

CAPITA

CORPORATE RESPONSIBILITY REPORT 2017



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This is the summary of our corporate responsibility strategy and 2017 activities. You can read more about it on our website.

If you have any suggestions, feedback or queries about corporate responsibility at Capita, please contact us at:
corporate-responsibility@capita.co.uk.

www.capita.com/responsibility

“As we position ourselves to better operate in our five key growth markets with our new strategy, I am committed to shaping our business so that it has a positive influence on society; a business that our people are proud to work for, our clients, partners and suppliers proud to work with and generates a fair return for our investors.”

JONATHAN LEWIS
CHIEF EXECUTIVE

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER



INTRODUCTION

Public trust across the institutions of government, business, media and NGOs experienced the largest-ever drop last year according to the 2017 Edelman Trust Barometer¹. This is a wake-up call for businesses to recognise that, in this environment, engaging with people in an open, transparent and frank way is a fundamental step to re-establishing trust. As a business that touches the lives of millions of people through the services we deliver for our public and private sector clients, we have a unique opportunity to be a leading light - listening and understanding the needs of society and addressing them through demonstrable solutions. We will achieve this by modelling and living by corporate behaviours which has all our stakeholders at heart – employees, suppliers, communities, clients, investors and partners.

Despite a difficult year, we have continued to collaborate with partners and clients, striving to do the right thing for all these stakeholders. Our approach, which is outlined in our corporate responsibility strategy, details not only how we do this through our own community and environmental programmes, but also how we work with our clients to amplify the social and environmental return we can make.

DELIVERING SUSTAINABLE VALUE FOR OUR CLIENTS

Our contract with the London Borough of Lambeth Council has seen us tackle youth unemployment, crime and economic growth delivering c. £2.5m - £3m value to the wider community. Entrust, our joint venture with Staffordshire County Council, is committed to making a difference to the lives of children and young people – both locally and nationally. Since 2012, school performance in the county has improved significantly with 21% more pupils attending schools judged as good or outstanding by Ofsted.

As we promote digital solutions to enhance our clients' customer proposition, we also understand that digital solutions could isolate some customers. So, we offer additional inclusive channels of communication and also support these customers to get online, such as our partnership with West Sussex County Council, which delivers 'Digital Tea Parties' to elderly residents teaching them how to use a computer and be more confident online.

OUR PEOPLE AND CULTURE

We couldn't operate without our c. 70,000-strong workforce. We aim to treat everyone fairly and with dignity, encouraging an open culture which celebrates diversity of thought, ensuring everyone has a voice and platform to offer their opinions.

We have worked hard this year to listen to our people, running regular surveys and creating an online platform to ask me any questions and provide feedback. We have made a concerted effort to act on this feedback and make changes where possible. For example, in direct response to employee feedback that a lack of investment in people and capabilities has been getting in the way of delivering the best service to all our stakeholders, we have committed that part of our £500m investment over the next three years will address this developing and retaining talent.

Throughout the next year we will be building on this, investing time and money to truly establish meritocracy throughout our organisation, including how we support visible leadership and embed this at all levels in our organisation.

COMMUNITY INVESTMENT

Our corporate charity partnership with The Prince's Trust came to an end this year and we are extremely proud of what we achieved. Helping tackle youth unemployment, we raised an impressive £853,000 to support the Trust's employability programmes. Our employees also volunteered to share their skills with young people – hosting 'World of Work Tours' which provided young people with an insight into a day within our business.

Our charity partnership with Alzheimer's Society has seen us raising money to support the services they deliver, like Side-by-Side – a service which sees volunteers provide companionship and support to people living with dementia. But we've also been rolling out the 'Dementia Friends' initiative - a campaign that aims to change the way we all think, act and talk about dementia, a condition that affects so many of our customers and colleagues.

RESPONSIBLE BUSINESS PRACTICES

We continue to embed sustainable and responsible business practices into our operations. When we buy goods and services, we look to work with suppliers who uphold the same ethical principles as us and, this year, we have already audited 63% of our material suppliers. We refreshed our Ethical Code Statement which guides all our employees to conduct business responsibly and our energy reduction programme in the UK has reaped some fantastic results reducing our contribution to climate change by 11% and saving £1.8m since 2015.

All our achievements are made possible thanks to the commitment of our people across Capita, who last year raised nearly £2m for causes important in our local communities.

