

Who we are

We are the UK's leading provider of customer and business process management (BPM) services to both private and public organisations. Our 68,000 employees play a key role in our clients' operations, designing, transforming and delivering their administration and customer management services.

Capita is primarily a UK-based company with a gradually expanding international footprint. As we grow, we ensure that our culture and values are integrated throughout our operations. Corporate responsibility is embedded in our business and helps us to create smarter services for our clients and better tomorrows for all our key stakeholders.



For more details on our work visit:
www.capita.co.uk

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About this report

This report outlines our approach to corporate responsibility (CR) and provides a detailed review of our activity and performance in 2014, including information about our long term CR priorities and goals.

We would welcome your feedback on this report or any of our initiatives. Feel free to contact us via: corporate-responsibility@capita.co.uk



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Welcome from Andy Parker, CEO



We manage the business in a way which benefits all Capita's stakeholders – our shareholders, clients, employees, suppliers and the communities in which we work – helping us to contribute positively to society and create financial value by enhancing our competitive advantage and building strong client and employee relationships.

Andy Parker
Chief Executive

2014 progress and highlights

We continued to make progress against our long term CR commitments in 2014. One of the key developments during the year was the launch of our new corporate charity partnership with The Prince's Trust in July. The Trust, which was selected by an employee vote, works with disadvantaged young people. With youth unemployment currently at 16.9%¹ in the UK, we are delighted to be supporting The Trust in their work to tackle this pressing social issue.

As a large employer, we also have a number of programmes for young people – including apprenticeships, our graduate scheme and work placements – and we will continue to explore ways of further supporting skills and training across the business. See [page 19](#) for further details.

Engaging with our stakeholders is key to our success and both our annual employee and client surveys provided some great feedback on how we are doing as an employer and service partner. As always, we will be using this intelligence to develop how we operate as a business to ensure we remain at the forefront of our market.

¹ House of Commons youth unemployment statistics.

Welcome from Andy Parker, CEO, continued

We continue to support local economies by procuring from small to medium-sized enterprises (SMEs), which now make up 70% of our supplier base, helping them to gain a competitive advantage in their markets. In addition, in 2014, our offices in India and our customer management operations in the UK achieved ISO 14001 accreditations, almost doubling the proportion of employees covered by this external environmental standard. We work hard across all our sites, whether managed by Capita or through service providers, to ensure that we are continually reviewing and improving our approach to environmental management.

I am delighted to report that we also won a number of awards in 2014, including joint winners of Business in the Community's Female FTSE 100 Award, which recognises UK businesses with the most women at Board level, and inclusion in the Forbes Top 100 world's most innovative companies list.

How we create value for our stakeholders

Organisations are facing unprecedented challenges – from changes in demographics, the economic climate and advances in technology, to market and regulatory developments. Consumers and citizens are demanding much more in terms of quality of service and 24/7 access across communication channels of their choice.

We help our clients respond to evolving market and social factors by designing services that maximise value from their frontline and back office activities. We support this by investing in development and fostering innovation, acquiring small to medium-sized complementary organisations and by working in partnership with niche, specialist organisations.

How CR creates value for our business

Operating a responsible business model is key to our success, helping us to grow sustainably through:



Welcome from Andy Parker, CEO, continued



Delivering against our KPIs

We continually seek to drive improvement in what we do and we measure and report annually on our progress relating to each of our CR priorities (see page 6). This includes a number of non-financial KPIs related to the areas with the greatest impact and we also monitor a range of detailed performance metrics (see page 34 for a full summary of all our CR measures).

Looking ahead

We have some exciting plans for 2015, which include sponsorship of Million Makers, The Prince's Trust's entrepreneurial fundraising challenge. Teams from a range of companies compete to turn an initial investment of £1,500 into £10,000, with a combined target of £1m and all proceeds going to The Trust's programmes. As well as sponsoring the competition, we are also entering two teams from our 'Lead The Way' graduate scheme, to encourage innovation and leadership, teamwork and communication.

We will continue to engage with all our stakeholders to ensure that we are delivering and communicating on the areas that are important to them, supporting the long term sustainability of the business.

Full details on our CR activity can be found throughout this report and also at www.capita.co.uk/cr. I very much hope you enjoy reading about our programmes and performance in 2014.

Andy Parker
Chief Executive



You can find more information at www.capita.co.uk/cr

External recognition



Included in the FTSE4Good Index every year since 2001



Confirmed as one of the top 20 UK companies and in the top 120 of European companies in the Euronext index



Included in the Forbes Top 100 world's most innovative companies list



Achieved re-certification of Carbon Saver's Gold Standard, recognising our commitment to reducing energy use and improving efficiency

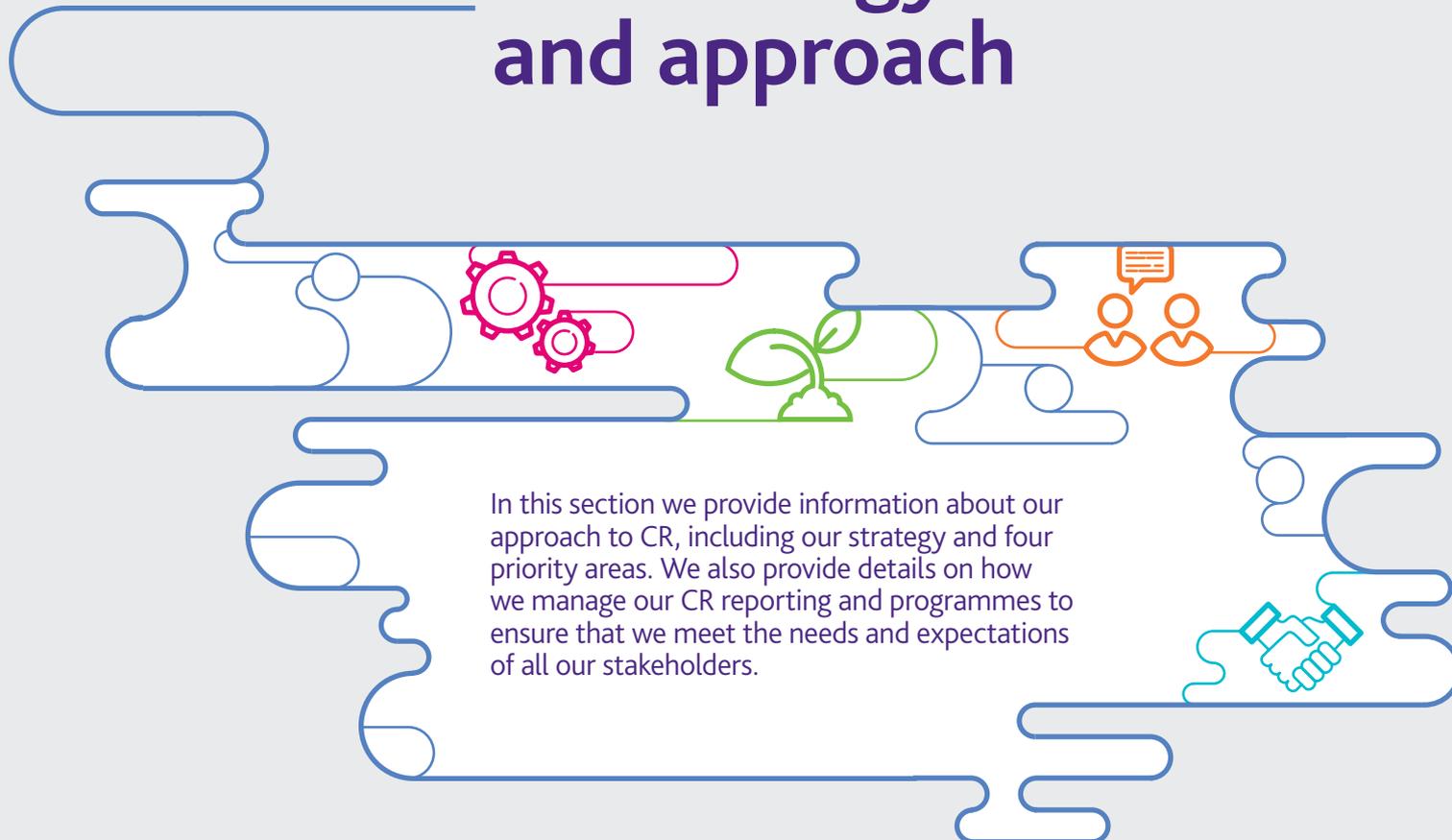


Joint winner of the UK female FTSE100 award which is given to the businesses with the most women at Board level



Included in both the Ethibel Global and European sustainability indices

CR strategy and approach



In this section we provide information about our approach to CR, including our strategy and four priority areas. We also provide details on how we manage our CR reporting and programmes to ensure that we meet the needs and expectations of all our stakeholders.

Our CR strategy and priorities

Capita’s disciplined approach to securing sustainable growth enables us to achieve our business goal of delivering long-term value, directly and indirectly, to all our stakeholders.

We focus our CR programmes around four priority areas which have the greatest social and economic impact on our business, are of most concern to our key stakeholders and which have the greatest potential to support our future business growth.



We aim to create lasting value for our clients and wider society through our daily business operations.

We focus our community investment programmes on the areas that are of greatest concern in our key market sectors and are most closely aligned to our business expertise. This enables us to maximise value for our business and local communities.

For case studies, see pages 13–16



Our employees are key to our success. We employ over 68,000 people and we’re growing all the time, with employees joining us organically through direct recruitment and also via transfer with new client relationships and acquisitions.

We are committed to developing talent and maintaining an environment which empowers and nurtures employee enthusiasm and creativity.

For case studies, see pages 22–24



As Capita continues to expand and diversify – both in terms of service and geographical spread – the importance of our purchasing decisions grows.

We endeavour to maintain a diverse supplier base, including using SMEs and third sector organisations wherever possible. Our purchasing power gives us the opportunity to influence suppliers to adopt more responsible business practices.

For case studies, see pages 27–28



We are committed to helping society tackle climate change and protect natural resources. We take a proactive approach to environmental management across all of our business activities.

We’re predominantly office-based, so our main environmental impacts are from carbon emissions related to energy use and business travel. Our challenge is to reduce our direct impacts across a large number of sites and services, working with our employees and clients to achieve this.

