

Modern Slavery Statement 2020



Capita

Introduction

Slavery is illegal everywhere in the world, but despite that, there are currently an estimated 40.3 million people in modern slavery or victims of human trafficking across the globe¹. Out of the millions of people trapped in modern slavery, 16 million people are exploited by the private sector, so it is paramount that businesses take action to end these abhorrent practices.

At Capita, we are committed to playing our role in eradicating modern slavery in all its forms from our business and supply chain. We are taking the appropriate steps to ensure that everyone who works for Capita benefits from a working environment in which their fundamental human rights are respected and anyone that we do business with also upholds these principles.

The information in this statement details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our own business. It covers the activities of all businesses in all jurisdictions within the Capita plc group of companies and is our Modern Slavery statement for the financial year ended 31 December 2019 required under the provisions of the Modern Slavery Act 2015 (the “**Act**”).

¹ <https://www.fastinitiative.org/wp-content/uploads/BlueprintExecutive-DIGITAL-1.pdf>

Our business

Capita is a consulting, digital services and software business. We deliver innovative solutions – to simplify the links between businesses and customers, governments and citizens, partnering with clients to transform their businesses and services. We do complex and difficult things – so clients don't have to. We are part of the fabric of society, helping millions of people every day.

Capita is committed to being a purpose-led organisation that exists to 'create better outcomes' for all our stakeholders:

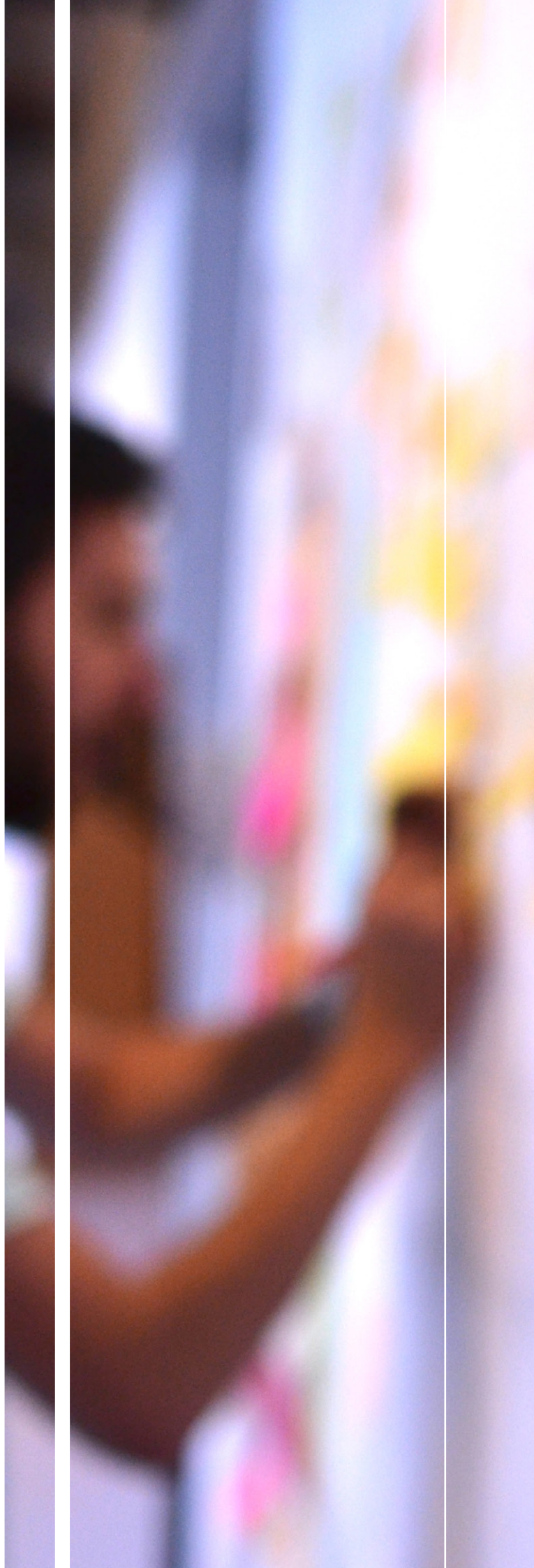
- **Our people** – by providing an environment in which they can thrive and develop
- **Clients** – by delivering solutions and transforming their businesses and services
- **Customers** – by being focused on delighting them
- **Suppliers and partners** – by treating them fairly and encouraging them to deliver
- **Investors** – by delivering attractive returns
- **Society** – by acting as a responsible business for the communities we serve

Everyone at Capita strives to create better outcomes for all our stakeholders by living our values of being: open; ingenious; collaborative and effective. We bring these values to life through our day-to-day behaviours and by aspiring to put our purpose at the center of everything we do.