FOCUSING ON THE FUTURE

We have more to do and, as we embark on our new strategy to simplify, strengthen and succeed, we will review our approach to corporate responsibility, ensuring it remains central to our vision to become a trusted partner for all our stakeholders. We will strengthen our commitment to ethics and compliance through our newly formed Executive Committee, leading more transparency in the way we do business. We will look to use our digital experience, data insight and innovation mindset to help us to develop solutions that address a wide range of societal issues.

Like many businesses, we have a long way to go to gain the public's trust but, as we position ourselves to better operate in our five key growth markets with our new strategy, I am committed to shaping our business so that it has a positive influence on society; a business that our people are proud to work for, our clients, partners and suppliers proud to work with and generates a fair return for our investors.

¹ <https://www.edelman.co.uk/magazine/posts/edelman-trust-barometer-2017-uk-findings/>



CAPITA AT A GLANCE

Capita exists to improve the efficiency and productivity of its clients so that they can provide superior services to their own customers and end users.

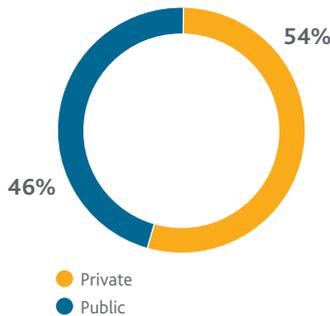
CAPITA AT A GLANCE

WHO WE ARE

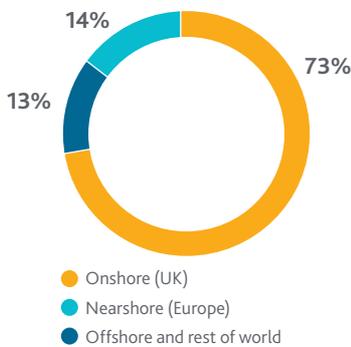
We are the UK's leading provider of technology-enabled customer and business process management and integrated professional support service solutions. We generate the majority of our revenues from long-term contracts and partnerships across both the private and public sectors. Our 70,000+ dedicated staff across the UK, Ireland, Europe, South Africa and India play a key role in our clients' operations, designing, transforming and delivering their administration and customer management services.

We strive to embed corporate responsibility across our business, doing the right thing for our customers, shareholders, people and our local communities and environment.

REVENUE BY MARKET



EMPLOYEES



OUR BUSINESS

UNDERLYING REVENUE £4,167.9m 2016: £4,357.3m	SUPPLIERS THAT ARE SMES 60% 2016: 70%	MATERIAL SUPPLIERS WHO COMPLY WITH OUR ETHICAL STANDARDS OF BUSINESS 63% 2016: 40%
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OUR PEOPLE

EMPLOYEES c. 70,000 2016: 70,000	EMPLOYEES FROM ETHNIC MINORITIES 18% 2016: 22%	WOMEN IN SENIOR MANAGEMENT ROLES 15% 2016: 22%	EMPLOYEE RETENTION % 79% 2016: 78%
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OUR COMMUNITY AND ENVIRONMENT

COMMUNITY INVESTMENT £1.9m 2016: £2.1M	CARBON FOOTPRINT REDUCTION 11% 2016: 2%
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OUR ACHIEVEMENTS

<p>CAPITA HAS BEEN INCLUDED IN THE FTSE4GOOD INDEX EVERY YEAR SINCE 2001.</p> <p>FTSE4Good</p>	<p>CAPITA IS INCLUDED IN BOTH THE EURONEXT VIGEO IRIS INDICES UK 20 COMPANIES AND IN THE TOP 120 OF EUROPEAN.</p> <p>EURONEXT VIGEO IRIS INDICES UK 20</p>	<p>CAPITA HAS BEEN RECONFIRMED AS A CONSTITUENT OF THE ETHIBEL SUSTAINABILITY INDEX (ESI) EXCELLENCE EUROPE SINCE 19/03/2018</p> <p>ETHIBEL SUSTAINABILITY INDEX EXCELLENCE Europe</p>
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OUR STRATEGY

For us, corporate responsibility (CR) means acting responsibly in all that we do – unlocking value, not only in our commercial activities, but also in the communities in which we work.

We do this by embedding responsible and sustainable business practices at the heart of everything we do, through our own community and environmental programmes and through the services and products we deliver. We touch the lives of millions of people but we understand that we can have a bigger impact by working collaboratively - with partners to amplify what we do as a business, and with clients to support their corporate responsibility agendas.

Our approach to CR is determined by our stakeholders' view on the sustainable issues that they see as important for us as a business to be addressing and influencing, either through our own operations or by working with clients. We address these issues through four priority areas.