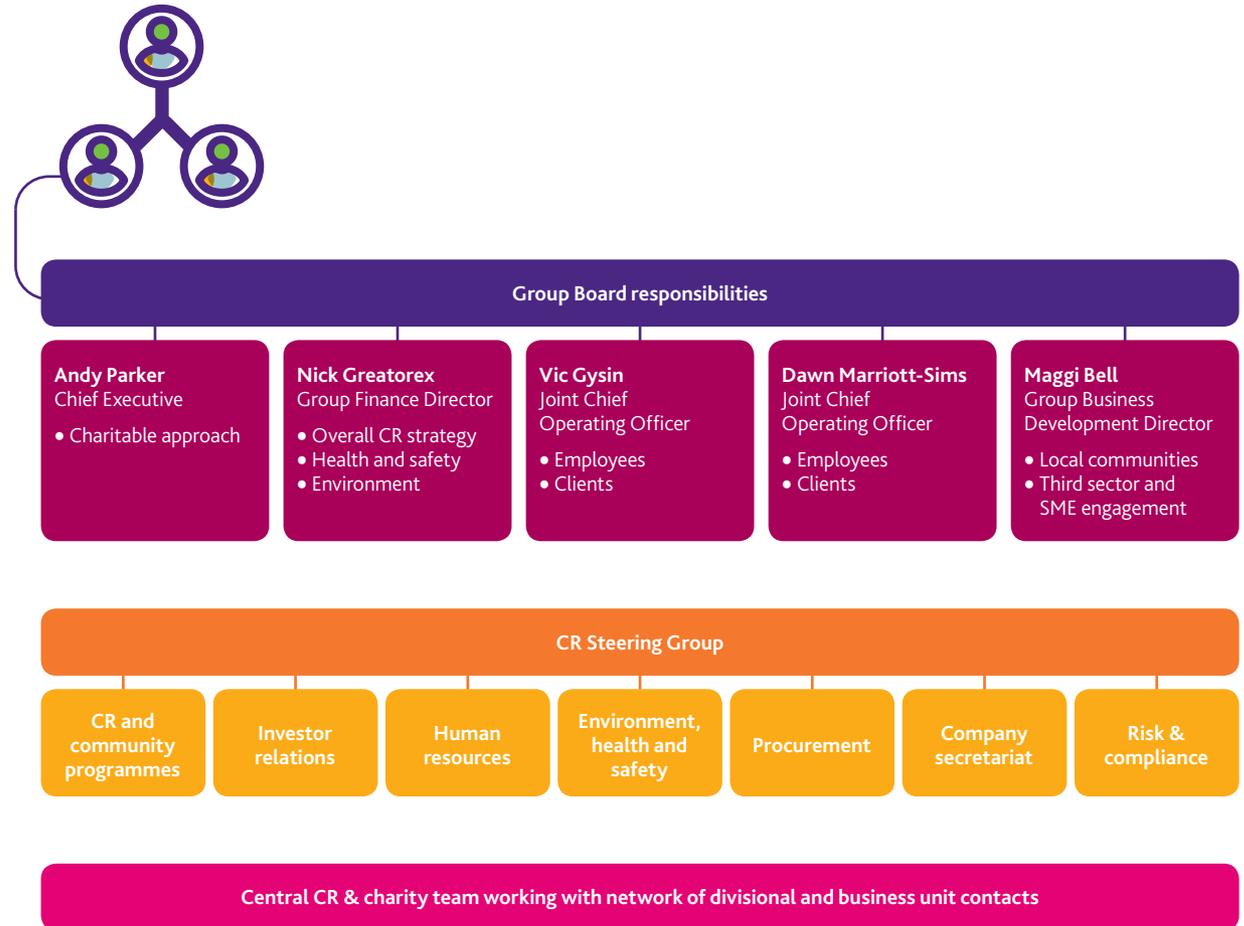
For case studies, see pages 32–33

CR leadership and governance

Capita's approach to CR is an integral part of the Group's business model and is overseen by the Group Board. The Group Finance Director has overall responsibility for our CR strategy, with each Executive Director looking after one or more priority impact areas. Following Gordon Hurst's retirement from the Board at the end of February 2015, Nick Greatorex assumed responsibility for our CR strategy when he took on the role of Group Finance Director on 1 March 2015.

The CR Steering Group, which includes functional heads from key areas, implements the Group's CR strategy, provides guidance to our business units and communicates progress to the Board. The Steering Group meets during the year to review and challenge activity, impact areas and identify and report on any CR risks and opportunities. It is supported by a central CR team and a number of employee networks and engagement initiatives which help us to embed CR programmes Group-wide. The Monthly Operational Board (MOB) reporting process also provides a forum through which any CR opportunities and challenges can be escalated and addressed.

In 2014, the main priorities of the Steering Group were: the introduction of the human rights policy; maintaining the right level of information relating to CR for our clients and bids; and ensuring that we are communicating this effectively, given the size of the Group and high level of activity.



CR leadership and governance continued

Materiality of our CR priorities

The CR Steering Group, in conjunction with the Group Board, is responsible for identifying and managing our material social and environmental impacts. This involves looking at the areas which could have the greatest impact on the future of our business, including any emerging trends in the markets in which we operate.

Each year, the Steering Group reviews our main impact areas based on input from the relevant internal teams who have strong connections with key stakeholders and a clear view of what

is important to Capita's business. This process is connected to the Group's wider risk management framework which covers a full range of operational, financial and regulatory areas, further details of which can be found on pages 42-44 in Capita's 2014 Annual Report, available at www.capita.co.uk.

In 2014, we re-confirmed our main CR impact areas and their materiality to the Group and its goals, assessing risk and the mitigating effects of our CR activity.

Engaging with our stakeholders

We engage with, affect and create value for a wide range of stakeholders. We communicate with them regularly to ensure that we understand clearly what they expect of us and how they think we're doing. We listen carefully to what they're telling us and use this information in our decision-making to help set the future direction of our activities.

To ensure our reporting remains in line with business and stakeholder needs, we are now presenting our client-related CR activity across a number of our priority areas, and in particular in our 'Communities and clients' priority area. Our services for clients and operational activity underpins everything that we do and is covered in detail in the Group's 2014 Annual Report, available at www.capita.co.uk.

Materiality impacts:



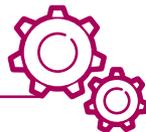
Communities and clients

- undertake community initiatives which draw on our skills and support Capita's reputation for quality service delivery
- maintain client and market sector trust in the Capita brand
- engage with all relevant stakeholders in the process of operational delivery.



Employees

- attract, manage and retain a skilled, experienced workforce
- support employee morale to ensure productivity and encourage innovation
- ensure appropriate resources and bandwidth are in place at both management and operational level.



Suppliers

- assess and manage our supply chain to ensure all suppliers and partners operate in a manner consistent with Capita's CR strategy, objectives and business practices
- ensure we work with a diverse range of suppliers to minimise operational risk.



Environment

- ensure compliance with environmental regulations, for example, the EU Energy Savings Opportunity Scheme (ESOS)
- minimise risks of weather-related disruption and ensure continuity of services for clients.



For more information about how we engage with our stakeholders see: www.capita.co.uk/cr

CR leadership and governance continued

Operating with integrity

We have a number of overarching policies at Group-level as well as procedures which are embedded in our business processes and ways of working. We also have more detailed policies at a business unit level where there are specific business needs and requirements. These include risk policies and business continuity plans that together ensure we can deliver services to our clients in the event of a major disruption, with no impact on our contracted service levels and include:

Our statement of business principles

Our statement of business principles sets out the standards of behaviour we expect from everyone at Capita to operate professionally, fairly and with integrity. It covers our business values, responsibilities to our stakeholders, and our commitment to the environment.

Our code of ethical conduct

Our code of ethical conduct details how we do business, engage with clients, and manage our relationships with customers, suppliers and third parties. It sits above all local laws wherever we work in the world, and it applies to all our businesses and employees. Our Group risk and compliance team reviews the code annually to check its suitability and effectiveness. We provide training and guidance to help our employees put our principles into action and make the right decisions. If an employee is concerned that a policy has been breached, then they have a responsibility to speak up – either through their line manager, HR adviser or via our confidential hotline.

Confidentiality and data security

Many of our contracts involve handling sensitive and confidential information, so data protection and security is a key priority for us.

Our security framework consists of Group-wide policies and procedures that ensure we comply with all legal requirements. We develop additional local policies for individual businesses to address specific regulatory, contractual or legislative requirements. All our employees complete annual information security and data protection training.

Bribery and corruption

We have zero tolerance of bribery and corruption. Our anti-bribery policy extends to all our business dealings and transactions around the world. The Group risk and compliance team regularly reviews our policy to capture changes in law, reputation demands and changes in the business. All our employees must complete our fraud awareness training annually.

All Capita's CR policies and statements can be accessed online at www.capita.co.uk/cr.

Growing responsibly

We operate in 11 market sectors primarily in the UK and across Northern Europe, where there is increasing demand for our services. We also have additional operations and delivery centres in the Channel Islands, India, South Africa, North America and the Middle East.

As we grow the business, it is vital that we ensure new operations and offices comply with Capita standards, both in the UK and internationally. We continually adapt our policy and training materials to comply with, or exceed, the legal and regulatory requirements of the countries in which we operate and ensure that local teams have the support and guidance they need.

Our operations:



UK, Ireland and Channel Islands

68 centres

The majority of our 68,000 employees are based in our 68 multi-service business centres across the UK, Ireland and the Channel Islands. These sites deliver the full lifecycle of services from front end customer management, through to back office administration for all our clients.

Northern Europe

In line with our strategy to expand our services through controlled, profitable growth, we have continued to invest in Northern Europe, supporting our clients and cementing our growth across the region.



Additionally we have multi-service business centres in:

India

Over 5,000 people deliver a range of services from transaction processing through to knowledge based back office functions from sites in Mumbai, Pune and Bangalore.

South Africa

Our delivery centre in Cape Town, South Africa, provides customer management services and secured new clients, creating over 1,000 new jobs during 2014.

Dubai

Our delivery centre in Dubai predominantly supports our Life and Pensions administration business, as well as supporting other Capita businesses in the region.

As we grow the business, it is vital that we ensure new operations and offices comply with Capita standards, both in the UK and internationally.

Vic Gysin,
Joint Chief Operating Officer

2014 performance and highlights



In this section of the report we provide a detailed update on our performance in 2014 relating to each of our priority impact areas. We have also selected a range of case studies to highlight our programmes in action and demonstrate the real difference our business and people make in the communities where we operate.



Investing in our communities and clients

We are committed to making a positive impact in the communities in which we work. We do this through our daily business operations, supporting our clients in transforming their business models and enabling them to achieve a higher level of efficiency and customer satisfaction.

We also endeavour to go beyond our contractual obligations and demonstrate to our clients that we are a responsible business that seeks to have a lasting positive impact. Through our community investment initiatives we look to tackle pressing social and economic issues on both a national and local scale and engage in a wide range of initiatives at both a company-wide and individual business level.

Our programmes: Creating better tomorrows

We focus our community investment on the issues that are of greatest concern in the markets where we operate, and that are most closely aligned to the expertise we can offer. That way, we can maximise value for our business and our local communities. In 2014, we focused on the following areas to create better tomorrows for these communities and individuals potentially facing challenges and exclusion. We will be reviewing these again in 2015 to ensure that they continue to align with our business objectives and stakeholder interests:

- employability support for young people
- supporting offender rehabilitation
- resettlement for ex-service personnel
- inclusion for people with health issues.

Client partnerships

Organisations today need to be able to identify, adapt and respond to societal issues faced by their customers. We work with our clients to develop programmes of support and facilitate change for local people. We also partner and collaborate with other organisations, including charities and voluntary organisations, to create mutually beneficial opportunities and reach excluded or hard-to-reach communities and people. An example of this can be found on [page 14](#) of the report in our work with Lambeth Council to support young people in the borough.

Charity partnership

One of the key developments in 2014 was the launch of our new corporate charity partnership with The Prince's Trust, selected by our employees. The Trust supports disadvantaged young people, and with youth unemployment currently standing at 16.9% in the UK¹, this is a pressing social issue. Through the partnership, we are able to leverage our expertise and workforce to support The Trust's commitment to skills and training. We have identified a whole range of areas where we can add value including employee volunteering, work experience days and consultancy. See [page 16](#) for further details.

More information on our partnerships, including achievements to date can also be found online at www.capita.co.uk/cr.

