the exit of our Mortgage Servicing business. This year we also reached a £14m settlement with the Information Commissioner's Office (ICO), bringing to a close the investigation regarding the Group's March 2023 cyber incident.

While we have made progress in improving the competitiveness of our offerings in the Contact Centre business, the division has seen a material impact in recent years from contract losses and volume reductions on clients. We are unsatisfied with the financial performance of the business and we have not seen the level of improvement and contract wins we had hoped to deliver when we set out our strategy at the Capital Markets Day in 2024. We remain focused on operating costs and are pleased with the costs which we have taken out of the business to date, though clearly there remains work to do to improve the financial performance. We continually assess all options to improve our business and maximise value for our shareholders. We expect further progress in 2026 as cost actions fully annualise and AI-enabled delivery scales.

Building on our achievements in 2025, our strategic priorities for 2026 are strategic growth & market positioning, operational efficiency & cost discipline, technology & AI-driven transformation, increasing customer-fit of AI capabilities, financial strength & value creation, people/culture & capability and responsible business and we are confident these will drive further progress in our business transformation.

### Better technology, product & innovation and technology foundations

Our markets are being significantly impacted by rapid technology evolution: with technology led services growing strongly, while services delivered with more traditional methods are declining.

Security is our first priority. Our AI deployment is guided by rigorous governance and our AI Charter, ensuring responsible innovation that our clients and stakeholders can trust. This year we made tangible progress in data management maturity against the Data Management Association (DAMA) framework, creating a foundation across Capita to leverage our investment in advanced data & analytics technology using Databricks and Snowflake, a key component of our AI Catalyst Stack.

As a Group, we see that technology, when used ethically and transparently, is unlocking human potential, and is playing a key role in automating repetitive, high-volume tasks. We are committed to our human in the loop principle and do not see AI as a headcount reduction tool. Within our delivery methods we ensure that humans focus on value add activities and complex enquiries that require empathy, judgement and decision making.

This year, we took a number of steps which will help deliver our strategy to become the first AI-led BPO. We refreshed our operating model, establishing our AI&PO function and Technology Operations team to deliver standard and repeatable propositions, making us more agile and efficient.



» Watch our CEO discuss how AI is reshaping our industry and Capita's strong position within it

[www.capita.com/about-capita/investor-centre](http://www.capita.com/about-capita/investor-centre)

## Chief Executive Officer's review *continued*

At the start of 2025, we launched Capita's AI Catalyst Lab, an innovation engine that enables colleagues throughout the organisation to submit ideas about how processes could be optimised in any area across the Group, with a dedicated team to evaluate, build, test and scale ideas and solutions. We are also using Capita as 'client zero', trialling and testing solutions internally before customers, and improving the efficiency of our own internal processes. Since the AI Catalyst Lab was launched more than 400 ideas have been submitted with 40 pilot products within the first nine months and 15 solutions have now moved from concept to production.

This year we also launched a number of AI-powered products which are transforming outcomes for our clients, including: Contact Centre of the Future, Document Validation & Fraud Detection, Automated Recruitment, Learning & Development and AI-powered Intelligent Mailrooms & Document Processing. In 2026, we will be launching further AI-powered products, including Process Observability, Case Management and Contact Centre Incident Response.

At the end of 2025, we launched the AI Catalyst Stack which will be fundamental to our future delivery. This is an integrated platform leveraging hyperscaler partners' technologies to automate business processes by combining process observability, rapid AI build and deployment, secure orchestration, and trusted data management. Early results have shown average deployment times reduced from six weeks to 10 days.

This year we showcased the critical work we are delivering at global events such as the Salesforce World Tour London, Capita presented how we are leveraging Agentforce to become the UK's leading agent-driven outsourcing solution.

More recently, I was asked to present at AWS re:Invent on how we are pioneering agentic AI at the Public Sector Innovation talk. We were also featured at London Tech Week by Microsoft showcasing how, as a key government partner, we are using Copilot to deliver better experiences for citizens.

We are using Capita as client zero, trialling solutions to improve the efficiency of our own internal processes before rolling them out to clients. For example, we introduced Workday on Microsoft Teams to streamline HR processes. All our colleague IT support services have now been migrated to ServiceNow, and we have three pilot client accounts currently in flight.

Early benefits are evident across live use cases: our document verification solution at Transport for London, using agentic AI to support our healthcare professionals on a contract with the Department for Work and Pensions and with AgentSuite in Contact Centre to deliver more efficient and effective outcomes. Teams have also created contract specific agents, including AskAssistant on the BBC contract and MyPensionsBuddy in our Pension Solutions business. Internally Microsoft Copilot usage continues to grow, recording around 500,000 interactions each month and saving 41,000 employee hours.

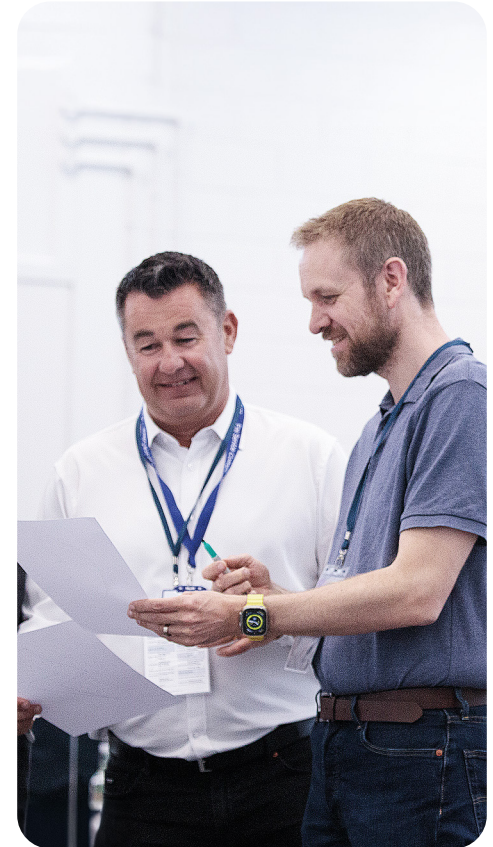
### Better delivery and operating model

Our technology focus is ensuring we become more agile and embedding our strategy consistently into delivery. We actively seek client feedback through an annual cNPS survey which covers our current performance, key drivers and encourages comments on areas that customers would like us to focus on in the future. In 2025, our cNPS improved by a further three points to +31, a record high since when we began to record results in 2018.

Operational highlights across the Group in 2025 include:

- In Public Service, we signed a further three-year extension to the Primary Care Support England (PCSE) contract, driven by our operational delivery and continued innovation via our PCSE Online self-service platform;
- On our contract with Transport for London in Public Service, our AI-powered discount verification system automated 29 fraud checks, reducing processing time from five days for a manual check to under one minute;
- We launched a medical assessment scrutiny tool, leveraging AI-enabled technology, which has reduced waiting time by 17 days on our Recruiting Partnership Project with the British Army;
- Contact Centre now has nine clients using AgentSuite across six countries with the technology being utilised by more than 1,200 of our call centre agents, with further client roll outs planned across 2026;
- AgentSuite was highly commended for Best Implementation of AI in Customer Engagement at the recent Engage Awards; and
- Also in our Contact Centre business, we continued to offshore roles in line with client demands to drive efficiency expanding our presence at offshore locations with new offices opened in South Africa, India and Bulgaria.

On the two contracts where we had previously encountered operational challenges, one went live at the end of 2024 and we have seen continued operational improvements across 2025. The remaining contract transformation has been suspended while we agree an appropriate outcome with the client.



In December, the Group went live with the Civil Service Pension Scheme, one of the largest and highly complex pension schemes in the UK. We inherited a backlog of 86,000 cases from the previous administrator, significantly higher than forecast, resulting in higher-than-expected volumes of calls and complex queries which created further issues. We are working jointly with the Cabinet Office to clear this backlog under an agreed urgent recovery plan. Together with the Cabinet Office, we apologise for the worry, frustration and distress that individuals have faced during this time. We are committed to working through this backlog, with our 500-strong team.

In December 2025 we announced a transition agreement for the remaining two legacy evergreen closed book Life & Pensions contracts, with our last client, Royal London. The closed book Life & Pensions business, which was previously reported in the Regulated Services operating segment, has been a challenging part of the Group which Capita has been actively seeking to exit to eliminate the average annual cash loss of £20m.

Under the agreement, an initial c.£22.4m payment was settled with shares, with a further three £10m payments expected on the first, second and third anniversary of completion. The migration period is expected to take five years and both parties will cover their own migration costs during this period. We expect the continued running and migration cost to be c.£20m per annum, with these costs front-end loaded during the migration period. This provides certainty over the completion of a key element of our manage for value strategy, eliminating a significant future annual cash outflow from the Group and enabling us to focus fully on areas where we can deliver sustainable value.

## Better efficiency and cost transformation

We have now delivered the full £250m of targeted annualised cost savings, a major milestone for the Group, with savings across people (£185m), property (£14m), procurement (£36m) and offshoring (£15m). A significant proportion of these savings has been achieved through the operational efficiencies and synergies gained as we improve our processes and technology and embed AI and gen AI further through the business. In 2025, we incurred a cash cost of £53.2m to deliver the savings.

Delivery of these savings is pivotal in our journey to improve the Group's adjusted operating margin<sup>1</sup>. Although some savings were realised later in the year than planned, particularly in the Contact Centre business, we saw a strong adjusted operating margin<sup>1</sup> improvement in 2025.

The cost savings are also driving our cost competitiveness, and also created space to invest. This year we reinvested a proportion of cost savings, delivering further improvements in our data maturity and governance, investing in our product offerings and further enhancing our cyber maturity, which will benefit future years of our transformation journey.

We will maintain our cost-conscious culture going forward and will continue to drive efficiencies through our continuous improvement and better technology strategy.

## Better company and building a high-performance organisation

Colleagues are at the heart of everything we do and play a critical role in delivering essential services to our customers. To build a high-performance organisation and culture, we are implementing a culture transformation programme built around our employees to help them to develop as the Group transforms.

In the first half of 2025, we launched a refreshed set of values which were co-created with colleagues across all our geographies. The refreshed values of: Customer first, always; Fearless innovation; Achieve together; and Everyone is valued will help us drive performance, enhance service delivery, and foster inclusivity. They are our guiding principles for driving behaviour, shaping our culture and driving Capita's strategic direction.

To bring our new values to life and translate them into positive actions and behaviours, we also launched our colleague and leadership playbooks as well as a new leadership programme.

To embed our new values and ensure a consistent approach to recognition, we also launched a new global recognition platform Celebrate! where all Capita colleagues can thank and recognise each other for either individual or team contributions to living our values and creating better outcomes. Since its launch in September 2025, more than 13,000 celebrations have been added to the platform.

In 2025, through our AI, data and technology academy, we continued to invest in building AI, data, and digital literacy across Capita, supporting our wider digital transformation goals. Through digital learning, targeted bootcamps, and hands-on virtual labs, more than 3,500 colleagues developed practical skills and confidence in applying AI and data tools and techniques in their day-to-day work.

Our AI Academy Multiverse partnership continues to strengthen, delivering high-quality training through applied learning. We have 445 colleagues enrolled in the AI apprenticeship programme, focused on leveraging AI responsibly to drive improved business outcomes.

Despite the Group undertaking a major transformation, it was pleasing to see our employee engagement was broadly maintained

at 63% (2024: 64%) and our employee net promoter score (eNPS) improve by 11 points to -22 (2024: -33). Elsewhere the Group saw inclusion of 69%, up 1%; and wellbeing 68%, up 3%. Survey results were shared with key stakeholders and communicated to all colleagues, with leadership cascading insights across the organisation and local action plans being developed to directly respond to feedback.

Rolling 12-month attrition at the end of December was 17%, the lowest level it has been for many years, compared with 21.7% in the prior 12 months. We are using natural attrition to aid delivery of our cost savings target, particularly in those areas of the business where attrition has historically been higher, such as Contact Centre.

## Growth and sales effectiveness

In 2025, we saw total contract value (TCV) won increase by 36% to £2,055.3m, with a strong performance in Public Service and Contact Centre, up 28% and 66% respectively.

Significant wins included: a renewal with expanded scope with Southern Water and extensions with the Gas Safe Register, Education Authority Northern Ireland and Primary Care Support England in Public Service and the BBC in the Contact Centre business. We also secured expansions of scope with the Royal Navy, which was operationally effective in May, a client within Pension Solutions and a new logo in the Irish Contact Centre business for a first-generation outsourcing client.

The Group's book to bill ratio was 0.9x up from 0.6x in 2024, following a strong performance in Contact Centre which had a book to bill rate of 1.3x, following the material renewal with the BBC at the end of 2025.

## Chief Executive Officer's review *continued*

As we become a leaner organisation, we will be more cost competitive, which should have a positive impact on our win rate in the long term, particularly for new clients and new scopes of work. In 2025, the win rate across all opportunities was 64%, up from 32% in 2024. This was driven by an increased win rate for new and expanded scopes of work which improved from 17% in 2024 to 46% in 2025.

At the start of 2026 we secured significant contract wins including a new ten year contract in Public Service to deliver Synergy Business Process Services worth £370m and major renewal in our Pensions business worth £137m over a ten year period.

Looking ahead to 2026, the Group has opportunities with Transport for London, the Home Office, the Department for Work and Pensions, NHS England and the Road Safety Authority.

As at 31 December 2025, the total unweighted pipeline across all years was £19.8bn, a material increase from £11.1bn at 31 December 2024. This was helped by a more than doubling of the unweighted pipeline in Public Service to £17.8bn, reflecting our renewed approach to sales effectiveness and AI solutions.

The Group's order book, as measured by IFRS 15, at 31 December 2025 was £4.2bn (31 December 2024: £4.2bn) with £1.7bn revenue recognised in the year offset by £1.7bn in contract wins, scope changes including contract terminations and indexation.

### Financial performance (revenue and operating profit)

Adjusted revenue<sup>1</sup> declined 1.2% to £2,199.5m (2024: £2,225.7m) with strong performance in Public Service which saw growth from the Health Assessment Advisory Service and Disabled Student Allowance contract wins and growth from existing contracts including Transport for London and

the Royal Navy training contract. The Pension Solutions business benefitted from indexation and extensions on existing contracts. This growth was more than offset by revenue decreases in the Contact Centre, driven by reduced volumes in the Telecommunications verticals, the impact of offshoring and contract losses.

Reported revenue declined 4.5% to £2,312.3m (2024: £2,421.6m), reflecting the above movements and the impact of business exits, the most significant being the closed book Life & Pensions business.

Adjusted operating profit<sup>1</sup> increased 34.2% to £113.5m (2024: £84.6m), reflecting the benefit from the cost reduction programme which more than offset the Group's revenue reduction and reinvestment in the business.

The Group's adjusted operating margin<sup>1</sup> improved to 5.2%, up from 3.8% in the prior year.

The reported operating loss was £129.6m (2024 loss: £9.9m), largely reflecting a £73.7m goodwill impairment recognised in respect of the Contact Centre business, £56.1m costs to deliver the cost reduction programme and £15.9m costs incurred as a consequence of the March 2023 cyber incident, primarily the £14m settlement with the ICO and related legal fees (2024: £1.0m); partly offset by the improvement in adjusted operating profit<sup>1</sup> detailed above.

### Financial performance (cash flow and net debt)

Free cash flow excluding the impact of business exits<sup>1</sup> was an outflow of £54.0m (2024 outflow: £110.9m), reflecting a strong improvement in cash generated from operations. The Group's free cash outflow includes £53.2m costs to deliver the Group's cost reduction programme and the £14m settlement with the ICO.

Free cash outflow<sup>1</sup> for the Group was £82.1m (2024 outflow: £122.7m) including the outflow from businesses exited, or being exited, of £28.1m.

Net debt, including the impact of leases accounted for under IFRS 16, was £461.6m (2024: £415.2m) primarily reflecting the free cash outflow<sup>1</sup> noted above which was partially offset by the reduction in the Group's IFRS 16 lease debt.

Our IFRS 16 lease liability was £318.2m (2024: £348.7m) reducing with the property rationalisation programme and monthly lease payments. The lease asset receivable related to the lease liability was £96.6m (2024: £95.7m), reflecting the successful sub-letting of property the Group is not utilising.

Net financial debt (pre IFRS 16) increased to £143.4m as at 31 December 2025 (2024: £66.5m).

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and USD43m maturing 24 April 2030, with an average interest rate of 7.4%.

In July 2025, the Group extended the maturity date of its revolving credit facility (RCF) to 31 December 2027, a 12-month extension against the existing maturity date that includes a £50m accordion option.

In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

### Outlook

Looking forward, we are excited about the strong market opportunity we have, leveraging the strong foundations we have put in place as

the market and technology landscape continues to change and evolve. Capita is now a leaner business, focused on delivering scalable and repeatable solutions to customers utilising its technology partners. It is a less complex business committed to improving its financial performance.

For the Group as a whole, we expect to deliver low single-digit adjusted revenue growth<sup>1</sup>, compared to 2025, with low to mid single-digit growth in Public Service and mid-teen growth in Pension Solutions more than offsetting the continued revenue reductions in Contact Centre where we expect to see a mid to high single-digit reduction in 2026 and Regulated Services where revenue will reduce materially given the non-repeat of one-offs from 2025.

We expect a small reduction in adjusted operating margin<sup>1</sup> in 2026 compared to 2025. Public Service is anticipated to deliver a consistent operating profit in 2026 compared to 2025, with a small reduction in margin reflecting mobilisation costs associated with Synergy Business Process Services. While the trends will improve across 2026 in the Contact Centre business, we expect the business to remain loss making in 2026. Reflecting mobilisation costs associated with the Civil Service Pension Scheme contract in 2026, we expect a reduction in operating profit in Pension Solutions. Regulated Services is anticipated to be breakeven in 2026.

We continue to expect to be free cash flow<sup>1</sup> positive in 2026, delivering a positive free cash flow excluding business exits of between £20m – £40m, reflecting the non-repeat of 2025 cash flows to deliver the cost reduction programme and ICO settlement, with cash conversion of 70% to 80%.

Net financial debt will be broadly similar to 2025 reflecting cash outflows associated with business exits, predominantly closed book Life & Pensions.

1. Refer to APMs on pages 239 to 245.

A Better Capita

# Better technology

We are using technology to unlock human potential and make processes more efficient and effective.

## Our AI Catalyst Lab and AI Catalyst Stack are key components of our better technology theme

In 2025, we launched the Capita AI Catalyst Lab, a dedicated team focused on identifying, testing, and scaling AI solutions that drive measurable business outcomes for both Capita and its clients. Ideas are being originated through all levels of the organisation and since its launch more than 400 ideas have been submitted.

The AI Catalyst Stack is a four-layer framework that operationalises AI safely and at scale. It underpins our ambition to become the first AI-enabled BPO globally, enabling AI agents to enhance workflows, reduce costs, and improve client outcomes.

The Stack is built on hyperscaler foundations and industry-leading platforms, it provides the structural integrity needed to move AI from experimentation to enterprise-grade deployment.

This is transforming Capita into a human plus agent partnership model. AI agents can now coordinate end-to-end workflows, while human experts oversee quality, compliance, and empathy-driven interactions.

### The Capita AI Catalyst Stack

**Users**



Contact Centres



Opps teams



Exec MI



Portals



Mobile



Partner APIs

**Process observability**

**Understanding workflows to automate operations** Capture | Mining | Conformance | ROI  
Using process intelligence to build a digital view of workflows, highlighting bottlenecks, compliance risks, and automation opportunities.



**Evidence | Patterns | KPIs | Events**



**Low-code**

**Agents | Workflows | Templates | Guardrails**

Using hyperscaler technology, teams can assemble agents, workflows and Copilots without writing code.

**Pro-code**

**Custom Agents | Workflows | Templates | Guardrails**

A secure, scalable foundation for custom AI services and domain models. Built to handle big, complex tasks.



**APIs/Events | Feedback/telemetry | Agent Actions**



**Orchestration & integration**

**MCP | A2A | API Mesh | Connectors**

Connect legacy and current systems and estates, ensuring data flows smoothly and synchronises securely across channels and platforms, enabling real-time service.



**Data management & intelligence**

**Lakehouse | Pipelines | Semantic Layer**

Unify operational and analytical data into a single semantic layer streamlining MI/BI and governance, enabling quicker insights and automated risk scoring.



**Cross-cutting: Identity • Security/Governance • FinOps**

Policies | RBAC | Audit | Data residency | Cost controls  
Underpinned by industry-standard identity management, security and governance for public and regulated markets.



A Better Capita *continued*

# Better delivery

The Group is driving impact at scale with its better delivery theme: powered by technology and human expertise, to make everyday life run smoothly and safely.



## Driving growth through better delivery

By continually improving how we deliver for our clients, we unlock new opportunities, expand our reach, and strengthen our reputation. Our commitment to innovation and process improvement means we can adapt more quickly to changing client needs and offer new products and services that set us apart.

Group cNPS

**+31**

(2024: +28)

Average Group KPI performance

**94%**

(2024: >90%)

## How Capita is humanising AI

Humanising AI involves making digital interactions feel more personal, empathetic and emotionally intelligent, so that customers can feel as understood, valued and supported as they would have been by a human. It is about blending the efficiency of digital with the warmth of human connection.

We are embedding AI throughout the organisation while keeping people at the centre of service.

For example, our AgentSuite tool has a function which prepares call summaries and transcripts, proposes next actions and saves significant administration in between calls – allowing our colleagues to reduce post-call administration time.

## AI-powered procurement

Capita is helping public sector organisations rethink how they manage contracts, using AI and automation to bring clarity, control and confidence to procurement.

- **Contract intelligence:** AI, when configured and used in the right way, can scan and interpret thousands of contract documents, extracting key terms, obligations and risks. This enables procurement teams to act proactively – whether renegotiating terms, flagging compliance issues or identifying cost-saving opportunities.
- **Information formatting:** one of the key blockers to effective contract management is data opacity, which makes review of contractual spend data impossible without dedicating weeks to the review. AI automation can collate and format the data in a matter of minutes.
- **Data-driven decision making:** with centralised dashboards and real-time analytics, teams gain full visibility across contracts, suppliers and spend. This empowers better decisions, faster responses and stronger governance.

# Better efficiency

We have now delivered £250m of annualised cost savings, allowing us to invest in our transformation strategy and improving our adjusted operating margin.



## We have simplified and streamlined our operations

Our commitment to efficiency drives us to continually refine how we work, eliminating unnecessary complexity and accelerating outcomes. By leveraging technology from our hyperscaler partners and optimising workflows with our process expertise, we deliver better, faster results for clients and improve our internal agility.

The Group's successful cost reduction programme is driving improvements in the Group's operating margin and improving our cost competitiveness, which will improve win rates going forward.

But, most importantly, as we are doing this we are creating a changed culture and thinking about efficiencies in new ways to stop costs creeping back.

### Adjusted operating margin<sup>1</sup>

**5.2%**

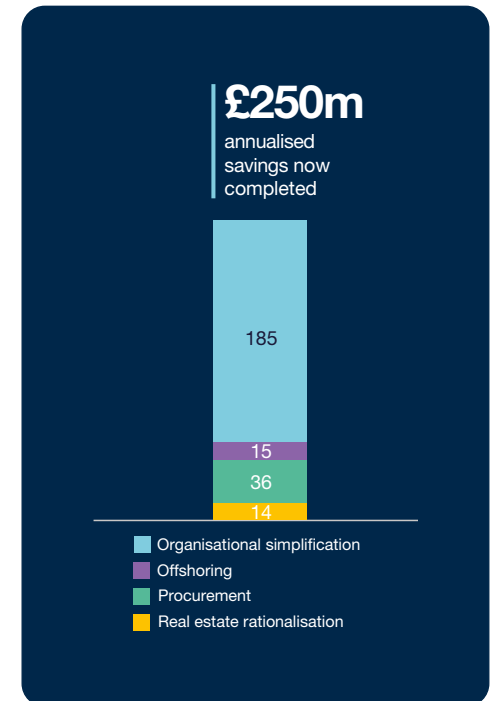
(2024: 3.8%)

### Cash cost to deliver cost reduction programme

**£53.2m**

(2024: £44.5m)

1. Refer to APMs on pages 239 to 245.



A Better Capita *continued*

# Better company

We are building an environment where everyone can thrive, deliver their full potential and achieve their career goals.

## Creating a high-performance organisation

We are creating an organisation that is resilient, agile and future ready. We're investing in our people, building a culture of continuous improvement and ensuring that our values are reflected in everything we do.

Our culture transformation programme is helping our colleagues develop as the Group transforms, with our AI, data and technology academy upskilling colleagues across the Group.

We are recognising colleague achievements through our new global recognition platform Celebrate! and newly launched CEO awards.



**Customer**  
first, always



**Fearless**  
innovation



**Achieve**  
together



**Everyone is**  
valued

## People vs digital agents

### Our human in the loop concept is a key part of our transformation

As a Group, we see that technology, when used ethically and transparently, is unlocking human potential, and is playing a key role in automating repetitive, high volume tasks. Within our delivery methods we ensure that humans focus on value add activities and complex enquiries that require empathy, judgement and decision making.

#### Upskilling colleagues

**445**

colleagues completing Multiverse apprenticeships

#### More than

**3,500**

colleagues developed practical AI skills through digital learning, targeted bootcamps, and hands-on virtual labs

Understand/Analyse  
Report/Create/Search  
Enrich/Decide/Execute



Review/Validate/Verify/  
Create/Decide/Empathise  
Escalation/Reassure

Building a better Capita

# Enabled by technology Powered by people

“By merging the right people,  
processes and technology,  
we can create better outcomes”

Sameer Vuyyuru, Chief AI and Product Officer

Enabled by technology

# Creating innovative solutions for our customers

Our services combine cutting-edge technology and transformational AI with human expertise to create better outcomes for people and businesses.

## Transforming client services

Our strategic partnerships with leading technology partners including hyperscalers such as AWS, Microsoft and Salesforce give us access to secure, scalable platforms and the latest innovations.

At the core of our operations sits our AI Catalyst Stack, orchestrating business processes with agility and precision, and enabling us to tailor solutions to our clients' needs, no matter how complex.

Our AI catalyst lab is an innovation engine that enables colleagues throughout Capita to submit ideas about process optimisation.

>300

agents built and tested via AI Catalyst Lab

400

ideas submitted to the AI Catalyst Lab since inception



Agentforce



Powered by people

## Delivered through a dedicated team

Our innovative AI Catalyst Lab has a dedicated team focused on identifying, testing, and scaling AI solutions that drive measurable business outcomes for both Capita and its clients.

### People at the heart of our organisation

Future-proofing our workforce is a core part of our mission. We invest heavily in upskilling our people, champion diversity and inclusion, and support a culture of continuous improvement.

Through initiatives like our AI Catalyst Lab, AI apprenticeships, and volunteering programmes, we are not only equipping our colleagues for the future but also making a tangible difference in society.

“The launch of the AI Catalyst Lab represents a significant milestone in our journey to harness the power of AI to enhance our operations and deliver superior value.”

Sameer Vuyyuru, Chief AI and Product Officer

Market trends in focus

# AI market and value chain

By prioritising trust, transparency, and governance, we aim for AI to create genuine value for people, businesses, and society.

## Market opportunity



## AI – what next for the BPO sector?

The BPO sector sits at the intersection of complex, high-volume processes and the need for continuous improvement, making it the ideal environment for agentic AI to drive meaningful change.

Traditionally, the sector has relied on large human workforces carrying out repetitive manual tasks. Today, human expertise is being blended with agentic AI, freeing people from routine work and empowering them to focus on oversight, empathy, and creative problem-solving.

## Market size

Markets are changing significantly as technology becomes an important part of service delivery. AI is already embedded in around 20% of BPO services across Europe and this is projected to rise sharply and account for more than 50% of a £55bn market by 2027.

For Capita, more than two thirds of our 2025 revenue was AI-enabled.

More than two-thirds of our 2025 revenue was AI-enabled

Majority of our c.£20bn unweighted pipeline is AI-deliverable

# “We want to specialise in a human-in-the-loop type of agentic capability where everything is customer facing.”

Adolfo Hernandez, Chief Executive Officer

## What does this mean for Capita:

### as a Company...?

Capita’s aim is to become the leading AI-enabled BPO, globally. In 2026, our goal is to scale AI deployments across more operations, setting a new benchmark for the industry.

The challenge is to build, deploy, and harness the capabilities of AI both to migrate existing services to be more efficient and to provide a better service through the injection of AI, and build new services on the back of AI.

The UK Government is accelerating its adoption of AI to responsibly transform public services. Our strategy focuses on using AI agents to remove friction, automate routine work, and allow skilled professionals to focus on what matters most: delivering outcomes for citizens, safely and transparently.

We are the solution provider that integrates different services, systems and data repositories with our knowledge and people into complex workflows that require accountability, security and human judgement.

### ...as a responsible business...?

Our clients and regulators expect clear governance and accountability for AI systems, and we have made this a cornerstone of our approach. Every solution we deploy includes embedded policy controls, robust data-handling safeguards, and meaningful human oversight.

Our AI charter sets out our commitment to harnessing AI responsibly and ethically, embedding our corporate values – customer first, fearless innovation, collaboration, and inclusivity – at the heart of every decision and deployment. By prioritising trust, transparency, and governance, we aim for AI to create genuine value for people, businesses, and society.

### ... and as an employer?

The integration of agentic AI with human expertise is redefining service delivery – enhancing productivity, improving outcomes, and creating more meaningful work for people. Our transformation is not only improving operational efficiency but is also enhancing the employee experience. As a people-first organisation, we have equipped our teams with cutting edge technology to complement their day-to-day and professional skills to better serve our customers.

## Positioned as the orchestrator to deliver managed outcomes for customers using global IA infrastructure

Highly trained AI-proficient professionals

Deep understanding of BPO processes

Proprietary data and data about processes

### Global AI infrastructure

Applications

Platforms

AI models

Data layer

Computing infrastructure

Chip processing

300+ AI agents active across the Group

Capita is among the top 3% of agentic enterprises worldwide<sup>2</sup>

2. Microsoft

## Operating review › Public Service

# Capita Public Service

Public Service is the number one<sup>2</sup> strategic supplier of Software and IT Services (SITS) and business process services (BPS) to the UK Government.

## Financial performance

Divisional financial summary	2025	2024	Change %
Adjusted revenue <sup>1</sup> (£m)	1,450.0	1,387.2	4.5
Adjusted operating profit <sup>1</sup> (£m)	121.0	89.1	35.8
Adjusted operating margin <sup>1</sup> (%)	8.3	6.4	
Adjusted EBITDA <sup>1</sup> (£m)	152.2	125.6	21.2
Operating cash flow excluding business exits <sup>1</sup> (£m)	135.0	92.1	46.6
Order book (£m)	2,720.1	2,923.4	(7.0)
Total contract value secured (£m)	1,185.8	928.7	27.7

### Adjusted revenue<sup>1</sup>

# £1,450.0m

(2024: £1,387.2m)

### Adjusted operating profit<sup>1</sup>

# £121.0m

(2024: £89.1m)

## 2025 overview

### Business units

- Central Government
- Defence & National Preparedness
- Local & Regional Partnerships (including Learning)

### Employees

- 10,000

### Client distribution

- UK

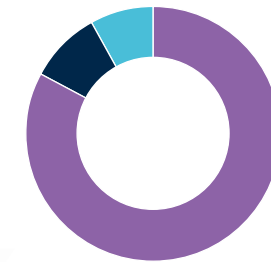
### Competitors

- Atos
- G4S
- Accenture
- Sopra Steria
- CGI
- Serco
- Maximus
- Tata Consultancy Services (TCS)

### Major contract wins and renewals

- An expansion of scope with the Royal Navy valued at £97m to deliver marine engineering training
- A three year extension to deliver the Primary Care Support England service on behalf of NHS England
- A contract with the Health and Safety Executive to manage the Gas Safety Register in a contract worth £89m
- A contract with the Education Authority of Northern Ireland worth £107m to deliver managed IT service and application services to schools across Northern Ireland

## Adjusted revenue by type<sup>1</sup>



- Long-term contractual 83%
- Short-term contractual 9%
- Transactional 8%

## Revenue by market



- Local & Regional Partnerships (including Learning) 31%
- Central Government 37%
- Defence & National Preparedness 32%

1. Refer to APMs on pages 239 to 245.

2. TechMarketView.

# The Public Service division is well positioned as a trusted delivery partner for complex transformations.

## Market and growth drivers

Public Service is the number one strategic supplier of Software and IT Services (SITS) and business process services (BPS) to the UK Government.

The division is now structured around three market verticals: Central Government; Defence & National Preparedness; and Local & Regional Partnerships (including Learning), delivering to their respective client groups.

Digital BPS continues to be an area of fast growth, driven by the Government's ambition to improve productivity, reduce backlogs and modernise citizen services using AI-enabled and digital solutions.

Public Service operates in highly fragmented markets with a variety of services offered. Competitors within the market include but are not limited to: Atos, G4S, Sopra Steria, CGI, Tata Consulting Services, Serco, Accenture and Maximus.

## Strategy and better technology

The division's core focus is to improve the productivity and efficiency of public service and create a better citizen experience through the use of technology-enabled delivery.

The division's deep sector knowledge, domain expertise and proven track record in delivering complex services – built through strong, long-standing collaboration with Government departments, alongside our strengthened hyperscaler partnerships, means the Public Service division is well positioned as a trusted delivery partner for complex transformations.

The UK Government's AI Opportunities Action Plan, published in January 2025, sets out their plans to accelerate AI adoption across the UK to boost economic growth, provide jobs for the future and improve people's everyday lives. With our focus on unlocking the transformative potential of AI to improve the delivery of complex processes at scale, whether for commercial businesses or for government, Capita is uniquely placed to deliver in line with the plan's vision for the future.