We have set commitments against each of these priority areas, using relevant metrics to measure and report our progress annually (see 'Our Performance Data' on page 17).



OUR CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We believe we contribute to the SDGs in many ways, but more specifically to the three goals as outlined below.

In 2015, the United Nation's 193 member states adopted the Sustainable Development Goals (SDGs) – a set of goals to end poverty, protect the planet and ensure prosperity for all. For the goals to be reached by 2030, governments, businesses and society need to align to do their part.

While our CR strategy has not been designed specifically around these goals, we understand that our organisation needs a clear social purpose that can strengthen our license to operate, as well as enabling thriving societies and economies. We believe that we contribute to the SDGs in many ways, but more specifically to the three goals as outlined to the right.



GOAL 8: DECENT WORK AND ECONOMIC GROWTH

Employing c.70,000 people across the globe, we represent a wide variety of cultures, ethnicities, religious beliefs and languages. We are committed to providing a safe, inclusive workplace for our people ensuring they are listened to, rewarded appropriately and developed to be the best they can be through the **Our people and culture** priority area.

We encourage economic growth through our **Delivering sustainable value for our clients** focus area, tackling youth unemployment, volunteering to improve employability skills and encouraging entrepreneurship.



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

We strive to embed responsible and sustainable business practices into our operations – encouraging employees to work ethically through our policies, guides and standards, working with suppliers who uphold our ethical principles, and investing in our business to reduce our impact on the environment. Doing this through our **Responsible business practices** focus area helps us build trust.

