

Corporate Responsibility Summary Report 2008



Corporate responsibility summary report 2008

Corporate responsibility is an integral part of our business. Our goal is to develop as a long term business that delivers value to all our stakeholders. We'll only achieve this through showing responsibility in everything we do. So we focus on:

- The impact of our services: ensuring that our clients' operations function efficiently and that their customers receive excellent service.
- Responsible business practices: managing our business responsibly protects our own and our clients' reputations.
- Supporting our people: we want to attract and retain talented, ambitious people to work with us. People are motivated by working for a company that behaves responsibly and invests in developing their careers.
- Investing in our communities: we support and invest in the communities where we operate – this year alone our employees have supported over 230 community initiatives.
- Environmental management: we're committed to playing our part in tackling carbon emissions, cutting waste and recycling more.

This is a summary of how we performed in 2008. You can find out more online at <http://www.capita.co.uk/corporate-responsibility>. As the CR site and the highlights on this page show, we've made good progress – but we recognise that there is plenty more to do.

We've created an online CR site which we keep fully up to date throughout the year reflecting the live and responsive nature of corporate responsibility. To meet your individual interests you can create and download your personalised report from the site.



Paul Pindar
Chief Executive

Impact of our services

+5,000

New jobs created (up from 4,700 at end-2007) since we began.

+£51.9m

Added to local economies during the year through strategic partnerships with local authorities.

Responsible Business

100%

of key suppliers audited against our standards (up from 50% in 2007)

Our People

1.57

accidents per 1,000 employees (down from 2.05)

+26%

female managers >£89k (up from 19%)

+15.5%

employees from ethnic minorities (up from 8%)

Communities

+£0.6m

corporate donations (up from £0.5m)

Environment

+18.3%

cumulative reduction in electricity use at our 18 largest sites (up from 8%) Impact of our services

78,000

conference calls to cut travel (up from 34,463)

Our key principles

- Generate profits responsibly
- Act with integrity and honesty in all our dealings
- Meet regulatory and legislative requirements
- Treat clients and their customers fairly
- Communicate openly and transparently with stakeholders (clients and their customers, shareholders, suppliers, employees and local communities).

The impact of our services

Ensuring that our clients' operations function efficiently and that their customers receive excellent service

Our clients span the private sector, government agencies and local authorities. By improving the way services are run and cutting costs, we benefit taxpayers, service users and the wider community in four main ways:

Economic benefit and regeneration

We help clients improve efficiency, reduce costs, and deliver better customer services to citizens and customers. Many of our client partnerships support community regeneration, through physical regeneration schemes and by creating more jobs for local people, work for local suppliers and support for community projects.

In 2008 we created over 5,000 new jobs – including 2,075 jobs through strategic partnerships with local authorities, where we added £51.9m to their local economies.

Innovative service solutions

We develop innovative ideas for improving the way services are provided to the end-user. This can bring benefits both to our clients, their customers and the wider community.

For example, we've developed a new web-based application that enables local authorities to give council officers and citizens personalised, instant access to housing and support services.

Customer choice & inclusivity

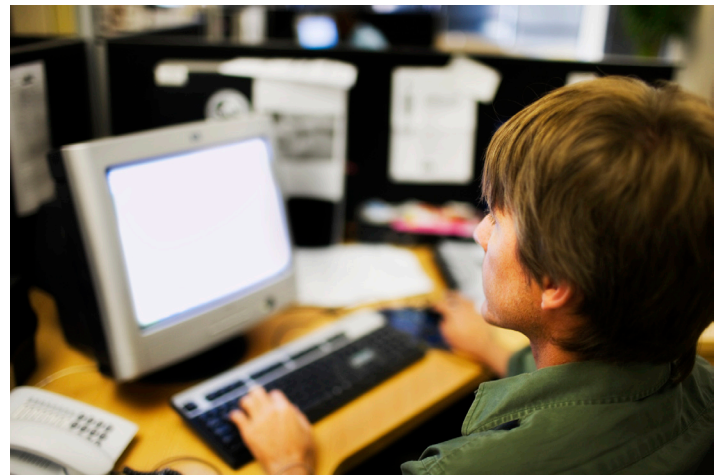
We work with our clients to make services more accessible to all sectors of the community, often through innovative IT.

For example, for TV Licensing we've introduced state of the art voice recognition and self service technology enabling customers to buy a TV licence or change their details 24/7.

Protecting our clients and their customers

Many areas of our business are subject to increasing amounts of regulation and legislation, particularly our Insurance, Investor Services and Life & Pensions businesses. Much of our recent focus has been on responding to the Financial Services Authority's Treating Customers Fairly initiative. A great deal of the data we process is sensitive and highly confidential: keeping it secure is a legal requirement, and essential to maintaining our reputation and that of our clients.

In 2008, 13,631 employees who handle secure information completed security training, and 8,399 completed online fraud training. It is now mandatory for all our employees and contractors to complete this training every year.



Blackburn & Darwen Partnership

In 2001 we began a 15-year partnership with Blackburn with Darwen Borough Council to improve council services and deliver borough-wide regeneration. Since then we've:

- Invested £10m a year
- Created 750 new jobs
- Cut the annual cost of the council's core services by a further £273,000.

Case Study: Blackburn with Darwen Strategic Partnership

Transforming and regenerating the borough.
Supporting the Council's 2020 vision.