We are adopting and implementing AI, tailored around individual contract needs, working with our hyperscaler partners and operating an outcome-led delivery model. We are already delivering on a number of the Government's priorities on a large scale. For example, our Primary Healthcare Extraction Tool, has reduced waiting time by 17 days through a fully digitised medical scrutiny journey. We have also developed an efficient solution that uses AI technology input to accurately interpret both typed and handwritten correspondence for Freedom of Information and Subject Access Requests enquiries.

Our repeatable solutions are being industrialised and scaled across the division, allowing us to deliver more agile services and we are exploring options for potential expansions to increase the division's addressable market and accelerate growth, in some cases with private companies where we have strong proposition alignment.

## Operational performance and better delivery

Across the year, the division's average KPI performance was broadly consistent at 93%. The division's standalone cNPS was +37, up nine points compared to 2024, with the highest scoring areas for account management and working relationships; sector and experience knowledge; and transparency and knowledge.

Digital innovation and transformation were key areas of focus in 2025 as we embedded technology more consistently across the division. Our strong operational performance and continued innovation via our PCSE Online self-service platform drove a further three-year extension on our PCSE contract with NHS England, with the first 18-month period valued at £83m. This represents a significant relationship reset on a historically challenged contract and provides a strong foundation for future growth.

We are embedding higher levels of technology in our service delivery across our contract base. For example, in 2025, to support Transport for London on the opening of the Silvertown Tunnel scheme, we introduced an AI-powered discount verification automating 26 fraud checks. This tool has increased the accuracy of the discount verification while significantly improving the review time of applications. We have identified a number of further possible use cases across the sector.

This year, we also introduced a new self-service scheduling system for the Gas Safe Register, successfully delivering on one of the key commitments we made to the Health and Safety Executive during the recent contract rebid.

In Local & Regional Partnerships, our Appian aged debt tool is helping councils to collect aged council tax debt and has already enabled Lambeth Council and Bexley Council to save over £3m.

## Operating review › Public Service *continued*

Other delivery highlights from the year include:

- Creating AI agentic agents, to transform knowledge management and quality assurance on a contract with the Department for Work & Pensions;
- In May we delivered the 10<sup>th</sup> service transition which saw further expansion on our successful Royal Navy training contract. The latest service commencement saw 200 additional personnel join to fulfil training services for Marine Engineering at HMS Sultan;
- On the division's Smart DCC contract, Public Service has put in place and built a significant national network enabling smart meter monitoring which will now be transitioned to a not for profit service provider in the coming year;
- Supporting more than 28,000 disabled students, ensuring they receive the assistance they need to thrive in their education;
- Processing more than 6 million patient registrations with GP practices across England;
- Delivered more than 900 courses at the Fire Service College;
- Supporting more than 170 schools in Northern Ireland in delivering fully electronic mock examinations with the support of our Technology Operations team; and
- We launched a medical assessment scrutiny tool, leveraging AI-enabled technology, which has reduced waiting time by 17 days on our Recruiting Partnership Project with the British Army.

In November 2025, Ofgem, in line with the usual annual price control process, confirmed they were consulting on a proposal to disallow c.£31m of costs incurred by the Smart Data Communications Company (Smart DCC) for the regulatory year 2024/2025. Since November, Smart DCC has engaged constructively with Ofgem to seek a reduction to the level of disallowed cost in the final price determination, which has not yet been issued. In preparing the 2025 financial statements, we have made an estimate of what, based on discussions to date, the 2024/2025 price determination will be.

On the two contracts where we had previously encountered operational challenges, one went live at the end of 2024 and we have seen continued operational improvements across 2025. The remaining contract transformation has been suspended while we agree an appropriate outcome with the client.

### Growth

Across 2025, Public Service won contracts with a TCV of £1,185.8m, up 28% from 2024. There were material wins with Education Authority Northern Ireland, Gas Safe Register and with NHS England on our PCSE contract and a further expansion of scope on our successful contracts with the Royal Navy. The division also won a number of deals using agentic AI as a core element of the proposition, including with Transport for London and local councils including Barnet and Kent.

Reflecting the TCV performance this year, the division's book to bill ratio was 0.8x with an improved win rate across all opportunities of 51%, up from 24% in 2024, following the

material loss of a contract in the Defence vertical, which was lost on price. The defence vertical saw a particularly strong year, winning 100% of opportunities bid for across 2025.

At the start of the year, we set out a clear objective to improve our win rate on mid-sized deals with a TCV of between £5m and £50m, which has been lower than the average historically. We are therefore very encouraged to have seen a significant improvement in wins of this size this year, with 28 mid-sized deals won, delivering over £750m of TCV in the year predominantly new business and expansions of scope, with clients Vale & South, Bexley Council and with a customer delivering training services at the Fire Service College.

Material opportunities for the division in 2026 include a renewal with Transport for London, the Department for Work and Pensions and a number of opportunities within our Learning business. At the start of 2026 the division secured a significant contract win with a new ten year contract to deliver Synergy Business Process Services worth £370m.

The division's total unweighted pipeline for 2025 stood at £17.8bn, more than doubling from £8.1bn at the end of 2024, in line with our refreshed growth strategy and sustained efforts to identify high quality opportunities within the pipeline to support our future growth ambitions. The division's year-end weighted pipeline stood at £2.0bn, up from £1.2bn in the prior year, reflecting the increase in overall pipeline.

The divisional order book stands at £2,720m, a decrease of £203m from 2024, reflecting the revenue recognised in the period which more than offset wins in the period.

### Financial performance

Adjusted revenue<sup>1</sup> increased by 4.5% to £1,450.0m, reflecting the benefit from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract and growth and scope expansions on contracts with Transport for London, Royal Navy and Primary Care Support England, partially offset by the flow through of contracts lost in previous years.

Adjusted operating profit<sup>1</sup> increased 35.8% to £121.0m, delivering an adjusted operating margin<sup>1</sup> of 8.3%. The strong increase reflected the benefit from the division's revenue growth, flow through from the cost reduction programme, partly offset by continued reinvestment in our offerings and a £9m impact from the rise of National Insurance.

Operating cash flow excluding business exits<sup>1</sup> increased 46.6% to £135.0m with operating cash conversion<sup>1</sup> of 88.7% (2024: 73.3%) reflecting the division's increased operating profit and favourable timing of receipts at the end of 2025.

### Outlook

For 2026, reflecting the mobilisation of contract wins, we expect the division to deliver low to mid single-digit revenue growth, which offsets the impact of previously announced contract losses, including the Standards and Testing Agency and Scottish Wide Area Network.

We expect operating profit to be broadly similar with a small reduction in operating margin, reflecting the mobilisation costs associated with contracts including the Synergy Business Process Services offsetting the flow through from revenue growth.

1. Refer to APMs on pages 239 to 245.

## Operating review › Experience

# Capita Experience

Experience comprises two focused business areas, Contact Centre and Capita Pension Solutions. Regulated Services comprises one business which is being managed for value.

## Financial performance:

### 1. Contact Centre

Divisional financial summary	2025	2024	Change %
Adjusted revenue <sup>1</sup> (£m)	536.7	650.9	(17.5)
Adjusted operating loss <sup>1</sup> (£m)	(17.0)	(5.9)	(188.1)
Adjusted operating margin <sup>1</sup> (%)	(3.2)	(0.9)	
Adjusted EBITDA <sup>1</sup> (£m)	16.3	34.3	(52.5)
Operating cash flow excluding business exits <sup>1</sup> (£m)	6.7	0.1	n/a

### 2. Pension Solutions

Divisional financial summary	2025	2024	Change %
Adjusted revenue <sup>1</sup> (£m)	187.0	179.0	4.5
Adjusted operating profit <sup>1</sup> (£m)	29.9	28.1	6.4
Adjusted operating margin <sup>1</sup> (%)	16.0	15.7	
Adjusted EBITDA <sup>1</sup> (£m)	37.4	34.1	9.7
Operating cash flow excluding business exits <sup>1</sup> (£m)	18.4	33.3	(44.7)

### 3. Regulated Services

Divisional financial summary	2025	2024	Change %
Adjusted revenue <sup>1</sup> (£m)	25.8	8.6	200
Adjusted operating profit <sup>1</sup> (£m)	5.4	1.3	315.4
Adjusted operating margin <sup>1</sup> (%)	20.9	15.1	
Adjusted EBITDA <sup>1</sup> (£m)	5.7	1.3	338.5
Operating cash flow excluding business exits <sup>1</sup> (£m)	3.5	(2.9)	220.7

#### Adjusted revenue<sup>1</sup>

# £749.5m

(2024: £838.5m)

#### Adjusted operating profit<sup>1</sup>

# £18.3m

(2024: £23.5m)

## 2025 overview

### Business units

- Contact Centre: Financial Services; Telecommunications, Media & Technology; Energy & Utilities; and Retail (including charities)
- Pension Solutions
- Regulated Services

### Employees

- 16,000

### Client distribution

- Germany
- UK
- Ireland
- Switzerland

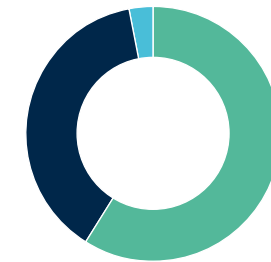
### Competitors

- Atento
- Teleperformance
- Accenture
- Concentrix
- Foundever
- TTEC
- Tech Mahindra
- Firstsource
- Tata Consultancy Services
- In-sourced

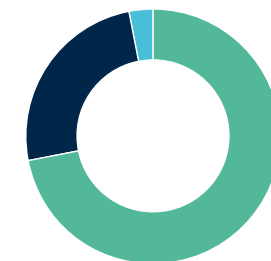
### Major contract wins and renewals

- A three year extension with the BBC for the administration of TV Licensing in the UK
- Worth £62m over four years, a renewal with a major European telecommunications provider
- A key contract extension with Samsung Electronics UK providing voice, email and social media community management support

## Adjusted revenue by type<sup>1</sup>



## Revenue by market



1. Refer to APMs on pages 239 to 245.

## Operating review › Experience continued

### Capita Experience

Experience comprises two focused business areas; the Contact Centre business and Pension Solutions. In addition, Regulated Services, comprises a business which is being managed for value. Following the agreement to hand back the remaining contracts within the closed book Life & Pensions business in Regulated Services, this business unit has now been moved to business exits within the Group accounts.

### Contact Centre

#### Market and growth drivers

Contact Centre is a customer experience business, managing millions of interactions with customers in the UK, Ireland, Germany and Switzerland with services delivered across these geographies and also in India, South Africa, Poland and Bulgaria.

The division is structured around the market sectors it serves: Financial Services; Telecommunications, Media & Technology; Energy & Utilities; and Retail, delivering predominantly front office services, with some contracts linked to middle-office and back-office services. The global customer experience market is worth \$117bn<sup>3</sup> with the market expected to grow at between 2% and 4%<sup>3</sup> per annum.

Contact Centre services and business process outsourcing services are centred around general enquiries & complaints, technical support, billing & collections and sales & order processing.

The customer experience market has been evolving rapidly in recent years, particularly in the delivery of front office services, as technology continues to evolve. Most recently and in line with our strategy, there has been

a sector wide focus, on the implementation of AI to ensure commercial viability of offerings both for customer experience providers and their clients.

Our competitors are mostly global and include Teleperformance, Concentrix, Tata Consulting Services and Foundever.

#### Strategy and better technology

The Contact Centre vision is to be a leading regional player with global quality standards and an aim to become a first-choice partner of national and international companies.

The Contact Centre business's strength is in front office services with strong AI offerings, which are being expanded to middle and back-office services to support first time resolution and outcomes. For example, delivering to utility companies real time scheduling of field engineers for first contact resolution.

We are disciplined on growing our client base, delivering to customers with a similar size and market presence to the business. We are delivering in areas where we have expertise, around our existing market sectors, with our human in the loop principle providing empathy and trust for clients and customers. We are utilising market leading technology for our client delivery. In 2025, we expanded our AgentSuite offering (launched in 2024) to include sales assistance, Sales Convert. We now have more than 1,200 colleagues using AgentSuite across the business, with further client expansion planned in 2026.

In 2025, we worked with specialist AI providers including Agentforce, SymTrain, Sanas, GetVocal and Central, embedding them into contracts across our portfolio. These tools are supporting our human in the loop strategy by

improving on-boarding and increasing speed to competency, which impact directly client satisfaction and will improve the business's financial performance in the longer term.

The division's adjusted revenue declined 17.5% in 2025, driven by reduced volumes in the Telecommunications vertical and contract losses as expected, and an adjusted operating loss<sup>1</sup> of £17.0m, including c.£15m of costs associated with under utilised property and c.£10m from the loss making German business. During the year, significant cost reductions were made in the Contact Centre business to improve its financial performance; however, the phasing of these reductions was later than expected in 2025. We have more work to do in respect of our German business and property footprint which currently represents around 60% of the Group's lease liability.

#### Operational performance and better delivery

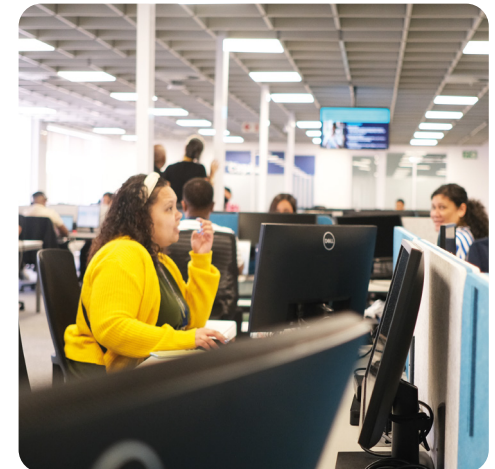
Across the year, the division's average in-month KPI performance was 91% (2024: 93%). The division's standalone cNPS performance was maintained at +38 points (2024: +38 points).

Our offshoring strategy is continuing to drive improvements in quality and flexibility of our delivery, while improving our cost efficiency. The division now has offshore centres of excellence across India, South Africa, Poland and Bulgaria with each location delivering speciality services. For example, our South Africa centre of delivery is specialising in voice delivered services and AI augmented agents.

We continue to build our offshore presence and these global centres are improving the quality and cost competitiveness of the services, while allowing us to deliver a 24/7 service around our clients' individual delivery needs.

Operational highlights for the year include:

- We now have nine clients live on AgentSuite across six countries in the Contact Centre business with the technology being utilised by more than 1,200 of our call centre agents (including team leaders and operational directors), with further client rollouts planned across 2026;
- AgentSuite was highly commended for best implementation of AI in Customer Engagement at the recent Engage Awards;
- We now have over 10,000 call centre agents utilising AI in their day-to-day delivery;
- We continued to offshore roles in line with client demands to drive efficiency, expanding our presence in our offshore locations with new offices opened in South Africa, India and Bulgaria;
- The recent expansion of our presence in Bulgaria with a new, larger office in Plovdiv, with more than 100 colleagues. We plan to expand further in 2026 reflecting our commitment to our people, technology and client partnerships in the region;



3. Everest.

- Also, in August 2025, we opened a new office in Mumbai which is a specialist retail and ecommerce hub; and
- Being recognised at multiple awards, including winning the Engage Awards 2025 (Best implementation of AI in Customer engagement) and ECCCSA (Best BPO Partnership and Greatest Impact of AI by an Outsourcer), both for our work with Southern Water and nominations at the UK National Contact Centre awards, CCA global awards 2025 and Central Select awards.

This year the business has seen continued challenges and revenue reductions from contract losses and with clients in the Telecommunications vertical, where we have seen lower volumes and scope reductions on some contracts. This has had a material impact on the business's financial performance which is not where it needs to be. We have improved the competitiveness of our offering but we have not yet seen the level of improvement in financial performance and contract wins we expected. This will be an area of focus for the business and Group going forwards.

Since 2024, the business has launched customer service bundles across its Retail and Telecommunications, Media & Technology verticals and a standalone collections bundle. These bundles offer repeatable, modular and scalable solutions, which can be efficiently tailored to client needs to allow more effective and agile service delivery. Since the launch of these bundles, we have seen an increase in pipeline in these sectors and we have had success with a number of new logo wins.

## Growth

In 2025, the Contact Centre business secured deals with a TCV of £716.5m up by 66% from 2024. The business's book to bill was 1.3x compared with 0.7x in the prior year.

Material wins in the year included major renewals with the BBC and a major European telecommunications customer, a renewal with expansion of scope with Southern Water, a three-year extension with Scottish Power and a new logo first generation outsourcer win in Ireland with a TCV of £56m.

The win rate across all opportunities in Contact Centre for the year was 80%, up from 57% in 2024, with a significant increase in the business's win rate for new scopes of work which increased to 43% up from 22% in the prior year.

The business's unweighted pipeline now stands at £1.5bn, down from £2.3bn at the end of 2024. There are material opportunities in 2026 with a number of retail and utilities customers.

We are focused on growing the Contact Centre pipeline, as we look to improve the business's revenue performance, with a focus on increased diversification of opportunities. We are targeting both high volume, smaller and quicker to deploy opportunities alongside more traditional bespoke large multi-year deals with a higher opportunity value. The weighted pipeline stands at £0.2bn, down from £0.3bn in the prior year.

Going forward, alongside our reduced costs to deliver which will improve our cost competitiveness, we have implemented new sales processes, governance and KPI framework to enable better sales effectiveness and efficiency. We expect in the medium term to see improvements in win rates across all opportunities.

The order book stands at £949.2m, up from £644.6m at 31 December 2024, reflecting the TCV performance of the business.

## Financial performance

Adjusted revenue<sup>1</sup> decreased 17.5% to £536.7m, as the business saw continued volume reductions in the Telecommunications vertical, reduced revenue reflecting our increased presence in near and offshore locations and the impact of contract losses.

Adjusted operating loss<sup>1</sup> was £17.0m (2024 loss: £5.9m) as the benefit from the Group's cost reduction programme did not offset the impact of the revenue decline, reinvestment and the rise in National Insurance. The operating loss for the business also includes c.£15m of costs in respect of under-utilised property and a c.£10m loss from the German business.

Operating cash flow excluding business exits<sup>1</sup> increased from £0.1m to £6.7m, reflecting the timing of key receipts and phasing of supplier invoicing. The cash flow for the business also includes a c.£20m outflow in respect of under-utilised properties and a c.£8m cash outflow from the German business.

## Outlook

Given the challenging conditions in this business, we expect to see a mid to high single-digit revenue reduction in the Contact Centre business reflecting; contract losses, reduced volumes, and our ongoing offshoring activities.

We expect the Contact Centre business to remain loss making in 2026, with an improving trend in the second half.

## Pension Solutions

### Market and growth drivers

Pension Solutions is our pension administration and pension consulting business, with a focus on defined benefit schemes. It administers more than 400 private and public sector pension schemes based in the UK, servicing over 7 million scheme members a year. The division has a number of long-standing and stable relationships with clients built on its proven track record.

Pension Solutions also provides consulting services including actuarial, investment and data services to its clients via more than 500 expert pension consultants, which accounts for around one-third of its revenue.

### Strategy and better technology

Pension Solutions' vision is one team creating better outcomes for members today, tomorrow and when needed.

More widely, the pension industry is on a journey to members having an end-to-end digital experience, with increased automation and self-service options to allow a 24/7 service offering.

Within the UK pension market, we are seeing growing demand on data and remediation services driven by changing legislation and regulatory requirements on UK pension arrangements.

We have been investing strongly in our digital pensions platform and in December 2025, we went live with our Digital Pension Solutions tool, following a multi-year design and development programme, allowing us to deliver digitally-enabled pension administration at significant scale.

1. Refer to APMs on pages 239 to 245.

## Operating review › Experience continued

Built upon Pension Solutions' existing infrastructure and Microsoft Dynamics, this tool is providing clients with higher levels of operational resilience, increased engagement and an improved ability to reach underrepresented scheme members. For scheme members, the tool is enhancing their digital experience, offering a more flexible service and money management.

This tool went live in late 2025 with a number of clients, serving 1.5 million UK citizens with operations support across five Capita locations, and further significant roll outs are planned across 2026.

We expect this will provide Pension Solutions with a higher level of differentiation in a competitive market by improving operational scalability, enhancing the member experience, driving efficiencies. By leveraging the best technology, we will remain competitive in a dynamic regulatory environment.

### Operational performance and better delivery

This year the business's average in-month KPI performance was 98% (2024: 94%). Pension Solutions saw a small decrease in cNPS to -6 points from -3 points in 2024.

This year the business has delivered further cost efficiencies through its organisational right sizing and further aligning to its market segments. We have seen success and internal productivity improvements in the business's Consulting and Transformation teams with internal team usage of Copilot, including the launch of an email resolution agent.

The business has continued to increase its use of a global delivery model with further work being completed by colleagues in overseas locations, where appropriate and in line with client needs and requirements. This is cementing our position to offer clients more flexibility in their delivery alongside our expanded digital tools.

In December, Pension Solutions went live with the Civil Service Pension Scheme, one of the largest and highly complex pension schemes in the UK. The backlog inherited from the previous administrator was significantly higher than forecast and we are working jointly with the Cabinet Office to clear this backlog with an urgent recovery plan in place. We expect to return to service level standards by the end of June 2026.

### Growth

In 2025, Pension Solutions won contracts with a TCV of £150.4m up from £144.9m in 2024. The business saw a win rate across all opportunities of 93%, up from 89% in 2024, with a strong performance in renewals at 97%, reflecting our strength in this sector.

Material wins included a renewal with expanded scope worth £37m for the UK arm of a global company and renewals with Scottish & Newcastle Pension Plan, AXA and extensions with the Teachers' Pension Scheme as part of the previously announced transition to a new service provider. Overall, the business's book to bill rate was 0.8x, unchanged from 2024.

The unweighted pipeline for the business was £0.5bn down from £0.7bn at the end of 2024. In January 2026, the business secured a material renewal with a major client with a TCV of £137m over an extended ten year period. The business has further material opportunities expected to close in 2026 with both public and private sector clients.

The order book at 31 December 2025 was £465.1m, an increase from £441.3m at 31 December 2024, as wins more than offset the revenue recognised in the year.

### Financial performance

Adjusted revenue<sup>1</sup> increased 4.5% to £187.0m, as we saw the benefit from indexation on existing contracts and go-live on the Civil Service Pension Scheme contract.

Adjusted operating profit<sup>1</sup> increased by 6.4% to £29.9m, reflecting the impact of the revenue growth seen in 2025 and savings from the cost reduction programme which was partially offset by lower interest rates.

Operating cash flow excluding business exits<sup>1</sup> decreased by 44.7% to £18.4m, reflecting the investment for the Civil Service Pension Scheme of £26m, and timing of a milestone payment.

### Outlook

In 2026, we expect to see mid-teen digit revenue growth reflecting the annualised impact of the Civil Service Pension Scheme and continued benefit from the Teachers' Pension Scheme, which we expect to hand back in the next year.

Reflecting the continued mobilisation costs associated with the Civil Service Pension Scheme we expect to see a reduction in operating profit and margin.

### Regulated Services

Following the agreement to hand back the remaining contracts within closed book Life & Pensions, this business is now presented as a business exit (and its results excluded from the Group's adjusted results), therefore Regulated Services now comprises our Mortgage Software business which we are managing for value.

In the first half of the year, we agreed the termination of a contract within the Mortgage Software business. As a result of the termination, we received a one-off £6m termination payment.

### Financial performance

Adjusted revenue<sup>1</sup> grew 200% to £25.8m, due to a £19m one-off benefit from a contract exit in the Mortgage Software business.

Adjusted operating profit<sup>1</sup> was £5.4m (2024: £1.3m) benefiting from a £6m one-off termination payment following the above noted contract exit in the Mortgage Software business.

Operating cash flow excluding business exits<sup>1</sup> increased 220.7% to an inflow of £3.5m, driven by the termination fee received from the aforementioned contract exit, and cash impact of savings delivered through the cost reduction programme.

### Outlook

Reflecting the non-repeat of the one-off benefits from the contract termination agreed in 2025, we expect the business to see significant revenue reduction and be breakeven in 2026.

1. Refer to APMs on pages 239 to 245.

Operating review › Achievements

# Delivery achievements in 2025

Capita supports customers across the public and private sector to help them run a wide variety of complex business processes more efficiently.

Managed the collection of

**£4bn**

council tax and business rates for local councils and processed **£1bn** housing benefit and council tax support payments

Handled more than

**306k**

calls for the RSPCA helping to protect animals in need

Introduced

**innovative training using AI**

at our Fire Service College

**Leadership in Service Excellence winner at the CCA Global Excellence Awards**

Helped more than

**170**

schools deliver fully electronic mock exams across 16 subjects



Handled more than

**37 million**

calls for customers in Capita Experience

Capita Experience recognised as a

**major contender**

in customer experience management by Everest

Collected more than

**£3.8bn**

in licence fees

**New offices opened**

in South Africa, India and Bulgaria improving our multilingual capabilities for customers

**Continued accelerated development**

of agentic and gen AI solutions

Met investors and advisors to

**understand market sentiment and expectations**

**Launched the Capita Catalyst Lab and Capita AI Catalyst Stack**

## Chief Financial Officer's review



“Our performance this year reflects the progress we are making in strengthening the business – delivering improved adjusted profit<sup>1</sup> and cash flow while continuing to simplify our operations and invest in the capabilities that will support sustainable growth.”

**Pablo Andres**, Chief Financial Officer

### Overview

Adjusted revenue<sup>1</sup> declined by 1.2% reflecting good growth in Public Service and the Pension Solutions business, offset by a 17.5% decline in the Contact Centre business.

Public Service revenue growth benefited from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, growth on the Transport for London contract, including the opening of the Silvertown Tunnel, and scope expansions on the Royal Navy training contract and Primary Care Support England, partly offset by the flow through of contracts lost in previous years.

In Experience, revenue in the Contact Centre business reduced due to lower volumes and offshoring, primarily within the Telecommunications vertical, and contract losses. Revenue in the Pension Solutions business benefited from indexation and extensions on existing contracts. Revenue growth in Regulated Services reflects a £19m one-off benefit from a contract exit in the Mortgage Software business. This is now the sole remaining business in this segment following the sale of the Mortgage Servicing business and the transfer of the closed book Life & Pensions business to business exits.

The 34.2% increase in adjusted operating profit<sup>1</sup> is driven by improved contract performance in Public Service and the in-year benefit from the £250m cost reduction programme.

Adjusted basic earnings per share<sup>1</sup> increased to 49.71p (2024: 1.60p) reflecting the increase in adjusted operating profit<sup>1</sup>, reduction in the net finance costs excluded from adjusted profit, and the lower adjusted total tax charge<sup>1</sup> of £19.0m (2024: charge of £34.6m). The lower adjusted tax charge<sup>1</sup> in 2025 reflects the changes in the accounting estimate of recognised deferred tax assets, and a lower current income tax charge reflecting fewer current year losses carried forward on adjusted profits.

### Financial highlights

	31 December 2025	31 December 2024	YoY change
<b>Revenue</b>	<b>£2,312.3m</b>	£2,421.6m	(4.5)%
Adjusted revenue <sup>1</sup>	<b>£2,199.5m</b>	£2,225.7m	(1.2)%
<b>Operating loss</b>	<b>£(129.6)m</b>	£(9.9)m	(1,209.1)%
Operating margin <sup>1</sup>	<b>(5.6)%</b>	(0.4)%	(520)bps
Adjusted operating profit <sup>1</sup>	<b>£113.5m</b>	£84.6m	34.2%
Adjusted operating margin <sup>1</sup>	<b>5.2%</b>	3.8%	140bps
EBITDA <sup>1</sup>	<b>£22.1m</b>	£166.2m	(86.7)%
Adjusted EBITDA <sup>1</sup>	<b>£188.0m</b>	169.0m	11.2%
<b>(Loss)/profit before tax</b>	<b>£(170.9)m</b>	£116.6m	n/a
Adjusted profit before tax <sup>1</sup>	<b>£74.5m</b>	£40.5m	84.0%
<b>Basic (loss)/earnings per share</b>	<b>(144.13)p</b>	68.06p	n/a
Adjusted basic earnings per share <sup>1</sup>	<b>49.71p</b>	1.60p	3,006.9%
Operating cash flow <sup>1</sup>	<b>£114.6m</b>	£86.3m	32.8%
Operating cash flow excluding business exits <sup>1</sup>	<b>£139.7m</b>	£82.8m	68.7%
Adjusted operating cash conversion <sup>1</sup>	<b>74.3%</b>	49.0%	25.3%
Free cash flow <sup>1</sup>	<b>£(82.1)m</b>	£(122.7)m	33.1%
Free cash flow excluding business exits <sup>1</sup>	<b>£(54.0)m</b>	£(110.9)m	51.3%
Net debt <sup>1</sup>	<b>£(461.6)m</b>	£(415.2)m	£(46.4)m
Net financial debt (pre-IFRS 16) <sup>1</sup>	<b>£(143.4)m</b>	£(66.5)m	£(76.9)m

1. Definitions and calculations of non-IFRS measures (alternative performance measures) can be found on pages 239 to 245.

The decline in reported revenue of 4.5% reflects the reduction in adjusted revenue<sup>1</sup> noted above, and the impact of businesses exited and in the process of being exited during 2025 and 2024. The most significant of these being the closed book Life & Pensions business.

The reported operating loss of £129.6m (2024: loss £9.9m), reflects the increase in costs to deliver the significant cost reduction programme (2025: £56.1m; 2024: £27.9m), the direct costs incurred as a consequence of the March 2023 cyber incident, primarily the £14m fine paid to the Information Commissioner's Office (ICO) (2025: £15.9m; 2024: £1.0m), and the loss from business exits

in the year, primarily the closed book Life & Pensions business (2025: £97.2m; 2024: profit £9.7m), partly offset by the improvement in adjusted operating profit<sup>1</sup> detailed above, and a slightly lower goodwill impairment charge (2025: £73.7m; 2024: £75.1m).

The move to a reported loss before tax of £170.9m (2024: profit £116.6m), reflects the increased reported operating loss detailed above, the loss from business exits in the year of £1.6m (2024: gain £184.6m from the sale of Capita One and the Group's 75% shareholding in Fera), partly offset by lower net finance costs to £39.2m (2024: £46.3m).

1. Refer to APMs on pages 239 to 245.

The reduction from a reported basic earnings per share to a reported loss per share reflects the move to a reported loss before tax noted above, offset by the move to a reported tax credit (2024: tax charge). The move to a reported income tax credit reflects the reduction in the adjusted tax charge<sup>1</sup> noted above, and a change in the accounting estimate of recognised deferred tax assets which had resulted in a higher deferred tax asset being recognised.

Operating cash flow excluding business exits<sup>1</sup> improved 68.7% to an inflow of £139.7m (2024: inflow £82.8m), reflecting the increased adjusted operating profit<sup>1</sup> and a lower working capital outflow. The lower working capital outflow in 2025 includes favourable timing within Public Service, together with a continuing focus on cash conversion cycles across the Group. This is partly offset by an increased outflow from the net of deferred income and contract fulfilment assets.

Cash generated from operations excluding business exits<sup>1</sup> increased by £45.9m to £72.9m, reflecting the above improvement in operating cash flow excluding business exits<sup>1</sup> and the reduction in pension deficit contributions, partly offset by an increase in cash costs to deliver the cost reduction programme, and an increase in the direct cash cost of the 2023 cyber incident, in particular the fine paid to the ICO and related legal fees.

Free cash flow excluding business exits<sup>1</sup> was an outflow of £54.0m (2024: outflow £110.9m), and includes £53.2m of cash costs to deliver the cost reduction programme (2024: £44.5m), and £13.6m net cash outflow in respect of the 2023 cyber incident (2024: £5.0m). The improvement year on year primarily reflects the improvement in cash generated from operations excluding business exits<sup>1</sup> above, continued capital investment in our contract delivery with new technology

solutions and cyber capabilities, lower net capital lease payments from the ongoing property portfolio rationalisation, and lower interest outflows.

The improvement in free cash flow<sup>1</sup> reflects the above reduction in free cash outflow excluding business exits<sup>1</sup>, and a reduction in pension deficit contributions triggered by disposals, partly offset by the move to an outflow from those businesses being exited.

The Group has been seeking to exit its closed book Life & Pensions business, and in December 2025 announced it had reached a transition agreement for the remaining two legacy evergreen contracts with its last client (further detail on the agreement is provided later in this review). This business has been a challenging part of the Group from which Capita has been actively seeking to exit, and the above transition agreement marks the completion of a key element of our 'manage for value' strategy, eliminating a significant cash flow uncertainty.

In November 2023, we announced the implementation of a cost reduction programme expected to deliver annualised efficiencies of £60m from Q1 2024. In March 2024, we announced that we had identified additional cost saving opportunities expected to deliver an additional £100m of annualised cost savings by mid-2025. In December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that can be delivered, the cost reduction target increased from £160m to up to £250m (measured against the 2023 cost base) and was achieved by the end of 2025.

Liquidity as at 31 December 2025 was £329.4m, made up of £250.0m of undrawn revolving credit facility (RCF) and £79.4m of unrestricted cash and cash equivalents net of overdrafts. In July 2025, we extended

the maturity of the RCF by 12 months to 31 December 2027. In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

Net financial debt (pre-IFRS 16)<sup>1</sup> increased by £76.9m to £143.4m at 31 December 2025, resulting in a net financial debt to adjusted EBITDA<sup>1</sup> (both pre-IFRS 16) ratio of 1.0x, as a result of the free cash flow<sup>1</sup> noted above. This is in line with the Group's medium term target ratio of  $\leq 1.0x$ .