How our community programmes add value

- Supporting local economies through job creation and upskilling the local workforce via our training programmes.
- Improving efficiencies and delivering cost savings for the public sector, allowing more time and money to be spent on improving frontline services.
- Supporting SMEs and local businesses by using them in our supply chain wherever possible. Currently 70% of our supplier base are SMEs.
- Actively engaging with third sector organisations and SMEs, providing expert advice to help them build capacity and competitive advantage. In return they help us improve our services through sharing their expertise.
- Generating £244,000 in donations for our corporate charity partnerships in 2014. In addition, we donated over £24,000 in support of employees' fundraising for local charities and community groups.

Community investment (£m)



¹ House of Commons youth unemployment statistics.

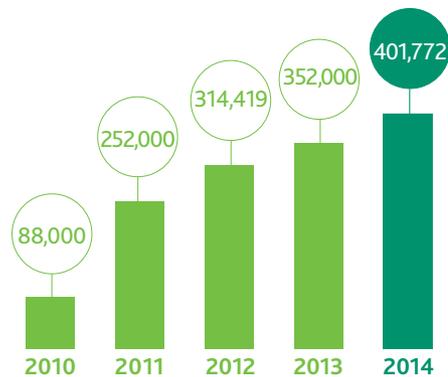
Investing in our communities and clients continued



Measuring our community impact

To ensure we are achieving our aims and having a positive impact in the community, we endeavour to measure and report our contribution. We look not just at the inputs and outputs, but also the overall community and business impacts of our activities. We do this using London Benchmarking Group methodology, taking account of cash, time given, and in-kind donations. Given the size of Capita, our biggest challenge is collating this information comprehensively from all areas of the business. We continually strive to improve this data capture by growing our network of CR champions and communicating more regularly with key contacts in the businesses who have sight of local programmes and activity. In 2014, we introduced a number of measures to improve our visibility of activity occurring across the Group and we will continue to work on this in 2015 in order to improve our data capture.

Our payroll giving scheme (£)



Our key engagement channels:

- corporate and business level initiatives relating to key client partnerships and market areas
- network of CR champions
- employee selected corporate charity partnership
- pro-bono consultancy for charities and third sector organisations
- engagement with charitable events and campaigns
- employee volunteering projects
- employee and client feedback via annual surveys.

Payroll giving

We encourage our employees to support a charity of their choice by making a regular donation directly from their monthly salary. We pay the overhead costs of the scheme and work with a partner to encourage people to sign up. In 2014, over £400,000 was donated to more than 300 different charities by employees via this scheme.

Matched funding

Our matched funding scheme allows us to show our support for employees who are fundraising for specific, often smaller, charities that are close to them, enabling us to have a positive impact on a local scale as well as nationally with our wider partnerships. In 2014 we corporately donated over £24,000, alongside our employees' donations, through this scheme.

Employee volunteering

We aim to make volunteering a core part of our culture, and encourage every employee to take one day a year as paid volunteering leave. Our employees tell us that volunteering has a positive impact, motivating them personally and improving their morale. It also helps us meet our community development commitments, and develop the skills and confidence of our workforce.

Priorities for 2015

- Engage with key stakeholders to review our community focus areas and ensure they continue to reflect the greatest need in the markets we operate.
- Increase number of employees taking part in skilled/professional volunteering, providing advice or mentoring.
- Review approach to data capture of community initiatives and charitable activity from individual businesses to improve sight of activity across the Group.
- Improve communications on our community initiatives to stakeholders.

For more information, please visit: www.capita.co.uk/cr.



Case study

Developing digital skills in schools

As part of our community programmes we collaborate with clients on initiatives to support citizens in their local communities.

We are working in partnership with **Barnet Council** in London to transform local government services and citizen engagement, significantly improve customer services in the borough and reduce costs to the Council.

In 2014 we launched a competition called @mybarnet in collaboration with Excite-ed, a company which specialises in online game development and the design and publication of apps in education.

School children in the borough were invited to work in teams to design and build a new online Barnet-themed game app for residents, which will be hosted on the Council website.

The competition was designed to creatively address the IT skills gap and give youngsters in Barnet experience and knowledge of the tech industry. Nine schools and over 700 pupils took part in the competition. The winning game, called Barnet Run, is a treasure hunt where players have to collect keys to unlock clues and facts about Barnet as they travel through the borough's streets, learning about the history and culture of the area as they go. The app is available to download from online app stores and the children who created it were presented with £1,500 worth of digital technology in the form of mini iPads.



£1,500
worth of iPads were
presented to the
children



We are always looking for exciting ways to help our students learn about digital technology and online innovation. The @mybarnet competition is a great way of firing their imagination and getting them to think about how online games can be used to help people of all ages, as well as building their ICT skills.

Sally King,
Headteacher at Manorside Primary School.



Case study

Adding community value

Capita is working with the **London Borough of Lambeth** to deliver a range of council services, including contact centre operations and IT support. The population of Lambeth is one of the most diverse in the UK and has a lot to offer in terms of talent, business growth and investment, but there are also challenges to be addressed, such as equality of opportunity across the borough. As part of the partnership, we have pledged to support local initiatives which help young people through our 'Creating better tomorrows' community programmes.

Supporting rehabilitation

As part of the Lambeth partnership we are working with St Giles Trust, a charity that aims to help break the cycle of prison, crime and disadvantage to create safer communities. St Giles Trust's SOS Project is London's largest gang intervention programme and we are funding a project caseworker to provide support for persistent young offenders in Lambeth and those identified on the gangs' matrix. The project also works with schools and youth centres to inform young people on the dangers of getting caught up in gang crime as part of the SOS+ scheme.

Last year the caseworker supported 25 young offenders across the '7 pathways' – accommodation; education, training and employment (ETE); substance abuse; health; finance; families; and attitude, thinking and behaviour. Helping people deal with these issues is strongly linked with reducing the risk of offending and re-offending.

Between June 2013 and June 2014 successes included:

- 60%** identified an accommodation need, 47% are now re-housed either independently or with their family
- 92%** were supported to progress towards ETE and 64% secured an ETE placement
- 100%** received regular mentoring sessions which, in conjunction with the Youth Opportunity Scheme, resulted in 67% completing or complying with their statutory orders.



25
young people supported

As a result of St Giles Trust support, a 17 year old violent offender who was in the top 10 of Lambeth's gang's matrix is now on a youth work apprenticeship, including two days a week management training. He recently organised a group of 30 peers and led discussions around joint enterprise for the BBC, who were really impressed with him. He also led discussions about young people in the criminal justice system during a visit by MOJ officials to Lambeth.





Case study

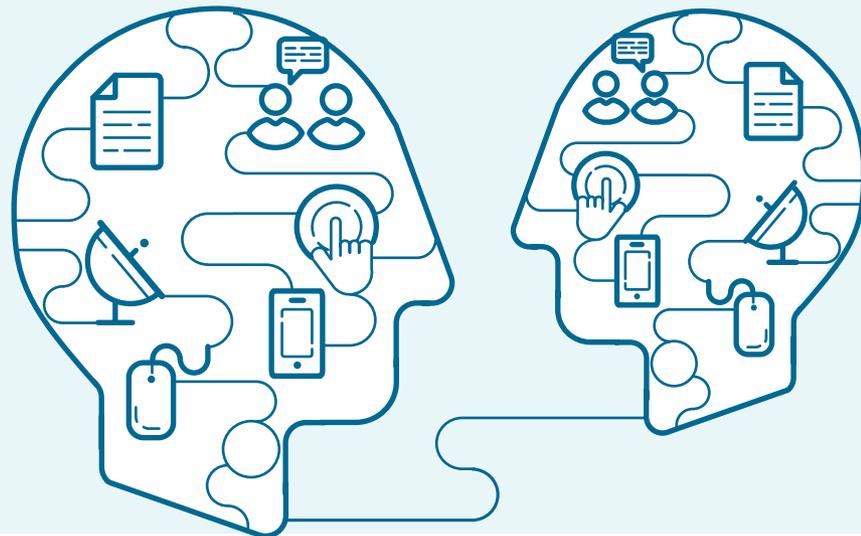
Sharing our skills and experience

In 2014 we signed up to participate in Business in the Community's Business Class programme which connects companies with local schools. As part of the Lambeth cluster, we are partnered with Platanos College, a mixed school for 11–16 year olds.

Throughout the year we supported the college with a range of activities benefiting both the students and the school including:

- Capita employees volunteered to deliver CV and interview skills workshops to help Year 10 students prepare for their next stage in education, employment or training. The week was a huge success and received very positive feedback from pupils and will run again in 2015.

- Several students completed work experience placements at our head office. The students rotated around teams to expose them to a variety of different careers, including PR, research, marketing and service design. We helped them produce a CV to take away and also offered mock interview practice.



Case study

Promoting gas safety in schools

The Gas Safe Charity, jointly founded by Capita and the Health and Safety Executive (HSE), protects and supports the most vulnerable people in society. It was established alongside the Gas Safe Register, the official register for gas safety which we've been running on behalf of the HSE since 2009. As a result of bad gas work and faulty or old appliances, carbon monoxide poisoning, gas leaks, fires and explosions were responsible for 10 deaths in the UK in 2012/2013 and more than 343 injuries.



In November 2014, the charity launched a new safety campaign 'Get Gas Safe', aimed at 9–11 year olds, in partnership with the Gas Safe Register. The website – www.getgassafe.org.uk – was developed to provide free educational resources for teachers and parents, including lesson plans and presentations, videos, quizzes and a fun interactive activity where children spot dangers and hazards in the house.

To support the campaign, a theatre roadshow 'Party at Perils' – has been created to tour primary schools across the country, demonstrating the importance of gas safety. The tour was piloted in November 2014 in London and Birmingham and proved a great success. The 10-week full tour kicked off in January 2015 in Newcastle and concludes in Wales.



Case study

Helping to make a difference

Our Charity of the Year programme has gone from strength to strength, with growing numbers of employees getting involved at all levels of the business enabling a widening scope of activity.

In June 2014 our partnership with **Cancer Research UK** came to an end. We beat our fundraising target of £200,000, raising over £300,000 by the end of the partnership. One of the standout events from the year was our annual adventure race day, Capita Challenge, where teams from all over Capita, including India and Poland, raised over £45,000 for the charity.

In July 2014 employees selected **The Prince's Trust** as their chosen charity and the partnership has had a great start with employees getting behind many of The Trust's programmes and raising £150,000 in just six months. In 2015 we will continue to explore areas where our business objectives align with the charity and where collaboration may be of mutual benefit to each organisation.



Prince's Trust

Some highlights from The Prince's Trust partnership include:

- Offices across the country have been hosting World of Work Tours for young people on The Team programme involving presentation training or CV advice.
- Employees in one of our London offices supported young people who've been through The Trust's programmes and are training to be ambassadors for the charity. These sessions help with confidence and public speaking and also allow our employees to see first-hand the difference their money is making, a great motivator for the continued success of the partnership.

➤ Capita is lead sponsor of The Prince's Trust's national Million Makers competition which, in addition to raising money, aims to encourage and embrace innovation by challenging employees to think entrepreneurially. We will be piloting the programme in our Group graduate scheme and promoting the opportunity to our clients and partners.

Matched funding

In addition to our Charity of the Year, we also offer matched funding to support employees in their personal fundraising efforts for local as well as national charities. In 2014 we donated over £24,000 to 110 different charities, supporting employees from across the business. Beneficiaries included local schools and community groups, as well as a variety of charities from health to homelessness and employability.