Blackburn with Darwen Borough Council and Capita began a 15-year partnership intended to modernise council services. Capita's ongoing goal is to support the Council's '2020 vision' to transform Blackburn with Darwen in to the kind of place that local people, businesses and other stakeholders want. Specifically, we are looking to do this by transforming the way people operate, creating employment opportunities, improving council services and delivering a borough-wide regeneration programme. Since the partnership began in 2001 it has achieved all of its objectives and met or exceeded all its targets. The strength of the partnership was a major contributing factor in the Council's success as Local Government Chronicle Council of the Year in 2002 and the achievement of an 'excellent' rating in the latest CPA results in 2008.

"Our relationship demonstrates what can be achieved through proactive partnership working. The borough has seen huge benefit in regeneration and creation of jobs from having a FSTE100 company in town. Equally Capita have grown a successful business centre with national reputation for delivering good quality services"

John Slee, Capita Business Centre Director, Cumbria and Blackburn Strategic Partnerships



Case Study: Capita in Sheffield

Using our skills to make a difference in the communities in which we work.

Creating jobs and regeneration in Sheffield

Capita's presence in Sheffield dates back to 1994. We now employ over 3,000 staff, making us one of the City's largest employers. Over the past 14 years we've used our skills to make a difference in the local communities in which we work. We've supported local charities, schools, colleges and community initiatives, created new quality job opportunities and helped regenerate various areas of the City.

Regeneration

"Sheffield has run a huge programme of regeneration over the last 10-15 years and Capita Symonds has been right at the heart of it," says Tan Khan, the firm's Regional Director. "We're currently managing over 20 regeneration projects across the City including mixed use developments and projects to transform previously derelict landscapes."

Job creation

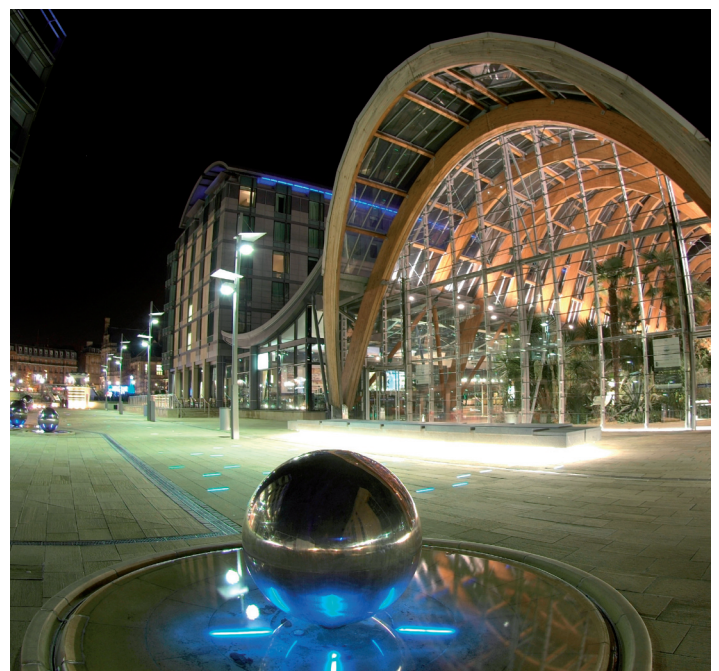
As a growing organisation we continue to create opportunities for professionals in the region. Capita Hartshead, part of our Life & Pensions business, currently employs over 400 people – and that's expected to rise to 700 by 2010. It runs a graduate recruitment scheme and has taken on 44 graduates over the past five years, of whom 75% have come from Sheffield's two universities. Capita Symonds has an ongoing requirement for project managers and mechanical and structural engineers.

Supporting local CSR initiatives

Capita businesses in Sheffield support a range of local charitable, community and environmental projects. People from Capita Insurance Services volunteer for weekly one to one reading sessions as part of Business in the Community's 'Right to Read' campaign, aimed at improving literacy in children from deprived backgrounds. Working with the South Yorkshire Forest Partnership, employees at our DSGi contact centre planted 600 new trees in 2008 in a bid to offset their carbon emissions whilst bringing immediate and long term benefits for local people and wildlife.

Capita has also developed a growing partnership to support the Archer Project, a charity supporting the local homeless community. "The relationship began in December 2006, when employees from our Coal Health Claims contract collected toiletries for the project," says Phil Roberts, Shared Services Manager at Capita Insurance Services. "In 2007, we signed up to help with a range of activities that drew on the expertise of our people. For instance, we coached staff in general business skills, set up a database to streamline their admin, organised the volunteer support process and served breakfast and lunch."

Tim Renshaw, Operational Manager at The Archer Project, adds: "Working with Capita has been a fantastic experience. They came in and spent time with our employees, analysed what we were doing and came up with a plan for moving the project forward. Their contribution is something money can't buy – they really have helped to make a difference to people's lives."