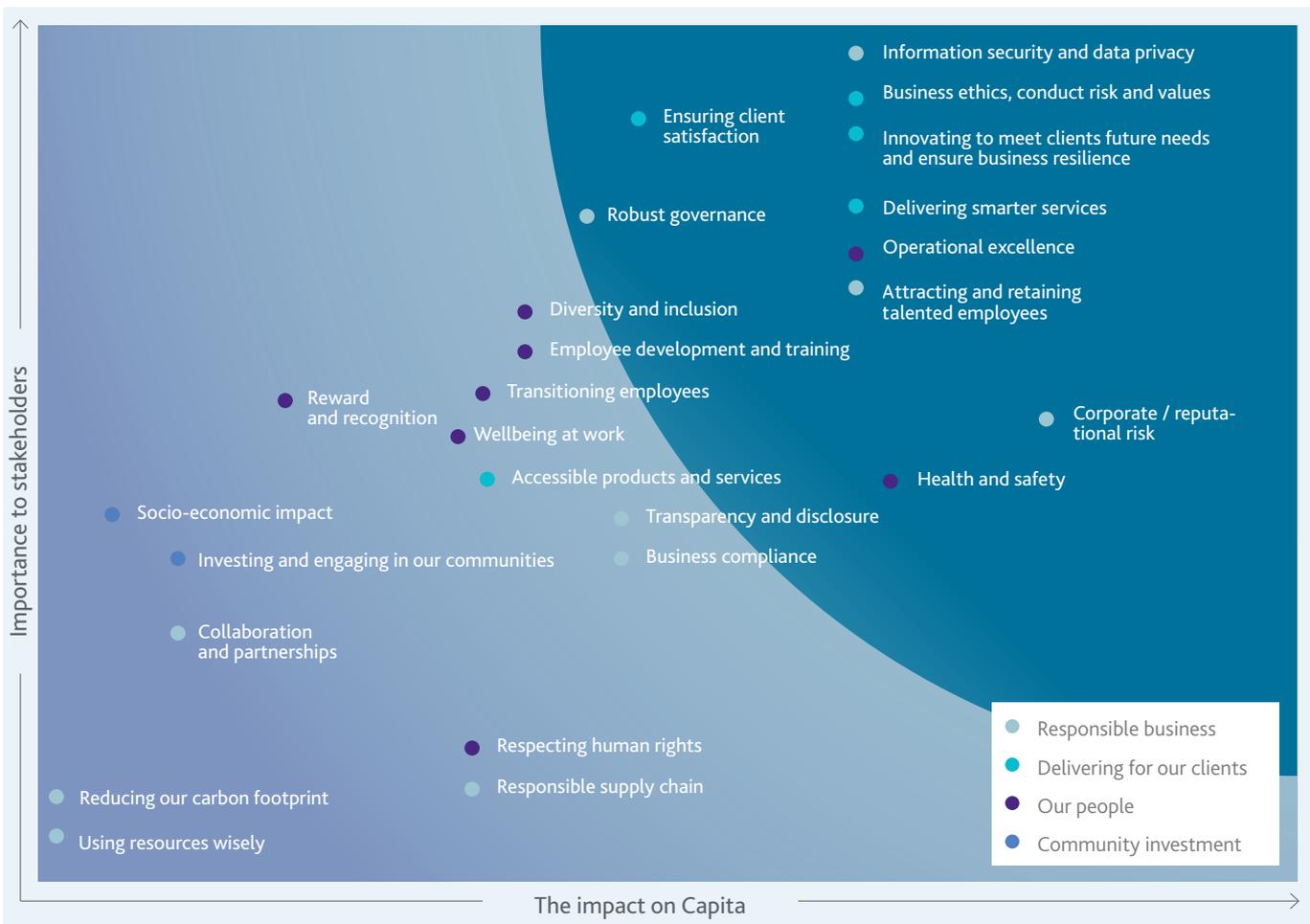


GOAL 17: PARTNERSHIPS FOR THE GOALS

Our approach to corporate responsibility is to tackle relevant sustainable issues within our own operations – this is our licence to operate. But where we have the biggest impact is working collaboratively with partners and our clients supporting the delivery of the SDGs. For example, our joint venture with Staffordshire County Council, Entrust, is committed to making a difference to the lives of children and young people ensuring inclusive and quality education for all (Goal 4).

OUR ISSUES

We address the sustainability issues of importance to our business and stakeholders.



To understand the economic, social and environmental issues that a business such as ours should be addressing and influencing, in 2016 we prioritised a list of current topics using industry reports and trends, societal expectations, relevant legislation and best practice including the United Nation's Sustainable Development Goals. We then engaged with a number of our stakeholders including clients, suppliers, investors and employees to refine that list.

The results of the exercise identified 25 issues of significant, material value to our business and stakeholders. We developed four priority areas to focus our efforts on addressing these issues:

- **Delivering sustainable value for our clients** ensures that as a business we put our clients and their customers first, developing services and products that meet their needs, improve their operational performance and are accessible to all people. We work collaboratively with our clients to tackle their sustainable issues.
- **Our people and culture** ensures we respect and nurture our workforce focusing on diversity, health, safety, wellbeing and training and development opportunities.
- **Community investment** ensures we address socio-economic issues by investing and engaging in our local communities.
- **Responsible business practices** help us to address the issue of a diminishing public trust in business, ensuring we have robust governance in place and operate ethically with respect to the environment.

OUR GOVERNANCE

Accountability for CR sits with our CR steering committee, which reports annually to the Board on progress against our strategy and commitments.

Our CR steering committee is chaired by our chief financial officer who has overall responsibility for our strategy. The committee comprises functional heads from procurement, risk and compliance, human resources, health, safety and environment, company secretariat and corporate responsibility. It provides oversight and challenge of our strategy, and is responsible for implementing our strategy, developing appropriate policies, providing guidance and sharing best practice with the business, as well as reporting progress to the Board.

The committee met regularly in 2017 for a general update on progress and to cover current topics of focus, including our Ethical Code Statement, our corporate charity partnerships with The Prince's Trust and Alzheimer's Society, our continued efforts to reduce the risk of modern slavery in our supply chain and our approach to creating a more inclusive workforce.

Our strategy is underpinned by our company-wide CR policies outlining our approach to human rights, health, safety and the environment, and community and charities. Applicable to all operating countries and businesses, these policies help manage our operational, regulatory and reputational risks while ensuring CR is at the heart of our business.



DELIVERING SUSTAINABLE VALUE

We supported over 140 students from North Tyneside to experience hands-on civil engineering - encouraging careers in science, technology, engineering and maths (STEM).



DELIVERING SUSTAINABLE VALUE FOR OUR CLIENTS

Working together with our clients and partners,
we support local communities.

We create value for our clients by making processes smarter, organisations more efficient and customer experiences better.

We do this by using smart technology and the skills and expertise of our people. We strive to listen and respond to what our clients tell us, understanding their changing needs and working with them to ensure we meet their expectations. In collaboration with our clients, we tackle issues of importance to them, supporting delivery of their corporate responsibility agendas.



DELIVERING SUSTAINABLE VALUE

Our joint venture with Staffordshire County Council, Entrust, is committed to making a difference to the lives of children and young people. In 2017

75%

of Staffordshire children achieved a good level of development at the Early Years Foundation Stage,

4%

higher than national average.

In 5 years, we have delivered

£2.5-£3m

of wider social value in the
London Borough of Lambeth.