Our partnership with Capita is really important to The Trust. Capita employees have donated their time and energy to raise vital funds to support disadvantaged young people across the UK. Alongside this, we are utilising the unique professional expertise of Capita to extend the reach, capacity and impact of our Million Makers competition.

Ben Marson,
Director of Corporate Partnerships, The Prince's Trust.

£300,000
raised for Cancer
Research UK
in 2013/2014

£150,000
raised for
The Prince's Trust
since July 2014



Engaging and supporting our employees

Our 68,000 employees play a key role in our clients' operations, designing, transforming and delivering their administration and customer management services and providing first class support services. They have contact with citizens and customers across a wide range of industries and public services and we strive to create a place of work which is inspiring and supportive, enabling them to deliver the best possible service for clients.

Capita's culture and values

Capita has a strong and distinctive culture. We respect clients and colleagues, we're open and honest, and have a clear set of values, which we expect all employees to adhere to. In 2014 we refreshed our 'values wheel' to reflect the growth and diversity of Capita and we communicated via a Capita-wide campaign to engage our employees in bringing them to life across the business. Our values, as well as our policies and principles, apply to all our employees, wherever they are based. As we grow our international business, we continually adapt our policy and training materials to comply with, or exceed, the legal and regulatory requirements of the countries in which we operate.

Annual employee survey

Structured around our core values, the employee survey helps us identify what we're doing well and where we can improve.

In 2014, a record 29,238 employees responded to our 2014 annual Group-wide survey, providing us with a healthy balance of opinions regarding how Capita people feel about working within our business. The survey results once again identified Capita as a 'good employer' – with our 'employer of choice score' improving from 2.89 (2013) to 2.94 (with 4.00 being the maximum possible rating). This improvement actually bucks the trend currently being experienced by many sectors, where a deterioration was commonplace in 2014. This was reinforced by 73% of respondents indicating that they

believe Capita is 'a good place to work' (up from 71% in the previous survey). Other highlights included:

- feeling valued and respected by colleagues (90%) and line managers (88%)
- being provided with a safe work environment (91%)
- having a clearly defined role (88%)
- being recognised for work well done (85%)
- delivering a good quality service to clients and service users (91%).

On the whole, it is very encouraging that overall scores for this year improved on the scores for 2013 for 23 of the 40 questions. And, since the 2014 survey was structured around our Capita values, the results help shine a light on how we are doing in living those values in our everyday activities.

As ever, there are areas to work on – improving communication and cooperation between divisions continues to be an area of challenge. The survey also showed we need to help employees understand the bigger picture across the organisation – a challenge for many businesses that grow at pace, in terms of both size and capability. The Board is also keen to address ways that we can channel employee ideas for improvements to the business.

As we continue our drive to embed these values, we will also continue to review and, where necessary, make improvements to our working practices throughout the year.

How we work with our employees to create value

- Creating an inspiring and supportive culture helps us attract and retain the best people and keeps them feeling motivated and valued.
- We empower our people to respond to clients' needs quickly and effectively.
- Our employees are often also end users of our services. We listen to their views to make better decisions and design better services for customers.
- We benefit from a continual inflow of new skills from direct recruitment and with the contracts we win and acquisitions we make – it keeps us fresh and alive to new ideas.
- Our apprenticeships, graduate scheme and training courses are helping to meet future talent requirements – both our own and those of our clients.
- We aim to employ a diverse workforce that reflects the communities we serve – driving innovation, supporting local employment and improving services for customers.
- By supporting our people and making sure we take care of their health and safety we can minimise business risk and increase productivity.

Engaging and supporting our employees continued



Employee engagement

Listening to, and valuing, the opinions of our people is good for retention and productivity and it helps us shape our future business. Our people have a clear view of our operations, and their opinions and ideas help us make better business decisions and design more innovative customer-focused services.

Our key engagement channels include:

- formal appraisals
- ad-hoc one-to-one sessions/team meetings
- online channels – employee intranet, onboarding portal
- board communication around Group activity and performance
- annual Capita People Awards
- corporate charity partnership and wider Group/business level charity and community activity
- dialogue with trade unions and other industry bodies.

Welcoming people to the business

Around 70% of our employees join us through transfer as a result of a client contract or via an acquisition. Effective people management is therefore a crucial part of our business model and we have a clear and proven process for smoothly integrating new joiners into Capita. From the moment we welcome them into the Capita team, we make it a priority to support them as they familiarise themselves with our values and ways of working. We ensure everyone receives the induction and training they need to understand our values, code of ethical conduct and other essential policies and processes.

➤ See page 24 for further details.

TUPE transfer

Under TUPE (Transfer of Undertakings Protection of Employment) Regulations, when an employee’s work has been transferred to a new company, that company must ensure that the employee’s terms and conditions of employment are protected in line with legislation. We fully comply with TUPE and aim to meet best practice standards when we transfer and integrate new people into our business.

With such a large proportion of our workforce transferring into Capita under TUPE arrangements, we have a dedicated Capita team which works closely with clients to engage potential employees right from the outset of the transition process.

Supporting people through change

Inevitably, as our business is about creating more efficient and effective services for our clients, there will be times when we have to reduce headcount to meet the needs of the client. Our business is growing, so we make the most of opportunities to redeploy people in other parts of the business. When suitable alternative positions aren’t available, we communicate openly and honestly to support the people affected. We have good working relationships with trade unions, including UNISON, PCS, Prospect and Unite. These relationships are fundamental to securing the best outcomes for our employees during times of organisational change.

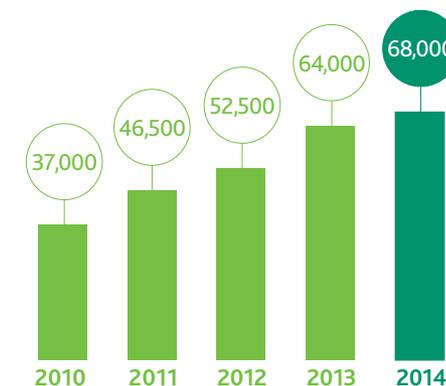
Recognising and rewarding performance

We pay particular attention to recognising and rewarding individual achievements. Remuneration packages and local performance schemes are managed by individual businesses to ensure they are competitive within their markets and that they reflect appropriate terms and conditions and union arrangements. Our performance management system is consistently applied across the whole of Capita.

Our company-wide employee recognition scheme, the Capita People Awards, celebrates employees who are excelling in one of five categories that reflect behaviours which we consider key to the success of our business – service excellence, innovation and improvement, teamwork, leadership, and charitable support and community engagement.

➤ See page 22 for details of the awards.

Our growing workforce



Engaging and supporting our employees continued



Helping employees reach their potential

We take a positive approach to performance management with a focus on achieving personal goals and development in line with the goals of the business. Each employee is given the opportunity to create a personal development plan with their manager to address their development needs and career aspirations.

We offer a wide variety of learning and development opportunities including:

- business skills and personal development courses, many of which have been designed specifically for Capita
- a large suite of instantly accessible online tools
- vocational learning opportunities including apprenticeship programmes
- professional qualifications, including two masters courses specifically for Capita employees
- a graduate scheme MSc in Leadership and Management.

Activities are delivered in a number of ways including online training, workplace training, coaching and group instruction. This year we invested £17m in training (2013: £14m).

Investing in employee training (£m)



Developing talented leaders

Developing our internal talent is a key part of our strategy and success, as illustrated in our robust succession planning procedures that ensure we maintain stable leadership. We know our employees' particular strengths and actively re-assign managers to new business areas, sharing innovation and skills across the business and providing our employees the best opportunity to grow and develop. In 2014, our retention rate for managers across Capita (divisional directors and senior management teams) was 97%, many of whom have progressed to management positions during their careers with Capita, demonstrating our ability to motivate and develop employees.

We use our performance management system to identify talented people who have the potential to be one of our future leaders. Our Capita Manager Academy runs programmes designed to equip them with the skills they need to meet this potential.

Our Leadership and Management Masters course, launched in 2013 in response to employee feedback regarding training for middle managers, is a great success, with 126 MSc delegates attending programmes in 2014. We have also launched a further Masters programme in 2014 relating to Business and Organisational Strategy.

Our graduate programme

In 2014 we welcomed our second intake onto the Capita 'Lead the Way' two-year graduate programme. Due to the success of the 2013 scheme, in 2014 we doubled the number of placements from 28 to 57 across a range of areas including management, finance and audit, operations and project management. In addition to their 'day jobs' the graduates also attend structured development sessions, undertake appropriate academic qualifications and have the opportunity to manage team projects.

With over 3,500 applications, candidates are put through an extremely rigorous selection process including a full day assessment centre involving face-to-face interviews, essay writing and group interactive assessments run by G2G3, our gamification business.

Capita apprenticeships

We are constantly building our capacity to encourage our employees to flourish. Our apprenticeship scheme, managed by Capita Talent Partnerships, supports talent across our businesses, giving new and existing employees the opportunity to develop their skills and experience and improve their employability. We have supported over 8,000 employees since the scheme first launched in 2006, and in 2014 over 1,000 employees started on the programme. We are planning to further increase this number in 2015, introducing new apprenticeships in other parts of Capita.

Sharing our expertise

Our apprenticeships business, Capita Talent Partnerships, is dedicated to unlocking talent – both through professional apprenticeship and traineeship programmes – and in turn, helping businesses to grow. We've helped shape the modern apprenticeship landscape through our understanding of how to attract and develop emerging talent. In the financial services sector, we are working with clients such as Lloyds, Barclays and HSBC to create new industry standards in financial apprenticeships. We apply this breadth and depth of experience, along with our consultative approach, to craft and deliver emerging talent programmes that work for our clients, their businesses and the sectors in which they operate.

➤ See page 23 for further details.

Engaging and supporting our employees continued



Promoting diversity and inclusion

We value difference. Our aim is to attract the best people from the broadest talent pool so that our teams reflect the communities we serve and deliver a quality service for our clients. This is an area of strength for Capita, with 85% of employees stating in the 2014 employee survey that they believe Capita is committed to valuing diversity in the workplace. To achieve this, we focus on a number of key areas:

- **Values and behaviour** – requiring everyone at Capita to treat their colleagues and customers fairly and with respect. All employees must complete online diversity awareness training every three years and we monitor compliance on a monthly basis.
- **Equal opportunities** – ensuring our recruitment and management processes do not discriminate for any reason.
- **Promoting a positive working environment** – encouraging people to raise any issues through our open door policy so that we can identify and resolve any problem areas.
- **Meeting the needs of diverse customers** – building teams who understand the customers they are dealing with.

As we expand into new areas of business, we face new challenges – for example, our contracts with the UK Border Agency, the Department for Work and Pensions and the Ministry of Justice, where we are providing services for people with very specific needs. We make sure our teams understand those needs, so that they are equipped with the skills and behaviours they need to provide high quality, appropriate services.