Annually, we benchmark ourselves against external indices, ensuring our approach to responsible business is appropriate to our business and in line with industry best practice. We actively participate in the Dow Jones Sustainability Index (DJSI)² and EcoVadis Corporate Social Responsibility (CSR) assessment³. Our ranking in the DJSI improved by eight places and we achieved a silver rating in the EcoVadis assessment. Both DJSI and EcoVadis assess our approach to labour and human rights which includes our response to modern slavery.

² The Dow Jones Sustainability Index tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria.

³ The EcoVadis CSR Assessment is an evaluation of how well a company has integrated the principles of CSR into their business. The objective of the assessment is to get a clear picture of your Corporate Social Responsibility practices (i.e. environment, social, ethics, supply chain).



Our policies in relation to modern slavery

The following company policies support us in ensuring that modern slavery is not taking place in our supply chains or business. In 2019, we strengthened our approach to doing business in the right way, publishing our Code of Conduct, Supplier Charter and refreshed Speak Up Policy.

Code of Conduct:

Launched in August 2019, describes what we must do and how we must behave to ensure we have the trust of all our stakeholders. It details how we will create better outcomes in the right way, not at any cost, in line with our purpose and values.

Supplier Charter:

Launched in June 2019, sets out the basic principles of how we will conduct business in an open, honest and transparent manner, and the behaviours and practices we expect of our suppliers and partners, including a commitment to comply with the Act.

All suppliers are expected to comply with our Supplier Charter and Capita reserves the right to terminate a relationship with a supplier or third party that is unable to demonstrate compliance or progress towards the eradication of modern slavery within its organisation and supply chain. To ensure compliance to the Supplier Charter, we are developing a supplier risk scorecard which will assess a supplier's exposure to all risks including modern slavery. These scorecards will be maintained and monitored through the recently established Supplier Relationship Management (SRM) process.

Speak Up Policy:

Sets out our commitments to speaking up about serious concerns detailing how any person working at or with Capita, including those employed in our supply chain, can raise concerns or 'whistleblow' and the channels available to do so confidentially, responsibly and effectively and without fear of repercussions.

Human Rights Policy:

Ensures appropriate procedures are in place to prevent any breaches to international human rights standards, including the United Nations' Universal Declaration of Human Rights (UDHR), the International Labour Organisation (ILO) core conventions on Labour Rights, and the Act.

Diversity and Inclusion Policy:

Ensures that we foster a fair and inclusive workplace, where our people are valued, their differences are respected, and discrimination is eliminated.