## Summary of financial performance

### Adjusted results

Capita reports results on an adjusted basis to aid understanding of business performance. The Board has adopted a policy of disclosing separately those items that it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed internally. In the directors' judgement, these items need to be disclosed separately by virtue of their nature, size and/or incidence for users of the financial statements to obtain an understanding of the financial information and the underlying in-period performance of the business. In general, the Board believes that alternative performance measures (APMs) are useful for investors because they provide further clarity and transparency of the Group's financial performance and are closely monitored by management to evaluate the Group's operating performance to facilitate financial, strategic and operating decisions.

In accordance with the above policy, the trading results of business exits, along with the non-trading expenses (including the income statement charges in respect of major cost reduction programmes) and gain or loss on

disposals, have been excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude 2025 business exits. As at 31 December 2025, the following businesses met this threshold and were excluded from adjusted results in both 2025 and 2024: closed book Life & Pensions, Fera, Capita One, Mortgage Services, Capita Scaling Partner, and a further business from Capita Public Service.

Reconciliations between adjusted and reported operating profit, profit before tax and free cash flow excluding business exits are provided on the following pages and in the notes to the financial statements.

### Adjusted revenue<sup>1</sup>

Adjusted revenue<sup>1</sup> reduced 1.2% year-on-year. The adjusted revenue<sup>1</sup> was impacted by the following:

- **Public Service** (4.5% growth): benefit from the Health Assessment Advisory Service contract win, the Disabled Students Allowance contract, growth on the contract with Transport for London, including the opening of the Silvertown Tunnel, and scope expansion on the Royal Navy training contract and extension of the Primary Care Support England contract, partly offset by the flow through of contracts lost in previous years;
- **Experience:**
  - **Contact Centre** (17.5% reduction): lower volumes, primarily within the Telecommunications vertical, the impact of working with our customers to drive volumes to our nearshore and offshore delivery centres, which reduces revenue while becoming more efficient and competitive, and contract losses;

1. Refer to APMs on pages 239 to 245.

## Chief Financial Officer's review *continued*

- **Pension Solutions** (4.5% growth): benefit of indexation and extensions on existing contracts; and
- **Regulated Services** (200.0% growth): a £19m one-off benefit from a contract exit in the Mortgage Software business.

### Order book

The Group's consolidated order book was £4,240.9m at 31 December 2025 (2024: £4,240.7m). Additions from contract wins, scope changes and indexation in 2025 totalled £1,748.3m, including renewals with the BBC in Contact Centre, Education Authority Northern Ireland, Primary Care Support England, expanded scope on the Royal Navy Training contract within Public Service, and extension of the Royal Mail Statutory Pension Scheme contract in Pension Solutions. These were offset by the reduction from revenue recognised in the year (£1,716.0m), contract terminations (£29.9m) and business disposals (£2.2m). Terminations primarily reflect a contract exit within our Regulated Services business.

### Adjusted operating profit<sup>1</sup>

Adjusted operating profit<sup>1</sup> increased in 2025 driven by the following:

- **Public Service:** net benefit from the revenue flow-through on new and expanded contracts and material savings delivered through the cost reduction programme, partly offset by continued reinvestment in technology solutions, and a £9m impact from the rise in National Insurance;
- **Experience:**
  - **Contact Centre:** flow through of revenue decline, lower levels of project work, rise in National Insurance and reinvestment, partly offset by savings delivered through the cost reduction programme. The operating loss for the business also includes c.£15m of costs in respect

of under-utilised property and a c.£10m loss from the German business;

- **Pension Solutions:** flow through of revenue benefit and savings delivered through the cost reduction programme, partly offset by reduced interest income due to lower UK interest rates (2025: £17m; 2024: £22m);
- **Regulated Services:** a £6m benefit from termination fee received from the contract exit in the Mortgage Software business, and savings delivered through the cost reduction programme; and
- **Capita plc:** reflects benefits delivered through the cost reduction programme and a one-off gain related to the extension of a property sub-lease.

### Adjusted profit before tax<sup>1</sup>

Adjusted profit before tax<sup>1</sup> increased year-on-year to £74.5m (2024: £40.5m) reflecting the above improvements in adjusted operating profit<sup>1</sup> and reduced net finance costs excluded from adjusted profit of £39.0m (2024: £44.1m). The reduction in net finance costs primarily reflects lower debt levels, a more favourable interest rate environment, and movements in the value of non-designated foreign exchange contracts.

### Adjusted tax charge<sup>1</sup>

The adjusted tax charge<sup>1</sup> for the year was £19.0m (2024: charge £34.6m). The reduction is mainly as a result of changes in the accounting estimate of recognised deferred tax assets which had less of an impact in 2025 compared to 2024.

### Operating cash flow excluding business exits<sup>1</sup>

Operating cash flow excluding business exits<sup>1</sup> and operating cash flow conversion<sup>1</sup> increased in 2025 driven by the following:

### Adjusted revenue<sup>1</sup> bridge by division

Adjusted revenue <sup>1</sup> bridge by division	Capita Experience				Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m	
<b>Year ended 31 December 2024</b>	1,387.2	650.9	179.0	8.6	2,225.7
Net growth/(reduction)	62.8	(114.2)	8.0	17.2	(26.2)
<b>Year ended 31 December 2025</b>	<b>1,450.0</b>	<b>536.7</b>	<b>187.0</b>	<b>25.8</b>	<b>2,199.5</b>

### Adjusted operating profit<sup>1</sup> bridge by division

Adjusted operating profit <sup>1</sup> bridge by division	Capita Experience				Capita plc £m	Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m		
<b>Year ended 31 December 2024</b>	89.1	(5.9)	28.1	1.3	(28.0)	84.6
Net growth/(reduction)	31.9	(11.1)	1.8	4.1	2.2	28.9
<b>Year ended 31 December 2025</b>	<b>121.0</b>	<b>(17.0)</b>	<b>29.9</b>	<b>5.4</b>	<b>(25.8)</b>	<b>113.5</b>

- **Public Service:** higher adjusted operating profit<sup>1</sup> flow through and favourable timing of receipts at the end of 2025;
- **Experience:**
  - **Contact Centre:** timing of key receipts and phasing of supplier invoicing. The cash flow for the business also includes a c.£20m outflow in respect of under-utilised properties and a c.£8m cash outflow from the German business;
  - **Pension Solutions:** investment in the year in the Civil Service Pension Scheme (CSPS) contract of £26m (contract fulfilment asset), and delay of a milestone payment;
  - **Regulated Services:** termination fee received from the contract exit in the Mortgage Software business, and cash impact of savings delivered through the cost reduction programme; and

- **Capita plc:** benefit from the cost reduction programme and lower repayments against the non-recourse trade receivables financing facilities during 2025.

### Cash generated from operations and free cash flow<sup>1</sup>

Operating cash conversion<sup>1</sup> improvement reflects the increased adjusted operating profit<sup>1</sup> detailed above, and the flow through to adjusted EBITDA<sup>1</sup>, along with a lower working capital outflow, partly offset by an increase in non-cash and other adjustments. The lower working capital outflow in 2025 includes favourable timing within Public Service, together with a continuing focus on cash conversion cycles across the Group. This is partly offset by an increased outflow from the net of deferred income and contract fulfilment assets, reflecting the investment in the CSPS contract in the Pension Solutions business, together with timing differences in Public Service.

1. Refer to APMs on pages 239 to 245.

Non-cash and other adjustments include movement in provisions, and amendments and the early termination of leases.

Cash generated from operations excluding business exits<sup>1</sup> of £72.9m reflects the above operating cash flow excluding business exits<sup>1</sup>, the cash cost of delivering the cost reduction programme (£53.2m), and the direct cash flow impact of the cyber incident (£13.6m), primarily the ICO penalty.

Free cash flow excluding business exits<sup>1</sup> for the year ended 31 December 2025 was an outflow of £54.0m (2024: outflow £110.9m), and includes £53.2m of cash costs to deliver the cost reduction programme (2024: £44.5m), and £13.6m net cash outflow in respect of the 2023 cyber incident (2024: £5.0m). The improvement year on year primarily reflects the improvement in cash generated from operations excluding business exits<sup>1</sup> above, continued capital investment in our contract delivery with new technology solutions and cyber capabilities, lower net capital lease payments from the ongoing property portfolio rationalisation, and lower interest outflows.

## Reported results

### Adjusted to reported profit

As noted above, to aid understanding of our underlying performance, adjusted operating profit<sup>1</sup> and adjusted profit before tax<sup>1</sup> exclude a number of specific items, including the amortisation and impairment of acquired intangibles and goodwill, the impact of business exits, and the impacts of the cyber incident and cost reduction programme.

### Impairment of goodwill

In preparing the consolidated financial statements at 31 December 2025, the Group undertook a detailed impairment review, following which a goodwill impairment of £73.7m was recognised in respect of the Contact Centre cash generating unit (CGU).

As noted above, the business's adjusted revenue<sup>1</sup> declined 17.5% in 2025, driven by reduced volumes in the Telecommunications vertical and contract losses, and its adjusted operating loss<sup>1</sup> increased to £17.0m, which includes costs associated with under-utilised property and losses arising in the German business. During the year significant cost reductions were made to improve the business's financial performance however the phasing of these reductions was later than expected in 2025, and there is more work to do in respect of the property footprint which currently represents around 60% of the Group's lease liability and the German business.

Although the Contact Centre business secured deals with a total contract value of £716.5m in 2025, up by 66% on 2024 and its win rate across all opportunities was 80%, up from 57% in 2024, the business's unweighted and weighted pipeline has reduced compared to the end of the prior year. In addition, the majority of contracts won are framework agreements, which enable the customer to both ramp up and ramp down volume, providing both an opportunity but also a risk to the business's forecast, as seen with the reduction in volumes in the year.

A key aspect of the Contact Centre strategy is better technology, and the forecast for the business assumes an increase in the use of its new AI and generative AI solutions, such as AgentSuite, with expansion delivered in 2025 and further rollouts to clients planned in 2026. There is a risk with the assumed rollout of these new technology solutions, such as the pace of technological change, which brings increased uncertainty in delivery, and therefore a risk to the business's forecast.

To reflect these risks, for the purposes of the impairment test, the business plan cash flow projections have been risk adjusted in the Contact Centre CGU from 2026 onwards. This has resulted in the impairment noted above.

## Operating cash flow excluding business exits<sup>1</sup> by division

	Capita Experience				Capita plc £m	Total £m
	Capita Public Service £m	Contact Centre £m	Pension Solutions £m	Regulated Services £m		
<b>Year ended 31 December 2024</b>	92.1	0.1	33.3	(2.9)	(39.8)	82.8
Net growth/(reduction)	42.9	6.6	(14.9)	6.4	15.9	56.9
<b>Year ended 31 December 2025</b>	<b>135.0</b>	<b>6.7</b>	<b>18.4</b>	<b>3.5</b>	<b>(23.9)</b>	<b>139.7</b>
<i>Operating cash conversion<sup>1</sup> year ended 31 December 2024</i>	73.3%	0.3%	97.7%	(223.1)%	(151.3)%	49.0%
<b>Operating cash conversion<sup>1</sup> year ended 31 December 2025</b>	<b>88.7%</b>	<b>41.1%</b>	<b>49.2%</b>	<b>61.4%</b>	<b>(101.3)%</b>	<b>74.3%</b>

## Adjusted operating profit<sup>1</sup> to free cash flow excluding business exits<sup>1</sup>

	2025 £m	2024 £m
<b>Adjusted operating profit<sup>1</sup></b>	<b>113.5</b>	84.6
Add: depreciation/amortisation and impairment of property, plant and equipment, right-of-use assets and intangible assets	74.5	84.4
<b>Adjusted EBITDA<sup>1</sup></b>	<b>188.0</b>	169.0
Working capital	(30.8)	(84.2)
Non-cash and other adjustments	(17.5)	(2.0)
<b>Operating cash flow excluding business exits<sup>1</sup></b>	<b>139.7</b>	82.8
<b>Adjusted operating cash conversion<sup>1</sup></b>	<b>74.3%</b>	49.0%
Pension deficit contributions	—	(6.3)
Cyber incident	(13.6)	(5.0)
Cost reduction programme	(53.2)	(44.5)
<b>Cash generated from operations excluding business exits<sup>1</sup></b>	<b>72.9</b>	27.0
Net capital expenditure	(46.2)	(49.3)
Interest/tax paid	(41.1)	(42.0)
Net capital lease payments	(39.6)	(46.6)
<b>Free cash flow excluding business exits<sup>1</sup></b>	<b>(54.0)</b>	(110.9)

1. Refer to APMs on pages 239 to 245.

## Chief Financial Officer's review *continued*

### Business exits

Business exits are businesses that have been sold, exited during the period, or are in the process of being sold or exited in accordance with the Group's strategy.

In accordance with our policy, the trading results of these businesses, along with the non-trading expenses and gains/(losses) recognised on business disposals, were classified as business exits and therefore excluded from adjusted results. To enable a like-for-like comparison of adjusted results, the 2024 comparatives have been re-presented to exclude the 2025 business exits.

At 31 December 2025 business exits primarily comprised the following:

- **Closed book Life & Pensions business:** this business, which previously sat within the Group's Regulated Services segment within Capita Experience, has been a challenging part of the Group which, as announced at the Company's Capital Markets Day in June 2024, Capita has been actively seeking to exit. The Group has entered into a number of transition agreements for the contracts within this business which are being migrated over the coming years. In December 2025, the Group reached a transition agreement for the remaining two legacy evergreen contracts, with its last client, Royal London, and therefore this business met the criteria to be presented as a business exit.

Under the transition agreement for the Royal London contracts, Capita agreed to pay Royal London an initial payment of c.£22m. The agreement provided an option, exercisable by either Royal London or Capita, for that initial payment to be settled through the issue to Royal London of 5,670,909 ordinary shares. This option was exercised in December 2025. The resulting share based payment charge of £22.4m has been included within business exits.

The Group will also make a contribution towards Royal London's costs, consisting of three payments, each of £10m, on the first, second and third anniversary of the migration completion. The migration is expected to take five years, so these payments are expected to take place in 2031, 2032 and 2033. Provision has been made for these payments in December 2025.

The closed books and contractual dynamics have led to onerous conditions to service certain of the contracts in this business and an onerous contract provision has been recognised in prior periods. This provision was increased in 2025 to reflect the current best estimate of the costs to continue service delivery up to the expected end of these contracts and the migration costs to handover these services, reflecting the terms of the exits agreed and experience of previous contract exits;

- **Mortgage servicing business:** this business met the threshold to be held-for-sale at 31 December 2024 and its sale completed on 13 October 2025; and
- **Corporate venture business, Capita Scaling Partner:** the Capita Scaling Partner business manages the Group's investments in start-up and scale-up companies. Part of our investment in one venture was sold during the year realising a gain of £nil and a net loss of £0.5m was recognised in relation to the revaluation of the remaining Capita Scaling Partner investments. The Group will seek to maximise value from the remaining Capita Scaling Partner investments, which at 31 December 2025 had an aggregate carrying value of £3.8m (2024: £4.8m), including loans receivable by Capita of £0.7m (2024: £0.7m). In order to facilitate this, an external third party was engaged in the year to manage the disposal process for the Group's remaining Capita Scaling Partner investment.

### Adjusted<sup>1</sup> to reported results bridge

	Operating profit/(loss)		Profit/(loss) before tax	
	2025 £m	2024 £m	2025 £m	2024 £m
<b>Adjusted<sup>1</sup></b>	<b>113.5</b>	84.6	<b>74.5</b>	40.5
Amortisation of acquired intangibles	(0.2)	(0.2)	(0.2)	(0.2)
Impairment of goodwill	(73.7)	(75.1)	(73.7)	(75.1)
Net finance income/(costs)	—	—	2.1	(0.1)
Business exits	(97.2)	9.7	(101.6)	180.4
Cyber incident	(15.9)	(1.0)	(15.9)	(1.0)
Cost reduction programme	(56.1)	(27.9)	(56.1)	(27.9)
<b>Reported</b>	<b>(129.6)</b>	(9.9)	<b>(170.9)</b>	116.6

### Cyber incident

The Group has incurred exceptional costs associated with the March 2023 cyber incident. A charge of £15.9m has been recognised in the year ended 31 December 2025, which primarily comprises the £14m penalty from the Information Commissioner's Office and related legal fees, partly offset by insurance receipts. The cumulative total costs incurred, net of insurance receipts, in respect of the cyber incident are £42.2m. Further insurance receipts are anticipated but did not meet the criteria for recognition at 31 December 2025.

### Cost reduction programme

The Group implemented a multi-year cost reduction programme in November 2023 to deliver annualised savings of £60m by Q1 2024. The programme was extended in March 2024, to deliver further annualised savings of £100m by mid-2025. In December 2024, reflecting on the progress made ahead of schedule with £140m annualised savings already delivered, and increased confidence in the level of efficiencies that could be delivered, the cost reduction target increased from

£160m to up to £250m, which was achieved by the end of 2025.

A charge of £56.1m (2024: £27.9m) has been recognised in the year ended 31 December 2025 for the expenses to deliver the cost reduction programme. This includes redundancy and other expenses of £53.4m (2024: £30.5m) to deliver a significant reduction in headcount, and a charge of £2.7m arising from the rationalisation of the Group's property estate (2024: a credit of £2.6m reflecting the successful exit of a number of properties which had been provided for previously). The cumulative expense recognised since the commencement of the cost reduction programme is £138.4m (2024: £82.3m), which is included within administrative expenses. Since the targeted savings were delivered by the end of 2025, no further expenses to deliver this cost reduction programme are expected beyond the end of 2025.

The cash outflow in 2025 in respect of the cost reduction programme was £53.2m (2024: £44.5m), which is included within free cash flow<sup>1</sup> and cash generated from operations excluding business exits<sup>1</sup>. The cumulative cash outflow since the commencement of the

1. Refer to APMs on pages 239 to 245.

cost reduction programme in the second half of 2023 is £103.8m.

Further detail of the specific items charged in arriving at reported operating profit and profit before tax for 2025 is provided in note 2.4 to the consolidated financial statements.

### Net finance costs

Net finance costs decreased by £7.1m to £39.2m (2024: £46.3m), reflecting lower debt levels, a more favourable interest rate environment, and movements in the value of non-designated foreign exchange contracts.

### Reported tax charge

The reported tax credit for the year of £5.3m comprises a current tax charge of £8.6m, reflecting non-deductible business exit costs, the non-deductible ICO penalty relating to the 2023 cyber incident, non-deductible goodwill impairment, plus a deferred tax credit of £13.9m arising from changes in the accounting estimate of recognised deferred tax assets. The prior period charge of £36.2m comprised a current tax charge of £17.8m, reflecting non-deductible goodwill impairments and unrecognised current year tax losses, plus a deferred tax charge of £18.4m, reflecting the changes in the accounting estimate of recognised deferred tax assets. The reduction in the reported income tax charge reflects the reduction in the adjusted tax charge<sup>1</sup> noted above, and a change in the accounting estimate of recognised deferred tax assets.

### Free cash flow<sup>1</sup> to free cash flow excluding business exits<sup>1</sup>

The improvement in free cash flow<sup>1</sup> reflects the above reduction in free cash outflow excluding business exits<sup>1</sup>, and a reduction in pension deficit contributions triggered by disposals, partly offset by the move to an outflow from those businesses being exited.

### Movements in net debt

Net debt at 31 December 2025 was £461.6m (2024: £415.2m). The increase in net debt over the year ended 31 December 2025 primarily reflects the free cash outflow noted above.

Net debt does not include finance lease receivables, which at 31 December 2025 were £96.6m (2024: £95.7m) reflecting the successful sub-letting of property the Group is not utilising.

Net financial debt (pre-IFRS 16)<sup>1</sup> increased by £76.9m to £143.4m at 31 December 2025, resulting in a net financial debt to adjusted EBITDA<sup>1</sup> (both pre-IFRS 16) ratio of 1.0x. Over the medium term, the Group is targeting a net financial debt to adjusted EBITDA<sup>1</sup> (both pre-IFRS 16) ratio of ≤1.0x.

The Group was compliant with all debt covenants at 31 December 2025. To accommodate for the accounting impact of providing in 2025 for the future losses related to the transition agreement reached with Royal London to exit the remaining legacy contracts, the Group obtained lender approval to amend the US private placement interest coverage covenant for the measurement periods ending 31 December 2025 and 30 June 2026, resetting the minimum permitted value to 3.0x. Upon expiry of the amendment period, the covenant reverts to its original minimum permitted value of 4.0x.

### Capital and financial risk management

Liquidity remains an area of focus for the Group. Financial instruments used to fund operations and to manage liquidity comprise US private placement loan notes, revolving credit facility (RCF) and overdrafts.

In March 2025, the Group issued £94.2m equivalent of US private placement loan notes across three tranches: £50m maturing 24 April 2028, USD13m maturing 24 April 2028 and

### Free cash flow<sup>1</sup> to free cash flow excluding business exits<sup>1</sup>

	2025 £m	2024 £m
<b>Free cash flow<sup>1</sup></b>	<b>(82.1)</b>	(122.7)
Business exits	28.1	(2.7)
Pension deficit contributions triggered by disposals	—	14.5
<b>Free cash flow excluding business exits<sup>1</sup></b>	<b>(54.0)</b>	(110.9)

### Net debt

	2025 £m	2024 £m
<b>Opening net debt</b>	<b>(415.2)</b>	(545.5)
Cash movement in net debt	(19.0)	197.4
Non-cash movements	(27.4)	(67.1)
<b>Closing net debt</b>	<b>(461.6)</b>	(415.2)
Remove closing IFRS 16 impact	318.2	348.7
<b>Net financial debt (pre-IFRS 16)<sup>1</sup></b>	<b>(143.4)</b>	(66.5)
Cash and cash equivalents net of overdrafts	125.3	191.4
Financial debt net of swaps	(268.7)	(257.9)
<b>Net financial debt/adjusted EBITDA<sup>1</sup> (both pre-IFRS 16)</b>	<b>1.0x</b>	0.5x
<b>Net debt (post-IFRS 16)/adjusted EBITDA<sup>1</sup></b>	<b>2.5x</b>	2.3x

USD43m maturing 24 April 2030, with an average interest rate of 7.4%. The notes rank pari passu with the existing indebtedness of the Group and include financial covenants at the same level as those under the RCF and existing US private placement loan notes.

In July 2025, the Group extended the maturity of the RCF by 12 months to 31 December 2027. The available facility remains at £250m and was undrawn at 31 December 2025 (2024: undrawn). In February 2026, we entered into a £75m additional committed financing facility, with a subset of the existing lenders and terms consistent with the existing RCF. The additional facility expires 18 months from signing.

At 31 December 2025, the Group had a total of £24.6m (2024: £23.4m) invoices sold under non-recourse trade receivables financing facilities, including £17.2m (2024: £14.5m) attributable to the UK facility and £7.4m (2024: £8.9m) attributable to the German contract-specific facility. Both facilities provide an economically favourable rate versus the RCF.

At 31 December 2025, the Group had £125.3m (2024: £191.4m) of cash and cash equivalents net of overdrafts, and £266.4m (2024: £269.3m) of private placement loan notes and fixed-rate bearer notes.

1. Refer to APMs on pages 239 to 245.

## Chief Financial Officer's review *continued*

### Going concern

The Board closely monitors the Group's funding position throughout the year, including compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. In addition, to support the going concern assumption, the Board conducts a robust assessment of the projections, considering also the committed facilities available to the Group.

The Group and Parent Company continue to adopt the going concern basis in preparing these consolidated financial statements as set out in Section 1 to the consolidated financial statements.

### Viability assessment

The Board's assessment of viability over the Group's three-year business planning time horizon is summarised in the viability statement on page 86 and 87.

### Pensions

The latest formal valuation for the Group's main defined benefit pension scheme (HPS), was carried out as at 31 March 2023. This identified a statutory funding surplus of £51.4m. Given the funding position, the Group and the HPS Trustee agreed that no further deficit contributions from the Group would be required other than those already committed as part of the 31 March 2020 actuarial valuation. These committed deficit contributions were satisfied by the end of June 2024.

The valuation of the HPS liabilities (and assumptions used) for funding purposes (the actuarial valuation) is specific to the circumstances of the HPS. It differs from the valuation and assumptions used for accounting purposes, which are set out in IAS 19 and shown in these consolidated financial statements. The main difference is

in assumption principles being used which are a result of the different regulatory requirements of the valuations. Management estimates that at 31 December 2025 the net asset of the HPS on a funding basis (ie the funding assumption principles adopted for the full actuarial valuation at 31 March 2023 updated for market conditions at 31 December 2025) was approximately £80.0m (2024: net asset £80.0m) on a technical provisions basis. The HPS Trustee has also agreed a secondary more prudent funding target to enable it to reduce the reliance the HPS has on the covenant of the Group. On this basis, at 31 December 2025, the funding level was around 100%.

The net defined benefit pension position of all reported defined benefit schemes for accounting purposes decreased from a surplus of £37.9m at 31 December 2024 to a surplus of £29.1m at 31 December 2025. The main reason for this movement is a slight improvement in assumed life expectancy and actual inflation being slightly higher than assumed over the year. The change in market conditions (which impacted both the assets and liabilities over the year), broadly cancelled each other out and did not have a material impact on the net position.

### Consolidated balance sheet

At 31 December 2025 the Group's consolidated net assets were £41.8m (2024: net assets £195.7m). The movement is predominantly driven by the reported loss before tax for the year as explained above, the actuarial loss on defined benefit pension schemes, and the loss on cash flow hedges.

### Parent company balance sheet

The company's market capitalisation continues to be significantly less than the net assets of the parent company at 31 December 2025 and the directors gave consideration as to why this might be the case and whether assets

### Available liquidity<sup>1</sup>

	2025 £m	2024 £m
Revolving credit facility (RCF)	250.0	250.0
Less: drawing on committed facilities	—	—
<b>Undrawn committed facilities</b>	<b>250.0</b>	<b>250.0</b>
Cash and cash equivalents net of overdrafts	125.3	191.4
Less: restricted cash	(45.9)	(44.2)
<b>Available liquidity<sup>1</sup></b>	<b>329.4</b>	<b>397.2</b>

on the parent company balance sheet might be impaired. The factors considered included: the differing basis of valuations (including that third parties value the services sector on income statement multiples versus long-term view using a discounted cash flow for the basis of impairment testing under accounting standards), sum-of-the parts view and the multiples achieved on recent disposals, general market assumptions of the sector which can ignore the liquidity profile and specific risks of an entity, and other specific items impacting the market's view of the Group at the moment.

An impairment test was performed at 31 December 2025 in respect of the parent company's investments in subsidiaries and amounts owed by subsidiary undertakings. A net impairment charge of £96.8m was recognised in respect of the parent company's investments in subsidiaries, of which £39.1m was due to the return of capital from subsidiaries in advance of their liquidation, with impairment recognised being offset by dividend income received from the subsidiaries, and a net impairment charge of £57.7m was as a result of the impairment test performed at 31 December 2025.

A net impairment charge of £9.8m was identified in respect of amounts owed by subsidiaries.

Following the impairment charge recognised, management's estimate of the value in use of the Group used in the testing of goodwill for impairment at 31 December 2025, when adjusted for the fair value of the Group's net debt, gave a value for the Group that exceeded the market capitalisation at that date, and supported the parent company net assets

Following shareholder approval at the Company's 2025 Annual General Meeting held on 28 April 2025, the parent company ("the Company") completed a share consolidation at a ratio of 15 for 1, whereby every 15 ordinary shares of 2 1/15 pence were consolidated into one ordinary share of 31 pence. The Board believe that consolidation of the Company's ordinary shares will improve marketability of its shares to investors.

Also, following shareholder approval at the 2025 AGM and subsequent sanctioning by the High Court of England and Wales, the Company completed the cancellation of its share premium account, with the balance of £1,145.5m credited to retained earnings. The capital reduction optimises the structure of the balance sheet and increases the Company's distributable reserves.

1. Refer to APMs on pages 239 to 245.

## Responsible business

# Being a better company

Our commitment to being a responsible organisation is deeply embedded in everything we do at Capita. It remains a core priority, guiding a consistent, Group-wide approach to operating responsibly and creating long-term value for all stakeholders.

This year, we have made significant progress, underpinned by the dedication and professionalism of our colleagues across the organisation.

I am especially proud of our multi-year culture programme and, this year, the launch of our refreshed values and colleague playbook. Together with the leadership playbook, these resources ensure consistency in how we act and behave across the organisation. The values were co-created with global colleague input, I look forward to continuing to embed them across all aspects of our operations.

During 2025, we had to make some difficult people decisions on our journey to delivering a better Capita. We saw a year-on-year reduction in our overall headcount, partially through voluntary attrition, as we refined our organisational structures around service delivery and evolving market needs and saw the impact of TUPE from contract exits. While these were difficult decisions, this has been an important step for the Group and is helping to create a more sustainable organisation. Against this backdrop, I am pleased to see that our employee engagement score has held broadly steady at 63% (2024: 64%).



## Customer first, always

We continue to prioritise our customers by embedding responsible practices into service delivery and governance. Our inclusion in the FTSE4Good Index Series, improved ESG risk rating in Sustainalytics, and higher Corporate Sustainability Assessment score demonstrate strong responsible business credentials that matter to our clients.

We achieved a Group cNPS of +31 points, our highest since 2018, reflecting the trust and confidence our customers place in us.

Our RB Committee has provided strategic oversight, accountability, and guidance throughout the year, ensuring we remain focused on opportunities and challenges that shape our responsible business strategy.

We also continue to align our efforts with the United Nations Sustainable Development Goals (UNSDGs), as detailed in this report.



## Fearless innovation

Innovation is central to our transformation and how we operate. In 2025, we launched Celebrate!, our new AI-enabled recognition platform that connects colleagues globally and celebrates their achievements. Designed to reinforce our values and foster a culture of appreciation, Celebrate! enables colleagues to acknowledge each other's contributions in real time.

We also launched Capita's Copilot M365 programme, delivering almost 6,700 learning hours, and saving over 170,000 hours, and developing power users through our AI, Data & Technology Academy. These initiatives earned us the Workday Customer Award EMEA 2025 for Powering Innovation, and as part of this award, we received €5,000, which we proudly donated to Social Shifters, our charity partner.



## Achieve together

I am inspired by the generosity our colleagues have shown through our payroll giving scheme. In 2025 alone, they contributed almost £177,000 to charities and, since partnering with Hands On Payroll Giving UK in 2013, Capita colleagues have donated almost £3.4m to causes close to their hearts. As a result of this continued dedication, Capita received the Payroll Giving Platinum Quality Mark Award from Charities Trust, a symbol of excellence awarded to organisations that generate sustainable income for UK charities through payroll giving.

Alongside this, our colleague survey results show progress: eNPS improved by 11 points; engagement is at 63%; and inclusion and wellbeing scores have risen. These improvements, coupled with our commitment to flexible working, demonstrate our focus on creating an environment where colleagues can thrive personally and professionally.

Our rolling 12-month voluntary attrition at the end of December 2025 has also reduced, aligning with our targets, a testament to the strength of our culture and values in action.



## Everyone is valued

I am proud of the strides we have made in advancing diversity, equity and inclusion. In 2025, we earned the Gold TIDE Award, maintained Disability Confident Leader (Level 3) status, were recognised as a Financial Times-Statista Leader in Diversity, and featured on Forbes' Best Places for Women to Work for the third consecutive year.

We also made significant progress in closing our gender pay gap, and for the first time, we disclosed our disability pay gap alongside our voluntary ethnicity pay gap, reinforcing our commitment to transparency and fairness.



I am very proud of all of these achievements; they reflect the dedication of our colleagues and the strength of our values in action. Together, we are building a culture that not only supports transformation but defines it – creating a better Capita for our people, customers, and communities.

**Scott Hill**  
Chief People Officer

Responsible business › Performance in 2025

2025 performance in key areas



\* This year we have restated our carbon emissions intensity metrics to include all of our Scope 3 emissions, to align with improved emissions transparency. Reduction is from 2019 base year.

Responsible business › Ranking and external recognition

# Ranking, memberships and external recognition



# Double materiality assessment (DMA)

In 2025, we undertook a DMA, to identify and prioritise the sustainability topics most relevant to our business, our stakeholders, and our wider value chain and reflect the requirements of the European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, CSRD). Although Capita is not currently in scope of the CSRD, the assessment was designed to reflect leading CSRD practices. Key features included:

- double materiality – assessing both inward financial risks and outward sustainability impacts;
- systematic impacts, risks and opportunities (IROs) identification – structured mapping of impacts, risks, and opportunities;
- robust scoring methodology – enabling transparent prioritisation and integration with enterprise risk management;
- system and finance – ensuring risk assessment and materiality thresholds aligned with existing processes; and
- leadership and subject-matter experts engagement – embedding business insight and ownership.

## Mapping the value chain

A thorough mapping of Capita's value chain served as the foundation for identifying where the most significant IROs arise. It considered the full range of Capita's activities and relationships, starting with upstream suppliers who provide essential inputs such as data and IT services, facilities, energy, and professional services. It then examined Capita's own operations, including core business activities across finance, legal, people, technical operations, and product development. Finally, the assessment extended downstream to capture the effects of Capita's work on clients, consumers, investors, trade unions, and the wider community, as well as the end-of-life stage of services and products.

The assessment identified hotspots and key dependencies throughout the value chain – areas where Capita's business model is exposed to the most significant sustainability impacts or where there are critical dependencies that could pose financial risks. This value chain perspective ensured that the DMA did not focus solely on Capita's direct operations but also addressed the broader network of relationships and activities that shape our overall sustainability profile.