Respecting human rights

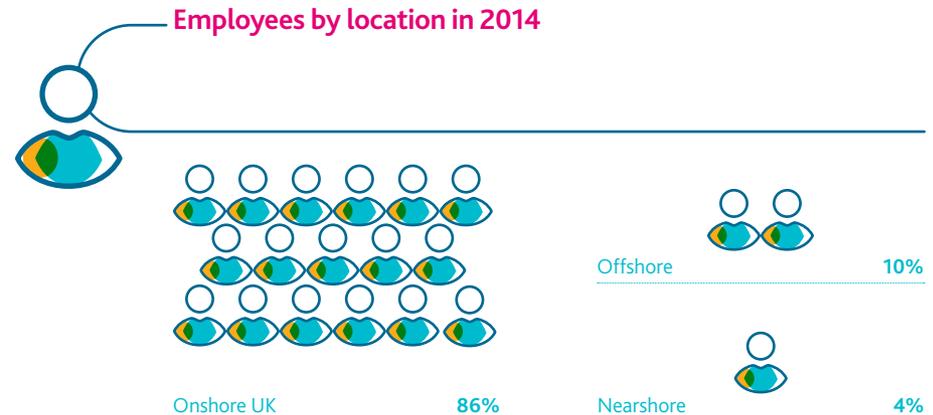
We understand our responsibility to respect the human rights of our employees and those of the communities in which we operate and we support the principles set out in the articles of the United Nations’ Universal Declaration of Human Rights, and the International Labour Organisation (ILO) Core Labour Principles. In 2014, we reinforced our approach through the introduction of a formal human rights policy, covering all our operations. As we are a services business, we mainly focus on labour and workplace rights, including fair working conditions, freedom of association and collective bargaining.

We have a full range of policies relating to our approach covering employee, supplier, environmental and governance practices and requirements – for more information, visit the downloads section at www.capita.co.uk/cr.

Providing a healthy, flexible workplace

We recognise that providing opportunities for flexible working is good for business and for the wellbeing of our employees. Supporting people to balance their work and personal commitments increases retention rates, makes us a more attractive place to work and reduces stress.

We support part-time working, reduced hours and job sharing where it is operationally possible, with 16% (2013: 18%) of our workforce working part-time. We also enable employees to work remotely where appropriate, providing them with the technology they need to do their job.



Engaging and supporting our employees continued



Employee wellbeing

We invest in employees' health and wellbeing, not just because it's the right thing to do, but because it increases job satisfaction, productivity and reduces absenteeism.

In 2014 our absenteeism rate was 2.6% (2013: 2.2%), equivalent to 6 days per employee; achieving both our target of below 3% and the national average¹. We monitor absenteeism and undertake return to work interviews where appropriate to ensure we maintain open communication with our employees to enable us to better support them. We promote healthy and balanced lifestyles through encouraging employees to sign up to sporting events such as our annual family activity day, Capita Challenge, fundraising events organised by our corporate charity partner, The Prince's Trust, and also local activities such as marathons and tournaments.

As a services business, many of our employees use display screen equipment (DSE) as part of their day-to-day work and we undertake an analysis of every individual's workstation to assess potential risks and suggest appropriate remedies. In 2014 we introduced an online training course which educates employees to be aware of the risks of using computers, laptops and other forms of inputting devices (including tablets, laptops and smartphones) and helps them to complete their mandatory annual assessment. The phased roll-out commenced in September 2014 and is expected to be live across the entire Group by the end of 2015.

A safe working environment

Most of our work has traditionally been office-based, requiring a strong focus on risks such as slips, trips and falls, and workstation ergonomics. However, as our business grows and diversifies, we are facing potential new risks as the nature of some of our new services changes.

We manage health and safety risk for all our activities through a Capita-wide health and safety management system. Our central and divisional health and safety teams work with managers to identify hazards, assess risk and take appropriate action at each particular site. This includes assessing all new contracts and acquisitions and taking steps to ensure that they are in line with Capita standards.

We review and monitor our key risks and challenges through:

- open, two-way communication between line managers and employees
- site managers holding regular safety, health and environment meetings
- line managers regularly reviewing their own work areas
- learning from accident, incident and ill health statistics and trends

All our employees undertake health and safety training as part of their induction, and we provide additional training to reduce job-specific risks, such as those associated with construction sites, or with lone working. In June 2014, we launched an updated compliance system which helps Capita teams manage and record the safety, health and environment processes in a proactive online application called Casper (Capita Accident, Safety, Property and Environmental Reporting).

Our health and safety performance

We monitor our health and safety performance across the business. In 2014, our accident frequency rate increased slightly to 1.49 per 1,000 employees (2013: 1.42), as a result of a greater risk profile in some of the activities which began in 2013 and 2014, such as our work on behalf of the UK Borders Agency and Ministry of Justice.

Priorities for 2015

- Continue to support our positive retention rates by identifying and developing internal talent, supported by structured development programmes around Capita.
- Monitor absenteeism and maintain open communication with our employees to enable us to better support them.
- Grow opportunities for new talent through our apprenticeship and graduate programmes.
- Implement our new web tools to support employees joining Capita directly or transferring to us, to ensure a consistent onboarding process.
- Build on employee engagement channels for example, participation in our annual employee survey and by promoting Capita-wide events such as our Capita People Awards and Capita Challenge.
- Ensure that all new contracts and acquisitions are aligned with Capita health and safety standards and policies.

¹ Chartered Institute of Personnel and Development (CIPD) 2014 – 6.6 days absence per employee.



Case study

Promoting and celebrating our culture

In 2014, we continued to see a significant increase in the number and quality of nominations for our company-wide **Capita People Awards**.

This recognition scheme continues to go from strength to strength, evolving over time with our increasing number of employees and adapting to the changing nature of our business. Employees can nominate colleagues in five categories:

- leadership
- service excellence
- teamwork
- innovation and improvement
- charity support and community engagement.

The introduction of the new category rewarding 'innovation and improvement' highlighted some great examples of forward thinking and how we are creating real value for our clients. For example, one of this year's award winners was an employee who introduced the transformation of a web-based customer service platform enabling agents to provide more human, real-time and unique responses to customers' enquiries. The service saw customer satisfaction scores improve from 4.5 to 8.5 with more than 50% scoring 10/10 – a fantastic outcome for both the team and our client.

The awards also celebrate employees' achievements outside of their day-to-day roles, including support for charities and community activities. This year's Gold Award winners in the 'charitable support and community engagement' category were two employees from our IT services business who have been working with students in a disadvantaged area of Northern Ireland as part of Business in the Community's Business Class programme. Over the last three years, these employees have gone above and beyond in their roles as mentors to support students in tackling barriers they face in their community, widening their horizons and improving their chances of a better future.



People Awards 2014: Gold Award Winners from Capita HR Solutions



The Capita People Awards is a fantastic occasion every year. It gives us the opportunity to thank and reward our employees for their hard work and commitment to delivering high quality services on behalf of our clients, but more importantly, it highlights real examples of Capita's core values in action.

Dawn Marriott-Sims,
Joint Chief Operating Officer



Case study

Dedicated to unlocking talent

We are dedicated to nurturing talent both within Capita and on behalf of our clients.

Our talent partnerships business runs professional apprenticeship and traineeship programmes – creating real opportunities for local people and helping businesses to grow. In 2014 we worked with clients including:

1 Department for Work and Pensions

As part of their priority 'Working Age: Encouraging work and making work pay', the Department for Work and Pensions (DWP) offers 250 apprenticeships per annum to young unemployed 16 to 24 year olds who are long term unemployed and lacking in qualifications and work experience. We worked with DWP to design and deliver a bespoke apprenticeship programme, with key features including:

- intensive induction to kick start learning
- tailored tutor support throughout the programme
- interactive workshops
- focus on raising aspirations and building a sense of community
- next steps support to help apprentices in finding their next role.

2 Gala Group

With the help of Capita Talent Partnerships and the Gala Group, 20-year-old Pdraig Feeney went from long-term unemployment to having the new skills, qualifications and experience that helped him secure a permanent job – all in the space of three months. Here's his story:

What made you choose the Capita traineeship?

"Before Capita helped me, I must have been unemployed for about a year and had only had one job in my entire life. Every obstacle that could get in my way did – whether it was experience or qualifications, it didn't matter."



"I was stuck in a rut of going back and forth to Oxford Jobcentre, spending a lot of my days doing nothing but sitting and looking for jobs online. It was all I could do – until my adviser at the Jobcentre told me about traineeships with Capita. Basically, I had nothing to lose.

I realised I could get the qualifications that I didn't get at school, get proper work-focused training and actual experience that could lead to a job – without having to get my own funding. So there wasn't a downside."

What difference has the traineeship made for you?

"After my work placement ended and I was employed by Gala, it suddenly hit me. Within the space of half a year, I had gained qualifications that would help me get almost any job I needed."

"I was working in a nice environment and I had shifted my entire life from sitting at home on benefits to being a full-time worker with an amazing set of qualifications that will help me through most of my life."

Since he joined us, Pdraig's attitude has shone through and he has exceeded our expectations. At the end of the six weeks' training, it was a simple decision to offer him a job.

Justin Minkah,
General Manager at Gala Bingo.

Engaging and supporting our employees continued



Case study

Engaging with our employees

With over 68,000 employees, effective and consistent communication is key to the continued success and growth of the business.

In 2014, we made great progress in developing bespoke communications platforms for both existing and new employees, providing them with the information and tools they need when they are joining Capita.

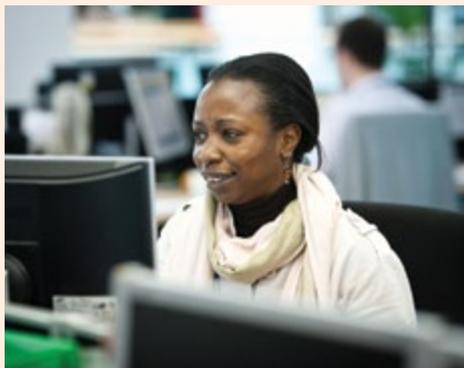
These include:

➤ **PeopleLive** – a new microsite for employees in the process of transferring to Capita. With around 70% of our workforce transferring to us through TUPE (Transfer of Undertakings Protection of Employment), it's crucial that we communicate openly and thoroughly from our first interaction.

The site provides prospective new employees with information on the transfer, including updates on any trade union engagement process, allows them to get to know the values of our organisation, to find out more information on what we do and where they'll fit into the business.

➤ **Onboarding** – a site developed for new individual joiners to Capita, for example, through our graduate or apprenticeship schemes or through direct recruitment. The site provides information on everything from the history of Capita to what to expect on your first day. It also showcases videos of employees talking about their experiences in Capita, as well as interviews with senior management and Board members helping familiarise new starters with the team.

➤ **Employee handbook** – we also refreshed our employee handbook to complement the initiatives above and to ensure our key suite of communications to employees is consistent and helps prospective employees to understand both what is expected of them as employees and what they can expect from us.



Case study

Supporting local economies through job creation

As one of the UK's largest employers, we are a key contributor to local economies, for example, in 2014 we announced the creation of hundreds of new jobs in Scotland and Northern Ireland:



➤ Expanding our customer management division in Scotland will see us investing £5m into the economy, and a further £6m through the growth of our IT services division. As a result, over 200 new jobs will be created across two of our businesses based at Skypark in Glasgow.

➤ Our new partnership with CodeBase, the UK's largest tech incubator, will lead to the creation of new startup businesses and hundreds of new jobs in Edinburgh. CodeBase opened in 2014 and is already home to more than 50 startups.

➤ The creation of over 400 jobs in Northern Ireland over the next three years is set to inject over £14m into the economy. Enterprise Minister, Arlene Foster, said: "The average salary of jobs associated with this expansion is well in excess of the Northern Ireland private sector median wage and they offer a variety of employment opportunities for a range of job seekers including school leavers, returners to work and graduates. Moreover, the extensive training programme for the new staff will contribute to the development of Northern Ireland's skills base."