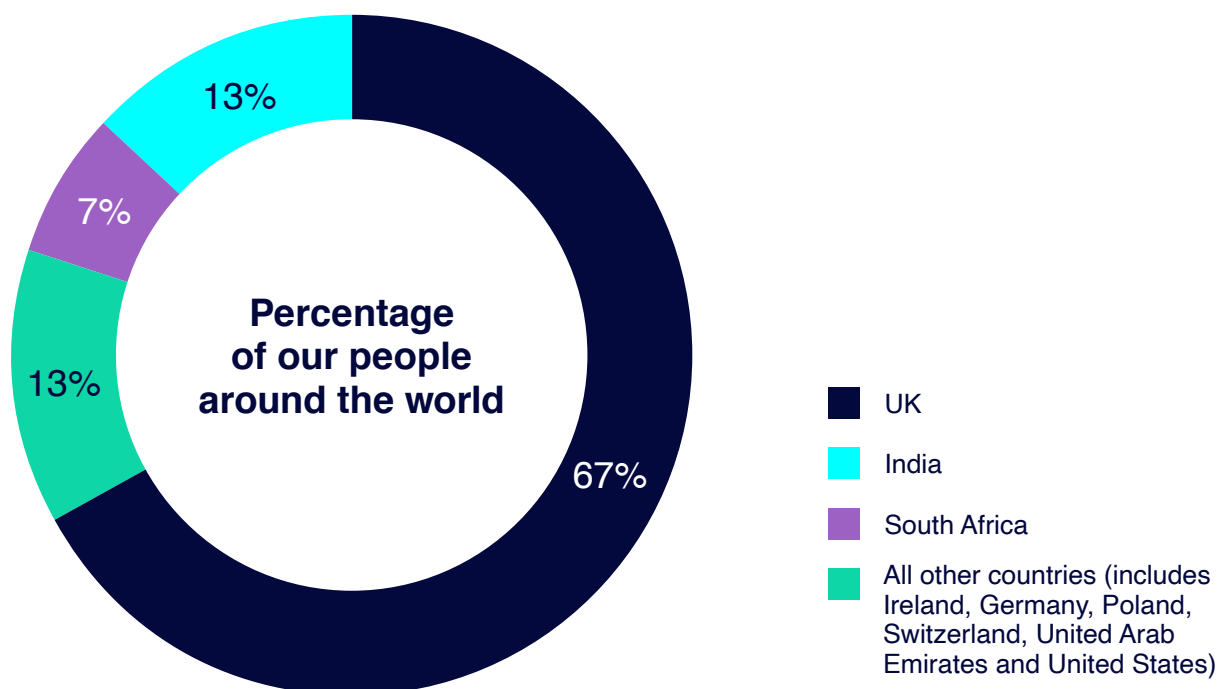
Procurement Policy:

Sets out what you should expect from us when we buy goods and services and the requirements that must be met by every one of our businesses, in every country we operate, when doing so.

These policies apply to the whole of Capita and are available to all employees via our intranet site and website. The policies are managed by relevant functional heads, and our company-wide risk management framework and reporting processes support the escalation of policy issues and management where identified in our business.

Tackling modern slavery – our people

Capita has a workforce of more than 61,000 people employed in 10 countries including UK, South Africa, India, Poland, Germany and the US. Having a professional, engaged, well-managed and supported workforce is critical to our ability to successfully delight our clients and create better outcomes for all stakeholders.





Being a responsible employer

To ensure that we recruit and treat employees fairly, eliminating modern slavery at all costs, our human resources (HR) policies set out our procedures on how we:

- recruit and select employees in a fair, lawful and professional manner, both for internal and external candidates;
- treat all employees fairly during their employment and, if there is an occasion when an employee does not feel that they have been treated fairly, there are procedures in place to raise a grievance or involve a local trade union, where they exist, or where this is a legal requirement to do so;
- manage the exit of an employee from the business in a fair and consistent manner.

Our Human Rights Policy details our commitments to labour and workplace rights. We provide fair working conditions for all our employees including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits. These are applied according to territory-specific statutory requirements.

Our employees' pay will not be lower than that required by local law or, in the absence of a law, the level paid generally within that industry. From April 2020, we have committed to pay all our UK employees the Real Living Wage as a minimum – as set by the Living Wage Foundation that is a voluntary rate of pay based on the costs of living and that is higher than the government minimum. Hours of work will be in line with local law or, in the absence of a law, the norm within that industry, and shall not be excessive. Employees shall not be contractually required to work more than 48 hours per week and overtime will only be worked on an optional basis. Forced or compulsory labour is prohibited. Employees will not be forced into involuntary labour and coercion at work is not acceptable. Financial penalty as a disciplinary sanction is prohibited. The employment models deployed will be in line with territory-specific law and practices. Under these practices there will not be excessive use of alternative models, such as sub-contracting or labour-only contracting.

We've committed to pay all UK colleagues the Real Living Wage, as a minimum, from April 2020.



Listening to our people

We seek feedback from employees through our annual People Survey which is open to all Capita employees. In 2019, 72% of colleagues completed the survey, a six percentage point rise on 2018. The results from the survey help leaders and HR teams identify behaviours and practices that could lead to a failure of ethics, controls or governance before they occur. This confidential feedback would also allow potential instances of exploitation in any form to be raised and investigated.