## IROs

Building on the value chain mapping, Capita's DMA systematically identified and prioritised the sustainability topics most relevant to our business and stakeholders. By considering every stage of our value chain we ensured that the assessment captured the full breadth of our impacts, dependencies, and exposures.

We developed a comprehensive long list of 184 potential IROs through a combination of internal policy review, benchmarking against external standards such as the ESRS, peer analysis, and alignment with Capita's responsible business strategy. Each IRO was mapped to the relevant segment of our value chain, ensuring that both direct and indirect effects were considered.

We applied a robust scoring framework based on the scale and scope of each impact, the likelihood of occurrence, the degree to which negative impacts could be remediated and the potential financial magnitude. Scoring was done on an unmitigated basis. This approach allowed us to assess both the significance of each topic and its relevance within the broader context of our business model and value chain.

Stakeholder engagement was central to the process. We conducted interviews with senior executives, including members of the RB Committee and senior leadership and engaged with 27 subject matter experts from across the business, in the IROs scoring exercise. External advisors from SLR Consulting supported the methodology, scoring framework, and validation workshops, ensuring best practice and alignment with regulatory expectations.

External stakeholder perspectives were incorporated by proxy, drawing on existing engagement, reporting, and credible secondary sources.

## Differences between the previous and current DMA

The updated DMA represents a significant evolution in Capita's approach, reflecting both our advancing corporate strategy and the shifting priorities of our stakeholders. Certain topics that were previously identified as material have not been carried forward into the 2025 materiality list. This shift does not indicate that these topics are unimportant; rather, it reflects a reassessment of their relative significance considering Capita's current strategic focus and stakeholder expectations.

In particular, biodiversity is addressed within Capita's wider environmental management and climate-related activities. Given the nature of Capita's operations, biodiversity does not represent a distinct area of material impact but is instead integrated into our broader approach to environmental stewardship.

Public policy and regulation is now embedded within the wider Business conduct and ethical AI material topic to reflect a holistic governance approach under ESRS, ensuring that critical activities such as stakeholder engagement and regulatory compliance are fully integrated into ethical behaviour, compliance, and responsible business practices across all operations.

Responsible business › Material topics

# Material topics

From the initial longlist of 184 IROs, 39% were deemed material. These topics span responsible business areas and reflect Capita’s upstream and downstream value chain. Ten material strategy topics were identified. These findings now form the foundation for sustainability disclosures, policies, and programmes, and will be regularly reviewed to ensure they remain relevant as our business and the external environment evolve. The DMA confirmed that the topics identified as material are consistent with Capita’s current strategic priorities and risk management approach. The findings of this assessment will inform the ongoing implementation of our responsible business strategy, which covers the period 2024–2026, and will be fully integrated into our planned strategy refresh in 2026 to ensure continued alignment with evolving material topics and stakeholder expectations. The topics are organised according to the ESRS topical structure rather than by their relative materiality, with themes that span multiple ESRS areas placed where this offers greatest clarity.

Material strategy topics	ESRS topic	Description	IROs	Value chain	Time horizon	UN SDGs supported
<b>Environmental stewardship</b>	E3 – Water and marine resources; E5 – Resource use and circular economy	Capita faces growing water-related risks due to its reliance on AI and data centres, which require significant water for cooling. There is also potential financial and reputational exposure if sustainability claims are perceived as unclear or unsubstantiated.		^ ^ v	▶▶▶	 
<b>Climate change</b>	E1- Climate change	Capita faces financial risks from climate change extreme weather, carbon pricing, regulatory shifts, and energy volatility, impacting operations, supply chains, and competitiveness. Greenhouse gas emissions across the value chain create compliance and reputational challenges, while proactive measures, such as energy efficiency, heat decarbonisation, and renewables, offer opportunities to reduce costs and strengthen market position.	  	^ ^ v	▶▶▶	
<b>Employee health, safety and wellbeing</b>	S1 – Own workforce	Robust health and safety measures, mental health support, and ergonomic workplace design improve employee wellbeing and productivity, while structured dialogue and training strengthen trust and organisational culture. Inadequate measures can lead to legal issues, operational disruption, and contract loss.	  	^ ^ v	▶▶▶	 
<b>Diversity, equity and inclusion (DEI)</b>	S1 – Own workforce	Promoting diversity and inclusion enhances innovation, strengthens market reach and improves competitiveness. On the contrary, unmanaged pay gaps and discriminatory practices may undermine inclusion and trust, as well as pose legal and reputational risks.	  	^ ^ v	▶▶▶	
<b>Human and labour rights</b>	S1 – Own workforce; S2 – Workers in the value chain	Fair and secure working conditions enhance engagement and mitigate risks of turnover, absenteeism, and reputational harm. Capita can create a positive social impact by investing in ethical sourcing, promoting fair labour practices, human rights and inclusive employment across its value chain, and mitigating child or forced labour risks in the value chain.	  	^ ^ v	▶▶▶	

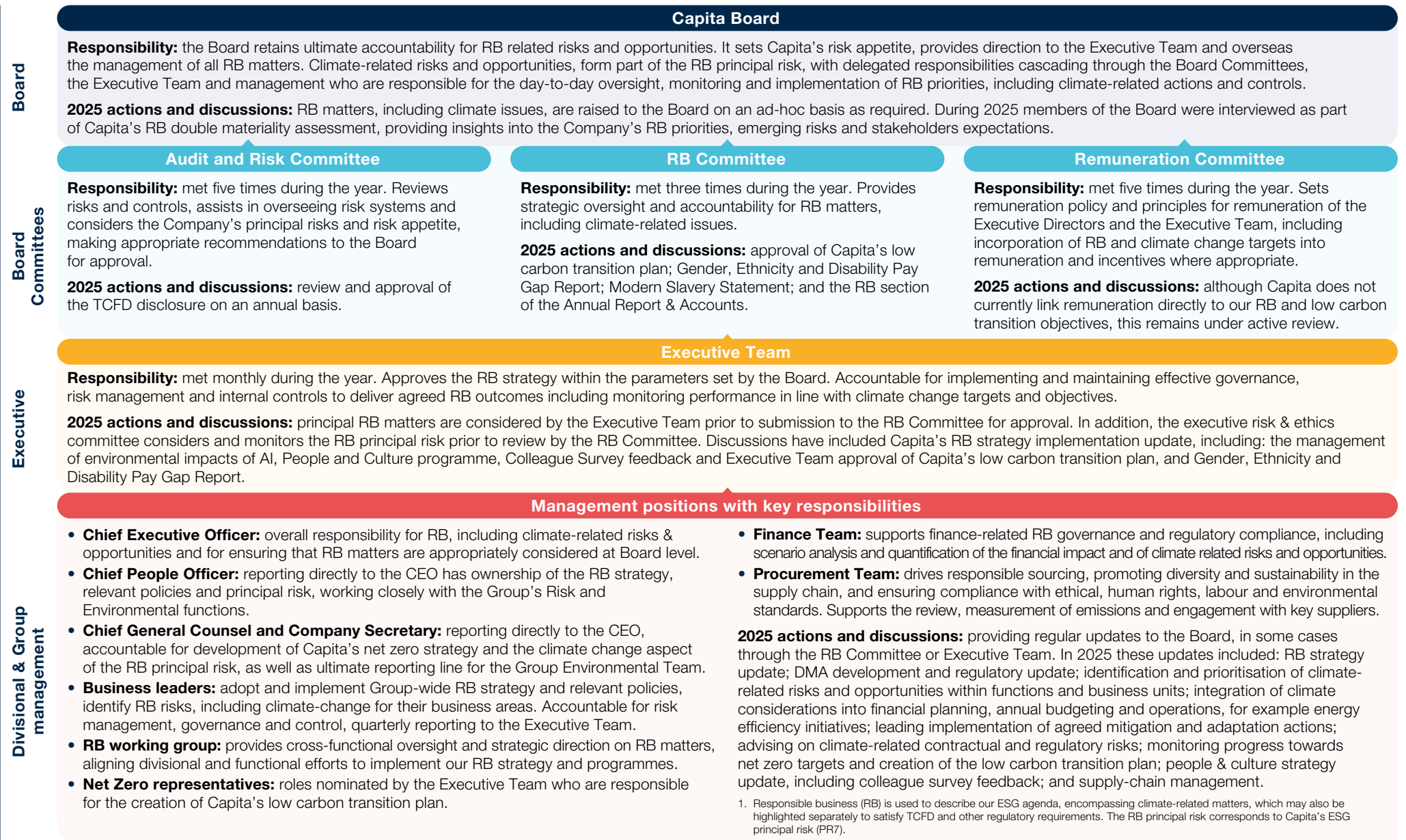
Responsible business › Material topics *continued*

Material strategy topics	ESRS topic	Description	IROs	Value chain	Time horizon	UN SDGs supported
<b>Community impact</b>	S3 – Affected communities	Capita drives positive social impact through volunteering, corporate donations, payroll giving and matched funding, fostering community wellbeing and employee engagement. Expanding these initiatives across operations and embedding them into contract delivery strengthens Capita’s social value credentials, enhances client relationships, and reinforces its position as a responsible business leader, while mitigating potential risks such as financial penalties and reduced stakeholder trust.				  
<b>Customer welfare and safety</b>	S4 – Consumers and end-users	Improving service quality and accessibility delivers societal benefits and creates financial opportunities through enhanced design and digital tools. At the same time, strong health and safety standards and accessibility measures mitigate potential risks of delays, errors, or trust erosion, ensuring customer welfare and reinforcing Capita’s reputation.				 
<b>Business conduct and ethical AI</b>	G1 – Business conduct	Capita strengthens responsible business governance and embeds compliance across operations to mitigate risks such as regulatory breaches, financial crime, and ethical challenges linked to AI and IT reliance. These measures help prevent penalties, service disruption, and trust erosion, while creating opportunities to engage in public policy dialogue and leverage ethical AI to enhance customer experience, employee wellbeing, and innovation.				 
<b>Cyber security and data protection</b>	G1 – Business conduct; S1 – Own workforce; S4 – Consumers and end-users.	Capita faces significant risks related to data privacy mishandling and cyber attacks, including potential penalties, litigation, reputational damage and contract loss. These challenges highlight the importance of robust data protection and security measures across operations and supply chains. At the same time, Capita has an opportunity to leverage its expertise in cybersecurity to offer advisory and managed services, strengthening resilience while creating new value for clients and society.				
<b>Sustainable, transparent and resilient supply chains</b>	G1 – Business conduct	Building long-term, collaborative supplier relationships can reduce costs and improve service quality through innovation and shared risk, while inadequate supplier management risk may cause supply chain disruption and operational risks.				

**Time horizon:** Short Medium Long **Value chain:** Upstream Own operations Downstream

**Type of IROs:** Negative impact Positive impact Risk Opportunity

## Responsible business › Governance

Responsible business (RB)<sup>1</sup> governance, including climate-related accountabilities and decision-making structure

Responsible business › Our responsible business strategy

# Our responsible business strategy

Our responsible business strategy was developed in collaboration with our leaders, colleagues, clients, investors and community groups to identify the most important issues that Capita should address as a modern outsourcer.



\* United Nations Sustainable Development Goals

## Responsible business › Our people



## Our people

## Workforce

c.29,500

across operations in

8 countries

Capita's ambition is to support a healthy, safe, diverse and inclusive workforce. To uphold these principles, we have set the following 2026 targets:

- Increase gender and ethnic representation at management level;
- Achieve Gold TIDE Award (achieved); and
- Maintain Disability Confident Scheme Level 3 accreditation.

## Progress against our targets

## Culture: bringing our values to life

In 2025, Capita continued to make progress in embedding culture as a strategic lever as part of our transformation programme, aligning people, performance, and purpose to deliver sustainable business outcomes. The culture programme, now a core pillar of our high performing organisation strategy, has matured into a multi-stream initiative that is reshaping leadership, recognition, and organisational behaviours across the Group.

The launch of our refreshed values and colleague playbook marked a pivotal moment in our cultural evolution. Co-created with global colleague input through workshops, listening sessions, and surveys, these values are designed to be our guiding principles that drive behaviour, shape our culture, and steer our strategic direction.

They now underpin performance management, leadership behaviours, and recognition frameworks.

## Our values



**Customer first, always:** we prioritise our customers in everything we do, working hard to exceed their expectations with exceptional service.



**Fearless innovation:** we love bold ideas and adopt the best solutions to continuously improve, working at pace to serve our customers and communities better.



**Achieve together:** we believe in the power of collaboration and being open, working together, holding each other to account to reach our shared goals.



**Everyone is valued:** we create a welcoming and inclusive environment where everyone feels valued and empowered to succeed.

**“Being involved in shaping our new values was incredibly important to me because it gave me the chance to contribute to something meaningful culminating in defining what truly matters to us as an organisation. These new values embody Capita at its best, reflecting our commitment to integrity, innovation, and excellence in everything we do. I hope that they truly resonate across all employees and enable every member to feel empowered to make a tangible, positive impact to our company culture every day.”**

Caroline Marshall, Senior HR Business Partner, TechOps (UK)

To help bring our new values to life and translate them into the positive actions and behaviours, we have created a colleague playbook which sets out how we all need to contribute and behave to positively demonstrate our values in our day-to-day working lives. Our colleague and leadership playbooks sit side by side and are essential in ensuring that we all work towards the same goal.

Since launching our refreshed values and colleague playbook, we have taken a multi-faceted approach to embedding them across Capita. A global town hall event set the tone for cultural alignment, followed by the formation of a cross-functional values champion working group to drive consistent joined up embedment. As part of a two-day conference, senior leaders explored how the values will shape our future. The values are being integrated into key people processes including recruitment, induction, mid-year and annual reviews, with further embedding planned through internal audits from 2026. We also introduced colleague-led listening focus groups, open to all to gather lived experiences and ideas for ongoing embedding activity, with sessions scheduled every six months. Creative engagement has been a priority, including a refreshed Workday landing page. We are committed to making our values visible, actionable, and enduring across Capita. Ongoing communications through our Viva Engage platform continue to link business activity and success stories to our values, using storytelling to make them relatable and real for colleagues.

In September 2025 we launched Celebrate!, our new global recognition platform. Designed to reinforce our values and foster a culture of appreciation, Celebrate! enables colleagues to acknowledge each other's contributions in real time.

It is already driving higher engagement, with almost 13,400 recognition moments since launch. We will evolve this in 2026 to include financial recognition features.

The culture programme is not a standalone initiative; it is a strategic lever for delivering our transformation agenda. From the future of work priorities to the refreshed performance cycle and enhanced high potential (HiPo) development, culture connects our people strategy to business outcomes. Operational KPIs such as eNPS, internal mobility, inclusion scores and voluntary attrition are tracked monthly and reported to the Board, ensuring transparency and accountability. In 2026, the culture programme will continue to evolve. Priorities include embedding our values further, expanding Celebrate! into new regions, our skills campaign and launching phase 2 of the leadership enablement programme. With continued support from our leadership and the passion of our people, Capita is building a culture that not only supports transformation but defines it. In 2026, we will continue to embed our refreshed values through a series of targeted initiatives designed to deepen cultural alignment and bring our principles to life. We will launch a series of interviews with our hyperscaling partners, exploring how our values shape collaboration and innovation. Our C500 leadership cohort will engage in values-led activities to drive ownership and accountability; storytelling will remain central, linking values to lived experiences across the business. We will maintain momentum through ongoing colleague focus groups and expand our network by introducing culture ambassadors alongside our existing values champion group. Our values will be further integrated into business processes and celebrated through initiatives such as the CEO, Black employee network and Local Hero awards.

## Responsible business › Our people *continued*

A sustained communications campaign via Viva Engage will continue to spotlight how our values show up in everyday successes, reinforcing their relevance and impact across Capita.

### Our pulse and people survey

We appreciate the importance of a highly engaged workforce and we continue to implement measures and interventions to ensure we achieve this. In 2025 we continued with our pulse survey, on top of our annual colleague survey, to better understand how our colleagues were feeling and acting on their feedback. 11,173 colleagues took the 2025 pulse survey with a response rate of 34% and an eNPS of -23, a 10-point improvement from 2024.

Our 2025 colleague survey achieved a 49% completion rate, representing a four point increase on the 2024 all-colleague survey and a 15 point improvement compared to the pulse survey. The eNPS was -22, an 11-point improvement on 2024 and 1 point higher than the 2025 pulse survey. Responses were grouped into three key indicators: engagement (63%, down 1%), inclusion (69%, up 1%), and wellbeing (68%, up 3%). Survey results were shared with key stakeholders and communicated to all colleagues, with leadership cascading insights across the organisation and local action plans being developed. These plans are aimed to drive meaningful improvements throughout 2026, supported by ongoing monitoring and a 'You said, we did' campaign to ensure continued engagement and accountability.

### Human resources (HR) operations

In 2025, our HR Shared Services Team continued to focus on colleague experience by driving simplification, automation, and service excellence across HR operations, while maintaining high standards of quality and responsiveness. We successfully transitioned from our legacy ticketing tool to ServiceNow, enabling enhanced support services management in an exceptionally short timeframe, underlining our focus on speed of execution. Our PeopleHub site was relaunched, offering rich content and a more intuitive experience for colleagues. This was integrated into our AI digital assistant AskMeAnything, allowing colleagues to access information more efficiently and when convenient.

We continued to prioritise responsiveness and quality in our employee support services, handling over 119,000 queries with a 99.12% answer rate and a quality score of 97.92%. Our teams worked diligently behind the scenes to ensure data accuracy and integrity, updating over 215,000 records and completing nearly 8,000 process audits using our quality assessment tools. These efforts helped to create a smoother, more reliable experience for our colleagues across the business.

We launched a new Workday app, enabling colleagues to perform everyday tasks such as checking leave balances, requesting time off, giving feedback and accessing training. Managers can view team calendars, approve leave, and receive actionable notifications, streamlining workflows in a familiar workspace. This initiative was directed at driving self-service and ease of access to key people processes. Capita received the Workday Customer Award EMEA 2025 for powering innovation.

This award acknowledges Workday customers who drive ground breaking innovation, to build and shape new business capabilities through technology and collaboration.

We moved to a new occupational health provider – People Asset Management Group – a UK-based occupational health and wellbeing provider offering services such as health surveillance, absence management, physiotherapy, mental health support, and employee assistance programmes. Changes in the referral process led to a reduction of around 100 cases per month. The Employee Relations (ER) team continues to support managers on related cases.

In 2025, payroll teams in our international geographies delivered accurate and timely outcomes while enhancing compliance and automation. Key milestones included successful execution of annual bonus and salary revisions, and rollout of the new tax regime in India.

We achieved 100% Apprenticeship Act compliance and supported critical litigation and statutory responses. In South Africa, we resolved more than 4,000 cases for the Revenue Service submissions within the timeline, implemented 2026 tax tables, and closed audit findings. Automation efforts are underway to streamline reconciliation, document delivery, and compliance tracking, all aimed at improving efficiency and colleague experience.

Throughout 2025, our operations in Experience remained focused on supporting our people. From simplifying access to services and enhancing data accuracy, to launching intuitive tools, every initiative has been designed to improve colleague experience.

Our AI and automation efforts have reduced manual tasks and turnaround times, allowing teams to focus on what matters most – connecting with our people. Our goal remains clear: to empower our people with reliable, responsive, and human-centred HR services.

We have strengthened our partnership between the ER team, HR business partners and divisional people directors to help drive quality of service through the ER Hub. The team has provided a consistent level of service across the business with c.8,650 cases received to date and c.8,170 cases closed. Our continuous focus on efficiency and enhancing customer experience has included creation of a reasonable adjustments guide for launch to managers. This self-help guide enables managers to consider adjustments and support colleagues as required.

The Public Service People team (both talent acquisition and HR) made impressive strides through the data champions initiative, working towards embedding a consistent and strategic approach to data use that empowers teams to generate actionable insights and drive informed decision-making across the division. By identifying data gaps, cleaning and improving the quality of existing datasets, and working more closely with the central data and Management Information team, the initiative drives more accurate and reliable insights. Through bite-sized updates and learning sessions, the data champions are sharing best practice and data education, enhancing confidence in using data effectively and fostering a culture of data fluency while elevating the impact of HR metrics on business outcomes.

## Representing the diversity of our communities

We believe that fostering an inclusive environment where everyone feels valued and respected is not just the right thing to do, but it also drives innovation and success. DEI is integral to our culture and operations. We strive to create a workplace where every individual, regardless of their background, can thrive and contribute their unique perspectives. This commitment extends beyond our internal practices to our interactions with clients, partners, and the communities we serve. Our journey towards greater DEI is ongoing, and we are continually looking for ways to improve.

In 2025, we strengthened our commitment to fostering an inclusive workplace by refreshing our DEI policy. The updated policy clearly outlines our expectations of all colleagues, managers, leaders, and partners reinforcing our shared responsibility to create a culture where everyone feels respected, valued, and empowered. The policy highlights that we uphold a zero-tolerance approach for all forms of discrimination and harassment (including sexual and non-sexual harassment), bullying, discrimination and victimisation, supported by an explicit statement in our Code of Conduct. Preventive measures are embedded throughout the employee lifecycle, from fair recruitment practices to equitable professional development and promotion processes.

Mandatory training on DEI (2025 completion rate: 96%), covering discrimination and harassment elements, as well as Code of Conduct training (2025 completion rate: 96%) is provided to all colleagues annually.

A formal grievance mechanism and remediation procedures are in place for victims, alongside corrective or disciplinary actions for confirmed cases.

Other highlights from the year include:

- Capita being ranked in the Forbes Global list of top employers for women for the third consecutive year, an assessment that cannot be nominated for but is determined following anonymous interviews with thousands of employees across the globe.
- Being recognised as a Financial Times–Statista Leader in Diversity, a prestigious accolade that highlights organisations across Europe for their commitment to fostering inclusive workplaces. It is considered one of Europe’s most respected benchmarks for workplace inclusion. The 2025 edition ranked 850 companies from various sectors, making inclusion in the list a significant achievement for any organisation.
- Undertaking the industry-recognised TIDE benchmark and being granted a Gold TIDE award, a testament to the strength of our inclusion practices.
- Our pay gaps improved in 2025 and, for the first time, we disclosed our disability pay gap, to increase transparency and drive accountability in creating an inclusive workplace where everyone is rewarded fairly:
  - our gender median pay gap is now 14.20% (2024: 14.91%) and the mean is 18.30% (2024: 18.40%);
  - our ethnicity median pay gap is now 21.80% (2024: 28.00%) and the mean is 14.70% (2024: 21.60%);
  - our median disability pay gap is -6.90%, indicating that employees with disabilities earn slightly more on average than their peers, meaning there is no gap. The mean pay gap is 2.30%, which reflects a minimal difference across the workforce.

- Our virtual-first, hybrid-working model which remains an important pillar in providing flexible working solutions for our colleagues and continues to receive a positive response. Colleagues have the opportunity to meet in person at our regional offices when required, ensuring collaboration and connection remain strong.
- Introducing inclusive recruitment measures, including a guaranteed interview scheme for candidates with disabilities and improved processes for those who require reasonable adjustments.
- Enhancing hiring practices through updated job adverts, inclusive messaging on career pages, and manager guidance on inclusive hiring.
- Delivering monthly events in partnership with employee network groups (ENGs) to support colleagues with insights and skills on applying for promotion.

Our global ENGs, which had more than 3,800 members at the end of 2025, are very important to us. The networks cover faith, ability, gender, sexual orientation, family, Black colleagues and ethnicity. In 2026 we are planning to introduce an ENG for military colleagues, supporting reservists, veterans, military spouses and their families. Each group is sponsored by a member of our Executive Team and has the opportunity to influence key organisational policies and practices. Throughout the year, we ran regular virtual ‘get involved’ sessions to build awareness and understanding of our similarities and differences. We celebrate events such as Pride, International Women’s Day, International Men’s Day and Black History Month on an annual basis.

In 2025 we continued with our three diversity focus areas: women in senior management; ethnic diversity in middle and senior management; and supporting colleagues with a disability. On 31 December 2025 our overall workforce was 52% female, as well as 31% of our senior management (leadership) roles, 38% of middle management roles, and 57% of junior management roles were female. Our Board was 43% female, and our Executive Team was 40% female.

In addition, our Board and our Executive Team were 29% and 20% ethnically diverse respectively. Details of our reporting criteria are listed on our website [www.capita.com](http://www.capita.com).

In 2025, we maintained our Disability Confident Leader (level 3) group level accreditation, demonstrating our commitment to DEI and ensuring that any colleague with a disability has the opportunity to succeed. The Disability Confident scheme has provided us with a valuable framework to identify what we were already doing well, take a more joined up approach and find ways to improve how we recruit, retain and develop colleagues with disabilities.

## Responsible business › Our people *continued*

We continue to work with the Capita ability network (CAN) to strengthen understanding as well as support our colleagues with a disability, neurodiversity or long-term health conditions. In 2025, 28% of employees disclosed their disability status, which is higher than the UK average, with 15.8% identifying as disabled and 84.2% as not disabled. CAN was also shortlisted for Outstanding Ability Network of the Year at the 2025 British Diversity Awards.

Capita is proud to support Business in the Community's (BiTC) Opening Doors campaign, a flagship initiative championing inclusive recruitment across UK workplaces. As part of this commitment, Capita has implemented three key actions:

- **Diversifying interview panels:** through an Inclusive Recruitment pilot, members of Capita's Black employee network (BEN) and CAN joined interview panels, and DEI-focused questions were embedded at all hiring levels. This approach provided a broader perspective on candidate behaviours and motivations, enriching the overall assessment process.
- **Ensuring accessibility throughout the candidate journey:** Capita now asks all candidates if they require adjustments at every stage of recruitment. This led to a comprehensive review of the candidate experience, resulting in updated communications and new guidance for hiring managers to better support neurodivergent and disabled applicants.
- **Promoting transparency and commitment to inclusion:** Capita has begun publishing diversity pledges and value statements on its website and in senior-level job advertisements. This signals a clear and public commitment to building an inclusive workforce and attracting a wider range of talent.

Public Service has launched a dedicated initiative to support military spouses, a highly skilled yet often overlooked talent pool. These individuals bring exceptional qualities such as adaptability, resilience, time management, and cultural awareness, but face unique career challenges due to frequent relocations and limited access to informal support networks. Recognising that traditional office-based roles often exclude this group, we have leveraged its ability to offer fully remote roles, positioning itself to attract and retain this valuable talent. We also provide supportive onboarding with a single point of contact for both the new hire and their manager during the first six months to address skills gaps and ease the transition. This initiative reinforces Capita's commitment to the Armed Forces Covenant and strengthens its partnerships with the British Army and Royal Navy with building a resilient, loyal talent pool by removing employment barriers and enabling long-term career development.

Team Fisher, the Capita-led consortium driving data and technology-led transformation of Royal Navy training, was shortlisted for the Personnel Today Learning & Development Supplier of the Year Award for its pioneering work in inclusion and belonging within Royal Navy training. Recognising the strengths of neurodivergent individuals, including those with autism, ADHD, and dyslexia, Team Fisher adopted a person-centred approach that replaces deficit-based models with proactive, tailored support. This includes multiple opportunities for disclosure, early access to adjustments, and strategies aligned to individual strengths, enabling trainees to thrive.

Alongside our ENGs, we continue to work with a number of outstanding external partners who support and strengthen our DEI efforts. These include multiple job boards, such as Evenbreak, an award-winning job board for disabled people; Vercida, an independent platform championing inclusive employers across all strands of diversity; Forces Families Jobs; and the British Armed Forces Resettlement Service. We work closely with Onvero (formerly ENEI), a not-for-profit organisation helping employers build diverse teams and inclusive cultures through membership, training, and consultancy. We also collaborate with Purple Space, a professional development hub for disability network leaders, and BiTC, the UK's largest responsible business network. We are also proud signatories of the BiTC's Ban the Box initiative and Race at Work Charters, as well as Women in Transport, Working with Cancer Pledge, Menopause Pledge and Sands Champions. Our support for military personnel and their families is reflected in our pledge to the Armed Forces Covenant and being signatories of the Women in Defence Charter.

**“Diversity, equity and inclusion are only meaningful when we are honest about where we stand and committed to where we need to go. Being transparent with our data helps us understand the realities of our workforce, identify gaps, hold ourselves accountable and take targeted action. Strong representation, especially in leadership and management, is essential to creating a culture where all colleagues feel valued and empowered.”**

Maria Whiteley, Head of Technology Presales (AI&PO), Capita plc and the Chair of BEN

### Disability reverse mentorship case study

In 2025 Capita's disability reverse mentorship programme, co-led by Capita's health assessment advisory service (HAAS) and disabled students' allowance (DSA) service teams, paired leaders and managers with colleagues who have disabilities, chronic health conditions, or neurodivergence to foster greater understanding and inclusion. Co-created with input from Capita colleagues, CAN, and external partner Onvero, the six-month pilot enabled 28 participants to engage in open dialogue, shape programme content, and influence how disability is discussed and supported across the organisation.

100% of participating leaders reported increased understanding and confidence in discussing disability-related topics, while mentors felt heard and empowered to reflect on their own experiences. Feedback highlighted how the initiative is already influencing team practices and driving change. Building on this success, Capita is expanding its efforts—developing an AI-based app for workplace accommodations, exploring automation of adjustment passports in Workday, and launching a neurodiversity training module for managers. We were delighted to be shortlisted in the Innovative Approach to Diversity, Equality and Inclusion category at the annual Onvero Awards, recognising our commitment to creating an inclusive workplace and driving meaningful change across the organisation.

## Reporting tables on gender and ethnicity representation at Board, Executive Team and management levels at 31 December 2025

### Reporting table on gender representation

Gender	Number of Board members	% of Board	Number of senior Board positions*	Number in executive management	% of executive management	Number of all management	% of all management	Number of senior management (leadership)*	% of senior management (leadership)	Number of senior management*	% of senior management	Number of middle management	% of middle management	Number of junior management	% of junior management	Number of total workforce	% of total workforce
Male	4	57	3	6	60	3,684	59	72	69	1,274	63	912	62	1,792	43	14,031	47
Female	3	43	1	4	40 <sup>◊</sup>	2,550	41	32	31 <sup>◊</sup>	758	37	553	38	2,410	57	15,454	52
Other categories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0.01
Not asked in a country/Not specified	0	0	0	0	0	1	0	0	0	1	0	1	0	0	0	149	0.50

### Reporting table on ethnicity representation

Ethnicity	Number of Board members	% of Board	Number of senior Board positions*	Number in executive management	% of executive management	Number of all management	% of all management	Number of senior management (leadership)*	% of senior management (leadership)	Number of senior management*	% of senior management	Number of middle management	% of middle management	Number of junior management	% of junior management	Number of total workforce	% of total workforce
White British or other White (including minority white groups)	5	71	4	8	80	3,764	60	69	66	1,353	66.2	940	64	2,411	55.6	12,089	41
Mixed/multiple ethnic groups	0	0	0	0	0	120	2	1	1	34	1.7	31	2	86	1.9	1,392	5
Asian/Asian British	1	14.3	0	2	20	366	6	7	7	113	5.5	84	6	253	6.2	2,198	7
Black/African/Caribbean/Black British	1	14.3	0	0	0	177	3	0	0	55	2.7	46	3	122	3.5	2,147	7
Other ethnic group, including Arab	0	0	0	0	0	81	1	2	2	17	0.8	13	1	64	1.7	449	2
Prefer not to disclose	0	0	0	0	0	75	1	1	1	36	1.8	26	1	39	0.8	252	1
Not asked in a country/Not specified	0	0	0	0	0	1,663	27	24	23	436	21.3	326	23	1,227	30.2	11,111	37

At 31 December 2025 (being the reference date selected by the Board for the purposes of this disclosure), the Company complied, as detailed below, with the Financial Conduct Authority (FCA) regulatory targets, set out in Listing Rule 6.6.6R (9).

- The Board was 43% female;
- The Senior Independent Director (Georgina Harvey) was female; and
- The Board had two Directors from a minority ethnic background.

We achieved our target to have at least 40% female representation on the Board.

Capita collects the data used for the purpose of making the gender and ethnicity representations from Board members, Senior Management and the Executive Team on a voluntary basis. The data is extracted from the HR management system, Workday, or obtained via email as a self-declaration.

All management is defined as those in career levels C,D,E,F plus Directors; senior management – in career levels D,E,F plus Directors; middle management – in career level D plus Directors; and junior management – in career level C plus Directors.

The Executive Team is considered to be the Company's executive management as defined by the Listing Rules.

◊ KPMG, our independent assurance provider, has provided limited assurance over the selected information in this table denoted by the symbol (◊) using the assurance standard ISAE (UK) 3000. The assurance report as well as the reporting criteria and full methodology can be found in full on our website: <https://www.capita.com/about-capita/resources-and-reports>.

\* Capita defines Senior Board positions as: Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and, Senior Independent Director (SID); and senior management (leadership), as those in career level F within the Group in line with our career path framework, plus subsidiary legal entity directors within the Group (Directors), as per requirements of the Companies Act section 414C(8)(c)(ii) and 414c(10)(b).

## Responsible business › Our people *continued*

### Performance and development

2025 has been a successful year for performance and development, marked by strong engagement and measurable progress across key initiatives. Our annual appraisal process remains a critical enabler of talent development, incorporating comprehensive discussions around individual achievements, alignment with Capita values, strengths, development areas, feedback, future goals, and career planning.

Employees are encouraged to seek 360-degree feedback and focus on their development areas. We continue to embed our approach to performance reviews, which are multidimensional, assessing both the what (delivery against objectives) and the how (behaviours aligned with our values). Our completion rates reflect high engagement: end-of-year reviews achieved a 98% completion rate (2024: 97.3%) and mid-year reviews reached 96.5% (2024: 84.5%).

