

# Creating better outcomes



Capita is part-way through a multi-year transformation and, as we transform, we are guided by our common purpose. We defined this in 2019 as 'we create better outcomes' for all our stakeholders – our people, clients and customers, suppliers and partners, investors, and society. Our purpose sits at the heart of everything we do and informs all strategic decisions.

Capita employs 61,000 people and every day we touch the lives of millions through the provision of vital services. We aspire to use our position within society to be a force for good and, through our actions, drive progress for the individuals and communities we serve.

In 2019, we saw a positive shift in our reputation and how we are perceived. Increasingly, Capita is recognised as a changing, purpose-led company that is sincere in its commitment to responsible business and driven to make a positive contribution to society.

Over the course of the year, we continued to make good progress with our transformation – and we achieved most of what we set out to do and was within our control. However, it proved more challenging than anticipated, in terms of complexity and cost, due to the depth of the turnaround required. External factors also affected our progress, including political uncertainty and testing trading conditions in our core UK market.

**"Increasingly, Capita is recognised as a purpose-led company, sincere in its commitment to responsible business and driven to make a positive contribution to society."**

Sir Ian Powell  
Chairman

I would like to thank our shareholders for their continued patient support. The progress we have made in transforming the business now needs to be reflected in a return to organic revenue growth and improved financial performance.

### The Board and governance

In 2019, as we continued to strengthen governance, Capita became the only FTSE-listed company to appoint two employees from its wider workforce as non-executive directors. This was done to broaden the perspective of the Board and ensure the voices of colleagues inform strategic decision making at the highest level of the business. Our employee directors, Lyndsay Browne and Joseph Murphy, joined the Board in July and have brought fresh and welcome insight.

In October, we welcomed Georgina Harvey to the Board as an independent non-executive director and the new chair of the Remuneration Committee. I would like to thank John Cresswell, who continues as a non-executive director, for leading the committee from 2015; and thank all the members of the Board for their continued support and contribution throughout the year.

### Culture and diversity

We made good progress in 2019 towards the goal of making Capita a place in which our people can thrive and have the opportunity to develop their potential to the fullest. As well as defining our common purpose, we articulated the values and the behaviours we expect all colleagues to demonstrate. We improved

employee benefits, including a pledge to pay all UK employees the real living wage as a minimum. Industry-leading talent was recruited to key positions, including four new divisional executive officers, and senior hires were made in our new Capita Consulting business.

When I joined Capita as Chairman, the other members of the Board and I committed to promote greater gender diversity across the whole organisation, particularly at senior levels; and I am pleased to report that gender diversity at senior levels improved over the past year. The company is now ranked 70th in the Hampton-Alexander Review, which measures female representation within FTSE 250 senior management teams. Our 2019 ranking represents a climb of 40 places from 2018's review, and an improvement of 152 places since 2017.

However, there is still much to do. It is disappointing that our gender pay gap across the company has increased. We are also very conscious that, despite some progress at the Executive Committee level and in senior management positions, we have no ethnically diverse representation on the Board; we will increase our focus on these key areas.

### Our place in society

Over the past year, we continued to be mindful of the position Capita occupies in society and the opportunity we have to help drive social progress. If we are to fulfil the potential of the organisation, we must make a significant contribution to the societies in which we operate. This is not just for

business reasons, but because it's the right thing to do – and the only way, in our view, that any business can create a truly sustainable future.

We are making progress, including the launch of our first responsible business strategy which sets out our priorities to ensure we maximise the benefits we create for the individuals and communities we serve, and minimise our negative impact on the environment. We have made a commitment to social mobility, sponsoring the UK Social Mobility Awards for a second consecutive year, and working to facilitate social mobility for young people from disadvantaged backgrounds. We also published our first supplier charter, which ensures dealings and payment practices with our 26,000 suppliers make us a good partner with which to do business.

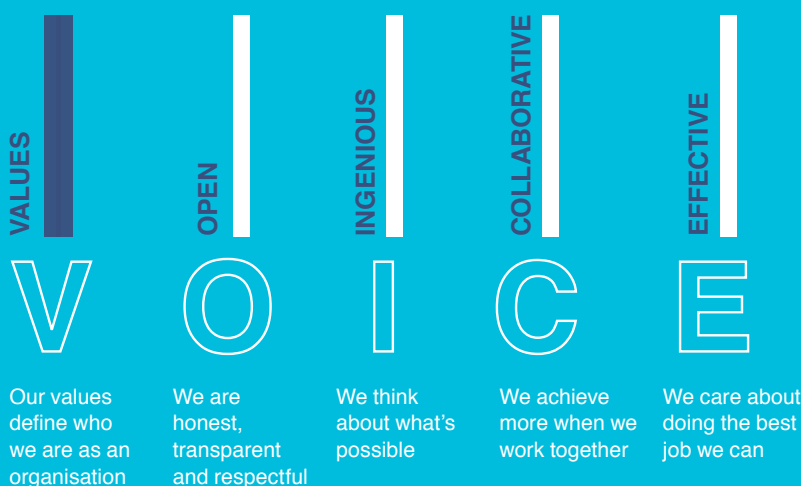
### Looking forward

At the end of 2019, Capita was better positioned to pursue its growth strategy than it was at the start of the year. The business is now better invested, better governed and better equipped to achieve a sustainable future. Our client list remains outstanding and we have done much work to deepen existing relationships and create new ones. We look forward to an improvement in trading conditions.

I would like to thank all our people for their hard work and commitment in 2019. There is still much more to do at Capita, but I am confident in the team and the work being undertaken to drive the business towards long-term, sustainable growth.

### Our values

Underneath each value, we've identified the behaviours we expect from everyone who works here and we're working hard to embed our values and behaviours to help us become a stronger business that puts our people first.



### Better outcomes

#### Community investment

**£2.8m**

(2018: £1.5m)

For more information about our community investment, go to:  
[www.capita.com/responsible-business](http://www.capita.com/responsible-business)