Responsible business practices

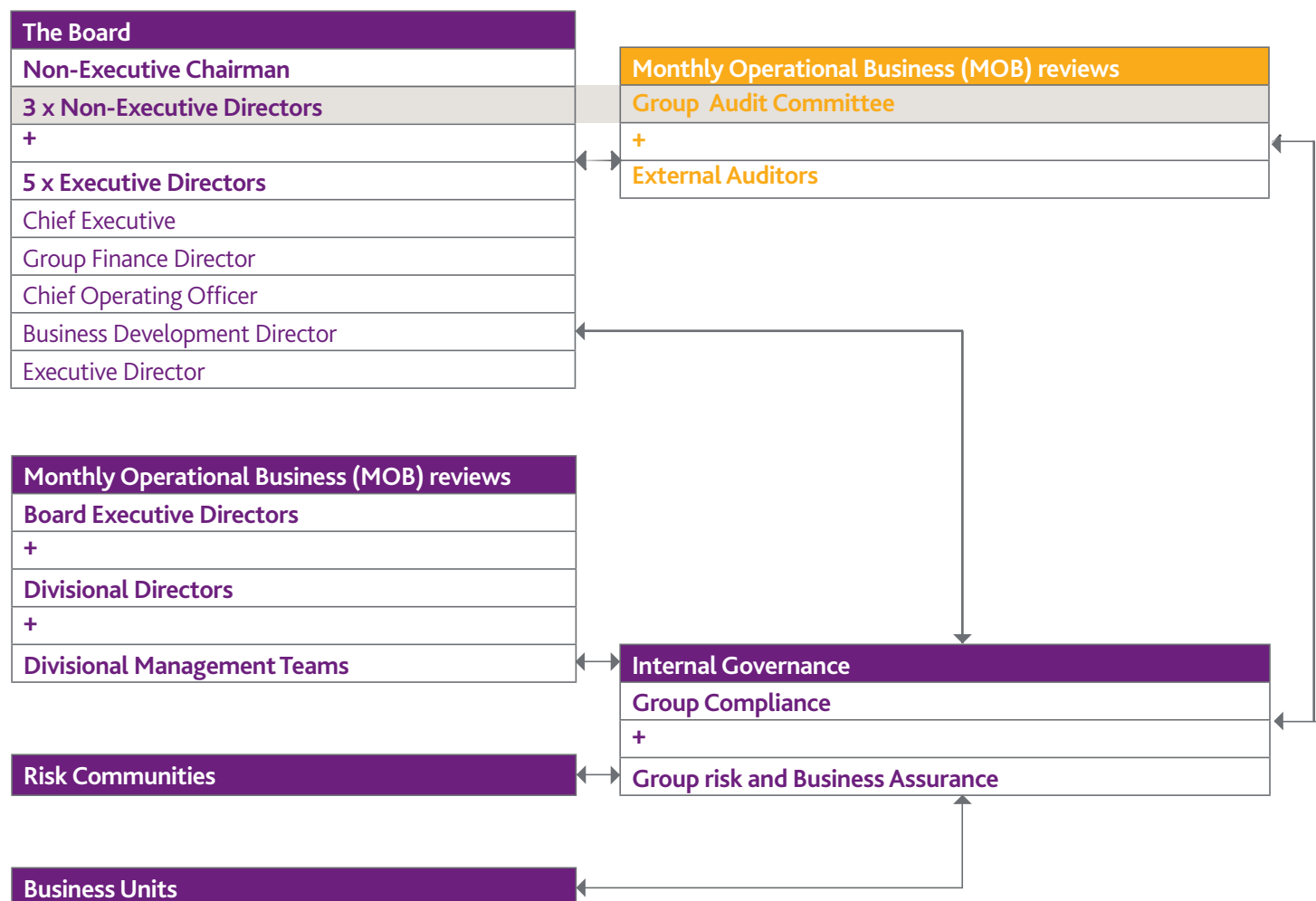
Managing our business responsibly protects our own and our clients' reputations.

We value our reputation for integrity and reliability. So do our clients. To grow our business responsibly and maintain our reputation, we have robust financial, management and governance structures. We also use our influence to encourage high levels of service and responsible business practice in our supply chain.

Robust management systems

Our management structure and business reporting process promote accountability and knowledge sharing across the Group, keeping management responsive to issues and trends in the business and the wider marketplace. We also have a clear focus on risks across our operations, with detailed processes and procedures for identifying and managing them.

The Board is responsible for establishing, maintaining and reviewing the Group's growth strategy, financial performance, systems of internal control and Group-wide policies.



We continually identify, evaluate and manage risks to the business, including CR risks, in accordance with the EU Accounts Modernisation Directive. Risk exposure is included in our monthly reporting process. Across our regulated businesses – primarily our Life & Pensions and Insurance & Investor Services divisions – this is supplemented by formally constituted committees. Our Group Risk and Business Assurance function oversees our risk management processes and reports to the Group Finance Director and Audit Committee.

Responsibly managed supply chain

We buy goods and services worth £600m annually from 14,800 suppliers, and aim to develop mutually beneficial relationships with them. All our suppliers are required to register on our Capita supplier programme and must answer questions on their culture and values, environmental credentials, health and safety record and commitment to CR. This enables us to choose suppliers who best fit our business and CR values. We also commission independent audits of suppliers' environmental credentials, ethical conduct and social commitments, ensuring that they meet our criteria.

Over the past year we've audited all our 25 key suppliers and increased the number of audits across all our suppliers by 14%.



External recognition

Capita businesses have achieved accreditation to standards including:

- Environmental management (ISO14001)
- Quality management (ISO9001)
- Occupational health and safety management (OHSAS18001)
- Security (ISO27001, formerly BSEN7799)
- Customer Contact Association (CCA)
- Investors in People

Helping smaller suppliers

We're committed to helping more SMEs and minority-owned companies to work with us. In 2008, a survey of our existing smaller suppliers identified a need to improve communication with these groups. So we held an open day for 120 existing and potential suppliers to advise them on selling to large organisations like Capita and explain our CR requirements.

Case Study: Working with our suppliers

Capita supplier procurement conference 2008

As part of our commitment to developing mutually beneficial relationships with small and minority owned businesses, we recently held a conference to engage with our smaller suppliers.

SMEs often face challenges associated with lack of time, resources and information when attempting to engage with large companies like Capita. We want to ensure that there are no barriers to entry and that these smaller organisations are placed on a level playing field with the larger suppliers that are utilised by the business.