We enhanced our use of management information dashboards to drive targeted interventions to ensure fair and consistent distribution of ratings and quality of objective-setting. Objective setting has seen notable improvement, with 84% of eligible employees setting objectives in Workday, and more than 50% of those meeting SMART and compliance standards, a clear indicator of increased rigour and alignment.

We revised our performance and development strategy to meet the changing needs of our workforce. The 2026 approach will be streamlined to reduce repetition and complexity while leveraging new technologies. The new approach will be far more efficient and encourage focused performance conversations. Design changes have been driven by extensive colleague feedback, and guided by three key themes – simplicity, efficiency and transparency.

Some of the key changes will include moving to quarterly progress catch ups, a refreshed five-point rating scale and the removal of complex rating grids. Objective setting will use the objectives and key results framework and ‘better’ themes to enable greater flexibility for objective creation. Development pathways will be clearer to support development and retention, and features such as embedded analytics, discovery boards, gen AI feedback and Copilot will add further value to performance discussions. Capita’s performance and development programmes are inclusive, extending to contractual and part-time employees within our workforce to ensure equitable access to training, career development, and performance support.

### Career path framework (CPF)

We have continued to embed the CPF, which comprises 23 frameworks launched to 29,500 colleagues across eight geographies. CPF is designed to empower everyone at Capita to grow their careers and take advantage of opportunities across the Group.

This year, our focus has been on aligning CPF with core people processes. Career pathways are now integrated into performance management, recruitment and role creation and have supported benchmarking during reorganisations. CPF continues to inform our reward practices, helping ensure consistency and transparency.

Reporting has also improved, with career levels now applied to people dashboards. We are moving away from the use of CEO levels, creating a more unified and accessible framework. So far, 152 job families have been completed, including AI & technology, growth, and operations, with work ongoing to finalise outstanding frameworks in collaboration with business areas.

To support consistency and governance, we have launched the CPF change request process, ensuring updates are managed effectively and aligned with best practice.

### Career tool

Since its launch in 2024, the career tool has continued to evolve, offering colleagues a more personalised and empowering development experience. Colleagues can now complete competency assessments not only for their current role, but also for vertical and lateral career pathways. These assessments help identify development needs by highlighting gaps against Capita’s job role benchmarks. More than 1,400 development needs analysis (DNAs) questionnaires had been completed by 31 December 2025, and this tool will now be embedded into annual development reviews, supporting more targeted growth conversations. New features have been introduced to improve accessibility and impact. The competency library now enables colleagues to explore role-specific competencies without completing a DNA. Additionally, two new 360 feedback tools: Leadership 360 and Behavioural 360, have been launched. These tools are built on established psychological frameworks, including Johari’s Window and Carl Jung’s theory, and are fully aligned with Capita’s values.

They enable colleagues to gather anonymised feedback, offering a deeper understanding of their strengths, blind spots and leadership styles through a visual report. The response has been positive, with more than 1,250,360 feedbacks completed by the end of December 2025. These tools are helping colleagues take ownership of their development, build self-awareness and plan meaningful career journeys.

### Talent acquisition and turnover

Due to the nature of Capita’s business, we continue to attract high volumes of applicants, resulting in nearly 8,500 new starters during the year. Our voluntary turnover was 17%, down from 21.7% in 2024.

Our colleagues tell us that our virtual-first working approach, where flexible and remote work are offered wherever client and business needs allow, is helping us to retain high-quality and increasingly diverse talent. At the same time, colleagues have the opportunity to meet in person at our regional offices when required, ensuring collaboration and connection remain strong.

Despite, some improvement in the external economic backdrop, our focus in 2025 has remained on employee retention initiatives with 20% of roles filled internally as part of our Capita-first policy.

**Average learning hours completed per employee excluding local technical training**

**c.22**  
(2024: c.16)

### Moving Ahead mentoring programme

Our Moving Ahead 2024–2025 mentoring programme concluded in July 2025, bringing together 39 colleagues from across the globe. With 18 mentors and 21 mentees, the programme continues to be a powerful driver of career development, internal mobility and leadership growth.

We partnered with Moving Ahead to support their 10-year anniversary celebrations, contributing to their partnership story and reinforcing our shared commitment to inclusive leadership. Our 2025-2026 cohort launched in November 2025, and these programmes remain a key part of our global strategy to increase diverse representation at senior levels. Retention data shows a clear upward trend: 88.6% in 2024-2025 to 91.3% in 2025-2026 demonstrating measurable impact. The net promoter score of the programme is +37.5, reflecting strong engagement and impact. We were Highly Commended in the Talent Retention, Development and Progression category at the annual Onvero Awards, highlighting our dedication to nurturing careers and creating long-term opportunities for our people.

**“At Capita, we’re not just investing in talent – we’re deliberately creating opportunities for underrepresented groups to thrive. Programmes like Mission Gender Equity and Mission Include play a vital role in delivering real, measurable social value – by empowering women, increasing diversity in leadership and nurturing confidence in future changemakers.”**

Emma Thornton, Head of Social Value, Capita Experience Pension Solutions.

### Group mentoring

Since its launch in 2024, we have continued to embed Group mentoring functionality within Workday, expanding access to a rich and diverse mentoring database. This tool enables colleagues to form mentoring relationships across locations, business areas and career levels, with mentors and mentees able to connect freely and independently. By removing barriers to access, it encourages organic,

cross-functional growth and collaboration through individuals finding a diverse range of mentors they wouldn’t normally have access to, given our organisational design.

In 2025, 235 mentors registered, and 146 new mentoring relationships were formed (an increase from 198 registered mentors and 60 mentoring relationships in 2024). Localised initiatives such as the SheLeads pilot mentoring programme in South Africa and India can now register through the Group mentoring tool.

### Capita academy

#### AI, data & technology academy

In 2025, we continued to invest in building AI, data, and digital literacy across the organisation, supporting our wider digital transformation goals. Through a mix of digital learning, targeted bootcamps, and hands-on virtual labs, more than 3,500 colleagues developed practical skills and confidence in applying AI and data tools and techniques in their day-to-day work.

Our learning approach has focused on the partnership between people and technology, particularly in the context of AI, emphasising the need to develop both human and digital capabilities. Additional initiatives such as AI learning weeks and bite-sized lunch and learn style sessions have helped a further 3,500 colleagues strengthen their understanding and use of AI and digital tools.

Working closely with the AI Enablement team, we delivered Capita’s Copilot M365 programme to support the rollout of nearly 5,000 Copilot licences. This programme has resulted in more than 6,680 hours of learning and is already showing measurable benefits as colleagues significantly improved their proficiency through summarising meetings, drafting content, analysing data and automating task, resulting in c.2.2 million

Copilot interactions and c.172,000 hours saved in the past six months. We also launched a Copilot pathfinder programme, developing over 190 power users who are now helping to lead AI adoption and innovation across the organisation.

We also supported learning around emerging technologies such as agentic AI and agent-based systems. This has helped colleagues explore how embedded automation can drive efficiency and has led to a noticeable increase in ideas submitted to our AI Catalyst Lab and Enablement Team.

To support leadership in digital transformation, we piloted a strategic AI in leadership programme in partnership with Corndel. This initiative has helped leaders and project leads turn AI transformation ideas into practical solutions that improve operations and customer service.

We expanded learning opportunities by leveraging our partnerships with leading hyperscaler and technology partners including Microsoft, AWS, Salesforce and ServiceNow. These collaborations have enabled colleagues to access high-quality training content, gain industry-recognised certifications, and deepen their expertise in AI, data, and cloud technologies. This not only supported individual development but also strengthened our internal capability to deliver technology-enabled solutions across the organisation.

The academy has adopted a more proactive approach to understanding how learners discover learning opportunities and how we can leverage these channels to communicate our learning offering effectively to colleagues. This allowed for more considered approaches and has helped us to build out Viva Engage, resulting in a 35.57% increase in followers over 2025 (196 colleagues), with over 44,500 views of our 197 Viva Engage communications so far this year.

This strategic shift enabled us to better align our communications with learner preferences, ensuring that our messaging is both timely and relevant. By leveraging insights into how colleagues discover learning opportunities, we were able to tailor our outreach and amplify engagement across the organisation. We began sharing our internal learning resources externally. Adapted versions of our AI, data, and digital programmes are now being used to support clients such as the FCA. We also started engaging with higher education institutions to build partnerships that support future skills development and help bridge the gap between research and practice in digital transformation.

**“I honestly loved every part of this experience. The learning, the challenges, the people, and the chance to gain real, practical AI skills that actually make a difference in the workplace. It’s pushed me out of my comfort zone and helped me grow both professionally and personally.”**

Daniel Spencer, Business Analyst, Capita Local & Regional Partnerships

### Management and leadership academy

Our academy approach continued to evolve throughout 2025, reflecting our commitment to sustained growth and excellence. To ensure ongoing success, we recognise the importance of investing in our managers and leaders. In alignment with our academy, we have launched the C500 programme, designed to support our top 500 leaders across the Group in understanding and embracing the case for change, clarifying its impact on all colleagues and empowering them to actively contribute to the achievement of our strategic goals.

## Responsible business › Our people *continued*

The C500 cohort plays a pivotal role in Capita's transformation. To maintain momentum and raise the bar, we must stimulate fresh thinking, establish clear priorities, foster ownership and accountability, and cultivate a mindset geared towards success. A wide range of resources is available to support this cohort, including: webinars; fireside chats; reactor sessions focused on solving specific problem statements; change learning modules; and head, heart and hands workshops, embedding Capita's four cornerstones of leadership – being accountable, building trusted relationships, learning and curiosity, and driving a winning mindset.

Our management and leadership academy remains a vital resource toolkit for ensuring our organisation continues to grow and evolve. Our commitment to leadership excellence also extends to the continuous professional development of our teams. In 2025, we enhanced our support structures by expanding mentoring opportunities, the HiPO programme, and peer learning forums, enabling managers to share experiences and best practices more frequently. This collaborative approach not only facilitates knowledge exchange but also strengthens a sense of community and shared purpose across the organisation.

Recognising the role of our managers and leaders in driving cultural change, Capita mandated participation in the management and leadership academy across the Group. This ensures that our management and leadership community are equipped to guide teams through transformation with clarity, empathy, and purpose. 816 junior managers have participated in the academy since launch. Completion rates are tracked weekly, with divisional leads actively supporting engagement.

### Growth academy

In 2026, we will significantly strengthen our growth academy, building on our foundation, we will establish a dedicated academy tailored specifically to the needs of our sales professionals. It will offer targeted programmes, masterclasses, and practical workshops, the academy will launch an expanded suite of programmes and resources designed to empower both all colleagues to be ambassadors of Capita and offer blended learning resources aligned to our CPF families enabling our Growth teams to be successful.

In 2026, Capita academies will mature into collaborative spaces for knowledge sharing, mentoring, and skill development. The organisation will begin to adopt a skills-based approach, addressing the needs of a multi-generational workforce. Managers & leadership, AI & data, change, and growth will remain priority areas. Supporting change and growth keeps individuals and organisations competitive by driving innovation and continuous improvement. Capita will nurture adaptability and resilience through targeted programmes, helping staff thrive during organisational transformation and market expansion.

### Apprenticeships

In 2025, our apprenticeship strategy continued to prioritise AI, data, and leadership development, reflecting the evolving needs of our business and clients. These themes have been embedded across our programmes to ensure colleagues gain future-ready skills.

We enrolled a total of 445 colleagues onto the AI for business value (AIBV) apprenticeship partnership with Multiverse, aligning closely with our internal AI Catalyst Lab. This integration has enabled learners to apply their newly acquired skills to real-world business and client challenges.

The programme has been embraced across the organisation, with strong endorsement from senior stakeholders. During National Apprenticeship Week in February, we hosted a live-streamed panel session featuring learner stories, joined by our CEO, which highlighted the tangible impact of these apprenticeships.

In November, we celebrated the graduation of our first AIBV cohort. Learners shared how the programme had positively influenced their roles and team dynamics. Data and Technology Apprenticeships remained a cornerstone of our offering, with an additional 126 colleagues enrolling in programmes such as data analyst, cyber security, and network engineering. At year end, 17 colleagues were enrolled in Scottish apprenticeships, spanning graduate apprenticeships in business management and technical pathways.

**“Completing the apprenticeship has genuinely transformed how I approach my role day to day. The coursework gave me a deeper understanding of large data structures, which has helped me solve problems more efficiently and deliver clearer insights... Since finishing the course, I've used the skills regularly to improve how we handle data and rethink existing processes with a more refined perspective. Sharing practical tips has helped streamline how our team works together, making it easier to stay consistent and support each other when things get busy.”**

Graeme Oliver, Data Analyst, AI&PO

We also continued to support aspiring, operational, and senior leaders, with 145 colleagues enrolling in leadership apprenticeships.

Our core programmes, delivered by Corndel, received outstanding feedback:

- 94% of Capita Corndel learners reported increased confidence and preparedness for their roles.
- 100% of line managers observed improvements in their team members' performance post programme.

In 2026, we aim to refine our core apprenticeship offering further, with a particular focus on expanding opportunities in Wales, Scotland, and Northern Ireland.

### Reward

Our reward strategy is central to Capita's commitment to being a responsible, people-focused business. Since 2021, we have embedded the CPF, providing market-informed pay ranges, clear principles, and transparent guidelines. This ensures colleagues understand how pay decisions are made, supporting fairness, consistency, and effective cost management. The CPF now covers all colleagues globally.

We remain committed to supporting our lower-paid colleagues. Since 2021, our lowest earners have seen pay rise by more than 40%, reflecting our commitment to fair pay and supporting colleagues most impacted by cost-of-living pressures. Annual salary review (ASR) budgets prioritise those at the lower end of pay ranges, and we continue to review our position relative to the real living wage and national living wage, currently paying above the UK national living wage.

Transparency is a core principle of our reward strategy. In line with the UK Corporate Governance Code, we have run three Pay at Capita engagement sessions with colleagues, including ENG leaders, our Senior Leadership group and a cross-section of employees.

These sessions, provide open discussion on executive and workforce pay, our pay principles, and how pay decisions are made. Feedback from these sessions has directly informed improvements to our pay frameworks, manager training, and communication resources.

We have introduced enhanced training and tools, including the ASR Power BI app, to support consistent, evidence-based salary reviews. Controls include calibration of manager proposals up the management line, HR review for fairness and unconscious bias, and regular analysis of outcomes by protected characteristic group. Attrition and pay compression risks are flagged and addressed as part of the annual salary review process. We also provide training to managers as to how pay works at Capita, including explanatory videos and maintain a dedicated SharePoint site during the annual salary review with additional training and FAQs to support understanding and transparency.

Recognition is a key part of our approach. In 2025 we launched Celebrate!, our new recognition platform, making it simple for colleagues to thank and recognise each other in line with our values.

We continue to publish gender and ethnicity pay gap reports annually, and this year will publish the disability pay gap. Additionally, our colleagues benefit from workplace savings, electric vehicle schemes, private medical insurance, cycle-to-work, will writing, and discounts via our Extras platform. Access to these benefits is now easier, thanks to improved digital tools and communications. Our financial wellbeing app provides budgeting assistance and access to earned wages earlier, supporting colleagues' financial wellbeing.

Workday remains our single source of truth for people data, ensuring accurate reporting and insight. The Data Insights team surfaces trends and opportunities, supporting informed reward decisions. We regularly seek colleague feedback to keep our reward offering relevant and valued. We will continue to refine our reward strategy, focusing on fairness, transparency, and recognition. Priorities for 2026 include further automation, deeper integration of Celebrate! data into performance and talent management, and ongoing support for managers.

### Health, wellbeing and safety

The health, wellbeing and safety of all Capita colleagues continues to be a priority. During 2025, our safeguarding framework was externally reviewed to ensure we achieved our regulatory requirements across the business with very positive results. We reviewed and refreshed our mandatory safeguarding training modules, due for implementation in the first half of 2026. We continue to push our current training compliance, ending 2025 with 92% completion for level 1 and 93% for level 2. Our safeguarding framework is well embedded within our divisions and Group functions. In 2025, 403 safeguarding reports were made with 282 needing further external referral support from local authorities or the emergency services (2024: 307 and 154 accordingly).

We actively promote workstation ergonomics and initiatives to address stress and psychological wellbeing. Our SafetyNet initiative continues to provide expert guidance to HR representatives and line managers supporting colleagues with complex issues related to wellbeing, safeguarding or vulnerability, we supported 116 colleagues in 2025 (2024:166).

We also have employee assistance programmes (EAP), or similar support services, available to all colleagues globally. They provide access to counselling and online resources. The wellbeing of our colleagues has been identified as a key priority by the C500 group. In 2025, we completed a comprehensive review of our internal resources and the external tool available through our partners, including training for managers. A proactive wellbeing strategy is scheduled for implementation in 2026 and beyond.

Our people survey showcased improvement in the wellbeing indicator which improved to 68% (2024: 65%).

We maintain a robust health, safety and environment (HSE) management system aligned with ISO 45001, ensuring that more than 95% of our operations and activities comply with Capita procedures and regulations. Several contracts hold external certifications to ISO 14001, ISO 45001, and ISO 9001, reinforcing our commitment to health and safety excellence. All operational sites have employee risk assessments in place, reviewed annually, and supported by regular inspections and audits.

Accident reporting is managed through CASPER (Capita's system for recording and managing HSE incidents, inspections, and compliance), with all incidents investigated according to tiered risk levels to prevent recurrence. Performance is monitored monthly via Power BI dashboards, summarising accident numbers and days lost, and supported by screen shots demonstrating reporting and measurement at a point in time. In 2025, 1,098 incidents were recorded, an 18% decrease from the prior year. Mandatory training on HSE achieved 97% compliance across the organisation.

Employees represented by an independent trade union or covered by collective bargaining agreements

**14%**  
(2024: 17%)

### Social dialogue

We maintain structured labour relations through regular engagement with employee representatives and trade unions, ensuring transparent communication and consultation on statutory changes and significant organisational decisions. Collective agreements typically cover key aspects of working conditions, including pay, working hours, and holiday entitlements. We uphold the right to freedom of association and collective bargaining across a number of our operations. Our collaboration with recognised trade unions – Unite, Unison, CWU and Prospect – supports constructive dialogue and ensures employee voices are represented in decision-making processes.

## Responsible business › Our communities

### Our communities

Capita's ambition is to have a positive impact on our customers and communities. To uphold these principles, we have set the following 2026 targets:

- Increase the total volunteering hours collectively to 44,000 annually; and
- Maintain 96% compliance in the Government's Modern Slavery Assessment Tool (MSAT).

### Progress against our targets

In 2025, our partnership with BiTC continued to focus on helping communities flourish. Scott Hill, Chief People Officer, worked alongside senior leaders as part of BiTC's Education, Employment and Skills Leadership Team, shaping national solutions to improve social mobility.

With Capita's support, the team:

- Hosted two ministerial roundtables with the Skills Minister and the Secretary of State for Work and Pensions;
- Responded to three key government consultations – Curriculum Review, Get Britain Working, and Breaking Down Barriers to Opportunity – influencing policy at the highest level;
- Made 1.6 million jobs more inclusive through BiTC's Opening Doors initiative;
- Supported over 100 employers to embed inclusive employment practices;
- Engaged 400+ employers through flagship events; and
- Published thought leadership content – including employer videos, blog posts, case studies and reports – reaching an audience of more than 10,000. This included a Capita case study showcasing how we are opening doors to a more inclusive workforce and a thought leadership post featuring Capita's Virtual Work exposure programme.

As a leading member – Capita's Chief Executive Officer hosted a King's Seeing is Believing visit in Burnley, bringing together more than 14 employers to witness first-hand the impact of inclusive recruitment and to build meaningful connections within local communities.

Capita is engaged with the Talent Unlocked Programme as part of BiTC's partnership with the Youth Futures Foundation, helping businesses connect with and support ethnically diverse young people who face barriers to employment.

Also, as part of a three-year programme to tackle in-work poverty in Scotland, Capita joined a BiTC Steering Group to help shape and develop a digital tool that will enable employers to identify and implement practical actions to alleviate in-work poverty.

**“We are delighted to partner with Capita on its responsible business journey and, in particular, help the company deliver impact and social value for its people and in its communities. In November, we were delighted that Adolfo Hernandez, Capita's CEO, led one of our King's Seeing is Believing visits to Burnley, exploring how businesses can take action to support ethnically diverse young people into good work. This visit was part of the Talent Unlocked partnership that BiTC has with Youth Futures Foundation, and Capita's involvement was a reflection of the company's willingness and commitment to creating real change in UK communities at pace and scale.”**

Harriet Walker, Director of Advisory and Member Services at Business in the Community

We maintained 96% compliance in MSAT.

In 2025, Capita gifted almost £991,000 in levy funds to support apprenticeships in other organisations. Beneficiaries included Carers Trust, Refugee Action, RSPCA, NHS Trusts, The Royal Free charity and other charities and small and medium-sized enterprises (SMEs), reinforcing our commitment to responsible business.

In partnership with Hands On Payroll Giving (HOPG), we significantly increased our charitable impact. Our collaboration enables Capita employees to support their chosen charities and communities. In 2025, we raised almost £177,000 through payroll giving activities. Since we partnered with HOPG UK in 2013, Capita colleagues have donated almost £3.4m to their favourite charities through payroll giving. As a result of our continued commitment, Capita received the Payroll Giving Platinum Quality Mark Award issued by Charities Trust. The Platinum Award is a symbol of excellence and is awarded to employers that have succeeded in generating sustainable income sources for UK charities through Payroll Giving. We have also donated more than £12,000 to UnSeen and Social Shifters to support their important work.

The majority of our employees globally are granted one day per year for volunteering activities and almost 13,000 hours of volunteering were recorded in 2025.

In 2025, we continued our commitment to upholding the Armed Forces Covenant and creating a culture that honours and empowers those in the armed forces community.

For the third year running Capita supported the Social Shifters Global Innovation Challenge, designed to accelerate young (18 – 30 years) social innovators, to explore, start and grow their ideas to tackle the social or environmental

issues that matter to them most and contributes towards at least one of the 17 UNSDGs. Hundreds of Capita colleagues support Social Shifters as judges every year, with almost 400 people registered to volunteer in 2025 alone. This year we also supported the finalists as pitch coaches and had a pitch panel that judged the finalists and selected a winner. This was a new step in our partnership with Social Shifters that has strengthened the finalist's preparation and enabled them to compete for the Capita grant. Innovators from India, Germany, the United Kingdom, Ireland, South Africa, and Poland presented solutions to our panel on a wide range of issues including women's health, prosthetics, education, and career support. Among these inspiring projects was Anaphero, from Ireland, who won the challenge with a medical wearable for children with severe food allergies. The device detects early signs of anaphylaxis and quickly alerts parents and emergency services.

### Social value

In 2025 Public Service developed its social value strategy, which is comprised of four principal themes: unleashing potential; enabling sustainable decision making; creating inclusive workplaces; and supporting partner growth and is underpinned by the UK Government Social Value Model. Our Social Value Strategy is rooted in the belief that business success and societal progress are deeply interconnected. By aligning our operations and initiatives with the broader needs of society, we aim to create a positive impact that extends beyond our immediate business activities. Our Mission is to harness the power of data and technology to create meaningful social value that enriches lives and positively impacts communities.



We have delivered some impactful projects and initiatives to support implementation of our social value strategy:

- Capita Entrust Laches Wood Outdoor Education Centre delivered 300 Outdoor Activity Day opportunities to young people aged 5–15 from Cannock through the Holiday Activity and Food (HAF) programme, funded by Staffordshire County Council. The initiative supported low-income families by promoting enrichment, inclusion, confidence, health, wellbeing, and educational readiness. Evaluations from Northumberland and Sandwell councils reported improved wellbeing, reduced food insecurity, and increased physical activity, while parents described the programme as a lifeline that helps their children feel part of a community and develop interpersonal skills;
- We marked National Inclusion Week by donating 395 repurposed laptops to communities in Barnet, Lambeth, Birmingham, and North Tyneside, helping bridge the digital divide for those most in need. The donations supported students at Selly Oak Trust School, vulnerable residents via Barnet's 2second Chance charity, and local initiatives led by Lambeth Council and The Meadows community hub in North Shields. Alongside device distribution, Public Service colleagues also delivered digital skills workshops, reinforcing Capita's belief that inclusion means more than access – it's about dignity, opportunity, and equity;
- At Darlington Borough Council's Destination STEM (science, technology, engineering, and mathematics) event at Hopetown, Capita Pension Solutions engaged Year 5 and 6 pupils with a creative pensions challenge that encouraged them to think about saving, spending, and how small decisions add up over time;

- The activity helped children connect maths to everyday life, showing how percentages and numbers can become meaningful when applied to real-world choices;
- Our school's team in Northern Ireland supported a digital leader training event at St Mary's Primary School Glenview, engaging over 270 pupils from 30 schools across Northern Ireland in coding, problem-solving, augmented reality, and digital wellbeing activities; and
- We help to close the employment gap for students with special educational needs and disabilities (SEND) through a new hybrid work experience programme co-created with Vision West Notts College. The two-day initiative supports SEND students on the Foundation Business Administration course with sessions on CV writing, gen AI, inclusive design, and career insights—culminating in real-world experience alongside current interns. This pan-Capita collaboration reflects our commitment to social value and inclusion, empowering young people with the skills and confidence to thrive.

#### Scholarships for South Africa colleagues

Since 2017, our scholarship programme has supported more than 1,000 children of Capita colleagues in South Africa, helping them thrive through education. This year, we awarded 205 scholarships. The programme covers essentials like tuition fees, school clothing, books and sports equipment, giving every child the best chance to succeed.

Community investment,  
including apprentice levy

**c.£2.1m**

(2024: c.£1.9m)



**“As a single parent, balancing work, personal responsibilities, and financial commitments can be incredibly challenging. This scholarship has made a meaningful difference in my life, both professionally and personally. This initiative is more than just financial support – it’s a reminder that the company values and invests in its people.”**

Tracey Williams, Operational Oversight Officer, Capita Experience



## Responsible business › Our business

### Our business

Capita's ambition is to operate ethically, responsibly and securely. To uphold these principles, we have set the following 2026 targets:

- EcoVadis Silver Medal; and
- Mandatory data security & cyber protection training – 96% plus annual compliance.

### Progress against our targets

In 2025, Capita was included in the FTSE4Good Index Series for the second time. The Series, by global index and data provider FTSE Russell, is designed to measure the performance of companies demonstrating strong ESG practices.

Capita continued to strengthen its sustainability performance, achieving a score of 53 out of 100 in the Corporate Sustainability Assessment, an eight-point improvement from 2024 and placing us in the 90<sup>th</sup> percentile globally. We also reduced our ESG risk rating in Sustainalytics from 15.5 to 13.5, reflecting lower exposure to sustainability-related risks.

Additionally, we earned a score of 60 in our EcoVadis assessment, maintaining our Good status and receiving the Committed badge. While our ranking shifted, we proactively addressed areas for improvement and implemented targeted actions to enhance transparency and evidence-based reporting. These efforts demonstrate our ongoing commitment to responsible business and position us for even stronger outcomes in future assessments.

The Fair Tax Foundation has recredited us with the Fair Tax Mark, reaffirming our commitment to transparency and ethical tax practices.

With the rapid adoption of AI within Capita, we have developed a set of rules and commitments to ensure that all AI activities are governed by the same principles as other technologies, including compliance with ethical standards, data protection, cybersecurity, and acceptable use guidelines. Specific frameworks, such as the generative AI policy, data ethics standard and self-assessment, as well as the Code of Conduct, guide ethical development and deployment, with a focus on transparency, bias mitigation, and accountability.

### Client relations

We actively seek the views of our clients through an annual customer net promoter score (cNPS) survey. We ask for feedback on our current performance, key drivers and encourage comments on areas that they would like us to focus on in future. We feed this information back to our teams who then take the time to understand any root causes of issues raised and set actions, which are monitored via our customer relationship management platform, Salesforce. We are proud of the improvement achieved across all areas of the business, but particularly in Experience; the Group cNPS score improved to +31 points (2024: +28 points), our highest score since we began to record results in 2018. Our response rate was 51% (2024: 57%).



## Supplier engagement

Capita is committed to partnering with suppliers who share our values: driving innovation, putting customers at the centre of everything we do, achieving success collaboratively, and ensuring that everyone feels valued.

We want to work with suppliers and supply chain partners that help us deliver our purpose, to create better outcomes. This includes the provision of safe working conditions, treating workers with dignity and respect, acting ethically and being environmentally responsible. Our supplier charter has been updated this year and remains at the core of strengthening our commitments to support more small and medium sized enterprises (SMEs), increasing the diversity of our supply chain, promoting supply chain resilience and encouraging ambitious carbon reduction targets. 100% of new and renewing suppliers adhere to our supplier charter, which explicitly outlines expectations regarding labour rights, ethical practices, and compliance with modern slavery legislation. We continuously monitor suppliers to maintain adherence to the supplier charter and subsequently identify potential risks early, ensuring ethical sourcing practices are followed transparently and upholding the highest standards. In addition to the refresh of the our supplier charter this year, we have also refreshed the procurement standard and policy to ensure resilient and ethical procurement practices are in place.

In 2025, Capita strategically invested in technology through its partnership with Salesforce to enhance oversight, monitor supplier performance, and centrally manage supplier-related information. The supplier relationship management portal has been designed to strengthen engagement and ensure consistency across our supply chain governance processes.

We value the business relationships we have with our suppliers and seek to build lasting engagement, treating our suppliers and partners fairly and paying promptly. Across the Group we spent more than £1.68 billion in 2025 with 10,488 direct suppliers in 35 countries.

SMEs including sole traders and micro-businesses, make up approximately 91% of our supply chain and represent 34% of our total spend. We continue to recognise the impact that global economic challenges might have on many of these suppliers, with varying demand for products and services often severely affecting their cash flow. Consequently, we strive as a business to prioritise and ensure payment to terms with our suppliers at all times where possible. In 2025, 97% of our suppliers were paid within 60 days or less and 86% of SMEs were paid within 30 days or less. We continue to look for new ways to strengthen our procurement practices, build capabilities and increase our spend with SMEs and voluntary, community, and social enterprises (VCSEs) to support their resilience and amplify their impact.

As part of Capita's commitment to achieve net zero by 2045, we recognise that emissions associated with our supply chain represent a significant proportion of our overall footprint. We therefore request emissions-related information from suppliers (covering their Scope 1, 2 and 3), including whether they have committed to science-based targets, to support our understanding of our Scope 3 emissions and to monitor the proportion of Capita's supplier spend covered by such commitments over time. Capita has a Science Based Targets initiative (SBTi) approved target relating to supplier spend coverage.

Further information, including performance against this target, is set out in the Planet section on page 64. In 2025, 71% of our spend was with suppliers that have SBTs.

In addition, we ask our suppliers to share their EcoVadis sustainability assessment scorecards, where available, and we are working to continuously increase the volume of suppliers that use the EcoVadis portal. EcoVadis scorecards provide suppliers with valuable insights into their own company's strengths and areas of improvement across environmental and social factors. In 2025, we monitored 400 EcoVadis scorecards. As a result, 54% of our spend was with suppliers that have scorecards in place.

## Targeting bribery and corruption

We do not tolerate bribery or corruption in any form. Our Anti-Bribery and Corruption (ABC) Standard and Financial Crime Policy apply to all Capita businesses, employees and suppliers. Oversight sits with the Executive Team and Audit and Risk Committee, supported by the Financial Crime Prevention team, which monitors compliance.

We have established procedures to investigate any breach of our ABC Standard, with corrective measures and disciplinary actions, including dismissal or termination of contracts, applied where appropriate. Our Gifts and Hospitality Standard sets out the company requirements relating to the recording, approval and monitoring of specific activity.

All employees must complete annual financial crime training, which covers ABC principles, recognising and reporting risks, and handling gifts and hospitality. In 2025, the completion rate was 97%.

## Upholding human rights

Capita is committed to playing a proactive role in society by ensuring robust systems, policies, and processes are in place to identify any potential instances of exploitation and, if found, eradicate modern slavery in all its forms from our business and supply chain.

Our updated human rights and modern slavery policy outlines our commitment to upholding the principles of human rights, as set out in the UN Declaration of Human Rights and the International Labour Organization's core labour standards. We comply with all relevant legislation, including the UK Modern Slavery Act, and our compliance statement is publicly available on our website: [capita.com/modern-slavery-statement](https://capita.com/modern-slavery-statement).

We set clear expectations for our suppliers and work collaboratively to ensure they operate in accordance with our policy and uphold human rights across their operations and supply chains. We take active steps to ensure that everyone working for Capita has their fundamental human rights respected, and that our business partners share these values.

Our Modern Slavery Statement details the policies, processes, and actions we have taken to prevent modern slavery and human trafficking within our operations and supply chains. We monitor supply chain risk using the Walk Free Foundation's Global Slavery Index (GSI), which provides national and industry-specific vulnerability estimates. In 2025, we engaged with two suppliers operating in two countries classified as high risk.

## Responsible business › Our business continued

Capita conducts supplier monitoring through annual Supplier Relationship Management (SRM) surveys, EcoVadis scorecards, and a sustainable procurement dashboard. Suppliers in high-risk geographies or industries are subject to enhanced due diligence, including reassessments. These activities are tracked and reported through our modern slavery monitoring framework, ensuring alignment with our published commitments.

Mandatory ethical procurement training delivered by the Chartered Institute of Procurement and Supply, is provided annually to all strategic procurement buyers and relevant colleagues. In 2025, the training completion rate was 100%.