Building successful supplier relationships

With a diverse supply chain of some 35,200 organisations and spend of around £1.4bn a year, we use our extensive scale to procure services cost effectively and share these benefits with our clients. Responsible supply chain management is vital to Capita as we continue to grow our offering and market reach – both in terms of service and geographical spread.

Managing our supply chain

We are committed to promoting the highest ethical standards in our supply chain. We aim to support local economies and communities and to minimise our environmental impacts.

As we win new contracts and acquire new businesses, one of our main challenges is to effectively manage our supply chain and ensure new suppliers comply with all our policies. Our responsible sourcing policy, which we refreshed in 2014 in line with our formal human rights policy, outlines the principles and standards we expect from our suppliers. This includes the health and safety of their employees, human rights, working conditions, anti-bribery and corruption and environmental management. In turn, we're committed to open and fair relationships with our suppliers.

We assess the risks associated with each supplier based on the amount we spend with them, the services and products that they supply and where in the world they operate. This assessment determines how we engage with them to ensure they comply with our policies. Where we have acquired a new business, a key part of the due diligence process is a risk assessment of their suppliers, to ensure that they meet Capita's standards before they migrate to become one of our suppliers.

Our strategic suppliers

Our key suppliers are managed by our central procurement team which ensures we take a Capita-wide view when procuring services and products across multiple businesses. The team meets regularly with strategic suppliers to review performance, share expertise and look at opportunities to collaborate. This investment means they understand our business, can help us forecast demand, and identify opportunities for improvement. It facilitates a better relationship and, where relevant, can help suppliers to improve their own CR performance. This central procurement team supports a network of local procurement specialists within our individual businesses to ensure consistent standards are met across Capita.

Procuring internally

As a services business, there are a wide range of services that we can provide internally including travel, design and print, recruitment, training, IT, marketing, and property consultancy. Capita businesses are encouraged to use internal providers before seeking external procurement options, which helps us to improve efficiency and continually evolve our service offering for clients.

How we work with our suppliers to add value

- We take a risk-based approach to managing our supply chain – focusing on the areas that pose the greatest risk/opportunity to our business, the environment and society.
- By working closely with our suppliers, we can identify shared efficiencies, reducing costs for Capita businesses and our clients.
- Our policies and processes help us manage risk in our supply chain, ensuring we comply with relevant legislation and maintain our reputation.
- We are incorporating CR performance monitoring into our relationships with strategic suppliers.
- We aim for a diverse supplier base to ensure continuity of supply of key products and services.
- We support local communities by using local suppliers wherever possible and aim to avoid overwhelming small businesses with unnecessary assessments and paperwork.

Building successful supplier relationships continued



CR performance across our supply chain

To help us manage our supply chain and mitigate any risks, we have adopted an external online CR performance assessment and benchmarking platform, Ecovadis. This enables us to:

- protect Capita’s reputation
- reduce and mitigate supply chain risk and limit disruption for our clients
- decrease costs through collaborative initiatives with suppliers such as recycling and reduced packaging
- manage and support ethical procurement.

This has already been rolled out with our strategic suppliers and we are planning to extend to other areas of our supply chain in 2015. As a supplier to other organisations, we also undertake this assessment ourselves. In 2014, we improved our score, retaining our silver ranking. See [page 27](#).

Additionally, in 2014 we completed the implementation of our new ‘Purchase to Pay’ system, which provides a simple and efficient portal for our businesses to purchase goods and services to ensure we use pre-approved partners and common terms and conditions for suppliers throughout the company. Usage of the new system is mandated across Capita and we monitor compliance on a monthly basis.

Diversity in our supply chain

We aim to work with a diverse range of suppliers and, where appropriate, we actively encourage SMEs, voluntary and community organisations and social enterprises to be part of our supply chain. Currently, 70% of our supplier base is made up of SMEs. Where possible, we support the communities where we work by using local suppliers. For more information, please visit: www.capita.co.uk/cr.

SMEs in our supply chain (%)



Our key engagement channels

- onboarding assessment process
- communication of Capita’s responsible sourcing and related policies
- completion of CR performance benchmarking assessment, both Capita and our suppliers
- working with SMEs to support best practice
- attending procurement related best practice events.

Priorities for 2015

- Continue to build our understanding of who we buy from and their capability, so that we can identify opportunities to support SMEs to grow their business.
- Facilitate ongoing collaboration with the Group Board, the CR Steering Group and procurement teams across the business to ensure high standards across our supply chain.
- Continue to encourage Capita businesses to procure services from within the Group.
- Phased roll-out of external CR performance assessment.
- Attend best practice forums, such as Action Sustainability, to deliver the best value and results from our supply chain.



Case study

Ensuring a responsible supply chain

As a large organisation, with annual spend of approximately £1.4bn and around 35,200 suppliers, we recognise the impacts our purchasing decisions have and we make responsible supply chain management integral to our business model.



35,200
suppliers

£1.4bn
annual spend



As Capita continues to grow, sustainable procurement becomes increasingly important to protect our business and those of our clients. To reflect this, we continue to strengthen our auditing of key suppliers to mitigate against risks.

In 2014, we introduced Ecovadis, a CSR performance monitoring tool, to assist us in reviewing our key suppliers. The Ecovadis platform is based on international CR standards and incorporates feedback from experts in each area. It outlines the principles and standards we expect from our suppliers, including health and safety, human rights, working conditions, anti-bribery and corruption, and environmental management. On completing the survey, suppliers are encouraged to share as much evidence and information on their programmes as possible to demonstrate their approach or show examples of their initiatives.

Implementation has initially been rolled out amongst our strategic suppliers in order to assess any potential issues and identify any areas of risk in our supply chain. We're pleased to report that all suppliers evaluated to date have achieved satisfactory scores and adhere to Capita's CR policies and codes of practice. In 2015, we will continue implementing the tool across Capita.



2014 performance

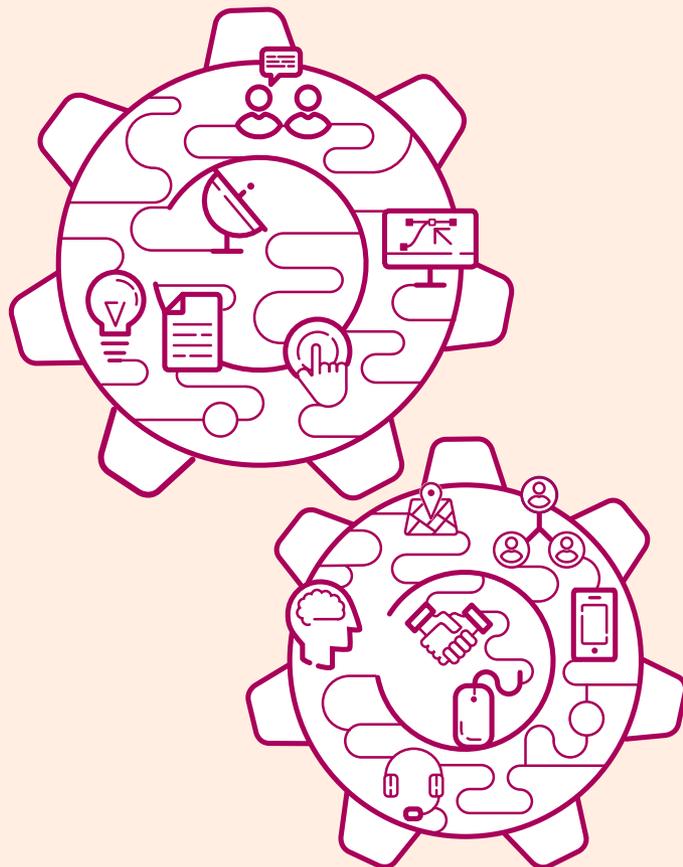
We achieved a silver ranking in our performance scorecard for Ecovadis.



Case study

Growing together – collaborating with SMEs

Capita often works in partnership with other organisations to complement our existing skills and capabilities.



For example, our health advisory business combines the agility, expertise and knowledge of SMEs with Capita’s experience in healthcare transformation. This ensures we bring the right solutions and innovation to our healthcare clients. Our Growing Together programme is a community of SME partners that we can rely on to achieve this.

Growing Together is aimed at encouraging increased participation of SME businesses in the public sector healthcare projects undertaken by our health advisory business.

Papworth Hospital NHS Foundation Trust

We worked with Plum Consulting, a behavioural and mindset change consulting practice, to design and deliver a transformational change management and leadership development programme at Papworth. The hospital’s objectives for the programme included preparation for its relocation to Cambridge bio medical campus and the implementation of comprehensive electronic patient records (e-hospital), alongside the continued need to achieve significant financial savings.

Focusing on developing internal capability, our transformation programme equipped Papworth with the skills and confidence to respond effectively to the challenges associated with periods of change. We focused on different ways of working, while keeping quality, innovation and efficiency as a central theme.



The programme has transformed the way we deliver effective change for the benefit of our patients. It has greatly enhanced staff engagement across the Trust and leaves us with a legacy of change skills and an organisational change culture.

Martin Goddard,
Consultant Histopathologist and clinical lead for the service improvement programme at Papworth Hospital NHS Foundation Trust.

Claire Tripp, chief operating officer, Papworth Hospital NHS Foundation Trust commented: “The Capita approach and methodology has really captured and energised the operational teams. This is fantastic to see. I am witnessing and supporting the challenge of corporate norms that is coming from front line staff.”

In 2014, the Association for Business Psychology (ABP) awarded the programme an excellence in organisational change management award. The award submissions were judged by a panel of business psychologists, industry experts and senior professionals from the public, private and not-for-profit sector.



Running a resource-efficient business

Good environmental management is central to what we do. It's important to our long-term business model, to our client partnerships and, in many instances, helps us to achieve long-term cost savings. As a primarily office-based, professional services company, we focus mainly on:

- minimising energy use at our sites
- reducing business travel, where possible, by encouraging telephone and video conferencing
- managing our resource use and waste management.

Our environmental policy sets out our approach to managing and reducing our impacts on the environment. The policy focuses on minimising the impact we make on the environment, covering the reduction of energy and water use, minimising waste and maximising recycling as well as taking into account environmental considerations in the purchasing of consumables.

Our environmental management system is based on ISO 14001 and some of our businesses have gained external accreditation where it is required by their marketplace – for example our property and infrastructure business. A number of our clients also require us to gain accreditation for their particular operations and, in 2014, two of our main business centres (our customer management site in Dearne Valley, South Yorkshire, and our largest Indian site in Mumbai) achieved both ISO 14001 and OHSAS 18001 certifications.

These accreditations are a formal recognition that we are meeting internationally accepted environmental and occupational health and safety management standards. At the end of 2014, approximately 20% of our employees were based at ISO 14001 accredited sites, almost double the previous year (2013: 11%). As we don't always own the buildings where our employees are based, and we often share buildings with other tenants, we work collaboratively with landlords to capture data and look to improve performance year-on-year.

Our carbon footprint

In 2014 our carbon emissions were 139,672 tonnes CO₂eq (scopes 1, 2 and 3¹), representing a year-on-year increase of 27% (2013: 110,341 tonnes CO₂eq). This was related to a number of factors, but mainly to the growth of the business through acquisitions and contract wins; increased travel requirements as a result of our gradually growing international network of business centres; increased field-based operations as a result of our partnerships with clients such as the Home Office and Ministry of Justice; and a significant increase in 24/7 call centre operations to ensure that we can maintain a flexible service for our clients and their customers.