Following a survey of existing SMEs and engaging with Supply London and other partners, it was apparent that a traditional 'meet the buyer' event was of limited appeal. In light of this Group Procurement developed a innovative supplier day with the following objectives:

- Enable existing and new SMEs to engage with senior supply chain and business professionals within Capita
- Give general advice and guidance for selling to large organisations that would be transferable
- Educate suppliers about sustainability
- Explain the rationale behind the Capita supplier segmentation and rationalisation plans.
- The event was held at the Olympia Exhibition Centre in London and was attended by over 120 SMEs, split 50/50 between existing and potential suppliers. To date a number of follow up discussions have been held and business in the region of £10k has been awarded to target suppliers.



Case Study: Service Birmingham recycling scheme

Working in partnership with others

Birmingham residents, who receive benefits, now have the opportunity to buy a recycled PC for as little as £40 or a laptop for £90, thanks to Service Birmingham – Capita's partnership with Birmingham City Council.

Community Computers opened a month before Christmas and is supported through a joint partnership between Service Birmingham, which organises the recycling of Birmingham City Council's computers back into the community, and Secure IT Disposals Ltd, which wipes all of the data off them and runs the shop. They also accept unwanted computers and accessories which the public can bring into the shop to be wiped and sold, or disposed of in an environmentally friendly way.

Citizens who currently receive benefits (income support, job seekers allowance, housing benefit or disability living allowance) are able to take advantage of these great offers.

Enta, a not for profit community interest company, will also be selling the recycled computers from its Birmingham city centre base. The computers will include Microsoft Windows, Office 2003 including Powerpoint and Excel, and also a free session on how to set up the equipment and use it at home.

Chris Leggett, Service Birmingham's Corporate Development Director, said: "We are committed to supporting the drive to give all residents access to computers and the internet and to helping to reduce the city's

carbon footprint, so this project is extremely important. I'm sure the shop will prove to be a great success and we look forward to many residents, who perhaps wouldn't otherwise be able to buy a PC or laptop, realising the benefits of having a computer."

Martin Burke, Managing Director of Secure IT Disposals Ltd said: "Following customer feedback we plan to develop the shop to offer a range of services and our aim is to provide a computer to everyone in the community who would benefit from one. We will be introducing a range of payment schemes to make it feasible for those on the lowest incomes and, for customers who can only afford a lower spec machine, a savings club will be put in place to enable them to trade up to a higher spec machine later on."



Supporting our people

We want to attract and retain talented, ambitious people to work with us.

We have 36,300 employees in the UK, Ireland, Channel Islands and India. We aim to give them a workplace that is supportive, rewarding, diverse, safe and inspiring. Maintaining a positive culture is particularly important because over 2/3 of employees transfer to us from employers outsourcing activities to us.

Sharing success

Our sharesave and ownership schemes have 8,147 members, with 23% (2007:20%) of eligible employees taking part.

Engaging our people

We ask our people to give their views through open communication and an annual survey. In 2009 the survey response rate was 68% – up from 44% in 2008. Staff said we were doing particularly well on diversity, welcoming new employees, giving them autonomy to carry out their tasks, processes for whistleblowing, treating customers fairly, and health and safety.

Developing our people

We aim to develop and retain our key people to help us grow the business. Our overall employee retention rate in 2008 was unchanged at 82%, just below the industry average of 82.7%. Our senior management retention rate was 88% (2007:89%).

Our leadership and skills development training programme offers 130 general business and management skills courses and provided over 4,000 training days in 2008. All new managers (1,685 in 2008) attend courses which include a guide to employment practices, training on our financial systems and their health and safety responsibilities. We're currently sponsoring 18% (2007:14%) of our employees to train for a professional qualification and 30% are involved in specific professional training.

We also help people gain more vocational qualifications. Since we set up our Vocational Learning Programme in 2007, over 1,000 have taken part and over 500 have achieved qualifications. By the end of 2009 over 1,000 should have gained a qualification.

Diversity

Over half our employees have completed our online diversity training course since it launched in April 2007. Among the 60% of employees who chose to state their ethnic origin in 2008, 15.5% are from minority groups (2007: 8% based on 50% response rate). The proportion of women in middle management has increased from 19% to 26% over the past year and in 2008 we appointed a second female board member, Maggi Bell. We continue to make progress with our Diversity Action Plan, introduced in 2007. In our 2009 employee survey over 90% of respondents said they were treated fairly regardless of race or ethnicity, disability or sexual orientation.

Work/life balance

We encourage flexible working and 15.5% of our employees work part-time. We also allow job sharing, term time working, flexitime, compressed hours, change of work location and working from home where possible.

Health and safety

Over 3,000 managers and SH&E Advisers have attended the Group's internal core Health and Safety management courses over the past three years. In 2008, five more Capita sites were accredited to the OHSAS 18001 Health and Safety Management Standard – taking our total of accredited sites to 38. The RIDDOR accident frequency rate for the year was down 17% on 2007, making a 32% reduction since 2004.

Year	Accident rate per 1,000	% change
2008	1.57	-17
2007	2.05	-7.6
2006	2.14	+23
2005	1.75	-24
2004	2.29	+46



Case Study: Employee integration process

We have a dedicated team who support our new transferees.

Transition is the first and the most important practical opportunity to create a positive environment of change. A successful transition helps to establish a solid customer relationship, gives staff comfort and confidence, and answers any concerns or fears about the new supplier. Most importantly, it lays the foundation of an operating environment for high quality service delivery from Day 1.