There were no material breaches of modern slavery in 2025. Additionally, we achieved 96% compliance in the Government's MSAT.

### Protecting data privacy and information security

Capita handles substantial volumes of personal data across our operations, clients, colleagues, and service users.

We are committed to safeguarding this data by ensuring it is processed lawfully, securely, and transparently, in line with applicable data protection laws and contractual obligations.

Our data privacy programme is underpinned by a risk-based framework and guided by comprehensive policies, procedures, and guidance that define our data protection standards. These are regularly reviewed and updated to reflect evolving regulatory requirements, emerging risks, and technological advancements. Colleague awareness remains a key mitigant to data privacy risk. All Capita colleagues, including contractors and temporary workers, are required to complete mandatory data privacy training, which covers a range of areas such as identifying personal data, understanding responsibilities, and responding to privacy issues. We actively monitor training completion rates to ensure a minimum threshold of 95% is consistently achieved. In 2025, the training completion rate across Capita was 97%.

This year, our data privacy programme responded dynamically to strategic organisational initiatives, including the expansion of our AI capabilities. Through our privacy control framework, we ensured privacy risks were proactively identified and addressed across these evolving areas. We also enhanced our privacy toolset to improve operational efficiency and oversight, while strengthening our international presence to support compliance across diverse regulatory environments. Our policies, procedures, and guidance continue to provide a robust framework that supports these initiatives and ensures we uphold the highest standards of data protection.

Capita has implemented a comprehensive Information and cyber security policy that sets out clear commitments to maintaining the confidentiality, integrity, and availability of information across all operations. Capita aligns its practices with ISO 27001 Information Security Management System (ISMS) and National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) standards. A records retention schedule is in place, and all processing, sharing, and retention of confidential information is subject to stakeholder consent in line with contractual and regulatory requirements. All employees complete mandatory awareness training, supplemented with role-based training and ongoing awareness to reduce the risk of security breaches, with 98% completion rate of mandatory training for 2025. Regular risk assessments, due diligence of third parties and audits of control procedures are conducted to ensure the Capita's information assets are protected against evolving cyber threats, regulatory requirements are met, and any vulnerabilities are promptly identified and addressed.

Capita maintains an incident response plan and threat and incident management standard to manage breaches effectively, supported by a post-incident review process. In 2025, no reportable information security incidents were recorded. Capita maintains robust information security-related business continuity plans to ensure critical systems and data remain protected and recoverable in the event of a disruption, with regular testing and updates performed to validate resilience and compliance.

As part of its ongoing cyber security programme, in 2025 Capita built a security champions network which is embedded across the business. Champions work in partnership with the central security team to cascade awareness, reinforce good practice, and act as trusted points of contact for colleagues to raise concerns or seek support. The network was formalised with clear roles, training, and regular communications, and by year-end comprised 1.16% of the workforce across 77.46% of business units.

### Transparent reporting: Global Reporting Initiative (GRI)

Capita plc reported the information cited in the GRI content index which is available on our website: <https://www.capita.com/about-capita/responsible-business-resources-and-reports> – for the period 1 January to 31 December 2025 with reference to the GRI Standards.

This section has been prepared on a consolidated basis, covering global operations, aligning with the same reporting scope as the Group financial statements, and reflecting our commitment to transparency and accountability. The information presented is based on data collected from internal systems, stakeholder engagement, and materiality assessments conducted during the reporting period. It covers our approach to responsible business priorities, ensuring alignment with applicable regulations and industry best practice.

Any instances of restated data in this report are accompanied by an explanatory footnote detailing the basis for the restatement, ensuring transparency and supporting consistent interpretation of our disclosures.

# Engaging with our stakeholders



## Section 172 statement

Capita's directors are fully aware of and understand their statutory duties under Section 172 of the Companies Act 2006 (the Act), which requires the Board to consider the views of all its stakeholders when making decisions. The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. When making decisions, each director ensures that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1)(a) to (f) as detailed below.

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster business relationships with suppliers, clients and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly towards all members of the Company.

This section 172 statement forms the directors' statement required under section 414CZA of the Act and describes how the directors have taken into account wider stakeholders in their decision making and also the principal decisions taken during the year.

## Our people

### Why this relationship matters

Our colleagues are central to the delivery of the Group's strategy, the embedding of a values-based culture, and the provision of high-quality products and services that meet client expectations.

### Their key priorities and expectations

Colleagues' priorities include opportunities for learning, development and career progression; a positive and inclusive workplace culture; fair and transparent pay and reward; support for health and wellbeing; flexible ways of working; and open, two-way communication with leadership, including clear visibility of strategy, change programmes and decision-making.

### How we engaged

- Regular all-employee communications, including leadership briefings and global townhalls;
- Workforce engagement through Dr Nneka Abulokwe OBE, our designated non-executive director for colleague engagement, including site visits and engagement sessions in the UK, Germany, Bulgaria and South Africa;
- Employee focus groups and ENGs;
- Workforce engagement on pay at Capita; and
- Ongoing engagement through management cascades, local action planning and 'you said, we did' feedback mechanisms.

### Topics of engagement

- Creating and sustaining an inclusive workplace;
- Culture, values and leadership behaviours;
- Health, safety and wellbeing;
- Speak Up arrangements and ethical culture;
- Directors' remuneration and pay at Capita;
- Career development, internal mobility and the career path framework; and
- Annual salary review and reward transparency.

### Outcomes and actions

The 2025 all-colleague survey reported an eNPS of -22, representing an 11-point improvement on the 2024 survey. While this indicates improving colleague sentiment, the Board recognises that overall survey indicators show engagement remains an area of focus. Survey insights have informed targeted action planning at Group, divisional and local levels.

During the year, the Group continued to progress its multi-year culture programme, building on foundations established in 2024 to rally, reset and embed Capita's culture. This included the further mobilisation of more than 250 culture accelerators globally, mandated management and leadership development, and the embedding of refreshed Group values and the launch of an employee playbook to support consistent behaviours and ways of working. The Group also introduced Celebrate!, a recognition platform designed to reward and celebrate colleagues and reinforce behaviours aligned to Capita's values across

the organisation. Capita continued to strengthen its focus on inclusion and fair reward. Gender pay gap performance improved compared to the prior year, and the Group continued its voluntary disclosure of ethnicity pay gap data and, for the first time, disability pay gap data. Since reporting commenced in 2017, Capita has reduced its median gender pay gap by more than 10 percentage points.

Engagement with colleagues on pay, progression and reward transparency was strengthened through dedicated workforce engagement sessions during the year. Promotion of the Speak Up policy continued across the organisation, reinforcing the Group's commitment to ethical behaviour, openness and psychological safety.

### Risks to stakeholder relationship

- The ability to attract, retain and develop colleagues, with potential impacts on service quality and financial performance; and
- The pace of cultural change and the effectiveness of embedding new behaviours and ways of working during transformation.

### Key metrics

Voluntary attrition, eNPS, employee engagement index and colleague survey completion level.

### Further details

Responsible business section on pages 37 to 78 and Directors' remuneration report on pages 119 to 137.

Responsible business › Engaging with our stakeholders *continued*

## Clients and customers

**Why this relationship matters**

Clients and customers rely on Capita for the consistent and timely delivery of critical services. Capita's reputation, contract performance and long-term success depend on meeting their service expectations and supporting effective transformation outcomes.

**Their key priorities and expectations**

High-quality service delivery; delivery of transformation projects within agreed timeframes; and responsible, ethical and sustainable business credentials.

**How we engaged**

- Regular client meetings, monthly or quarterly business reviews and surveys;
- Regular meetings with Government stakeholders and annual review with the Cabinet Office;
- Through our customer advisory boards; and
- Through our senior client partner programme which provides an experienced single point of contact for key clients and customers.

**Topics of engagement**

- Current service delivery, continuous improvement initiatives and operational excellence;
- Transition and mobilisation of services
- Capita's digital and gen AI transformation capabilities; and
- Possible future services, market and client needs.

- Co-creation of client value propositions in collaboration with our hyperscaler partners, AWS, Microsoft, Salesforce and ServiceNow such as Databricks and Snowflake; and
- Ongoing benefits of hybrid working, near and offshore capabilities on client services.

**Outcomes and actions**

Feedback provided to business units to address any issues raised; client value proposition teams supporting divisions with co-creation ideas; direct customer and sector feedback; and senior client partner programme undertaking client-focused growth sprints and account plans to build understanding of client issues and ideas to help address them.

**Risks to stakeholder relationship**

- Loss of business by not providing the services that our clients and customers want;
- Damage to reputation by not delivering to the requirements of our clients and customers; and
- Loss of customers for our clients.

**Key metrics**

cNPS; specific feedback on client engagements.

**Further details**

Chief Executive Officer's review on pages 30 to 36.

Responsible business section on pages 37 to 78.



## Suppliers and partners

**Why this relationship matters**

At Capita, our suppliers and partners including leading hyperscalers, play a pivotal role in delivering our purpose. By collaborating with organisations that share our values, we maintain high standards, ensure operational excellence, and achieve outcomes aligned with our social, economic, and environmental commitments. Our partnerships, particularly with hyperscalers including AWS, Microsoft, Salesforce and ServiceNow, enhance our ability to innovate and deliver cutting-edge digital solutions.

We will continually review our supply base to ensure it delivers better outcomes for customers while addressing the need to reduce supply chain complexity and improve service quality.

**Their key priorities and expectations**

- Transparent and fair procurement processes;
- Collaboration on joint initiatives that drive innovation and foster long-term partnerships;
- Reliable and timely payment terms;
- Shared commitment to sustainability, resilience, and compliance with Science-Based Targets (SBTs) backed approach to net zero;
- Provision of a safe working environment for anyone affected by Capita businesses while upholding the highest standards of ethical conduct in all endeavours;

- Partnering with diverse suppliers that bring innovation, disruptive technologies and positively impact local communities; and
- Maintaining availability, integrity and confidentiality of our business relationships and the systems that support them, remaining resilient through periods of disruption.

**How we engaged in 2025**

- Strategic collaboration with hyperscalers: focused on co-creating solutions for Capita's clients, integrating advanced AI and cloud capabilities into our offerings;
- Innovation forums: by conducting joint workshops with hyperscalers to align on product roadmaps and explore new technologies that enhance the customer experience;
- Performance reviews: by ongoing performance assessments to ensure value delivery and alignment with Capita's strategic goals;
- Sustainability partnerships: collaborating with hyperscalers to assess and mitigate the environmental impact of cloud-based operations, contributing to the reduction of Capita's Scope 3 carbon footprint;
- Engagement reviews: regular supplier meetings, ensuring openness throughout the source to procure process complete with in-life feedback questionnaires and risk assessments;
- Supplier performance monitoring;
- Supplier charter commitments;
- Partnering opportunities; and
- Joint development of AI-powered customer service tools.



## Suppliers and partners continued

### Topics of engagement

- New technology and gen AI offerings suitable for both Capita and Capita-customer use;
- Supplier payments;
- Sourcing requirements and bid opportunities;
- Supplier performance monitoring;
- Supplier charter commitments;
- Partnering opportunities;
- Joint development of AI-powered customer service tools;
- Deployment of cloud-native platforms to modernise public and private sector operations;
- Commitment to sustainability, including carbon footprint transparency and initiatives to meet net zero goals; and
- Enhancing cyber security standards across partner ecosystems to safeguard stakeholders.

### Outcomes and actions

Our Supplier Charter, which is available on our website, remains central to Capita's approach to supplier relationships and sets out the standards and behaviours expected of suppliers, including acting ethically, providing safe working conditions, treating workers with dignity and respect, and operating in an environmentally responsible manner. The Group seeks to work with suppliers and partners that share its values and support delivery of its purpose to create better outcomes.

As part of its responsible business commitments, Capita manages and monitors a range of supply chain-related metrics, including sustainability performance, spend with SMEs, VCSEs and diverse-owned businesses, and modern slavery risk.

During the year, procurement governance and risk management arrangements were strengthened through the introduction of enhanced supplier due diligence and a new supplier risk assessment framework, supported by a centralised supplier relationship management platform. These controls improve visibility across the supplier lifecycle and support the identification, monitoring and mitigation of risks relating to human rights, modern slavery, ethical conduct and regulatory compliance.

During 2025, 97% of our suppliers were paid within 60 days.

### Risks to stakeholder relationship

- Evolving regulatory and environmental requirements;
- Maintaining shared commitments to transparency and sustainability; and
- Maintaining resilience in the supply chain and partner ecosystems.

### Key metrics

Percentage of supplier payments made within agreed terms; SME spend allocation; and supplier diversity profile.

### Further details

Supplier engagement section on page 57.



## Investors

### Why this relationship matters

Investors own the business and provide essential capital; and their input and feedback is considered when making tactical and strategic decisions.

### Their key priorities and expectations

Clear and transparent reporting on the Group's strategy, operational performance and responsible business activities; delivery of sustainable financial performance; alignment between executive remuneration and performance and appropriate access to the Board and senior management.

### How we engaged in 2025

- Regular market communications, including financial results announcements and trading updates;
- Active engagement by the CEO, CFO, Chief AI and Product Officer and Company Chair with major investors;
- Dedicated webinars for retail shareholders;
- Ongoing dialogue through the Investor Relations function; and
- Engagement at the Company's AGM.

### Topics of engagement

- Delivery of the Group's strategy;
- Financial performance, cash flow generation and balance sheet strength;
- Progress on the Group's cost reduction programme and operational efficiency;
- Transformation of the Contact Centre business;

- Resolution of the closed book Life & Pensions business;
- Digital transformation, including the application of AI;
- Capital structure matters; and
- Culture and colleague engagement in support of delivery and performance.

### Outcomes and actions

Engagement during 2025 highlighted strong investor focus on delivery against financial and strategic commitments, particularly cash generation and operational execution. Feedback reinforced the importance of clear, consistent financial disclosure and transparency around transformation progress. The Board and management responded through enhanced segmental disclosure, regular market updates and continued direct engagement with shareholders.

### Risks to stakeholder relationship

- Failure to deliver strategic and financial objectives;
- Insufficient clarity or consistency in external communication; and
- Governance outcomes, including remuneration decisions, not aligned with shareholder expectation.

### Key metrics

Revenue; profitability; free cash flow and cash conversion; net debt and liquidity; valuation; and voting outcomes at the AGM.

### Further details

Principal decisions table on page 63.

Responsible business › Engaging with our stakeholders *continued*

## Society

**Why this relationship matters**

Capita is a provider of key services to government impacting a large proportion of the population.

**Their key priorities and expectations**

Social value; community engagement; diversity, equity and inclusion; climate change; data privacy and security, AI, business ethics; accreditations and benchmarking; and cost-of-living pressures.

**How we engaged during 2025**

- Membership of non-governmental organisations;
- Charitable and community partnerships;
- External accreditations and benchmarking; and
- Working with our partners, clients, suppliers, and the Cabinet Office.

**Topics of engagement**

- Social value;
- Workplace inequalities;
- Diversity, equity & inclusion;
- Data privacy and security;
- AI and business ethics;
- Climate change; and
- Community engagement.

**Outcomes and actions**

Community engagement programme such as Social Shifters; Business in the Community's Opening Doors campaign, a flagship initiative championing inclusive recruitment across UK

workplaces. Listed on the Forbes Global list of top employers for women for the third consecutive year; our gender pay gap has improved by 11.10% since we began reporting. We achieved Onvero's Gold Talent Inclusion and Diversity Evaluation (TIDE) Award, maintained a Disability Confident Employer (level 3) recognition across the Group and Armed Forces Covenant Gold Employer Recognition Award, received Carbon Disclosure Project (CDP) ranking of B, EcoVadis Committed badge and the Charities Trust's Payroll Giving Platinum Quality Mark Award.

**Risks to stakeholder relationship**

- Lack of understanding of the issues important to them; and
- Insufficient communication or involvement in shaping and influencing strategies and plans.

**Key metrics**

Community investment, workforce diversity and ethnicity data, including pay gaps, external indices performance such as EcoVadis.

**Further details**

Responsible business: Our people section on pages 45 to 53.

Responsible business: Our communities section on page 54 to 55.

Responsible business: Our planet section on pages 64 to 78.



## Principal decisions: consideration of stakeholders and outcomes

Examples of some of the principal decisions that the Board has taken during 2025 and how s172 considerations have been factored into the Board's decision making are set out below:

Principal decisions considered by the Board	Impact on long-term sustainable success	Stakeholder considerations	Further details
<p><b>Finance:</b></p> <ul style="list-style-type: none"> <li>Confirmation of the cancellation of the Company's share premium account.</li> </ul>	<p>The cancellation of the share premium account increased the Company's distributable reserves, optimised the structure of the balance sheet and provides the Board with flexibility to consider payment of dividends at some time in the future.</p>	<p><b>Our shareholders:</b> no dilution of rights, no change to shares in issue, and increased optionality for future returns.</p> <p><b>Our clients and colleagues:</b> the enhanced financial resilience supports continued delivery of services and investment in transformation.</p> <p><b>Our creditors and pension trustees:</b> a more flexible balance sheet reduces financial risk and underpins long-term stability.</p>	<p>Strategic report on pages 2 to 87.</p> <p>Chief Financial Officer's report on pages 30 to 36.</p> <p>Directors' report and other disclosures on pages 247 to 252.</p>
<p><b>Share Capital:</b></p> <ul style="list-style-type: none"> <li>Recommendation of 1-for-15 share consolidation, effective on 29 April 2025, following shareholder approval at the 2025 AGM.</li> </ul>	<p>The consolidation repositioned Capita's share price within a more conventional trading range, improved the liquidity and marketability of Capita's shares and addressed Capita's low share price which affected investor perception.</p>	<p><b>Our shareholders:</b> economic and voting rights were unchanged; consolidation did not affect proportional holdings.</p> <p><b>Market participants:</b> improved share price clarity and reduced volatility benefiting trading liquidity and valuation transparency.</p>	<p>Strategic report on pages 2 to 87.</p> <p>Chief Financial Officer's report on pages 30 to 36.</p>
<p><b>Portfolio/Strategic Restructuring:</b></p> <ul style="list-style-type: none"> <li>In December 2025, the Company reached agreement to exit the final two contracts in its closed book Life &amp; Pensions business.</li> </ul>	<p>Transitioning the remaining closed book Life &amp; Pensions contracts back to Royal London will eliminate a structural annual cash outflow and allow the Group to focus on higher-growth areas.</p> <p>The transaction with Royal London included an option for them to receive c.5% of the Company's issued share capital in newly issued shares.</p>	<p><b>Our clients:</b> ensures an orderly transition overseen by the Board to maintain service stability.</p> <p><b>Our colleagues:</b> provides clarity around the long-term future of the business area and supports redeployment planning.</p> <p><b>Our shareholders and potential investors:</b> improves profitability and risk profile.</p> <p><b>Our shareholders:</b> the exercise of the option introduced Royal London as an institutional shareholder, enhancing the stability and depth of the Company's share register.</p>	<p>Chief Financial Officer's report on pages 30 to 36.</p>
<p><b>Financing:</b></p> <ul style="list-style-type: none"> <li>Approval of new US private placement notes.</li> </ul>	<p>The issuance strengthened liquidity, diversified the Group's funding sources, and extended the Group's debt maturity profile, improving financial stability.</p>	<p><b>Investors and lenders:</b> demonstrates disciplined financial planning and supports long-term creditworthiness.</p> <p><b>Clients</b> ensures continuity of service by underpinning liquidity throughout the transformation programme.</p>	<p>Chief Financial Officer's report on pages 30 to 36.</p>

Responsible business › Our planet



## Our planet

### Emissions halved and transition plan sets course to net zero

In 2025, Capita achieved a significant milestone in its environmental journey, reducing overall emissions by over 50% compared to the baseline year. This progress reflects targeted sustainability actions and transformation programmes, including strategic resizing of the property portfolio and the adoption of virtual first working where appropriate. While the baseline year predates the Covid19 pandemic, the pandemic acted as a catalyst for new ways of working that the Group has since embedded, alongside changes to the Group’s operating model, resulting in a more efficient business with a lower emissions footprint than in 2019. Our ambition goes further. Capita has published its first low carbon transition plan, which sets out a clear and actionable pathway to achieving net zero emissions across our value chain by 2045, covering property, business travel, supply chain activities and the services we provide to clients, while strengthening climate resilience and embedding sustainability within our culture and governance. The full plan is available on our website.

### Our net zero targets – clear, science-based and ambitious

Capita’s ambition is to reach net zero greenhouse gas emissions across the value chain by 2045.

This year, our updated long-term and net zero targets were validated by the Science Based Target initiative (SBTi). Our near-term targets are also validated by SBTi and are due for review in 2026.

### Addressing the final challenge: our approach to managing residual emissions

Capita does not currently use carbon credits or GHG removals to meet its climate targets. We focus on significantly reducing emissions across our operations and value chain, only considering high-quality, independently verified credits or removals for residual emissions after at least a 90% reduction. Any future use will meet strict criteria and be transparently reported.

Net zero target

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

- Baseline year (2019) emissions: 426,684 tCO<sub>2</sub>e
- Target emissions for 2045: 42,668 tCO<sub>2</sub>e
- Current year (2025) emissions: 193,413 tCO<sub>2</sub>e

Long-term targets

→ Capita plc commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2045 from a 2019 base year.

- Baseline year (2019) emissions: 46,611 tCO<sub>2</sub>e
- Target emissions for 2045: 4,661 tCO<sub>2</sub>e
- Current year (2025) emissions: 6,776 tCO<sub>2</sub>e

→ Capita plc also commits to reduce absolute Scope 3 GHG emissions 90% within the same timeframe.

- Baseline year (2019) emissions: 380,073 tCO<sub>2</sub>e
- Target emissions for 2045: 38,007 tCO<sub>2</sub>e
- Current year (2025) emissions: 186,637 tCO<sub>2</sub>e

<p><b>Near-term target 1</b> Capita plc commits to reduce absolute Scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year.</p>	 <p>→ <b>Baseline year 2019</b> 46,611 tCO<sub>2</sub>e</p>	 <p><b>Target emissions for 2030</b> 25,077 tCO<sub>2</sub>e</p>	 <p><b>2025 emissions</b> 6,776 tCO<sub>2</sub>e</p>	 <p><b>Target achieved</b></p>
<p><b>Near-term target 2</b> Capita plc also commits to reduce absolute Scope 3 GHG emissions from business travel 46.2% within the same timeframe.</p>	 <p>→ <b>Baseline year 2019</b> 30,823 tCO<sub>2</sub>e</p>	 <p><b>Target emissions for 2030</b> 16,583 tCO<sub>2</sub>e</p>	 <p><b>2025 emissions</b> 2,739 tCO<sub>2</sub>e</p>	 <p><b>Target achieved</b></p>
<p><b>Near-term target 3</b> 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.</p>	 <p>→ <b>Baseline year 2019</b> 29%</p>	 <p><b>Target emissions for 2030</b> 50%</p>	 <p><b>Actual for 2025</b> 63%</p>	 <p><b>Target achieved</b></p>

## Driving down direct emissions: our progress in Scope 1 operations

Scope 1 emissions primarily arise from the combustion of gas for our heating systems and the use of fuel for our vehicle fleet.

This year our Scope 1 emissions were 3,911 TCO<sub>2</sub>e, down from 5,150 in 2024.

This decrease was due to our continuing focus on making sure our property estate is the right size for our business and energy efficiency measures. In total our Scope 1 emissions have reduced by 79% from our 2019 baseline year.

## Powering progress: reducing our indirect emissions from purchased electricity

Our Scope 2 emissions are from electricity used to power Capita's buildings, data centres and offices, and to charge Electric Vehicles at our premises.

This year our Scope 2 (market based) emissions were 2,865 TCO<sub>2</sub>e, down from 4,076 in 2024. This decrease was due to ensuring our property estate was the right size for our business. In total our Scope 2 (market based) emissions have reduced by 90% from our 2019 baseline year.

## Shining a light on Scope 3: unveiling our full value chain emissions

In 2025, Capita is publishing its full Scope 3 greenhouse gas emissions for the first time in the Annual Report. This step demonstrates our commitment to climate transparency, aligns with the Greenhouse Gas Protocol, and strengthens both our net zero strategy and stakeholder trust.

## Building trust: independent verification of emissions data

Emissions data marked \* are subject to independent limited assurance. For 2025 this was in accordance with ISO 14064 Part 3 (2019): Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.

## Renewable energy use

	2025	2024	2023
Global electricity	84%*	89%**	90%***
Total global power	41%*	52%**	34%***

\* Includes circa 4m kwh of renewable energy certificates purchased for India and South Africa locations.

\*\* Includes circa 8m kwh of renewable energy certificates purchased for India and South Africa locations.

\*\*\* Includes circa 10m kwh of renewable energy certificates purchased for India and South Africa locations.

Total global power includes electricity, district heat, gas, diesel, fleet fuel and excludes business travel activities from Scope 3.

## On-site renewable energy

We currently have a solar energy generation project at our Fire Service College premises. This project has generated over 26,000kwh of energy in 2025, all used on site. Plans are underway to expand this capacity further.

## Energy efficiency: innovations and achievements across our estate

We invested in energy-efficiency measures across our estate in 2025 to deliver savings below.

Building plant upgrades and initiatives	(tCO <sub>2</sub> e reduction per annum)
Replacement LED lighting	31
Increasing awareness of energy waste	16
Updated boiler controls	90
Installation of pipework insulation	19
Air conditioning unit upgrade	5
Extraction fan isolation	40
<b>Total</b>	<b>202</b>

We have introduced energy performance monitoring through sensors across two sites, providing early alerts for temperature deviations. Looking ahead to 2026, our priorities include expanding solar installations, continuing the rollout of energy sensors, and optimising building management systems. We will also explore opportunities for smart building integration to enhance efficiency and sustainability.

## Capita plc annual GHG emissions by scope (tCO<sub>2</sub>e)

Emissions category	2019 Baseline year	2023	2024	2025
Scope 1	18,960*	12,247*	5,150*	3,911*
Scope 2 (market based)	27,651*	3,553*	4,076*	2,865*
Scope 2 (location based)	41,894*	21,365*	16,010*	9,789*
<b>Subtotal emissions (Scope 1 + 2 market based)</b>	46,611	15,800	9,226	6,776
<b>Subtotal emissions (Scope 1 + 2 location based)</b>	60,854	33,612	21,160	13,700
Scope 3				
Category 1 – Purchased goods and services	196,330	144,611	117,235	115,045*
Category 2 – Capital goods	106,646	13,377	11,133	10,029*
Category 3 – Fuel and energy related activities	10,874	9,900	7,405	3,970
Category 4 – Upstream transportation and distribution	2,893	39,927	14,343	12,955*
Category 5 – Waste generated in operations	58	222	76	24
Category 6 – Business travel	30,823*	6,772*	5,154*	2,739*
Category 7 – Employee commuting	7,147	9,266	5,573	4,595
Category 8 – Upstream leased assets	n/a	n/a	n/a	n/a
Category 9 – Downstream transportation and distribution	25,302	13,658	22,233	22,871*
Category 10 – Processing of sold products	n/a	n/a	n/a	n/a
Category 11 – Use of sold products	n/a	n/a	n/a	n/a
Category 12 – End of life treatment of sold products	n/a	n/a	n/a	n/a
Category 13 – Downstream leased assets	n/a	1,520	9,313	14,409
Category 14 – Franchises	n/a	n/a	n/a	n/a
Category 15 – Investments	n/a	n/a	n/a	n/a
<b>Subtotal Scope 3 emissions</b>	380,073	239,253	192,465	186,637
<b>Total emissions (market based)</b>	426,684	255,053	201,691	193,413
<b>Total emissions (location based)</b>	440,927	272,865	213,625	200,337

## Tracking emissions performance: intensity ratios and trends

We've expanded our intensity ratios to include all relevant Scope 3 categories, as we are now disclosing our full Scope 3 emissions for greater transparency.

Metric	2019	2023	2024	2025
TCO <sub>2</sub> e per £1m revenue (location based)	119.86	96.95	88.22	86.64
TCO <sub>2</sub> e per FTE headcount (location based)	6.97	7.21	5.92	6.76
TCO <sub>2</sub> e per £1m revenue (market based)	115.99	90.62	83.29	83.65
TCO <sub>2</sub> e per FTE headcount (market based)	6.74	6.74	5.62	6.53

## Responsible business › Our planet *continued*

### Streamlined energy and carbon reporting

GHG emissions (tCO<sub>2</sub>e) and energy use (kWh) for period 1 January 2025 to 31 December 2025

To avoid duplication, Capita have changed how we are reporting against SECR legislation by clearly displaying the minimum requirements below and then expanding on the data we publish throughout this Planet Section of our report.

	Current reporting year 2025			Comparison reporting year 2024			Comparison reporting year 2023		
	UK and offshore	Global excluding UK and offshore	Total	UK and offshore	Global excluding UK and offshore	Total	UK and offshore	Global excluding UK and offshore	Total
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1)/tCO <sub>2</sub> e	3,449	462	<b>3,911</b>	4,811	339	5,150	11,936	311	12,247
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location based)/tCO <sub>2</sub> e	4,295	5,494	<b>9,789</b>	6,744	9,266	16,010	12,583	8,782	21,365
Total gross Scope 1 & Scope 2 (location based) emissions/tCO <sub>2</sub> e	7,744	5,956	<b>13,700</b>	11,555	9,605	21,160	24,519	9,093	33,612
Energy consumption used to calculate above emissions:/kWh	53,943,989	12,522,301	<b>66,466,290</b>	57,425,387	17,196,655	74,622,042	127,180,480	18,583,836	145,764,316
Intensity ratio: tCO <sub>2</sub> e (gross Scope 1 + 2 location based)/£1m revenue	3.76	23.72	<b>5.92</b>	5.37	35.40	8.74	9.71	31.51	11.94

Notes: Intensity ratio for 2024 and 2023 have been restated in 2025, due to improved data breakdown between countries. 2024 Scope 2 UK and offshore location based emissions have been updated from 6691 tCO<sub>2</sub>e to 6744 tCO<sub>2</sub>e.

### Capita's approach to calculating and reporting greenhouse gas emissions: methodology for Scopes 1, 2 & 3

Capita calculates its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Scope 3 Standard. Emissions are reported under the operational control approach across both Capita owned and leased buildings and across all geographies. We aim to track Capita's emissions in a relevant, complete, consistent, transparent and accurate manner, to ensure high-integrity data that meets regulatory reporting obligations.

#### Scope 1

Capita's stationary fuel data is collected directly from the supplier for our largest sites, accounting for the majority of Capita's floor space. For the remaining sites, where data is not tracked directly, we use comparable operations to derive intensity factors and estimate missing data. Mobile fuel emissions are calculated using fuel card data for our fleet. Any fuel figures provided in litres have been converted into kWh or tCO<sub>2</sub>e using gov.uk and Defra conversion tables. Fugitive emissions are calculated using data directly from our suppliers and Defra conversion factors.

#### Scope 2

Emissions data from purchased electricity are collected from utility invoices. For sites where we do not receive invoice data, intensity factors are used to estimate electricity and are derived from Capita buildings for which actual data is available. Capita's renewable energy purchases include Renewable Energy Guarantees of Origin (REGO) compliant electricity, on site renewables, off-site power purchase agreements (PPAs), green tariff programs and International Renewable Energy Certificates (IRECs). In the market-based method, we apply a zero-emission factor to renewable energy. In the location-based method, renewable energy has no effect or benefit to emission figures.

### Scope 3

Calculation methods for the different categories of Scope 3 emissions are included in the table below

Category	Calculation method
<b>Purchased goods and services</b>	Capita categorises procurement spend for goods and services, converts it to USD, adjusts for inflation, and applies EEIO emission factors.
<b>Capital goods</b>	Capita splits capital goods spend into categories, converts it to USD, adjusts for inflation, and applies EEIO emission factors.
<b>Fuel and energy related activities</b>	Operational data from utility bills, fuel records, and internal systems is used for gas, diesel, fleet fuel, electricity, and district heat. Defra emission factors calculate well-to-tank and transmission/distribution emissions as appropriate.
<b>Upstream transportation and distribution</b>	Method updated in 2023 to improve accuracy by aligning with latest EEIO category and emission factors. Procurement spend is categorised, converted to USD, adjusted for inflation, and matched to the relevant EEIO emission factor, using 'with margin' factors for upstream transportation and distribution.
<b>Waste generated in operations</b>	Waste data for UK, India, and South Africa sites is supplied directly; other sites are estimated based on averages. Defra emission factors are used.
<b>Business travel</b>	Travel data is received through our travel booking supplier and expenses system. Defra emission factors are applied to spend to calculate GHG emissions.
<b>Employee commuting</b>	Method updated in 2023 to improved country specific data and emission factors. Internal FTE data per country is matched with country specific commuting statistics from numbeo.com. Defra emission factors are used for each transport mode.
<b>Upstream leased assets</b>	Not applicable – All facilities under operational control are accounted for in Scopes 1 and 2.
<b>Downstream transportation and distribution</b>	Procurement spend for downstream transport is converted to USD, adjusted for inflation, and EEIO emission factors are applied.
<b>Processing of sold products</b>	Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions.
<b>Use of sold products</b>	Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions.
<b>End of life treatment of sold product</b>	Capita is predominantly a services-led organisation and any limited sales of physical IT equipment occur on a small scale and do not result in material downstream emissions.
<b>Downstream leased assets</b>	Emissions data is sourced from utility invoices; where unavailable, estimates use intensity factors from similar buildings. Defra emission factors are used.
<b>Franchises</b>	Not applicable – Capita does not operate any franchises.
<b>Investments</b>	Not applicable – investments account for less than 0.01% overall revenue and are not material.