**72% of our colleagues
completed our annual People
Survey in 2019**

All employees can raise concerns ('whistleblow') through our Speak Up Policy which sets out the channels available to any person who works for or with us. Concerns about slavery and human trafficking can be raised through the Speak Up channels and employees can raise these concerns openly and at any time in confidence.

Working in partnership with recruitment agencies

In 2019 we recruited, or supported internal movement for, more than 22,000 people through our internal resourcing team and via external recruitment agencies. We work with 445 agencies who as partners must comply with our Supplier Charter and undergo our rigorous due diligence assessment to ensure that they are recruiting in line with our policies, values and focus on driving inclusive and values-based recruitment practices. Going forward the number of agencies we work with will reduce to below 150.

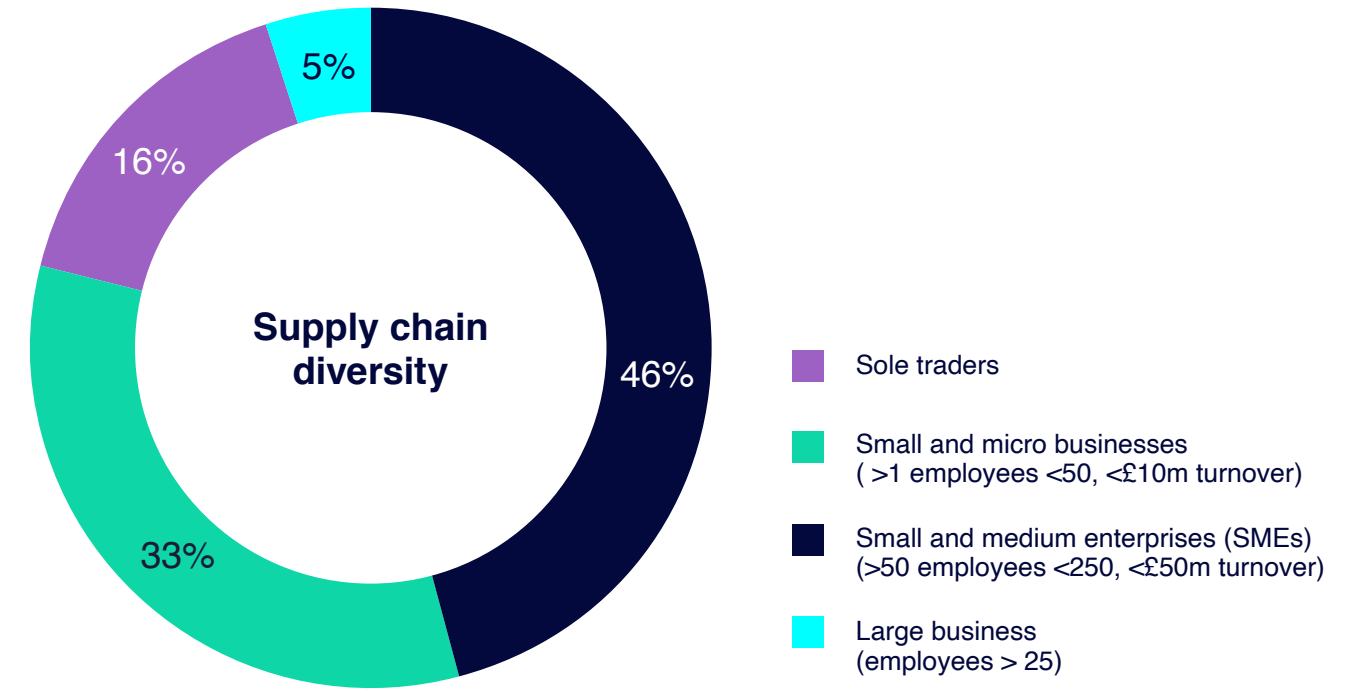
Working in partnership with trade unions

Capita takes the view that a partnership approach to union relations adds value to all concerned and provides our employees and our recognized unions with a real opportunity to contribute to the future success of our organisation. Many of our contracts are unionised environments and an essential part of our approach is to maintain proactive and constructive relationships. To achieve this, we meet with recognised trade unions in line with the collective agreements in place, for example Unison, Communications Workers Union (CWU), and Unite as determined, on a regular basis. Matters for discussion may include business performance, strategy and resolving local issues raised.