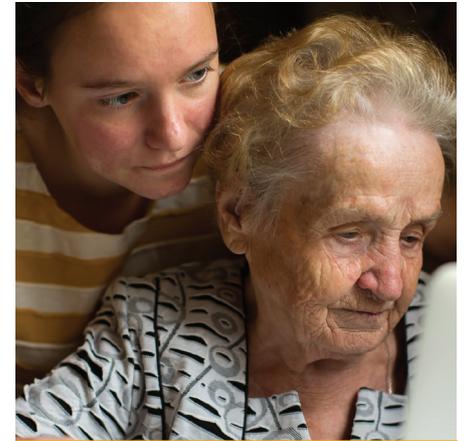
DELIVERING SUSTAINABLE VALUE FOR OUR CLIENTS

Where we can, we look to work collaboratively with our clients, tackling local socio-economic issues and delivering long-term value to their communities. Through our contract with Lambeth Council, we have delivered a potential wider social value of £2.5m - £3m, placing 102 Lambeth residents in apprenticeships, supporting 45 young offenders break the cycle of reoffending, delivering educational sessions to c.180 students on how to steer clear of crime and violence, supporting 43 young entrepreneurs to get their business ideas off the ground and raising the employability skills of 160 young people.

Through our 15-year partnership with North Tyneside Council we have been encouraging young people to consider careers in science, technology, engineering and maths (STEM). We deliver a range of technical services to the Council including engineering, property, planning, building control and public protection and therefore our people have a wealth of knowledge when it comes to STEM subjects and career paths. Since 2013, we have invested £10,500 into the Engineering Education Scheme, which links companies with local schools, giving students an insight into careers relating to STEM. Our employees have also volunteered their time to support this scheme. We also work with the Engineering Development Trust and the Institution of Civil Engineers delivering their respective Go 4 Set and Bridges to Schools projects. Over 140 students from the borough have been given hands-on civil engineering experience, with some students going on to choose to study engineering or planning in further education.

DIGITAL INNOVATION

Digital change is constant, ubiquitous and fast and is disrupting every industry and sector that we work in. It is paramount that we remain at the forefront of the digital revolution and are able to deliver digital transformation for our clients, helping them to use data more wisely and advising how technologies, like automation, can help our clients free up people to focus on value-adding processes instead of repetitive, rule-based processes. Alongside this, we also understand that the rise of digital can make some products and services less accessible to people. That is why we volunteer to deliver digital awareness courses and one-to-one mentoring to those most affected, like the elderly and the homeless.



We've supported over 100 people to get online and solve their digital dilemmas at Digital Tea Parties through our West Sussex Partnership.



OUR PEOPLE AND CULTURE

1,164 employees took part in our Step-Up challenge to encourage a healthy work-life balance and to raise money for our charity partner. 362,954,686 steps were taken raising an astounding £32,956 for The Prince's Trust.

OUR PEOPLE AND CULTURE

Capita's 70,000 talented, committed and engaged employees are essential to delivering business critical services and solutions across all our markets.

Their skills, knowledge, attitude and creativity ensure we continue to deliver great service and positive outcomes for our clients. 2017 has been a challenging year with businesses being restructured and disposed of. During these periods of change, we worked hard to ensure those affected were informed, involved and communicated to before and during the process.

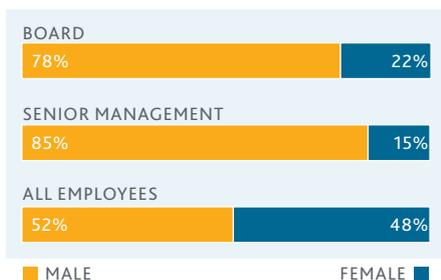
EMPLOYEE ENGAGEMENT

Improving our culture and engagement with employees at all levels has been an important part of the change journey we have begun. In 2017, we conducted three 'pulse' surveys to gauge our employees' motivation and engagement. Participation and sentiment improved steadily over the year, with a positive view of Capita as a good place to work. It also highlighted the need for greater career opportunities and personal development.

The McKinsey OHI (Organisational Health Index) culture and organisation health survey, undertaken in December 2017 after the arrival of our new CEO, has given us a deeper dive into our company and employees views. As we refresh the strategy and structure we will use the lessons from this deeper assessment as a foundation to help define the culture and leadership style we need to grow in the future.

DIVERSITY

Having a diverse workforce brings fresh perspectives and helps us to create truly innovative solutions that benefit our clients and help improve our own market competitiveness. We are committed to developing an inclusive culture that reflects the diversity of our clients, their customers and the communities in which we work.