We apply our own formal transition model utilising the PRINCE2 project management method. Though the basic principles and activities adopted follow a standard approach, each transition has its own unique characteristics. Central to our approach is the desire to work collaboratively with the customer and retain organisation throughout the period.

An example of our approach in action:

Prudential

In April 2008, we entered into a £722 million partnership with Prudential UK to administer 7 million mature life and pensions policies. Our objective is to deliver service excellence under a more efficient operating model, and the service we provide is a blend of onshore and offshore capability.

In the UK we immediately transferred 1,780 employees from Prudential to Capita under TUPE agreements with a further 1,400 joining us in Mumbai in October. Our aim throughout this large transition was to maintain consistently excellent service levels.

During the transition period we ran 'meet and greet' sessions for all managers involved, the first of several communication events aimed at helping Prudential and Capita managers to forge close working relationships and facilitate a smooth transition. We also held a series of welcome sessions to give future employees an overview of the company and an opportunity to ask questions.

Further drop in sessions were held on a weekly basis, giving employees the opportunity to have informal discussions with members of the integration team. We provided weekly question and answer documents which were published on a specific intranet site, and separate presentations were given to employees regarding their benefits and pensions.

Throughout the transfer we worked with Prudential to consult with the Employee Forum and the union, Unite, on transferring employee's terms and conditions. Our Group Safety, Health and Environment (SH&E) Team worked closely with their counterparts in Prudential to ensure a smooth transition from Prudential's to Capita's health & safety systems and procedures.

Over 70% of our people transfer to us from other organisations



Case Study: BusinessWise programme

Developing Graduates Skills

BusinessWise is an innovative and groundbreaking approach to developing graduate skills, aimed at ensuring a consistent approach to the development of graduates throughout the Regions Division of Capita Symonds. The programme was created through a joint partnership approach with the University of Salford and Lledr Hall and provides a coherent standardised model for graduate development. This means we can be assured that all our graduates are receiving a consistent and high level of development.

In an industry with skills shortages across most disciplines, BusinessWise helps Capita Symonds to grow its own pool of talent capable of progressing into senior positions. It also supports our recruitment strategy, allowing us to demonstrate a unique offering when pitched against our competitors.

54 students from across the Regions Division of Capita Symonds signed up to the BusinessWise programme in 2008, which represents a significant investment of nearly £65,000 by the company in the programme. All course fees, time out of the business and expenses are met by the company.

Feedback to date has been very positive from all parties involved:

Tracy Calvert, a graduate at Capita Symonds who has been through the BusinessWise programme, said: "I found the course really useful in understanding the processes behind what we do. It's been designed to allow us to relate the lectures back to our current and future roles which I found really helpful." Tracy Calvert, Graduate.

Kathryn Turner, also a graduate of the programme, said: "I found the team building work to be really useful. Capita Symonds is a large business, but through BusinessWise I've had the opportunity to meet up with other graduates from across the country and share our experiences."

Renata Eyres, Head of Business-Led Learning at the University of Salford, said: "Working with Capita Symonds, you soon come to realise that they are an organisation that clearly understand and value the importance of developing their staff to achieve their business goals. This culture of learning has also benefited the University with Capita investing time and effort to help inform and shape our key business processes and systems for engaging with employers. We look forward with confidence to the further development of the partnership."



Investing in our communities

We support and invest in the communities where we operate

Our business places us at the heart of the communities in which we operate. As outlined on p2, we benefit these communities by improving services and creating new jobs and regeneration projects in partnership with our clients.

We also donate our time, skills and money through our community investment programme. This is focused on tackling social exclusion of all kinds, through a central Group programme and local action by individual businesses. In 2008 our total community investment was £1.1m. With almost 10% of our employees now based in India, we've extended our community investment programme there. Our Indian employees have chosen to focus on projects that improve education and health in local communities.

Employee volunteering

Volunteering brings business and personal benefits, and we release employees to take part subject to their managers' approval. We encourage them to engage with their local communities through our volunteering scheme, launched Group-wide after the success of the pilot projects we ran with Business in the Community in 2008. It concentrates on causes where our help can make most difference: raising young people's achievement levels, removing barriers to work and supporting economic renewal in deprived areas. In 2008, 3,300 employees contributed over 9,000 hours of their time.

Charitable support

We support a Group-wide Charity of the Year, chosen by employees, and individual businesses support local initiatives. We also support some key clients' initiatives.

In January 2008 we began a two-year partnership with Macmillan Cancer Support, aiming to raise £1m over two years. By the end of 2008 the partnership had directly raised £360,000, mainly through the Capita Challenge (see [below]), our Charity Week, and sponsorship of the charity's winter ball.

Payroll giving

Over 1,600 Capita employees support our payroll giving scheme, donating over £120,000 during 2008. HMRC awarded us its Silver payroll giving quality mark, as over 5% of our employees now donate to charity this way.

Matched funding

We back employees who raise funds for charity by providing matched funding: over £50,000 in 2008. We introduced an additional fund in 2008 to support clients' charities.

Rising to the Challenge

Since 2004 we've organised an annual Capita Challenge day, where teams from our different sites compete in mental and physical challenges to raise money. This year 82 teams took part, including some of our clients and suppliers. With matched funding from the Group they raised £67,000 for our corporate charity, Macmillan Cancer Support.

Caring for underprivileged communities in India

We work with three community organisations in Mumbai. Staff at our Andheri office support the Handmaids of the Blessed Trinity project, a school and orphanage that's home to 30 children and educates 300. We work with Aasara, which cares for street children in Thane: in 2008, our employees helped to relocate its classroom to a more suitable and hygienic site. And 105 employees have volunteered 240 hours to help teach and organise events for Vidya, an organisation dedicated to empowering underprivileged women and children.