Capita is committed to continuous improvement in emissions data quality and transparency, and to aligning its reporting with international best practice.

## Responsible business › TCFD

## TCFD statement of compliance

In 2025, Capita improved climate risk management through a scenario workshop and risk project, strengthening analysis and embedding double materiality into our risk framework. We now manage climate risks and opportunities more systematically, achieving the below compliance status with UK Government's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the FCA Listing Rule UKLR 6.6.6R(8) on climate-related financial disclosure.

	TCFD recommendations	Capita's progress	Page number
<b>Governance</b> Disclose the organisation's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Comply	43, 69
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Comply	43
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Comply	71-74
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Comply	71-74
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Comply	60
<b>Risk management</b> Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Comply	70
	b) Describe the organisation's processes for managing climate-related risks.	Comply	77
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Comply	77
<b>Metrics and targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially comply: Capita currently reports metrics to assess transition-related climate risks and opportunities and will focus on physical climate risks in the future.	78
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Comply	65, 78
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Comply	64, 78

## Governance

The Board has ultimate accountability for climate related risks and opportunities, with delegated responsibilities to both Board committees including the RB Committee and the Executive Team, cascading to management for day-to-day oversight.

See page 43 for more information on how climate related responsibilities and decision making fit into Capita's RB governance structure.

## Board and organisational capability on climate risk

Capita's Board and senior management provide strong sustainability leadership and are expanding expertise as climate risk evolves. As part of our low carbon transition plan (LCTP) we have planned a targeted training programme—sponsored by the Chief General Counsel and Company Secretary – which will further enhance Board and executive understanding of climate risk, with any actions tracked at RB Committee meetings to ensure ongoing best practice and compliance.

## Strategy

### Capital expenditure, financing, and investment for climate strategy

Capita is investing in decarbonisation, digital innovation, and service transformation to deliver our climate strategy. For example, Capita has invested in a dedicated resource to deliver innovative energy efficiency solutions, using smart technologies and analytics to identify and address inefficiencies in our fire service college facility.

All capital and financing decisions follow clear governance processes to ensure alignment with our transition plan. We will work towards measuring, and reporting funds allocated to energy efficiency, fleet electrification, and renewable energy, tracking impact through emissions and energy savings metrics.

Capita's strategy incorporates our LCTP to ensure we progress towards our climate targets. The Executive Team has responsibility to ensure that all major capital investment and financial decisions align with Capita's LCTP. Although we have not yet implemented an internal carbon pricing mechanism, we recognise its potential to incentivise sustainable practices and reduce costs, and we are committed to exploring this approach.

### Resilience of our strategy

Our LCTP identifies long-term value opportunities for Capita in a low-carbon economy. To ensure our strategy stays resilient as climate and policy landscapes evolve, we assess its performance under different climate scenarios, helping us pinpoint where to adapt or enhance our approach.

**In an Orderly (1.5°C) scenario,** Capita's strategy is well positioned. Predictable policy and limited physical impacts mean we can manage transition risks through early decarbonisation and innovation, benefiting from lower costs and increased demand for our services. Our focus on digital transformation and efficiency (see our LCTP for more detail) aligns well with a net zero economy, making our strategy resilient and advantageous in this scenario.

**In a Disorderly (2°C) scenario,** we could face abrupt regulatory changes and cost shocks, such as sudden carbon tax increases or rapid compliance demands. However, by taking early action and front-loading our decarbonisation efforts, we reduce our exposure to these risks. While we may need to adjust—like accelerating supplier diversification if carbon tariffs are imposed—our flexible digital first operations and diverse client base help us remain resilient. Ultimately, although a disorderly transition may increase short- to medium-term costs, our proactive approach and early climate initiatives position Capita to manage these challenges effectively.

## Building resilience year on year

Since 2021 we have progressively broadened and deepened our strategy for the assessment of climate-related risks and opportunities. The diagram below outlines the steps we've taken each year:

2021	Workshops and interviews were used to <b>identify key climate risks and opportunities</b> – both transition and physical – as well as new sustainability prospects. The analysis highlighted the <b>most material issues</b> for the business.
2022	Capita advanced its climate strategy by <b>modelling the financial impacts of priority risks such as carbon pricing, supplier costs, carbon credits, and water stress</b> . The resulting analysis, which combined external climate-economic data and internal business information, informed consideration of targeted actions like exploring energy efficiency initiatives and assessing water contingency measures at high-risk sites.
2023	Capita analysed the <b>growing transitional risk</b> of losing bids due to climate-related scoring criteria and addressed it by raising awareness across the business, enhancing environmental performance, strengthening bid governance, and building climate related capabilities within contract delivery teams.
2024	<b>Flood mapping</b> identified 11 at risk sites across the property portfolio. To manage long-term risks – damage, disruption and insurance costs – flexibility was built into continuity planning through short-term leases and remote working.
2025	We significantly expanded our climate scenario analysis in both scope and sophistication. We engaged external climate risk specialists (SLR Consulting) to help conduct a <b>double materially assessment</b> and develop a comprehensive, structured Climate Risk Assessment <b>aligned with TCFD and IFRS S2</b> . This involved scoring each of the 15 identified climate risks and 5 opportunities across three representative climate scenarios and time horizons and evaluating Capita's vulnerability to each risk.
Future actions	Capita remains <b>committed to continuous improvement</b> and transparency, and will continue to enhance our disclosures, including taking steps to further develop the metrics we use to understand climate related risks and opportunities.

**In a Hot-House (3°C+) scenario,** physical impacts become more significant, requiring Capita to focus on adaptation and resilience, such as investing in robust infrastructure and business continuity planning. Market demand for sustainable solutions may grow more slowly. While this future would mean more volatility and the need for stronger risk management, our strategy would shift towards resilience and proactive climate governance,

ensuring we continue to create value and meet stakeholder expectations. Capita would pivot toward resilience, with Property, Operations, IT, Procurement, Finance, Risk, and the Environmental team strengthening infrastructure, stabilising supply chains, managing physical risk costs, and adapting services to ensure continuity and support clients in a more volatile, climate impacted world.

## Responsible business › TCFD *continued*

### Identification and prioritisation of risks and opportunities

Risks and opportunities were identified through a comprehensive review of internal and external sources, including ESRS topics, GRI frameworks, Capita's policies, and the enterprise risk management framework (ERM). This ensured alignment with regulatory requirements and Capita's business context.

An internal team, comprising individuals across key business operations, attended training on scenario analysis and risk scoring to enable them to effectively carry out scoring assessments on the identified risks. The individuals were able to apply their business understanding to assess the size and scope of the potential risk and opportunity to Capita. The Group Environmental Manager and Director of Group Risk provisionally scored R&Os using an unmitigated approach to reveal inherent exposure.

Risks were assessed by magnitude, likelihood, and vulnerability, while opportunities were scored for size and execution capability. Risk thresholds defined within Capita's ERM framework were applied to evaluate and score each risk. The four highest scoring risks were subsequently prioritised for further review; prioritisation was based on relative scoring. From this prioritised shortlist, two risks were selected for quantitative assessment. These were chosen on the basis that they had not previously undergone internal review, were appropriate for third party analysis, and were underpinned by sufficient data held by Capita to enable robust quantification.

### Climate scenarios

Each risk and opportunity was evaluated under three climate scenarios, chosen to give Capita a comprehensive view of possible climate futures and inform robust, resilient planning:

#### **Orderly Transition (1.5°C)**, a **Disorderly Transition (2°C)** and a **Hot House World (3°C)**

— each reflecting a distinct combination of policy, market and physical climate conditions. These scenarios are grounded in recognised external scenario families and were chosen to ensure coverage of materially different climate futures relevant to Capita's operational footprint and regulatory environment.

Each scenario incorporates a distinct set of assumptions and key drivers:

**Orderly Transition (1.5°C):** Early and coordinated climate policy, rapid technological deployment, increasing carbon pricing signals, and relatively moderate physical climate impacts.

**Disorderly Transition (2°C):** Delayed or inconsistent policy action, more abrupt regulatory shifts, higher transition costs, and increasing — but still manageable — physical climate impacts.

**Hot House World (3°C):** Limited policy intervention, slow decarbonisation, low uptake of low-carbon technologies, minimal carbon pricing mechanisms, and **strongly escalating physical climate risks**, including more severe acute and chronic impacts.

### Time horizons

Risks and opportunities were evaluated across three timeframes: short-term (0–3 years) to align with Capita's business planning cycle, medium-term (4–9 years) to capture periods when strategic initiatives like technology investments, contract renewals, and regulatory changes typically occur and influence resilience, and long-term (10+ years) to account for wider economic shifts, evolving client expectations, and physical climate impacts, enabling us to test our strategy against transformational change.

### Score review

We scored each risk and opportunity across 27 scenario and time horizon combinations, ensuring thorough analysis. Scores were refined by subject matter experts and validated in a final session with SLR Consulting and internal leads.

## Effect of climate scenarios &amp; time horizons

Risk description		Orderly transition 1.5°C	Disorderly transition 2°C	Hot house world 3°C	Mitigation actions
<b>Climate policy and compliance</b> Increasing climate regulations and disclosure requirements could lead to non-compliance, higher costs, and reputational harm if Capita fails to adapt quickly. <b>Possible impacts</b> are lost bids due to misaligned standards, supplier non-compliance, rising legal and reporting costs, and infrastructure upgrades.	Short-term	Compliance costs increase as Capita implements new carbon reporting and disclosure requirements. Early action helps manage these changes, but there is still a need for investment in systems and training.	Regulatory changes may be abrupt and inconsistent across markets, creating operational challenges and increasing the risk of non-compliance. Capita must respond quickly to avoid penalties or reputational harm.	Regulatory progress is limited, but stakeholder scrutiny intensifies. Capita faces questions about its climate commitments and may need to justify its approach to clients and investors.	Capita has a structured process for reviewing all relevant climate-related legislation and regulations. The Legal and Environmental teams track upcoming regulatory changes, assess their impact on operations, and report findings to the RB Committee, allowing for regular governance and oversight.
	Medium-term	Ongoing regulatory developments require further investment in compliance and reporting. Capita's proactive approach supports continued alignment, but costs and complexity remain significant.	Unclear or conflicting regulations increase legal and reputational risks. Capita may face higher compliance costs and greater pressure from clients and stakeholders to demonstrate robust governance.	As climate impacts become more visible, legal and reputational risks grow. Capita must maintain transparency and adapt to evolving expectations to protect its market position.	
	Long-term	The regulatory environment becomes more stable. Thanks to strong compliance and governance practices, Capita faces lower legal and financial risks.	Persistent regulatory uncertainty and high compliance costs may expose Capita to fines or litigation, with potential impacts on financial and reputational stability.	Without strong preparation, Capita could face significant legal and reputational consequences, making it harder to compete and maintain stakeholder trust.	
<b>Market shift: customer climate expectations</b> Clients increasingly demand low-emission services and strong environmental credentials, creating risk if Capita cannot meet expectations. <b>Possible impacts</b> are lost bids, reputational damage, supplier misalignment, poor emissions data, and higher delivery costs.	Short-term	Some clients begin to prioritise suppliers with strong environmental credentials. Capita may face mild revenue risk if it cannot demonstrate progress on sustainability.	Client expectations become less predictable, with varying requirements for climate action. Capita must adapt quickly to avoid losing business.	Demand for climate solutions is emerging but remains limited. Capita risks missing early opportunities if it does not prepare for future expectations.	Capita will continue to expand on services specifically designed to help clients reduce their carbon footprint. Additionally, Capita will enhance existing services by integrating low-carbon options, such as using renewable energy sources, electrifying transport fleets, and promoting circular economy practices.  To deliver credible climate solutions, Capita must invest in upskilling its workforce with specialised training in sustainability. Upgrading operational infrastructure—such as modernising buildings to improve energy efficiency and transitioning vehicle fleets to electric or hybrid models—will also be crucial.
	Medium-term	More clients actively seek low-carbon solutions. Capita may lose bids if it cannot show credible progress, increasing competitive pressure.	The risk of lost revenue rises as clients demand stronger climate credentials. Regulatory uncertainty adds to the challenge of meeting these expectations.	Capita faces heightened operational and reputational risks if it cannot demonstrate credible climate action, as stakeholder scrutiny increases and the business environment becomes more volatile and fragmented.	
	Long-term	Sustained investment in decarbonisation and innovation positions Capita to meet market expectations and maintain competitiveness.	Persistent revenue losses are possible if Capita falls behind competitors offering more advanced climate solutions. Reputational damage may be difficult to repair.	Even in a world with severe climate impacts, clients expect alignment with ESG standards. Capita risks exclusion from major contracts if it cannot demonstrate low-carbon capabilities.	

Responsible business › TCFD *continued*

## Effect of climate scenarios &amp; time horizons

Risk description		Orderly transition 1.5°C	Disorderly transition 2°C	Hot house world 3°C	Mitigation actions
<b>Investments for decarbonising our business</b> Investment is needed to decarbonise operations—upgrading buildings, vehicles, and systems—posing financial and operational challenges. <b>Possible impacts</b> higher capital expenditure, risk of stranded assets, client loss if expectations are unmet, and need for new tools and training.	Short-term	Capita invests in energy-efficient upgrades, with manageable costs and time to plan. Early action supports sustainability goals and operational efficiency.	Sudden policy changes may require unplanned spending, leading to higher upfront costs and limited time to adapt.	Immediate pressure to invest is low, but delaying action may increase future costs and risks.	We take a phased, prioritised approach to decarbonisation investments, aligning upgrades to buildings, fleet and systems with natural replacement cycles to manage costs and avoid stranded assets. Carbon reduction needs are built into capital planning, supported by improved data, governance and emissions modelling. Engagement with clients, suppliers and internal teams helps ensure solutions are practical and meet expectations, while targeted training supports colleagues in adopting new technologies and processes effectively.
	Medium-term	Continued investment in low-carbon technologies is needed to meet client and regulatory expectations. These efforts reinforce Capita's market position.	There is growing pressure to retrofit buildings and systems quickly. This increases the risk of stranded assets—investments that lose value—and potential fines for non-compliance.	As physical climate risks increase—such as extreme weather—spending on adaptation becomes more likely. At the same time, reputational pressure from stakeholders begins to build.	
	Long-term	Thanks to early action, long-term costs are lower. Capita benefits from a stronger reputation and greater resilience in a low-carbon economy.	High capital expenditure may be required to catch up with competitors, with potential impacts on market share and profitability.	Without early investment, costs of climate-related damage rise significantly, and rapid action may be needed to comply with new regulations.	
<b>Supply chain climate costs</b> Capita faces transition risk from rising climate-related costs within its supply chain, particularly in logistics, data centres, construction, and IT hardware. <b>Possible impacts</b> cost volatility, sourcing difficulties, and reputational risk if suppliers act unsustainably.	Short-term	Slight cost increases as suppliers adapt to new compliance standards. Capita manages these changes through engagement and planning.	Capita's supply chain faces increased costs driven by sudden regulatory changes and volatility in energy and raw material prices. Rapid compliance with new requirements may raise administrative and operational expenses, while unpredictable market conditions can impact procurement and logistics.	Slight cost increases as suppliers begin to respond to market pressures, but adaptation efforts remain limited.	Engaging suppliers on setting Science Based Targets and aligning their plans with Capita's net zero strategy. We will work with key categories to identify efficiency opportunities that help reduce both emissions and cost pressures over time. Strengthening expectations through our procurement approach and ongoing supplier engagement supports more resilient, lower carbon supply chains and helps manage volatility and reputational risk.
	Medium-term	Supplier costs continue to rise gradually. In response, Capita adapts by prioritising sustainable procurement practices and improving operational efficiency.	High-cost exposure and budget pressures increase as suppliers lag in sustainability efforts, making sourcing more difficult.	Inflation drives ongoing cost increases, making it harder for Capita to protect margins and stay competitive.	
	Long-term	The risk is low. Most suppliers have successfully reduced their carbon emissions, and the costs associated with the transition have stabilised.	Cost volatility persists, and major supplier restructuring may be needed to maintain stability and meet climate targets.	Persistent inflation and supply chain pressures require significant changes to procurement strategies and supplier relationships.	

## Effect of climate scenarios &amp; time horizons

Risk description		Orderly transition 1.5°C	Disorderly transition 2°C	Hot house world 3°C	Mitigation actions
<b>Physical climate risks</b> Extreme weather events—floods, heatwaves, wildfires, storms—could disrupt operations and damage assets across Capita’s value chain. <b>Possible impacts</b> costly repairs, operational downtime, supply chain delays, and infrastructure failures such as power outages.	Short-term	Early action on climate policy reduces future risks and prepares Capita for regulatory changes. Proactive planning supports resilience.	Delayed action and sudden policy shifts can worsen financial impacts, increasing uncertainty and reducing preparedness.	Effects of climate change become more noticeable, with more frequent extreme weather events, but the full impact is not yet realised.	Integrate climate resilience into property, operational and continuity planning, using climate related data to identify vulnerable sites and critical services. Monitor key suppliers for exposure to physical climate risks to understand potential disruption in our value chain. Where needed, invest in practical adaptation measures—such as improving site resilience or updating contingency plans—to reduce the likelihood and impact of extreme weather events.
	Medium-term	A well-managed transition begins to deliver tangible benefits—such as fewer heatwaves, reduced flooding, and less strain on infrastructure—supporting smoother service delivery and operational continuity	Without timely adaptation, Capita and its partners become more vulnerable to extreme weather, leading to operational and financial strain.	As little action is taken, global temperatures continue to rise. Physical climate risks become more intense and widespread, affecting communities, infrastructure, and supply chains.	
	Long-term	These efforts lead to stronger financial stability and more resilient supply chains. Capita is better positioned to withstand climate-related disruptions and maintain long-term value for stakeholders.	The cumulative effects of inaction result in greater long-term costs, reputational damage, and reduced capacity to recover from climate-related shocks.	The consequences are severe and far-reaching—major damage to infrastructure, loss of valuable assets, and growing gaps in insurance coverage. Long-term resilience and financial stability are undermined.	

## Key climate-related opportunities

Climate change presents both risks and opportunities, driving innovation, efficiency, and long-term value. By addressing these together, we align our response with Capita’s strategic aims and stakeholder expectations. Our process has identified several key opportunities.

## Effect of climate scenarios &amp; timescales

Opportunity description		Orderly transition 1.5°C	Disorderly transition 2°C	Hot house world 3°C	Actions to capture opportunity
<b>Energy efficiency in buildings</b> Reduce operational costs and strengthen its sustainability credentials by improving energy efficiency across its offices and buildings. <b>Value to Capita:</b> lower energy bills; quick financial payback; enhanced employee comfort; stronger sustainability credentials.	Short-term	Strong policy support and incentives for energy efficiency. Capita can reduce operating expenditure quickly by upgrading facilities and benefit from early access to sustainable financing.	Sudden policy shifts and energy price volatility increase urgency. Capita can mitigate rising costs by accelerating energy efficiency retrofits.	Weak regulation and low-pressure delay action. However, rising energy prices and climate-related disruptions begin to impact operating expenditure.	Proactively investing in energy efficiency improvements across our offices and buildings, focusing first on high impact retrofits that deliver the strongest financial payback. We will also leverage available incentives and work with supplier partners to adopt cost effective technologies and solutions. These actions help reduce energy bills, improve employee comfort, and strengthen Capita’s sustainability credentials.
	Medium-term	Energy-efficient operations become standard. Continued savings from reduced energy use and maintenance. Competitive advantage in tenders requiring sustainability credentials.	Reactive compliance pressures strain budgets, but early investments in efficiency buffer against shocks. Capita avoids penalties and maintains operational continuity.	Energy supply instability and extreme weather events increase operational costs. Capita’s energy-efficient sites perform better under stress.	
	Long-term	Energy efficiency is embedded in procurement and compliance. Long-term cost savings are maximised, and Capita is seen as a low-risk, future-ready supplier.	Firms that delayed action face high retrofit costs. Capita’s foresight in energy efficiency secures long-term cost advantages and resilience.	High energy costs and stakeholder pressure penalise inefficient operations. Capita’s early investments protect margins and support long-term viability.	

Responsible business › TCFD *continued*

## Effect of climate scenarios &amp; timescales

Opportunity description		Orderly transition 1.5°C	Disorderly transition 2°C	Hot house world 3°C	Actions to capture opportunity
<b>Grow the business with low-emission services</b> Offering services with lower carbon emissions to meet rising client demand for sustainable delivery. <b>Value to Capita:</b> increased contract wins; enhanced brand reputation; future-proofed services; and improved long-term competitiveness.	Short-term	Clear policy signals and rising client demand for low-emission solutions. Capita can gain early market share by offering lower emission processes.	Regulatory uncertainty and patchy demand create challenges. Capita can still differentiate by proactively developing low-emission processes.	Weak regulation delays widespread action, but niche demand for low-emission processes begins to grow. Capita can capture early adopters.	Expanding our portfolio of low carbon services to meet growing client demand for sustainable delivery. Embedding sustainability into bids strengthens our value proposition and supports increased contract wins. Continued investment in innovation and capability building enables us to develop future proofed solutions that enhance our brand reputation and long term competitiveness.
	Medium-term	Sustainability becomes a procurement priority. Capita's offerings align with client expectations, leading to increased contract wins and brand strength.	Reactive competitors struggle to meet emerging standards. Capita's early investments position it as a reliable supplier, gaining market share.	Climate disruptions and investor pressure increase demand for sustainable operations. Capita's low-emission processes offer stability and appeal.	
	Long-term	Low-emission processes are standard. Capita's leadership in this space secures long-term market dominance and resilience against future regulation.	Firms that lag face reputational and compliance risks. Capita's established low-emission capabilities ensure continued relevance and client trust.	High stakeholder scrutiny penalises unsustainable practices. Capita's proactive strategy protects its reputation and secures long-term market access.	
<b>Renewable energy procurement</b> Investing in renewable energy generation (eg solar panels) or securing long-term contracts with sustainable energy providers. <b>Value to Capita:</b> reduced energy cost volatility; predictable budgeting; lower long-term costs; and enhanced environmental leadership.	Short-term	Clear policy support and incentives for renewable energy adoption. Capita can stabilise energy costs early and benefit from sustainable financing.	Policy uncertainty and energy price volatility increase. Early investment in renewables buffers Capita from sudden cost spikes.	Weak regulation delays action, but energy price volatility begins to rise. Capita can act pre-emptively to reduce future cost exposure.	Implementing PPAs to secure long term access to renewable energy at stable prices. We will explore on site generation options, such as solar installations, to reduce exposure to grid energy volatility. Integrating renewable sourcing into our procurement strategy strengthens cost predictability and supports lower long term energy costs.
	Medium-term	Energy markets favour renewables. On-site generation and PPAs provide predictable, lower-cost energy, reducing exposure to fossil fuel volatility.	Delayed action by others leads to grid instability and rising prices. Capita's secured renewable supply ensures operational continuity and cost control.	Climate-driven disruptions and fossil fuel price shocks increase operating expenditure unpredictability. Capita's renewable investments offer a stable energy supply.	
	Long-term	Renewable energy becomes the norm. Capita's long-term contracts and infrastructure ensure cost stability and resilience against future energy shocks.	Energy markets remain volatile. Capita's foresight in securing renewable energy sources protects margins and enhances competitiveness.	High energy costs and stakeholder pressure penalise fossil-reliant operations. Capita's early transition ensures long-term cost resilience and reputational strength.	

## Ongoing quantitative assessment of priority risks and opportunities

Following the 2025 refresh of Capita's climate risk assessment, we selected the top four risks for financial quantification based on their significance and available data. Two risks—customer climate expectations and physical climate risks—were already assessed in previous years, so this year's focus is on increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets, and rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs. For each, we identified key value drivers impacting Capita financially and assessed the effect of policy and market risks before and after mitigation, highlighting the financial benefits of our decarbonisation plans.

Impact pathways were developed, and relevant information requests to Capita contacts were collected to refine the input data and assumptions for the financial impact projections. Additional research was conducted to identify appropriate climate scenarios to overlay on Capita's business data, targets and decarbonisation initiatives identified. Models were created for the subset of transition risks and opportunities which included the following considerations.

### Risk 1: increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets.

- **Changes to energy costs:** in the energy transition energy prices could change as demand for renewables increases, energy efficiencies are realised, and economies of scale are gained. Amongst several other factors, this could result in price increasing or decreasing over time depending on the source and climate scenario.
- **Increased pass-through costs from energy suppliers associated with carbon taxes:** to date, beyond existing carbon taxes included in energy costs Capita's assets and activities fall outside of carbon pricing mechanisms. However, it is possible that carbon pricing mechanisms may expand their scope and pricing levels may increase in the future.
- **Avoided direct and indirect GHG costs through investment in decarbonisation:** climate mitigation measures to reduce GHG emissions will change Capita's exposure to the climate transition. Understanding how these measures can help to avoid future transition costs can strengthen the business case for further investments required to reach climate goals.
- **Capital expenditure required for decarbonisation:** Capita is developing its understanding of the financial investment required to decarbonise its business and has started to identify the known and potential future costs required to transition its business.

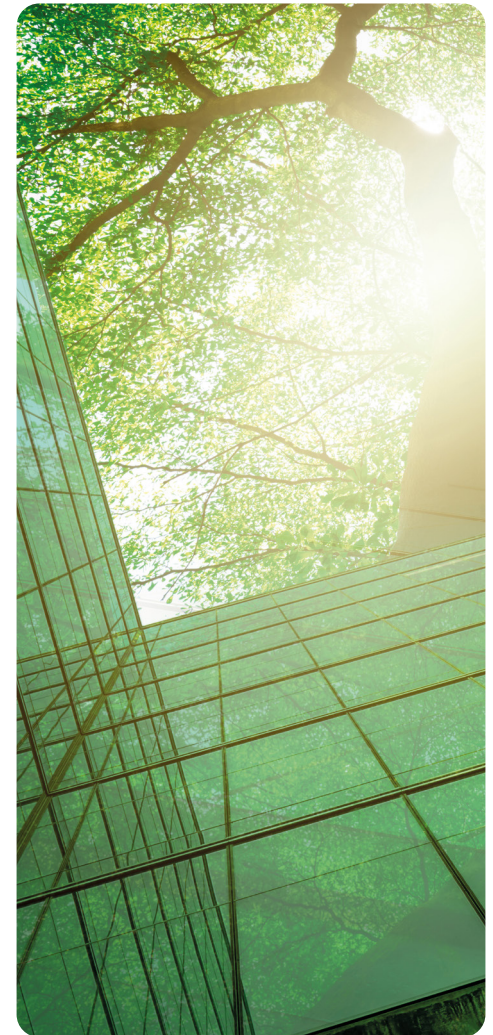
To assess the potential financial impact of these value drivers, Capita's energy and emissions profile for Scope 1 and 2 was projected based on business growth assumptions out to 2045. The annual financial impact was modelled to provide a sense of scale and an indication of the level of impact under different climate scenarios.

### Risk 2: rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs.

**Increased supplier costs from exposure to carbon taxes:** with the introduction of CBAM in the EU in 2027 and other potential carbon pricing mechanisms in other regions, it is possible that Capita's suppliers, especially in technology and hardware sectors, will be increasingly exposed to carbon taxes which may be passed through to customers including Capita.

To assess the potential financial impact from suppliers, Capita's Scope 3 purchased goods and services and capital goods emissions profile was grouped into sectors then projected based on business growth, supplier decarbonisation targets (SBTi aligned only) and for suppliers without targets the International Energy Association's (IEA) pathways for decarbonisation by sector grouping were used to estimate future emissions.

Carbon prices under the NGFS scenarios (Current Policies, Delayed Transition and Below 2 degrees) were then applied to the emissions projections.



Responsible business › TCFD continued

**Risk 1: Increased expenditure in climate mitigation measures required to meet Scope 1 and Scope 2 targets**

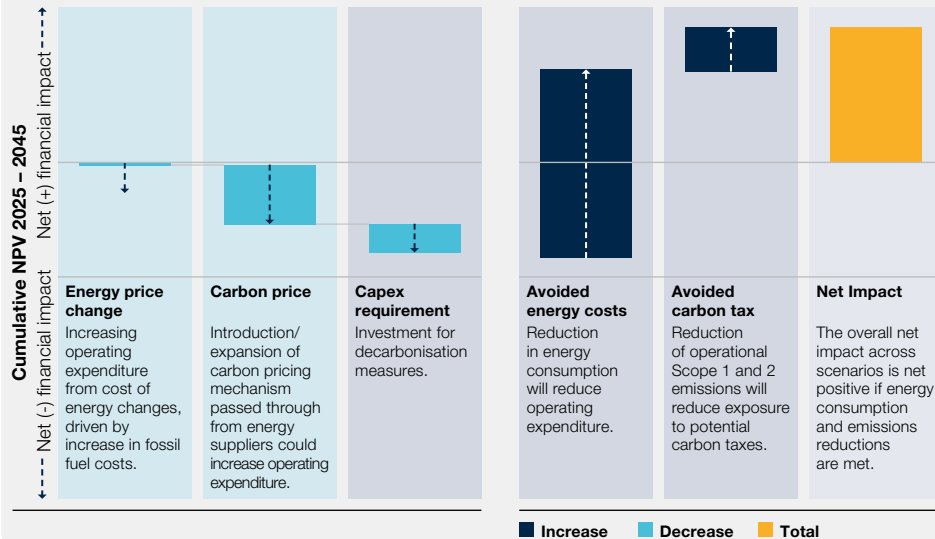
Energy and carbon costs projections use **NGFS Delayed Transition scenario**

**Before mitigation**

Potential impacts under climate scenario before accounting for decarbonisation actions.

**After mitigation**

Capita has long-term decarbonisation targets of achieving net zero by 2045 (a 90% reduction in Scope 1 and 2 emissions). Overall, results show that while there will be some investment requirements to support carbon-reduction measures at sites under our operational control, the expected reduction in energy consumption and associated emissions will significantly mitigate the potential financial impact.



The initial assessment did not identify any material financial impacts under the mitigated scenarios reviewed. However, it did highlight several areas that require further analysis because they were outside the scope of this first phase. This includes our downstream leased asset site portfolio and additional considerations on the different leasing terms of our direct sites.

**Risk 2: rising operational costs for purchased goods and services, as suppliers pass on increased carbon price costs.**

Carbon costs projections use **NGFS scenarios**

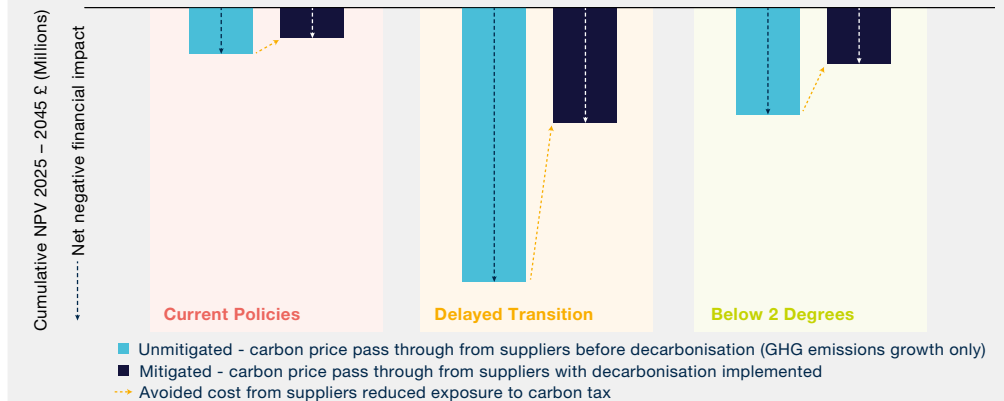
**Before mitigation**

Potential impacts under climate scenario before accounting for supplier decarbonisation actions.

**After mitigation**

Capita has Scope 3 supplier decarbonisation targets and engagement plans in place. If decarbonisation plans are implemented and suppliers meet target reductions, this will result in lower exposure to future carbon taxes. The delayed transition scenario has the highest cost exposure due to the higher potential carbon costs by 2045 (£70 – £410 per tCO<sub>2</sub>e).

**Carbon costs associated with suppliers**



The assessment helped us identify the sectors that are most vulnerable to potential future pass through costs from the climate transition. These insights will inform our supplier engagement plans, ensuring we prioritise more proactive engagement where the potential cost impact is higher.

## Capita's LCTP: managing climate-related risks and opportunities

### Ambition and strategic approach

Capita is committed to achieving net zero greenhouse gas emissions across its entire value chain by 2045, supported by science-based targets verified by the SBTi. Our LCTP is our road map to net zero.

### How the transition plan manages exposure to climate-related risks and opportunities

Key risk or opportunity	LCTP actions to address
<b>Climate policy and compliance</b>	The plan embeds compliance into governance, reducing exposure to regulatory shocks and reputational harm.
<b>Market shift: customer climate expectations</b>	By expanding low-carbon offerings and building internal capabilities, Capita is positioned to meet rising demands for sustainable services.
<b>Investments for decarbonising our business</b>	Proactive planning and budgeting for decarbonisation investments (buildings, vehicles, systems) mitigate financial and operational risks.
<b>Supply chain climate costs</b>	Supplier engagement and the requirement for science-based targets help manage cost volatility and reputational risks in the value chain.
<b>Physical climate risks</b>	The plan integrates climate resilience into property and continuity planning, including adaptation measures for extreme weather events.
<b>Energy efficiency in buildings</b>	Investments in energy efficiency deliver operational savings, enhance sustainability credentials, and improve employee comfort.
<b>Growth in low-emission services</b>	Capita's expanding portfolio of low-carbon services increases contract wins, strengthens brand reputation, and future-proofs the business.
<b>Renewable energy procurement</b>	Long-term contracts and on-site generation help stabilise energy costs and demonstrate Capita's commitment to environmental responsibility.