We measure and report our carbon emissions annually and in 2010 we set ourselves a target to reduce our carbon intensity for Scopes 1 and 2² by 4.5% a year. This year, our carbon emissions for Scopes 1 and 2 decreased to 84,103 (2013: 87,512) with our carbon intensity decreasing to 19.2 from 22.7, reflecting the work we are doing to reduce our footprint. We made particularly good progress in improving our measurement and reporting at our UK and Ireland sites, with carbon emissions relating to scopes 1 and 2 down 24% year-on-year.

Carbon intensity (tonnes CO₂eq) – Scopes 1 and 2²



Good environmental management helps us to create value in a number of ways

- By reducing our energy use, business travel and waste, we can achieve financial savings which support Capita's long term sustainability.
- Encouraging and utilising the specific business and local knowledge of our employees, by giving them a forum, such as during Green Week (see page 32) to suggest energy-saving practices, helps us reduce our footprint, both as a business and personally.
- By building good environmental management into the design and delivery of services, we can help our clients deliver their own sustainability agenda.
- Our purchasing decisions aim to improve the environmental performance of our supply chain.
- Helping improve local environments for communities, particularly around our main offices.
- Planning ahead to manage any potential environmental risks, ensuring that we protect our clients and our business for the future.
- Through our responsible environment management we're gaining a competitive advantage, improving our reputation with clients, shareholders and employees.

¹ Scopes 1, 2 and 3 includes actual and estimated energy use and business travel.

² Scopes 1 and 2 includes actual and estimated energy use.

Running a resource-efficient business continued



Energy use

Reducing energy use in our offices is a key priority for Capita. Since 2006, we've had a programme in place to identify opportunities for improvements and we constantly review performance across our sites. We continue to install smart metering at sites that come under the UK Government's carbon reduction regulations and purchase renewable energy across all operations and data centres managed by Capita, in England, Wales and Scotland.

We have introduced green travel plans at a number of our sites and actively encourage the use of video and teleconferencing to reduce unnecessary business travel. As a result, in 2014, we saw a further increase in teleconferences with 456,707 calls made, up 20% year-on-year (2013: 379,082). Where travel is unavoidable, we encourage the use of public transport and intelligent travel planning. We've capped company car CO₂ emissions at a maximum of 130g/km and in 2014 achieved an average emissions level of 106g/km across the fleet. We also promote the UK government's Cycle to Work scheme as part of our employee benefits package.

In 2015 we will be reviewing our carbon emissions targets, in light of the Group's increased travel requirements which are classified under scope 3. This increase in travel is related to the success and growth of the business which has resulted in a gradually increasing international workforce and a growing number of field-based operations related to new client partnerships.

We are now exploring setting appropriate targets for alternative options to business travel wherever possible and how to ensure essential business travel is conducted in the most energy efficient manner.

Our measurement and reporting will also encompass the introduction of the Energy Savings Opportunity Scheme (ESOS), a mandatory energy assessment for organisations that meet qualification criteria set by the EU. The scheme will cover energy used in our buildings and transport and identify cost-effective energy saving measures. Our environment team is reviewing our reporting processes and data capture to ensure that we meet these requirements. Our property and infrastructure business is also advising and supporting our clients in meeting these new regulations.

Waste management and resource use

We aim to use resources efficiently and to avoid generating unnecessary waste. Many of our offices are in shared buildings so we focus on the needs and feasible services at each individual property.

We've set ourselves a target of recycling 80% of all our waste at our 20 largest waste-producing sites by 2015 and are working with our facilities provider to collect accurate data on our waste at these sites. In 2014, the average volume of waste recycled at these sites was 66% (2013: 43%).

We are reducing our paper usage through the increased use of electronic document management systems and we have a number of Capita-wide recycling schemes in place for paper and consumables, such as printer cartridges, mobile phones and redundant IT equipment. In 2014, we maintained high levels of recycling, with 19,612 pieces of IT equipment recycled over the course of the year. To encourage employees to recycle, Return a Toner will make a donation to The Prince's Trust, as our chosen charity partner, for every cartridge or mobile phone that they receive from Capita.

Although our water usage across our sites is not significant, we endeavour to conserve this resource. For example, where we have direct control of a site, or when we are refurbishing one of our offices, we install low flush toilets, taps and urinal controls.

Buying green

We work with our suppliers to offer employees the option of purchasing fair trade and environmentally friendly products to use in the office and review the logistics of how goods are delivered to our offices. Our stationery supplier, Office Depot, offers a whole host of green products, covering a wide range of everyday office requirements including remanufactured toners, fairtrade tea and coffee, and a whole range of FSC (Forest Stewardship Council) approved papers.

We encourage the use of cargo cycles, instead of vans, to deliver to our London offices, helping to reduce both our and their carbon emissions. We also reduce our footprint by consolidating orders with other teams in the same office.

➤ See [page 32](#) for further details.

Running a resource-efficient business continued



Our carbon footprint

	2014	2013	2012	2011	2010
Total Group carbon emissions scopes 1, 2 and 3 (tonnes CO₂eq)	139,672	110,341	103,728	91,318	81,112
Group revenue (£m)	4,372	3,851	3,352	2,930	2,744
Total Group carbon intensity – scopes 1, 2 and 3 (tonnes CO ₂ eq/£m)	31.9	28.7	30.9	31.2	29.6
Total Group carbon emissions – scopes 1 and 2 (tonnes CO₂eq)	84,103	87,512	78,102	70,320	55,978
Carbon intensity scopes 1 and 2 (tonnes CO ₂ eq)	19.2	22.7	23.3	24.0	20.4
Annual change in carbon intensity (%)	-15.4	-2.6	-2.9	17.6	-1.4
Cumulative vs 2007 (%)	-13.9	1.8	4.5	7.6	-8.5
UK and Ireland carbon intensity – scopes 1 and 2 (tonnes CO₂eq)	13.7	18.0	19.0	20.7	16.9
Annual change in carbon intensity (%)	-24.0	-5.0	-8.0	22.0	-4.5
Cumulative vs 2007 (%)	-35.6	-15.5	-10.8	-2.9	-20.7

Engaging with our employees

Employee engagement is an important part of our responsible environmental approach. Throughout the year, there is a wide range of business level activity and we also run a Capita-wide internal communications and behavioural change campaign, 'Green Week', highlighting our environmental impacts, both as individuals and as a business. This year's Green Week included a number of initiatives to raise employee awareness, creating a two-way discussion with areas for improvement around the business.

See page 32 for further details.

Responding to climate change

Our clients rely on us to keep delivering their services, regardless of severe weather or flooding. Our day-to-day approach to risk management reduces the risk of disruption to our business, but it is impossible to predict all risk. We have a robust business continuity management process in place, and detailed recovery plans. We also assess business continuity as part of our supply chain risk management.

We often inherit property with acquisitions and new contracts and we review flood risk with our property insurers and, in some cases, have taken the opportunity to move out of sites with the highest risk.

Priorities for 2015

- Continue to focus on reducing energy use and carbon emissions.
- Ensure we are ready for the introduction of new Government requirements (ESOS).
- Continue to work with our facilities provider towards achieving our target of recycling 80% of waste across our 20 most waste-producing sites.
- Support further ISO 14001 accreditations across the Group, onshore, nearshore, offshore.
- Review UK and international travel to ensure alternative communications are used where appropriate.



The full breakdown of our carbon emissions can be found at www.capita.co.uk/cr



Case study

Raising employee awareness – Green Week 2014

In August 2014, we held our third Capita-wide Green Week, a communications and behavioural change campaign highlighting our environmental impacts as individuals and as a business.

Green Week endeavours to accomplish three key goals:

1 To engage our employees and encourage thinking about reducing our collective environmental impact and to raise awareness of ongoing green initiatives within Capita. We do this through working case studies on how our initiatives – however small the changes to working practices may seem – are making a real difference. We encourage businesses and individuals across Capita to share their own examples of best practice and ideas for new initiatives.

2 Encourage and facilitate involvement in schemes and one-off projects that our employees can get involved with, which directly benefit their local environment – such as tree planting initiatives or regeneration projects.

3 To involve key suppliers in supporting our message – we asked our stationery provider, Office Depot, to share with us any areas where we could improve further on our procurement practices. Suggestions included consolidating orders with other teams to reduce deliveries and raising awareness of Office Depot’s wide range of sustainable products. Office Depot calculated that, based on our existing annual volumes, we use just under 3,500 trees to satisfy Capita’s A4 paper requirements – approximately 145 tonnes each year. To address this, in November 2014 we introduced a lighter, 75gsm paper option in our product list. We are encouraging employees to revert to this new option which delivers a small cost saving and, more importantly, helps to save 10 tonnes of paper annually, representing 200 less trees, with 203,000 litres of water also saved in the manufacturing process.



In 2014, through our recycling scheme with Shred-it, we saved the equivalent of:

51,621
trees

4,138,884
litres of water



Green Week is a great way of creating a two-way conversation with employees regarding our environmental impacts and enables us to drive change by fostering a competitive spirit and enthusiasm across all our offices and businesses.

Nick Greatorex,
Group Finance Director



Case study

Reducing waste and energy in our operations in India

We now employ over 5,000 people in India and we are working hard to reduce our environmental impact across all of these operations.

Reducing our carbon footprint is a key priority for Capita and in 2014 we introduced a number of initiatives to reduce our footprint in our offices in India including: replacing small vehicles with larger capacity transportation for employee travel; increasing use of telepresence and voice calls; reducing intercity and international travel; and carrying out air pollution testing for our diesel generators to ensure that we remain within the prescribed requirements.

Where we have control over energy use and recycling we are committed to minimising our impacts through:

- installation of an intelligent lighting system
- employee awareness via notice boards, mailers, inductions and training
- introduction of water preserving taps
- installation of harmonic filters to prevent energy wastage.

In 2014, food waste was recognised as a high priority in our Mumbai office where we have over 2,000 employees and approximately 150kg of food waste generated each day. Following an effective awareness campaign, food waste was reduced by 33% in 2014, a great achievement for the team and something we hope to improve on in 2015.

In addition, in 2014, our main business centre in Mumbai achieved both ISO 14001 and OHSAS 18001 certifications, a formal recognition that we are meeting internationally accepted environmental and occupational health and safety management standards.



Case study

Working with clients to reduce their carbon footprint

We've been working with North Tyneside Council to deliver a project to replace lighting with high-efficiency LED units at the region's leisure centres, and other buildings owned by the Council, including their headquarters.

As part of phase two of the project, during 2014 we introduced LED lighting at the White Swan Centre in Killingworth, Waves in Whitley Bay and Tynemouth Pool.

The project is set to see electricity consumption of the buildings' lighting systems reduce on average by more than 60% annually, saving some 310,863 kWh of energy or around 146 tonnes of CO₂.



As a Council, we've set ourselves an ambitious target to reduce the emissions of our buildings by 34% by next year.

The introduction of LED lighting is playing a key part in our efforts and I'm delighted that this latest phase of works is complete. As well as helping the environment, it also offers significant financial benefits for the Council. The work doesn't stop here – we have well advanced plans to install LED lighting at more of our buildings later this year.