Case Study: Working with Job Centre Plus

Helping to employ and train local people

In February 2008, Capita Life & Pensions Pearl account in Glasgow signed up to a local employment partnership with Job Centre Plus. The primary objective was to fill vacancies in the contact centre, created as a result of work migration from our Wythall site and new work orders from the client.

Since the partnership began we've held open days in February 2008, August 2008, and January 2009, each one attracting over 70 people. Candidates shortlisted from the open days are booked in for an assessment which includes keyboard skills and PC literacy, numeracy skills, listening skills, telephony manner and general aptitude. The main aim of the assessment is to gauge potential, not contact centre experience. Successful candidates are then moved forward to a final interview.

Candidates who attend an open day but are not successful are offered further training by the Job Centre. This can involve going on a training course at a contact training centre (CTC). Part of the course involves visiting a working site to demonstrate the realities of working in a contact centre and Capita are one of a number of companies offering this service. We also offer trainees that chance to take part in mock interviews with a view to improving interview technique.

To date the partnership has proved to be a tremendous success, resulting in the recruitment of 30 new employees to Capita. Ozma Ahktar joined Capita in April 2008 following completion of the CTC initiative. Here's what she had to say:

"I'd been out of work for over two years and kept being told that I didn't have enough experience, even though I'd studied at university for three years! I went along to one of the open days at the Job Centre and decided to go on the eight week CTC training course. The course really gave me a lot of confidence and soon after I successfully applied for a job at Capita."

"I've been with Capita for well over a year now and I really love it. I've got two teenage kids and being at work gives me time on my own as an independent person and I get great satisfaction from resolving customer's queries and complaint."

Case Study: Work experience scheme

Working with the Social Mobility Foundation

The Social Mobility Foundation is a registered charity which aims to introduce the brightest school students from low income backgrounds to professional or business life in time for them to decide to choose an appropriate university course. The Foundation works with schools in under-privileged areas to identify the most able students in the first year of the sixth form, and then provides internships in the professions and with leading employers. The objective is to broaden the horizons of these bright young people by providing them with a real insight into the higher echelons of business and the professions.

Lack of opportunity and careers information too often prevent able students from low income backgrounds from fulfilling their potential. The parents and social network of these students find themselves unable to provide information on the range of careers they could consider. The consequences can be far-reaching.

A placement with a leading employer, or having been mentored, before applying for entry to university can provide bright, financially disadvantaged

students with information that will enable them to make right career decisions at the right time in their educational careers. Moreover, it gives them the opportunity to learn and reflect on some of the social and communication skills required by many leading employers.

Since July 2007, the Capita Group has been welcoming students to a number of their London offices. Sue Lawrence, Director of Business Development at Capita Trust Company Ltd, said "To date we've been very impressed by the calibre of the students placed with us. They were all given specific projects to work on and all made very significant contributions. We will definitely be continuing with these placements in the future."

"Spending time at Capita has given me a totally different outlook on what it's like to work in a business environment." said Bunsu Keshave, who interned at Capita Trust Company Ltd. "It's been an invaluable experience and one which wouldn't have been possible without the help of The Social Mobility Foundation. I really enjoyed working in the City and hope to do so again in the future."

Environmental management

We're committed to playing our part in tackling carbon emissions, cutting waste and recycling more

Almost all our people are office based, so our main environmental impacts come from energy use, business travel, resource use and waste, and our supply chain. We aim to minimise all these impacts. All our sites are working towards the ISO14001 environmental management standard and 47 have full accreditation. We also work with clients to help them reduce their own impacts – for example through paperless billing or replacing travel with videoconferencing.

Climate change

We've published our direct carbon footprint annually since 2005. In 2008 it was 64,611 tonnes of CO₂. This was a 10.4% increase over the previous year, while our financial turnover grew 18% and staff numbers increased by 23%.

Our business travel emissions grew by 20% as an encouraging reduction in the proportion of business travel by car was offset by 26% growth in air travel – due mostly to the growth of our Indian operations. Rail travel grew 25%. Video and teleconferencing are helping to reduce journeys: over 20,000 people now take part in more than 6,500 teleconferences each month, involving over 750,000 minutes of calls. All our 1,700 company cars run on diesel and emit a maximum of 190gm CO₂/km: the average is 138gm CO₂/km.

Our carbon footprint	2008 tonnes CO ₂	2007 tonnes CO ₂
Offices	43,443	40,858
Business travel	21,168	17,665
Car	15,079	12,827
Air travel	4,551	3,613
Train	1,467	1,171
Taxi	71	54
Total Capita Group	64,611	58,523

Energy Reduction Programme

In 2006 we committed to use 12% less energy at our 20 largest sites by end- 2008. Since then we've closed two sites, so the final figures covered our 18 largest sites – where we've far exceeded our target. Over the two years we cut energy use by 18.3%, saving 3,300 tonnes of CO₂ and over £600,000. In the first quarter of 2009 we saved another 395 tonnes of CO₂ and £88,000.

Waste and resources

We're cutting waste and recycling more. In 2008 we recycled 3,059 tonnes of paper and 4,639 printer cartridges, mobile phones and PDAs. We spend some £0.75m a year on paper, almost a third of it recycled. To use less paper:

- We're increasing double sided copying and printing
- We've put our quarterly staff magazine online, saving 2.5m A4 sheets of paper and £50,000 a year
- 64% of employees now receive their payslips electronically.