GENDER BALANCE AND PAY

The UK government's gender pay reporting requirements are providing us with a good baseline and evidence from which we can develop our diversity strategy.

As of 5 April 2017, the overall gender pay differential within Capita was:

Difference between men and women	
Mean pay differential	26.8%
Median pay differential	25.3%

Analysis of the data behind our mean pay gap of 26.8%, shows us that the gap can be attributed to two key factors. The first is that there are more men in senior roles, including at board level. At the same time, there are more women than men in the roles attracting lower salaries.

We are committed to improving opportunities for career progression for women into senior roles. Our support and membership of the 30% Club, which targets 30% of our board members to be female, reflects this commitment.

Other key actions include:

Supporting career progression: our 30% Club membership will provide access to cross-company and cross-sector mentoring opportunities, adding to our existing mentoring and coaching. We will be progressing five mentors and five mentees into the 30% Club who will be matched with peers at external companies. This process has been successful for a number of FTSE companies in achieving higher percentage of women on board seats.

Female Leadership Group: senior women from a variety of divisions have been working to implement initiatives that encourage and support female leadership at Capita. This group has focused on creating wider networking groups, welcoming and supporting new women leaders with a buddy as well as identifying and encouraging the right behaviours which encourages a diverse and inclusive culture.

Reviewing recruitment processes: we are reviewing our recruitment processes, including language used in job descriptions and job adverts, to ensure we can encourage and attract a diverse range of applicants.

Gender bias screening will help in making roles in IT, sales and consultancy appealing to both genders.

Succession planning: regular succession planning identifies future leadership talent across the business, ensuring that both male and female candidates are identified. Through this process we can start to take the necessary steps to ensure our successor pipelines are diverse and high potentials are given the support and training that they need to take the next step in their career.

More detail is disclosed in our Gender Pay Gap Report 2017 www.capita.com/responsibility.

SUPPORTING PEOPLE THROUGH CHANGE

So we can help our clients be more efficient and meet future business requirements, as well as addressing immediate performance and financial challenges, it is sometimes necessary to reduce the headcount on a particular contract or in a business, to move roles to our offshore centres or to divest a business. Where this is the case, Capita takes a proactive approach in seeking alternative employment options for affected employees in order to redeploy them into other areas of our business or, in the case of acquisitions in the UK, apply TUPE regulations.

Capita's experience in this area is extensive and we are open and honest with our employees throughout the process, carrying out full consultations, involving trade unions when necessary, regularly communicating and ensuring that employee morale and service levels are maintained.

HEALTH, SAFETY AND WELLBEING

We recognise that supporting a healthy, motivated workforce and safe working environment is not only the right thing to do, but it's also good for business, reducing sickness absence and increasing retention rates. Our Capita-wide health and safety management system reduces the risks across our business ensuring that our people have a safe and comfortable working environment.

In 2017 our accident rate was 1.23 per 1,000 employees (2016: 1.41), showing a 13% reduction in reportable accidents.

We provide opportunities for flexible working (16% of our employees are part time) and have introduced technology to enable employees to work remotely.



COMMUNITY INVESTMENT

We raised over £18,000 through our Hero Challenge for Alzheimer's Society. Forty teams took part in a variety of mental and physical challenges from obstacle challenges to dressing up.

COMMUNITY INVESTMENT

We invest in the communities where we live and work.

As a major employer, we recognise that we have a duty to contribute to the wider economy, creating jobs, using local suppliers and supporting our clients in tackling local socio-economic issues. Alongside this, we also invest and engage directly in the communities where we work and, through our centrally created programmes, we encourage our employees to volunteer and fundraise to support causes they care about.

OUR CORPORATE CHARITY PARTNERSHIP WITH ALZHEIMER'S SOCIETY

In spring 2017, we kicked off our corporate charity partnership with Alzheimer's Society, supporting their mission to transform the landscape of dementia forever. Already, we have all helped raise over £100,000 to support the charity to deliver invaluable services to people living with dementia. To improve our understanding of the condition, so that we can turn this knowledge into action, 900 of our employees are now Dementia Friends meaning that they have an increased understanding of the condition and how best to support colleagues and customers affected.

SUPPORTING CAUSES OUR EMPLOYEES CARE ABOUT

We encourage our employees to volunteer in their local communities, allowing everyone up to one day off per year. Where possible, we encourage our employees to volunteer by sharing their skills with the local communities. For example, to improve the employability skills of school-age children, we are members of Business in the Community's (BiTC) Business Class Programme through which our employees volunteer their time in local colleges, giving workshops on interview skills, CV writing, time management and confidence.