Tackling modern slavery – our supply chain

With over 26,000 suppliers, we recognise that Capita’s supply chain is critical to our success. We therefore seek to build lasting relationships, treating our suppliers fairly and paying promptly. We want to work with suppliers who share our values and support us in delivering our purpose to create better outcomes. We are committed to working with our supply chain to ensure that together we can achieve wider social, economic and environmental benefits.

In 2019, we spent £2.1bn with more than 26,000 direct suppliers in 85 countries. The majority of our suppliers are based in UK (67% of suppliers), with 7% from Europe, 2% from India and 0.27% of suppliers from countries with a high and medium prevalence of modern slavery as defined by the [Global Slavery Index](#).



Mapping our supply chain risk

We partner with Ecovadis, an independent ratings body, who assess companies against four themes: environment, ethics, sustainable procurement and labour and human rights. Within the labour and human rights theme, suppliers are assessed against all aspects of their treatment of their people – including a requirement to provide evidence of how they guard against modern slavery.

We have enhanced the risk assessment of our suppliers to evaluate the likelihood of the existence of modern slavery within our supply chain. We apply an overall risk rating to our procurement categories, informed by risk exposure within each of the four Ecovadis themes. These are considered together with supplier spend thresholds. Qualifying suppliers are invited to complete an Ecovadis audit annually.

In 2019, 212 (60% of spend) of all our direct suppliers were identified as high-risk and have been invited to complete an audit. We will continue to conduct this assessment with our medium and low risk suppliers. We track progress against the following metrics:

- Proportion of suppliers assessed using our risk-rating methodology;
- Overall number of high-risk suppliers;
- Proportion of high-risk suppliers who have been assessed as having appropriate policies and procedures in place with respect to modern slavery.

Additionally, we do not supply any goods that have been identified by the [US Department of Labor](#) to be at higher risk of being produced by child or forced labour.

Due diligence

As a minimum, we expect both ourselves and our suppliers to comply with all applicable local laws and regulations providing safe working conditions, treating workers with dignity and respect, acting fairly and ethically and using environmentally responsible practices where practicable.

Our Supplier Charter which we published in June 2019 sets out these requirements detailing the basic principles of how we will conduct business in an open, honest and transparent manner, and the behaviours and practices we expect of our suppliers and partners, including a commitment to comply with the Act.

Our standard terms and conditions include a clause to ensure that all suppliers comply with our Supplier Charter and Capita reserves the right to terminate a relationship with a supplier or third party that is unable to demonstrate compliance or progress towards the eradication of modern slavery within its organisation and supply chain.

Additionally, to demonstrate compliance to the Supplier Charter, new and renewing suppliers are asked a series of due diligence questions. The subjects covered are human trafficking and slavery, health and safety, the environment, data protection, information security and bribery.

Suppliers' compliance to the Supplier Charter will be monitored via our newly established Supplier Relationship Management process through which we will maintain and monitor a supplier risk scorecard which will assess a supplier's exposure to all risks including modern slavery.

Training and communication

To make employees aware of the Act and the drivers of modern slavery, as well as the possible indicators, we share this statement with all employees through our internal communication channels and a copy of this statement is available on the Capita website (www.capita.com). In 2019, we ran training about our risk assessment and due diligence processes to relevant procurement teams – making them aware of the Act and the role they play in ensuring we work with suppliers who uphold the same ethical principles as us.

62% of our procurement colleagues were trained on modern slavery and our due diligence processes in 2019.

Board approvals

This statement is made pursuant to section 54(1) of the Act. Capita's Responsible Business Committee approved this statement on behalf of our Executive Committee on 30 March 2020. The Board Audit and Risk Committee approved this statement on behalf of the Capita plc Board on 22 April 2020.



Jon Lewis

Chief Executive Officer

May 2020