Working with our stakeholders

We help clients and suppliers to cut their environmental impact. For example, in 2008 we doubled our virtualised server capacity – enabling clients to:

- Cut electricity use by over 4m kWh, saving nearly £450,000 a year
- Save £1.42m a year on IT hardware
- Cut CO₂ emissions by 1,753 tonnes.

We also encourage suppliers to help us reduce our impacts. Some 18% of our spend with our stationery supplier, Office Depot, is now on environmentally responsible products and we are collaborating to replace corrugated packaging with reusable plastic tote boxes for deliveries.

We also encourage our employees to reduce their environmental impact at work and at home, through information and promotions including our first Green Week in January 2009.

Community PCs

Through our partnership with Birmingham City Council, the council's unwanted computers and accessories are recycled and sold to citizens who receive benefits for as little as £40 for a PC – reducing waste while broadening digital access.



Case study: Charity recycling scheme

Ensuring our waste is correctly disposed of.

At the end of 2006 we set up a scheme to recycle all our printer cartridges, mobile phones and PDAs, both those used in our offices and those used personally by our employees.

By supporting this scheme we are making a positive contribution to the environment while ensuring that our own waste is correctly disposed of. We also make a donation to corporate charity partner charity partner Macmillan Cancer Support each time an item is recycled. We recycled over 4,600 items in 2008.



Case study: Environmental initiatives

Reduce energy consumption through raising awareness

Capita Symonds in East Grinstead has been tackling 2 of the environment's most stubborn problems: leaving electrical equipment on and commuting by car.

Green 'switch off' stickers were put on every electrical item which can be switched off safely when not in use. The site discovered that part of the reason items were left on was due to confusion about whether it was safe to turn them off. They also found that many employees leave monitors on standby.

The stickers are going a long way towards ensuring all desktops, printers, copiers, lights, water heaters, radiators, fan heaters, kettles, microwaves, light switches are switched off.

The site undertook an assessment of staff commuting and business travel habits, resulting in a Green Travel Plan involving:

- raising awareness and greater provision of information
- production of a Travel Pack
- car sharing database and distribution list
- cycling network and route maps

- cycle to work scheme
- dress down days when participating in National Bike Week
- lockers and drying facilities
- travel Planning website section of employee intranet
- staff Induction Process which is consistent across the office.



Our 2008 CR progress: CR Key performance indicators

Review our performance in 2008 in each of the key impact areas, and the targets we have set to achieve over the coming year.

CR Priorities	Aim	Year end 2008	Year end 2007
Responsible business practices	Annually audit all strategic suppliers (tier 1) against Capita standards of business	100%	50%
	Consistently increase the number of supplier audits across our Group suppliers. 40% audited against a 23% increase in suppliers.	40% audited	41% audited
Supporting our people	Ensure we provide safe and productive working environments for all our employees (accident frequency rate per 1,000 employees (RIDDOR))	1.57	2.05
	Undertake health and safety site audits twice a year	Audits completed	Audits completed
	Attract and retain the appropriate level of senior management to drive the strategic direction of the Group (salaries exceeding £90k)	88%	89%
	Attract and retain the right people to deliver Group strategy, maintaining employee retention at or above industry average (2008: 82.7%, 2007: 81.9%)	82%	82%
	Have at least 10% of our workforce based in India by 2009	8.9%	4.5%
	Reflect the communities in which we work:		
	Male/female split	52% male 48% female	51% male 49% female
	Male/female split for management (salaries £%0k -£89k p.a.)	74% male 26% female	81% male 19% female
	Male/female split for management (salaries exceeding £90k p.a.)	88% male 12% female	88% male 12% female
	Ethnic diversity (employees from ethnic minority groups)	15.5%	8%
	Provide flexible working hours while ensuring maximum flexibility in Group resources. Percentage of part-time employees of total workforce	15.5%	17%
Investing in our local communities	Corporate donations	£0.6m	£0.5m
	Raise meaningful sums for our corporate charities: In 2008 we set a target of £1 mover 2 years for our new charity partner, Macmillan Cancer Support	Raised £360k	-
	Maximise the fundraising potential of our Group-wide charity week	Raised £67k	Raised £48k
Environmental management	Continue to measure and assess our carbon footprint (tonnes CO ₂) to be measured annually. CO ₂ emissions rose 10.4% against increases in Group turnover of 18%, and increase in staff numbers of 23%	64,611	58,523
	Raise awareness of environmental issues and Group initiatives across the business	Established environmental section on employee intranet	Ongoing
	Undertake environmental site audits twice a year	Audits completed	Audits completed
	Achieve 12% reduction in electricity used at our 18 largest sites by 2008	-18.3%	-8%
	Continue switching fleet vehicles to diesel engines	98.4%	95%
	Achieve further ISO 14001 accreditations at our higher impact sites	47	37
	Further promote BT conference call facility	78,000 conference calls	

CR at Capita

Objectives	2008 Progress	2009 Target
Management and policies		
Establish a CR working group to continuously improve Capita's management of CR issues	CR working group met regularly to discuss progress against our targets, any challenges and share best practice.	Establish a CR Committee, including external, independent representatives, chaired by our Group Finance Director, Gordon Hurst who has overall responsibility for CR to provide further strategic input and oversight.
Monitoring and measurement		
Improve our data collection processes	Established a network across the Group to collect and report CR data against set targets on a quarterly basis.	Continue to collect data from across the Group on a quarterly basis for external reporting. Ensure processes are swiftly embedded across any new business operations.
NEW Embedding CR		
Develop a new reward scheme to recognise where new CR initiatives have been introduced and implemented across the business as part of Green Week.		Pilot ideas generation and reward participation as part of our first Green Week 2009. Awards scheme to be developed further and implemented as part of Green Week 2010. Charity and Community Engagement remains a key part of the Group's employee awards scheme.
Transparency & accountability		
Engage with our external stakeholders	Engaged with stakeholders through a number of channels, including over 100 investor meetings, regular client surveys and direct opinion surveys	Broaden our engagement with external stakeholders, specifically asking for feedback on our assessment of our material impacts.