Cllr John Stirling,
Cabinet member for Sustainable Development



Reporting framework: communities and clients

Commitments	Measurement	2014 progress	2013 progress	2012 progress
<p>We will:</p> <ul style="list-style-type: none"> ➤ create social and economic value above and beyond our contracts ➤ continue to focus our community programmes on our four key areas: employability support for young people; inclusion for people with health issues; offender rehabilitation; and resettlement for ex-Service personnel. Annually review these key areas to ensure they align with our business activity ➤ increase employee engagement with our community initiatives ➤ establish and maintain high levels of community engagement. 	<p>(KPI) Continue to grow our level of community investment based on 2011 benchmark (using London Benchmarking Group methodology).</p>	<p>£2.2m</p>	<p>£1.8m</p>	<p>£1.8m</p>
	<p>Implement community programmes which support our four key areas of focus.</p>	<p>Rolled out new programmes across these areas in addition to building on existing initiatives. Launched new charity partnership with The Prince's Trust.</p>	<p>Implemented several employability programmes and two projects to support offender rehabilitation. We will continue to support these whilst rolling out further programmes in the other two focus areas.</p>	<p>New measure introduced, narrative reporting.</p>
	<p>Provide work experience, employment opportunities and improve job ready skills for young people in our local communities.</p>	<p>In 2014, we doubled the number of young people joining our graduate scheme. We ran apprenticeship programmes both internally and for our clients. We also completed a number of CV skills/employability workshops and work experience placements across the Group.</p>	<p>Over 50 work experience placements completed both at Group and individual business level. Employability workshops held across the country in both schools and at Capita offices.</p>	<p>New measure introduced, narrative reporting.</p>
	<p>Encourage at least 15% of Capita employees to donate through our payroll giving scheme.</p>	<p>4% 2,678 employees donated via the scheme. An increase in employee participants but below the overall rate of growth of employees.</p>	<p>5% 2,471 employees donated via the scheme.</p>	<p>5% 2,420 employees donated via the scheme.</p>
	<p>Encourage an increasing number of employees to volunteer each year in their local communities.</p>	<p>Increased number of opportunities available to employees to volunteer, through The Prince's Trust partnership and use of portal for advertising posts. Exploring ways to measure activity accurately.</p>	<p>Launched volunteering portal at the beginning of 2014, enabling us to start to capture employee volunteering across the Group from 2014.</p>	<p>New measure introduced, % of employees volunteering.</p>
	<p>Increase the number of charity and community champions across the business.</p>	<p>In 2014, a further 25 employees joined our network of charity champions across the business.</p>	<p>In 2013 our network of champions included over 200 employees from across the business.</p>	<p>New measure introduced, narrative reporting.</p>

Reporting framework: employees



Commitments	Measurement	2014 progress	2013 progress	2012 progress
<p>We will:</p> <ul style="list-style-type: none"> ➤ increase employee engagement and retention ➤ grow and develop our talent to ensure we have a diverse and inclusive workplace ➤ ensure our employees maintain the highest standards of ethical conduct ➤ ensure that we have a trained workforce and business infrastructure to meet the needs of our clients. 	Retention and engagement			
	KPI Retention rate of senior business managers UK & Ireland (divisional directors and senior management).	97%	98%	96%
	Monitor retention rate of all employees.	78%	82%	83%
	Ensure succession plans are in place (with two potential internal candidates defined) for the Managing Directors/ executive teams of each business.	Appointed new group director of talent and resourcing to help formalise our approach to identifying talent, establish development plans and support succession planning.	Succession plans are developed locally for the leadership teams of each business. Focus on ensuring our businesses are consistent in their approach.	New measure introduced, narrative reporting.
	Measure and report our employees' movement across the Group.	A portal for internal vacancies is managed by our resourcing business ensuring all employees have access and can apply within the Group – 318 candidates placed internally by our resourcing business.	A portal for internal vacancies is managed by our resourcing business ensuring all employees have access and can apply for new roles within the Group – 246 candidates were placed internally by our resourcing business.	New measure introduced, number of intra-Group moves.
	Increase participation in annual employee survey response rate to 50%.	48% response rate	46% response rate	46% response rate
	Track client satisfaction year-on-year for our key clients across the Group.	Satisfaction increased, with 73% of clients either satisfied or very satisfied with Capita.	Conducted client survey and shared results across the business – 71% of our key clients were either very satisfied or satisfied with Capita.	New measure – conduct annual client survey – narrative reporting.
	Training and development			
Measure and report annual learning and development spend per employee.	£250 per employee. This year we launched a number of new programmes, both online and classroom based, including our Realising Potential Leadership programme.	£218 per employee Slight decrease in spend, although increase in number of training days delivered and the number of employees accessing training online.	£247 per employee Slight decrease in spend, although increase in number of classroom training days delivered.	
Support at least 1,000 apprentices per year across the Group.	1,035 learners started on the programme.	1,057 employees started on the programme.	954 employees started on the programme.	
Increase number of graduates on our Group graduate scheme.	58	28 – new measure.	–	

Reporting framework: employees



Commitments	Measurement	2014 progress	2013 progress	2012 progress
	Employee diversity			
	Male/female split.	51% male/49% female	51% male/49% female	50% male/50% female
	Male/female split for senior management (divisional directors and senior management teams).	80% male/20% female	86% male/14% female	88% male /12% female
	Male/female split for Board of directors.	56% male/44% female	67% male/33% female	70% male/30% female
	Percentage of employees from ethnic minority groups. ¹	23%	22%	19%
	Report percentage of employees working part-time out of total workforce.	16%	18%	19%
	Maintain our employees' absence rate at below 3%.	2.6%	2.24%	New measure introduced, employee absence rate.
	Reporting and processes			
	Reduce accident frequency rate per 1,000 employees RIDDOR.	1.49 Year-on-year increase resulting from field-based operations connected with a number of new client partnerships, see page 21.	1.42 Slight increase due to greater risk profile of some of the new contracts we began in 2013.	1.41
	Report on training, processes and any breaches of our code of ethical conduct.	No material breaches.	No material breaches.	No material breaches.
	Report on the processes and procedures we have in place during transitions to ensure appropriate onboarding and integration.	Introduced a multilingual digital tool, People Live, to ensure clear, consistent communications to all employees across all international territories.	Dedicated transfer team enhanced suite of ebulletins adding to our communications toolkit.	New measure – narrative reporting.
	Report all breaches of our statement of business principles, anti-bribery and corruption policy and code of ethical conduct.	No material breaches.	No material breaches.	New measure – narrative reporting.

¹ Based on those employees who disclosed their ethnic origin in our annual survey.



Reporting framework: suppliers

Commitments	Measurement	2014 progress	2013 progress	2012 progress
<p>Building successful supplier relationships We will:</p> <ul style="list-style-type: none"> ensure that we manage our supply chain responsibly, mitigating against any risks engage with our suppliers, building relationships and looking for further ways to improve how we work together. 	<p>(KPI) Annually audit all strategic suppliers against Capita's standards of business practice.</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>
	<p>Respond to and report on any significant changes to business process identified as a result of supplier engagement, or breaches of relevant codes with action undertaken as a result.</p>	<p>Ecovadis assessments completed across top 20 suppliers. Further roll-out planned for 2015/16.</p>	<p>Appointed Ecovadis, to provide independent auditing and monitoring of our key suppliers, enabling us to capture any issues that may arise in our supply chain.</p>	<p>New measure introduced, narrative reporting.</p>
	<p>Provide support to third-sector organisations through mentoring, training and pro-bono work to help them become more sustainable and have greater impacts.</p>	<p>Provided consultancy to a number of voluntary sector organisations as well as SMEs and delivered masterclass workshops to over 200 SMEs in 2014.</p>	<p>Introduced a number of initiatives including providing pro-bono support and advice to smaller suppliers and third-sector organisations about how to win new work. By giving them access to our procurement business we can help them build their capability to grow and become more sustainable</p>	<p>New measure introduced, narrative reporting.</p>
	<p>Use third-sector and SME partnerships as a means of informing and improving our services.</p>	<p>Further increased number of SME partnerships. For example our health advisory business's Growing Together programme currently has over 20 SME partners working with us to deliver public sector healthcare projects, see page 28.</p>	<p>In 2013 we increased the number of working partnerships with SMEs. Explore methods to capture Groupwide comprehensive SME information.</p>	<p>New measure introduced, narrative reporting.</p>
	<p>Report % of SMEs in supply chain. Monitor and encourage the number of SMEs within our supply chain by ensuring they have fair opportunities to work with us via compliance of Group procurement policy and guidelines.</p>	<p>70%</p>	<p>64%</p>	<p>55%</p>



Reporting framework: environment

Commitments	Measurement	2014 progress	2013 progress	2012 progress
<p>We will:</p> <ul style="list-style-type: none"> aim to reduce our energy use, ensuring we have good energy practices in place at our sites reduce our business travel wherever possible, by the use of alternative methods of communication, including promoting the use of conference calls aim to reduce our resource use and waste across our sites maintain robust environmental management systems engage our employees to support our environmental initiatives. 	<p>(KPI) Monitor and report our absolute carbon emissions (Scopes 1, 2 and 3).</p>	139,672 (tonnes CO₂eq)	110,341 (tonnes CO ₂ eq)	103,728 (tonnes CO ₂ eq)
	Report on and reduce our carbon intensity (tonnes CO ₂ eq/£m) Scopes 1 and 2.	19.2	22.7	23.3
	<p>(KPI) Report on and reduce our carbon intensity (CO₂/£m) for Scopes 1 and 2 by 4.5% a year.</p>	Carbon intensity decreased by 15.4%.	Carbon intensity decreased by 2.6%.	Carbon intensity decreased by 2.9%.
	Continue to monitor and manage energy use across the Group. Each wholly occupied Capita site will have a nominated energy champion who will receive monthly reports tracking energy consumption. Where energy use has increased at a site, we will review and implement additional energy reduction measures.	Created new position of energy and environment manager to support delivery of appropriate measures and targets and ensure long-term progress.	Energy champion network is in place. Working to improve proactive approach to new measures.	New measure introduced, narrative reporting.
	Increase the number of conference calls year-on-year.	20% increase.	25% increase.	34% increase.
	Increase recycling of IT equipment across the business year-on-year.	19,612 pieces. Focus on better employee communications in 2015.	26,139 pieces.	23,137 pieces.
	Increase recycling of paper across the Group.	2,581 tonnes recycled.	2,448 tonnes recycled.	2,137 tonnes recycled.
	Encourage and increase recycling of mobile phones and printer cartridges (business and personal) across the Group.	5,440 items recycled. Focus on better employee communications in 2015.	8,702 items recycled.	New measure introduced, items recycled.
	Recycle at least 80% of waste across our largest 20 sites by 2015.	Average volume of waste recycled at these sites was 66%.	Average volume of waste recycled at these sites was 43%.	New measure introduced, % of waste recycled.



Reporting framework: environment

Commitments	Measurement	2014 progress	2013 progress	2012 progress
	Increase the proportion of the business by headcount covered by ISO 14001 and OHSAS 18001.	20% of employees covered by accreditation.	11% of employees covered by accreditation.	New measure introduced, % of employees covered by accreditation.
	Increase online reporting via our SH&E portal and undertake environmental compliance site audits once a year at all our sites, feeding any significant results into our risk register.	Audits completed at all sites.	Audits completed at all sites.	Audits completed at all sites.
	Report on any environmental fines or prosecutions.	No environmental fines or prosecutions.	No environmental fines or prosecutions.	New measure introduced, narrative reporting.
	Hold an annual Going Green campaign on environmental issues.	Successful Green Week campaign held in 2014 which saw high levels of employee engagement.	Communications promoting recycling and Cycle to Work schemes on employee intranet. Full campaign week planned for 2014.	Promoted energy reduction at sites.



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