In addition to the work we do with Alzheimer's Society, we also support our employees in their own fundraising, offering a matched-funding programme and payroll giving scheme.



We're sharing our skills and experience with young people at Lambeth Academy.



We supported The Prince's Trust's Palace to Palace bike ride where over 100 Capita cyclists took part, raising over £16,000 for the Trust. Capita was one of more than 100 different organisations that took part from across the country, raising a fantastic £650,000 for the Trust and its work with vulnerable young people.



RESPONSIBLE BUSINESS PRACTICES

This year during our annual Green Week, we encouraged everyone to make a pledge to be more sustainable. Employees pledged to walk more and reduce the use of cars, have paperless meetings, turn off monitors and unplug chargers when not in use.

RESPONSIBLE BUSINESS PRACTICES

We build trust in our business by embedding responsible business practices into everything we do.

We conduct our business in an open, honest and transparent manner, embedding responsible and sustainable business practices into the way we work with clients, suppliers and the way we run our business.

WORKING WITH OUR SUPPLIERS

Consisting of over 31,000 suppliers, we recognise that Capita's supply chain is critical to the company's success; the agility, speed and value we need to be competitive are founded on equitable supplier relationships.

We actively encourage supplier diversity and currently 60% of our supply base is classed as small and medium sized enterprises (SMEs). We monitor our payment terms and, on average, we pay SMEs within 20 days of invoice receipt (target: 30 days). The equivalent figure for non-SMEs is 32 days (target: 40 days).

For larger suppliers who supply goods or services across Capita, a preferred supplier list is maintained to encourage the use of associated contractual terms where possible. Preferred suppliers are also highlighted on Capita's purchasing platform and employees are made aware that no further tendering is required if a preferred supplier is selected. Capita's procurement team is responsible for maintaining awareness of preferred supplier relationships across the business.

Our procurement team works with colleagues and suppliers to ensure that all necessary due diligence checks are undertaken, utilising a new procurement solution introduced during 2017. In the year, we have audited 63% of our material (those with whom we spend over £1m) suppliers (57% of the spend). These checks assess suppliers' approach to human rights, data protection, modern slavery and environmental issues and are not only necessary to comply with associated legislation, but are also good practice for any responsible organisation. If risks are identified, we work with suppliers to address them. Once a supplier is approved, employees are free to make contact to discuss their needs.

60%

OF OUR SUPPLIERS ARE SMALL AND MEDIUM BUSINESSES.

PROTECTING DATA AND INFORMATION

We regard the fair and lawful processing, and correct treatment of personal information, as crucial to the success of our operations, maintaining confidence between our business and those with whom we work, including our clients.

We fully endorse and adhere to the principles of data protection as set out in our Data Protection Policy and Information Security Policy, which ensure that we treat personal information correctly in accordance with the law.

Data protection standards are led by Capita's privacy team, which monitors the latest data protection legislation and, more broadly, controls who has access to personal data, who we share it with, how we use it, what we collect and ensuring it is safeguarded and disposed of properly when we no longer have a business need to process it.

In order to comply with the General Data Protection Regulations (GDPR), we have a comprehensive programme in place. Our network of trained privacy professionals across Capita are providing advice and guidance on their specific GDPR compliance programmes, ensuring that Capita Data Controllers are compliant with the new requirements by May 2018, and providing expert help and assistance where we are a Data Processor for our clients.

We have appointed a data protection officer for Capita. Her central team, together with the privacy leads across our divisions, will ensure that privacy is high on the agenda across Capita. We have raised awareness of privacy and data protection through various initiatives including mandatory data protection training for all employees and our Think Privacy; Think Security campaign in summer 2017.

MANAGING OUR ENVIRONMENTAL PERFORMANCE

We are committed to reducing our carbon footprint annually and are proud to have reduced it once again this year by 11% from 2016. We have achieved this predominantly through our energy reduction programme in our UK portfolio, which we commenced in 2015, and has already resulted in a financial saving of £1.8m. The programme has delivered improvements in the way we measure, manage and monitor our energy consumption (electricity and gas).

We will continue to focus on driving down our energy emissions in 2018, as well as look at improving the way we collect data on our resources use, for example, waste and water.

BRIBERY AND CORRUPTION

We have zero tolerance of bribery and corruption. Our Anti-Bribery and Corruption Policy applies to all Capita businesses and employees. Capita's risk and compliance team monitors compliance against this policy, ensuring all businesses are aware of their responsibilities in terms of donations, facilitated payments, gifts and hospitality.

All employees must complete financial crime training annually.