### How climate related risks and opportunities are managed at Capita

Climate change is fully integrated into Capita's enterprise risk management framework as part of the RB principal risk, managed with the same discipline as other key risks (see pages 79 and 80 for more details on Capita's enterprise risk management framework). The term RB principal risk corresponds to the Capita's Environment Social and Governance principal risk (ESG PR7). The Audit and Risk Committee oversees progress with quarterly updates, and the risk is owned by the Chief People Officer. As with all Group-wide risks, the scoring process applied to climate change within the RB principal risk identifies key controls to reduce the risk level from inherent to residual. Risk reduction actions are developed to achieve the risk target, which is set using the risk appetite defined by the Board. Current climate risk controls can be found in the risk and opportunities tables on pages 71 to 74.

### Risk integration approach

We also annually conduct specialised analyses to understand the unique, long-term nature of climate risks. The Environment and Group Risk teams collaborate on monitoring climate scenarios and emerging issues, and the findings are integrated into our overall enterprise risk management process. Climate risks and opportunities recorded in Capita's risk management system where they are reviewed and integrated at all business levels. Major climate risks are escalated to the RB principal risk profile, ensuring visibility and action through our established risk governance and reporting processes.

## Responsible business › TCFD *continued*

### Metrics & targets

These metrics are designed to monitor exposure to climate-related risks and progress on climate-related opportunities, ensuring accountability against our transition plan.

Metric category	Reason for having this metric	What page we have reported this on	Notes/next steps
<b>GHG emissions</b> (Scope 1, 2, 3) and emissions intensity	Tracks exposure to transition risk from carbon pricing, regulation, and client expectations; measures progress on decarbonisation opportunities.	65	Methodologies follow the GHG protocol and targets are SBTi-verified. External assurance details are on page 65.
<b>Transition risks</b> – amount and extent of assets or business activities vulnerable to transition risks	Identifies business areas most exposed to policy, market, and technology shifts; informs strategic investment and resilience planning.	71-76	
<b>Physical risks</b> – amount and extent of assets or business activities vulnerable to physical risks	Assesses vulnerability to extreme weather and climate impacts; supports adaptation planning and continuity measures.	Not yet reported	Capita currently reports metrics to assess transition-related climate risks and opportunities and will focus on physical climate risks in the future.
<b>Climate-related opportunities</b> – proportion of revenue, assets, or other business activities aligned with climate-related opportunities	Measures growth in low-carbon services and energy efficiency offerings; links to strategic opportunity capture.	71-76	Opportunity captured under avoided costs – energy prices and carbon taxes.
<b>Capital deployment</b> – amount of capital, expenditure, financing, or investment deployed toward climate-related risks and opportunities	Demonstrates proactive investment to mitigate risks (eg compliance, resilience) and capture opportunities (eg renewables, efficiency).	Not yet reported	Capita intend to report on capital deployment metrics in the future.
<b>Internal carbon prices</b> – price on each ton of GHG emissions used internally by Capita	Embeds cost of carbon into decision-making; incentivises low-carbon choices and mitigates financial risk from future regulation.	Ref page 61	We have not implemented internal carbon pricing yet but recognise its potential and are committed to exploring it during our transition.
<b>Remuneration</b> – proportion of executive management remuneration linked to climate considerations	Aligns leadership incentives with delivery of climate targets and risk mitigation actions.	Ref page 43	Capita does not currently link remuneration to low carbon transition, but we continue to review this.

### SBTi verified climate related targets

Capita is committed to ambitious climate action through the adoption of science-based targets, verified by the SBTi. These targets form a central pillar of our wider sustainability strategy, demonstrating our resolve to significantly reduce GHG emissions across our operations and value chain. Our LCTP is our roadmap for achieving these targets, more detail can be found on pages 64 and 65.

### Use of carbon credits and GHG removal activities

Capita does not currently use carbon credits or GHG removals to meet its climate targets, instead prioritising deep emissions reductions. Only after reducing absolute emissions by at least 90% will high-quality, verified credits or removals be considered, with a focus on transparency and rigorous criteria. Our approach will be regularly reviewed to stay aligned with best practice and stakeholder expectations.

# Risk management and internal control

## We proactively manage risks and pursue ongoing improvements

Capita faces a range of risks which, if they materialise, could adversely impact the Group's financial performance, reputation, operational resilience, and delivery of services to customers. Our established governance structures and Group risk management framework (GRMF) underpin effective risk management and internal control processes. These are essential for safeguarding shareholder value, effective and resilient delivery to our clients and customers, and achieving strategic objectives, including readiness to explore new growth opportunities. In 2025, we introduced technology by partnering with a third party to develop a tailored risk management and control self-assessment tool, designed to strengthen our risk management and monitor compliance of material controls in readiness for Provision 29, see later in this section for more details.

## Risk governance and oversight

The Board is ultimately accountable for providing strategic governance and stewardship of the group and is committed to the continuous improvement of governance structures and risk management processes. The Audit and Risk Committee (ARC), operating under delegated authority from the Board, reviews and assesses Capita's risk management and internal control systems. The ARC oversees the principal risk profile and ensures that management develops and implements effective risk response strategies. Throughout 2025, the ARC continued to review and update the Board on the Group's

risk management and internal control systems, including monitoring the effectiveness of procedures for financial reporting, compliance, and operational matters.

The executive risk and ethics committee (EREC) identifies, assesses, and monitors principal risks across Capita's unregulated businesses and provides regular updates to the ARC. For Capita's financial services businesses, regulatory oversight is provided by the financial regulated entities oversight committee (FREOC), chaired by an independent non-executive director and supported by specialist risk and compliance professionals. The FREOC updates the ARC on the management and mitigation of regulatory risks.

Capita's risk management policy mandates a unified approach to risk management across all business areas. The accompanying risk management standard sets out mandatory risk management steps/process, ensuring leaders at all levels identify, manage, monitor and report risks in line with the GRMF. The GRMF promotes consistency, proactive communication, and collaboration across the group, supporting timely escalation and decision making. We continually seek opportunities to strengthen our risk management and internal control environment by introducing greater rigour and standardisation, safeguarding operational resilience and enabling delivery against strategic objectives. Capita recognises that risk cannot be fully eliminated and that there are certain risks the Board and/or business leaders will accept when pursuing strategic business opportunities.

However, these risk acceptance decisions are made at an appropriate authority level and reflect the defined risk appetite.

## Internal controls and Financial Reporting Council revisions to UK Corporate Governance Code

The Financial Reporting Council (FRC) introduced revisions to the UK Corporate Governance Code in January 2024 to strengthen board accountability and enhance transparency in risk management and internal controls. A key change, set out in Provision 29 and effective for financial years beginning on or after 1 January 2026, requires boards to declare in the annual report the effectiveness of all material controls, including financial, operational, reporting, and compliance, and disclose any weaknesses and actions taken. Capita launched an internal controls improvement programme in 2024 to document key business processes and material controls. This programme is overseen by the ARC, and in 2025 we undertook an initial identification of key business processes, documented these processes and identified material controls, and defined a testing and assurance plan to comply with the revised Code and the Provision 29 disclosure requirements. The ARC will continue to monitor progress of this programme in 2026. The Group Internal Audit function will provide assurance over control design and operating effectiveness as part of its 2026 audit plan. The Board and the ARC recognise the importance and challenge to fully embed a robust internal control framework.

## Minimum control standards

Minimum control standards refer to the self-assessment of financial controls undertaken by the finance function to identify areas where improvements are required. Any material issues are dealt with through mitigating activities to ensure the effectiveness of the existing controls over financial reporting. During 2025, the finance function ran the self-assessment process to obtain assurance over the operation of key financial controls which were operating effectively. The results from the self-assessment exercise are reported to the ARC.

## Key control questionnaire

Capita conducts an annual key control questionnaire (KCQ) process as part of its management attestation approach. Through the KCQ, business leaders confirm the effectiveness of financial, operational, IT and resilience controls and adherence to group policies linked to principal risks within their respective functions, divisions, or business units. The process also requires disclosure to the CEO and CFO of any areas of non-compliance or weaknesses in control execution. By reinforcing accountability, the KCQ increases awareness of responsibilities for maintaining an effective control environment. Results from the KCQ are used to develop control improvements and are reported to the ARC jointly by the CEO and CFO in their annual control effectiveness attestation letter. Progress on these improvement actions is monitored by the EREC throughout the year.

Risk management and internal control *continued*

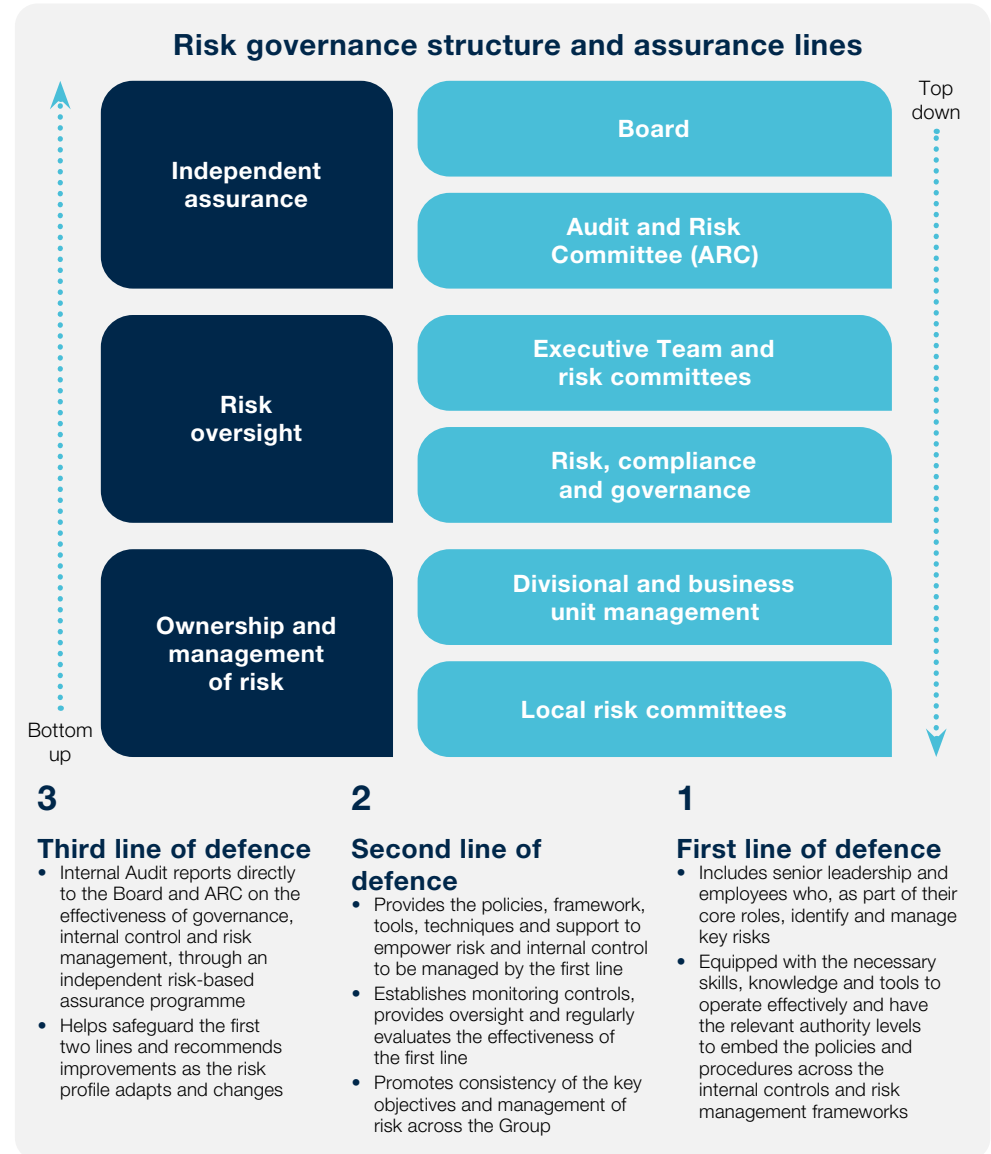
**New risk management and control self-assessment application**

During Q4 2025, Capita launched a new risk management and control self-assessment tool, developed in partnership with a third party. This tool embeds technology into our end-to-end risk management process, and also provides an audit trail for risk data and streamlines review and approval processes. Real time dashboards and data analytics enable proactive monitoring and a better view of how we are managing our risks.

**Risk management process**

Capita’s GRMF comprises the risk management policy, standard, guidance, training materials, and tools, and sets out the mandated approach for managing risks across the group. Implementation and execution of the risk management policy is owned by business leaders within their respective functions, divisions, and business units. The GRMF provides a consistent methodology for identifying, assessing, responding, monitoring, and reporting on risks and opportunities. It also ensures that ownership and responsibilities for managing risks and operating risk governance committees are clearly defined and embedded across the group.

The risk management process outlined in the standard is reported through established governance committees. Risks are documented in risk registers with assigned owners responsible for periodic reviews and reporting on risk status, including any mitigation actions. The outcome of these reviews is reported to business units, divisional and functional risk and assurance committees, and subsequently at the EREC and the ARC. The effectiveness of existing controls is evaluated to determine whether further mitigating actions are required to manage risks within the Board approved risk appetites. Business leaders adopt a ‘top-down, bottom-up’ approach to ensure risk information flows across all levels of Capita. A centrally coordinated risk and assurance committee timetable supports timely escalation of risk information from business units to divisions/functions, then to the EREC, and ultimately to the ARC.



## Emerging risks

Emerging risks are identified through a bottom-up process by functions, divisions, and business units, complemented by a top-down view from the Executive Team. Regular reviews of all risks, including emerging risks, are conducted through Capita’s risk governance committees. In Q4 2025, it was agreed that a supply chain failure risk should be included as a principal risk in 2026. Further consideration of this risk reflects alignment with Capita’s strategic objective to leverage technology and AI partnerships to deliver better outcomes for clients and end customers.

## Our principal risk profile

Principal risks are those considered most material to Capita’s performance, reputation, and operational resilience. Each principal risk is owned by a member of the Executive Team, ensuring accountability and appropriate focus on effective management. The principal risk profile is reviewed twice a year at EREC to confirm its progress against planned trajectory, relevance and alignment with strategic objectives.

Capita has individual risk appetites for each principal risk, defining the level of risk Capita is willing to accept. These appetites are categorised as averse, cautious, moderate, or high, and guide risk owners in developing response strategies. We have adopted ‘cautious’ instead of ‘low’ as a risk appetite to provide a clearer and more proactive reflection of our overall risk management approach. Using cautious communicates a vigilant and deliberate stance, recognising that while risks may be managed, ongoing monitoring, assessment and adaptability are essential. The EREC and ARC approved these risk appetites, which were reviewed and updated in 2025 and will be reviewed annually to ensure they reflect Capita’s evolving risk posture.

The Board remains confident that existing governance frameworks and risk management processes enable effective identification and management of risks, including emerging risks, while acknowledging the ongoing work required to fully embed a more robust internal control framework to allow for disclosure aligned to Provision 29 requirements. Principal risks are assessed over the same three-year horizon as the Group’s viability statement. For each risk, listed below, Capita discloses key drivers, current mitigations, planned future actions, and the associated risk appetite level.

### Principal risk

#### 1. Profitable growth

#### Attract new clients and retain existing clients on appropriate commercial terms

#### Executive owner:

Divisional Chief Executive Officers

#### Risk appetite:

Moderate

#### 2025 risk trend:

Stable

### Key risk drivers

- Ineffective client engagement and/or relationship management
- Non-competitive cost proposition and solutions
- Inappropriate commercial terms
- Lack of investment in technology solutions to innovate and deliver in new customer value propositions
- Misalignment to market requirements

### How we manage the risk

Securing new contracts or renewing existing agreements on commercially viable terms is a core element of our growth strategy. We continue to place greater emphasis on harnessing digital platforms and technology-driven solutions to strengthen and enhance our customer value propositions.

#### Mitigating actions

- Sales governance process
- Investment committee
- Growth operating model
- Regular performance reviews/checkpoints
- Annual client engagement survey

#### Future mitigation

- Acceleration of technology strategy through our new Chief AI & Product Officer in collaboration with hyperscalers
- Continue to strengthen customer focus
- Focus on a broader range of target deals

## Risk management and internal control *continued*

### Principal risk

### Key risk drivers

### How we manage the risk

#### 2. Contract compliance

Deliver services to clients in line with contractual and legal obligations

#### Executive owner:

Divisional Chief  
Executive Officers

**Risk appetite:**  
Cautious

**2025 risk trend:**  
Stable

- Contract and/or legal obligations not understood
- Poorly designed or ineffective contract frameworks
- Inadequate workforce planning/roles and responsibilities unknown
- Supply chain failure
- Poor data integrity/availability

Our clients and customers remain central to everything we do. Delivering services that meet contractual and legal obligations, while consistently going beyond expectations, is fundamental to our strategy and reinforces our position as a trusted partner. We maintain a strong focus on enhancing customer engagement and strengthening governance across the contract lifecycle.

#### Mitigating actions

- Contract performance reviews
- Workforce management/planning
- Contract lifecycle process
- IT disaster recovery and operational business resilience recovery plans

#### Future mitigation

- Contract monitoring and assurance
- Continue to deepen relationships through regular engagement and feedback mechanisms to anticipate evolving client needs
- Expand the use of technology-enabled platforms to improve service delivery

### Principal risk

### Key risk drivers

### How we manage the risk

#### 3. AI adoption and governance

Strategic and operational exposure from inadequate AI adoption and governance

#### Executive owner:

Chief AI &  
Product Officer

**Risk appetite:**  
Moderate

**2025 risk trend:**  
Stable

- Absence of a clear AI adoption roadmap or strategy
- AI solutions misaligned to organisational strategy
- Limited skilled resources in AI and data science
- Inadequate governance frameworks for AI development & deployment
- Regulatory non-compliance and poor data governance
- Dependence on external 3<sup>rd</sup> parties

This is a newly created risk that was previously called Innovation. Capita manages the strategic and operational risks associated with AI adoption and governance through a structured approach that aligns AI initiatives with business objectives, ensures robust governance, and fosters a culture of responsible innovation.

#### Mitigating actions

- Formalisation and communication of AI strategy
- Standardisation of AI platforms and solutions
- Development and implementation of training and culture initiatives
- Establishment of robust governance and oversight
- Enhancement of data governance and compliance

#### Future mitigation

- Expand and track AI training
- Strengthen governance frameworks
- Implement synthetic data policy

Principal risk	Key risk drivers	How we manage the risk
<p><b>4. People attraction and retention</b></p> <p><b>Attract, develop, engage and retain the right talent</b></p> <p><b>Executive owner:</b> Chief People Officer</p> <p><b>Risk appetite:</b> Cautious</p> <p><b>2025 risk trend:</b> Stable</p>	<ul style="list-style-type: none"> <li>Increased demand for digital and specialist skills across the labour market</li> <li>Attrition in critical roles and leadership positions</li> <li>Gaps in future-fit capabilities required to support transformation programmes</li> <li>Challenges in maintaining employee engagement and cultural integration following the operating model changes</li> <li>Pressure to maintain competitive pay and benefits across geographies</li> </ul>	<p>In 2025, talent attraction and retention were influenced by market volatility, competitive labour markets, specialist skills gaps and internal transformation. Our people remain a critical asset, and we will continue to prioritise engagement, development, and retention as we move into 2026.</p> <p><b>Mitigating actions</b></p> <ul style="list-style-type: none"> <li>Embedding of culture initiatives across divisions to strengthen engagement and inclusion</li> <li>Completion of leadership enablement programmes to enhance capability and succession planning</li> <li>Roll out of career path framework to support internal mobility and development</li> <li>Integration of global reward framework to standardise core benefits and pay governance globally</li> <li>Implementation of systemised workforce planning to improve forecasting and resource allocation</li> </ul> <p><b>Future mitigation</b></p> <ul style="list-style-type: none"> <li>Enhanced employee value proposition, focus on flexible benefits and wellbeing</li> <li>Global talent marketplace, to accelerate redeployment and reduce external hiring dependency</li> <li>Continuous key risk indicator development, improved data insights for proactive risk management</li> </ul>

Principal risk	Key risk drivers	How we manage the risk
<p><b>5. Financial stability and resilience</b></p> <p><b>Our ability to maintain financial resilience and achieve financial targets</b></p> <p><b>Executive owner:</b> Chief Financial Officer</p> <p><b>Risk appetite:</b> Cautious</p> <p><b>2025 risk trend:</b> Stable</p>	<ul style="list-style-type: none"> <li>Unexpected breach of debt covenants resulting in inability to draw down facilities/refinance as required</li> <li>Inaccurate (long and short term) forecasting, business planning and connected cash flow volatility</li> <li>Insufficient cash-back profits resulting from revenue shortfalls or excess cost</li> <li>Inefficient cost base</li> <li>Significant unexpected cash-consumptive event(s)</li> </ul>	<p>The trading performance of the Group is outlined in the Chief Financial Officer's review. The Group's low levels of net debt, pension surplus, prudent balance sheet management and focus on improving free cash flow before business exits, all serve to mitigate the risk of financial instability.</p> <p><b>Mitigating actions</b></p> <ul style="list-style-type: none"> <li>Deal approval board approves key contracts, monitoring of major contract risks</li> <li>Internal review and challenge of business plan and forecasting during the year</li> <li>Scenario modelling (including stress testing) during business planning which is presented to the Board</li> <li>Prospective monitoring of direct cash flow and covenant compliance</li> <li>Maintenance of appropriate insurance to mitigate some events</li> <li>Ongoing reviews of business performance and proactive monitoring to maintain cost efficiency</li> <li>Positive/proactive engagement (debt investors &amp; relationship banks)</li> </ul> <p><b>Future mitigation</b></p> <ul style="list-style-type: none"> <li>External review of the Group's debt structure</li> <li>Continued rationalisation of the Group's property portfolio</li> </ul>

## Risk management and internal control *continued*

Principal risk	Key risk drivers	How we manage the risk
<p><b>6. Cyber security</b>  <b>Protect our systems, networks and programs from unauthorised use and access</b>  <b>Executive owner:</b>            Chief Technology Officer</p> <p><b>Risk appetite:</b>            Averse</p> <p><b>2025 risk trend:</b>            Reducing</p>	<ul style="list-style-type: none"> <li>Sub-optimal identify, protect, detect, respond, and recover capability (cyber security's five functions as defined by the National Institute of Science and Technology (NIST))</li> <li>External threat (technology change, legal and regulatory)</li> <li>People (insider threat, capacity and capability, training and awareness)</li> <li>Third party and partners' inadequate cyber and information security posture</li> <li>Threat landscape changes due to geopolitical shifts</li> </ul>	<p>The residual risk has reduced due to continued investment in strengthening IT controls, which has enhanced the Group's overall cyber security posture and protection against unauthorised access. Over the past year, we have further improved our cyber detection and response capabilities through our partnership with a managed security service provider. We have reduced the risk of data loss by implementing data loss prevention technology across the estate and have strengthened access controls for our most privileged users.</p> <p>Our security strategy is grounded in industry best practice and aligned to internationally recognised frameworks, including the NIST Cybersecurity Framework. An independent third party assessment in 2025 confirmed that our NIST maturity score now places us ahead of peer organisations. Continued investment is planned to build on this progress and further enhance our resilience in the coming years.</p> <p><b>Mitigating actions</b></p> <ul style="list-style-type: none"> <li>Cyber security strategy and maturity assessment framework</li> <li>Security tooling strategy is delivering an enhanced posture to plan</li> <li>Enhanced data loss prevention and improved detection and response capabilities</li> <li>Cyber training, awareness and security champions network</li> </ul> <p><b>Future mitigation</b></p> <ul style="list-style-type: none"> <li>Deliver ongoing cyber improvement initiatives</li> <li>Deliver consistent multi-cloud security capabilities</li> <li>Deliver controls to mitigate the risk associated with agentic AI adoption</li> <li>Continued focus on human aspects of cyber risk</li> </ul>

Principal risk	Key risk drivers	How we manage the risk
<p><b>7. Environment, social and governance (ESG)</b>  <b>Comply with regulatory and contractual requirements to drive a purpose driven organisation with the right focus on governance</b>  <b>Executive owner:</b>            Chief People Officer</p> <p><b>Risk appetite:</b>            Cautious</p> <p><b>2025 risk trend:</b>            Stable</p>	<ul style="list-style-type: none"> <li>Increasing regulatory obligations (eg Corporate Sustainability Reporting Directive)</li> <li>Net zero commitments and emissions reduction targets</li> <li>Supply chain sustainability and adherence to the Supplier Charter</li> <li>Diversity, inclusion &amp; pay equity requirements</li> <li>Board governance standards and executive accountability</li> <li>Human rights and modern slavery compliance</li> </ul>	<p>Capita upholds its commitment to achieve net zero by 2045, minimise our environmental footprint, and enable clients and suppliers to do likewise.</p> <p><b>Mitigating actions</b></p> <ul style="list-style-type: none"> <li>Implemented enhanced ESG governance reporting via risk governance forums</li> <li>Updated net zero targets and monitoring dashboards</li> <li>Embedded diversity &amp; inclusion metrics into workforce planning</li> <li>Rolled out mandatory training on ESG compliance and modern slavery</li> <li>Strengthened supplier due diligence aligned with the supplier charter</li> </ul> <p><b>Future mitigation</b></p> <ul style="list-style-type: none"> <li>Expand Scope 3 emissions reporting and improve data quality</li> <li>Review of the risk, in line with our new double materiality assessment and the RB Committee priorities for 2026 and beyond</li> <li>Continue integration of ESG principles into talent and reward frameworks</li> <li>Advance Board-level ESG competency and independence reviews</li> </ul>

**Principal risk****Key risk drivers****How we manage the risk****8. Safety and health**

**Protect the safety and health of all Capita's employees and manage our duty of care to them, the people we work with and those affected by our acts and omissions**

**Executive owner:**

Divisional Chief  
Executive Officers

**Risk appetite:**

Averse

**2025 risk trend:**

Stable

- Lack of ownership and accountability across Capita
- Inadequate HSE capability, capacity and structure
- Inadequate incident and near miss reporting and analysis
- Lack of standardised and reliable HSE Analytics
- Non-adherence to construction (design and management) regulations
- Lack of implementation of HSE systems, processes and procedures

As a responsible employer we are committed to the safety, health and wellbeing of all Capita's employees, the people we work with and those affected by our acts and omissions.

**Mitigating actions**

- Framework of HSE policies, procedures and standards including mandatory training
- HSE strategy and governance in place across the organisation, including HSE champions
- HSE accidents, incidents, near misses and hazards reporting
- Provision of DSE training, assessment and equipment

**Future mitigation**

- Review of HSE policies, standards and processes
- Design changes to be implemented for HSE assurance
- Updates to online tools for reporting and managing HSE needs alongside HSE systems, metrics and targets to reflect our current working model

**Principal risk****Key risk drivers****How we manage the risk cont.****9. Data governance and data privacy**

**Manage our data effectively (both clients' and Capita's) as a strategic asset across the organisation**

**Executive owner:**

Chief General  
Counsel and Chief  
Technology Officer

**Risk appetite:**

Averse

**2025 risk trend:**

Reducing

- Poorly defined data governance framework, practices or technology to manage data
- Lack of awareness within the business of regulatory (especially data privacy) obligations
- Obsolete and/or non-compliant IT systems
- Inadequate people training
- Ineffective data inventory mapping

We have established comprehensive controls, including a data ownership framework and actively embedded data management practices, complemented by the Data Privacy Control Framework to ensure robust protection of personal data. These frameworks work together to manage both governance and privacy risks effectively. A culture emphasising accountability has been successfully promoted throughout the organisation, including mandatory training for all employees on data governance and privacy to drive awareness and improve competence. Our intention is to ensure we comply with UK GDPR, the Data Protection Act, and other applicable data protection laws in the jurisdictions we operate in. We have governance and privacy activities and have embedded clear responsibilities for safeguarding personal data throughout its lifecycle.

**Mitigating actions**

- Internal governance (including policies, standards and operating guidance)
- Strategic maturity enhancement programme (based on Data Maturity Association framework)
- Technology enabled policy enforcement and compliance
- Staff training to promote accountability and ethical use
- Clearly defined governance routines to manage data classification, storage, asset management and retention
- Incident and breach monitoring and reporting processes

**Future mitigation**

- Continued focus on embedding and improving data privacy and data management processes, controls and practice
- Deployment of enhanced data governance technology to further strengthen data integrity

**How we manage the risk**

The residual risk has been reduced through focussed programmes of work. Our data governance and privacy strategies are founded on industry best practice and adhere to internationally recognised standards, such as those set by the Data Management Association International, which offers a unified framework for data governance.

# Viability statement

In accordance with provision 31 of the UK Corporate Governance Code published by the Financial Reporting Council (FRC) in January 2024, and the FRC Guidance on Risk Management and Business Reporting, the Board has assessed the viability of the Group over the three-year period to 31 December 2028.

## Period of assessment

Assessing the Group's viability over a three-year period is aligned with the period of the Group's business planning process. The Board believes that a three-year period provides sufficient clarity to consider the Group's prospects and facilitates the development of a robust base case set of financial projections against which the Group's viability can be assessed.

## Capita's strategic plan and priorities

In June 2024, the Executive Team announced forward-looking strategic priorities to improve both operational delivery and financial performance, alongside introducing the strategic themes of better technology, better delivery, better efficiencies and better company.

Since then, the transformation to a better Capita has made significant progress to ensure the long-term resilience of the business. In particular:

- An efficiency programme has delivered £250m of targeted annualised cost savings, which put the Group in a position to fund its profitable growth.
- Agreement has been reached with the final customer in the loss-making closed book Life & Pensions business to hand back their contracts and thereby reduce the uncertainty of future cash outflows.
- Reached a £14m settlement with the Information Commissioners Office, bringing to a close the Group's March 2023 cyber incident.
- Adjusted operating margin<sup>1</sup> improvement from 3.8% to 5.2% in 2025.
- Reduced free cash outflow excluding the impact of business exits<sup>1</sup> of £54.0m, and higher adjusted operating cash conversion<sup>1</sup> of 74% in 2025 (2024: £110.9m outflow and 49% respectively).

- £250m revolving credit facility (RCF) committed until 31 December 2027, the additional committed financing facility of £75m providing additional liquidity upon signing in February 2026 for eighteen months, and the US private placement debt issued in March 2025 with maturities over the period to 2030.

## The base case financial projections

The foregoing elements provide the backdrop to the three-year business plan approved by the Board in March 2026. The main assumptions underpinning the base case financial projections in the Group's business plan are set out below:

- Adjusted revenue<sup>1</sup> growth in 2026 and beyond, including improved performance in the Contact Centre business.
- Adjusted operating margin<sup>1</sup> expansion over the business plan period reflecting the benefit of the already delivered cost savings and adjusted revenue<sup>1</sup> growth.
- The transition to positive free cash flow<sup>1</sup> excluding the impact of business exits in 2026.
- £250m RCF committed assumed to be renewed and/or extended for the duration of the viability period.

The most material assumptions, from a viability assessment perspective, relate to the delivery of adjusted revenue<sup>1</sup> growth and renewal and/or extension of the RCF. Capita has been successful in obtaining new and extended financing facilities over the last few years. As such, in concluding on viability the Board believes that it is reasonable to assume that the Group will be successful in refinancing the RCF in line with the assumptions underpinning the base case financial projections.

## Principal risks

The Board and the Audit and Risk Committee monitor the principal risks facing the Group, including those that would threaten the execution of its strategy, financial performance, liquidity and compliance with debt covenants. The potential financial impacts of the principal risks crystallising have been taken into account when modelling sensitivities to assess the viability of the Group. The Group's risk review is set out on pages 81 to 85 of this Annual Report and outlines the Group's principal risks, including mitigating actions and future mitigations.

1. Refer to APMs and related KPIs on pages 239 to 245.

## Viability scenarios

The three-year base case financial projections were used to assess debt covenant compliance and liquidity headroom under different scenarios. This analysis included assessing the financial impact of potential adverse financial impacts from the crystallisation of the principal risks and in line with those considered in the severe but plausible downside case for the going concern assessment (refer to section 1 of the consolidated financial statements).

The risks applied have not been probability weighted but rather consider the impact should each risk materialise by applying a 'more likely than not' test.

## Mitigations

These wide-ranging risks are unlikely to crystallise simultaneously and there are mitigations under the direct control of the Group that could be implemented including, but not limited to, substantially reducing (or removing in full) bonus and incentive payments, reducing discretionary spend, and reductions or delays in capital investment, that can be actioned to address a combination of risk crystallisations that may occur under a stressed scenario. The Board has considered these mitigations in its viability assessment; however it acknowledges that a sustained use of the mitigations identified above could have an adverse impact on the Group being able to achieve its strategic priorities.

In addition, the Board has assumed the additional committed financing facility of £75m is renewed and/or extended. Capita has been successful in obtaining new and extended financing facilities over the last few years. As such, in concluding on viability the Board believes that it is reasonable to assume that the Group will be successful in refinancing both the RCF in line with the assumptions underpinning the base case financial projections, and the additional committed financing facility.

## Conclusion

Reflecting the Board's expectations of improving financial performance, as set out above, and its confidence in the Group's ability to extend its RCF beyond its December 2027 maturity, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the viability assessment.

The strategic report was approved by the Board and signed on behalf of the Board:

**Claire Denton, Chief General Counsel and Company Secretary**

9 March 2026

Capita plc

Registered in England and Wales  
No.2081330