HUMAN RIGHTS AND MODERN SLAVERY

We are committed to respecting the human rights of our employees and those within the communities in which we work. Our Human Rights Policy details our commitments to upholding the principles of human rights as set out in the UN Declaration of Human Rights and the International Labour Organisation Core Labour Principles. Within our Modern Slavery Statement, we set out our approach to stamping out modern slavery in our operations and supply chain.

THIS YEAR WE REDUCED OUR GROUP CARBON FOOTPRINT BY

11%.

FOCUSING ON THE FUTURE

The appointment of our new CEO, Jon Lewis, brings the opportunity of a fresh approach.

The appointment of our new CEO, Jon Lewis, brings the opportunity of a fresh approach. Under his leadership, we will align our approach to corporate responsibility to our refreshed strategy, shaping our business so that it is one that serves society and the environment, respects our people, delivers value for our clients and generates a fair return for our investors.

As Capita simplifies our business focusing on key growth markets and realigns our organisational structure to mirror these markets, we will review the sustainability issues relevant to these markets and our stakeholders to ensure that we prioritise our work in areas that matter most to our business, communities and environment. Our resultant framework will be flexible so that it can be delivered at scale while at the same time be tailored to meet local needs.

While we are making good progress in embedding responsible and sustainable working practices into all of our business functions, we will look to strengthen our commitment to ethics and compliance through our newly formed leadership team.

We will enhance the way we measure our social and environmental impact so that we can better demonstrate our successes and identify areas for improvement. We will use recognised benchmarks to assess our sustainability performance against our peers and industry leads and use these to continually improve our performance.

As we come to the end of our relationship with our corporate charity partner, Alzheimer's Society, we look forward to celebrating what we have achieved – the money we have raised to support the delivery of the Society's services and the progress we have made in increasing our understanding of dementia, so we can support our colleagues and customers who are, or may be, impacted by this condition. As we develop our new approach to corporate responsibility, we will seek to partner with charity organisations and community groups that help us address our priority issues and deliver long-term value to our society and environment.

OUR PERFORMANCE DATA

As part of the strategic review being undertaken in 2018, the financial and non-financial key performance indicators used to measure performance will be reviewed. This year, we are reporting progress and activities against the following commitments and metrics.

Delivering sustainable value for our clients				
We will support our clients to tackle socio-economic issues in their local communities.	Many of our contracts have a separate list of metrics measuring sustainable value (eg, no. of young people supported with employability skills; tonnage of waste diverted from landfill)	Contract specific	Contract specific	Contract specific
Our people and culture				
We will provide a safe, inclusive and diverse workplace for our people ensuring they are listened to, rewarded appropriately and developed to be the best that they can be.	No. of accidents per 1,000 people	1.23	1.41	1.48
	Sickness/absence rate	2.57%	3%	3%
	Employee retention rate	79%	78%	81%
	Male/female diversity	52% male/48% female	52% male/48% female	55%/45%female
	Proportion of full time employees vs part time employees	16% part time	14% part time	15% part time
	Proportion of employees from ethnic minorities	18%	22%	22%
	Employee survey response	58%	No survey conducted	52%
	Amount investment in training and development	£14.0m	£13.9m	£19m
Community investment				
We will invest and engage with our local communities delivering a community programme in each of our operating regions.	Total community investment including:	£1,863,223	£2,086,159	£2.3m
	Charitable spend	£786,613	£1,234,303	
	Value of volunteering hours	£112,329	£91,338	
	Gifts in Kind	£11,034	£24,600	
	Amount of employee raised funds for charity	£480,822	£332,897	
	Amount of employee giving through payroll for charity	£473,426	£403,021	
Responsible business practices				
We will conduct our business in an open, honest and transparent manner embedding responsible business practices into the way we work with clients, suppliers and the way we run our business.	% of material suppliers ¹ who comply with our ethical standards of business	63%	40%	31%
	No. of SMEs in our supply chain	60%	70%	76%
	Tonnes of carbon dioxide equivalent presented as both actual (tCO ₂ e) and per £1m turnover (tCO ₂ e/£1m turnover) ²	104,743tCO ₂ e/25.23tCO ₂ e per £1m	117,489tCO ₂ e/26.97tCO ₂ e per £1m	120,156tCO ₂ e/25.71tCO ₂ e per £1m
	Carbon footprint reduction (%)	11%	2%	

¹ Suppliers where our annual spend is £1m or greater

² Restated 2016 and 2015 emissions data to improve the accuracy of reporting, using actual data to replace estimations