 Achieved

 Partly achieved

 Ongoing

Impact of our services








Objective	2008 Progress	2009 Target
Client Partnerships		
Maintain a high level of client service and retention rate.	Maintained high level of client service and retention rate. In the last 25 years we have only failed to renew 3 of our material contracts (defined as representing 1% of previous year's revenue)	Continue to maintain high level of client service and retention rate.
Continue to support clients on key CR initiatives and develop our approach to joint initiatives	Worked with clients on a variety of initiatives including: Focussing on energy reduction through data consolidation Producing electronic payslips Awareness campaigns to increase our employees understanding of Carbon Monoxide poisoning.	Continue to develop new and innovative ways to work with clients, to increase the efficiency of their services and reduce their impact on the environment.

 Achieved

 Partly achieved

 Ongoing

Responsible business practices

Objective	2008 Progress	2009 Target
Supply chain management		
Continuous review of policies. Develop and issue best practice procurement processes and procedures that embed CR in the business	Reviewed all Group policies that have supplier impact. Developed a new Group procurement policy and framework	 We will issue specific policies for procurement and supplier management including an Ethical and Sustainable Procurement policy by July 2009
Audit our 25 strategic suppliers.	Conducted annual audits of all our strategic suppliers against Capita standards of business.	 Continue to audit all our strategic suppliers.
NEW Increase the total number of active suppliers that have been audited annually across our entire supplier community.	Consistently increase the number of supplier audits across the Group 40% of total suppliers audited in 2008	 We will continue to promote audited suppliers above unaudited suppliers to our procurement specialists and employees.
Review supplier database including how new suppliers sign up.	Reviewed supplier approval process.	 Deploy e-procurement platform with supplier repository. Monitor compliance to new Policies by September 2009.
Work with strategic suppliers to ensure continuous improvement plans and measures in place. Increase targets for CR compliance.	Developed supplier segmentation criteria. Quarterly strategic reviews in place with all strategic suppliers	 Review all strategic suppliers' supply chain to ensure transparency and compliance to our policies, including specific CR objectives.
Work with our suppliers to increase our proportion of spend on environmentally responsible products.	Worked with Office Depot, 18% of total spend is now on environmentally preferable products	 Continue to work with Office Depot and other suppliers.
	Trialled initiative with Office Depot to deliver goods in reusable plastic tote boxes.	 Review the results of the trial. If successful introduce across the Group.

 Achieved

 Partly achieved

 Ongoing

Supporting our people






Objective	2008 Progress	2009 Target
Diversity		
Continue to monitor employee diversity	Quarterly review of diversity statistics	
Set up Diversity Champions Forum to communicate and promote diversity initiatives	Diversity Champions Forum in place. Meetings held quarterly.	 <p>Continue to hold and promote Diversity Champions Forum on a quarterly basis.</p> <p>We will continue to raise awareness of our commitment to diversity and inclusion through regular promotion to all employees and Managers. This will include the promotion of case studies and of our internal training tools -Diversity Awareness training</p> <p>Monitor employee's opinion regarding whether they are being fairly treated regardless of age, gender, disability, or ethnicity.</p>
Employee Engagement		
Continue to develop relationships with Trade Unions and assess appropriate communications structure i.e. National, Divisional	HR Structure is aligned to support the management and engagement of Union Relationships. HR and Capita Businesses held regular meetings with all unions recognised in Capita.	 <p>Continue to support existing meeting framework</p> <p>Operate in line with our Union Partnership Agreements which includes communication process</p>
Recognise the excellent engagement in our Capita values to further embed them in our business. Develop a new reward and recognition framework that promotes and recognises staff engagement across the Group	Reviewed Capita Excellence Awards programme and developed new Group-wide awards scheme which will be launched in 2009, aimed at rewarding Capita values and promoting divisional ownership and local business involvement.	 <p>Launch Capita People Awards scheme in Quarter 1. Recognise the achievements of nominees under the awards scheme quarterly.</p>
Continue to promote and monitor employee welfare.	Undertook a Group-wide employee survey, which included seeking feedback on staff benefits	 <p>Repeat employee survey and ensure it covers questions regarding all areas of employee support and welfare</p>
Career development		
Monitor levels of training undertaken by employees and Managers and set target for improvement	Secured statistics from Capita Learning and Development in respect of Group wide internal training. Statistics provided in respect of Group wide internal training	 <p>Monitor current training usage with Capita Learning and Development quarterly.</p> <p>Promote managerial training throughout 2009</p> <p>Review and refresh internal training modules in 2009</p>
NEW Increase number of employees completing vocational qualifications.	Reviewed initiatives to raise awareness of vocational training building on experiences within several of our businesses who currently support vocational training. Identified Skills Pledge as key to achieving this	 <p>Increase awareness and support of vocational qualifications by launching and promoting Skills Pledge within Capita in Quarter 1</p>
Employee welfare		
Ensure we provide a safe and productive working environment for all our employees.	Completed health and safety audits at all of our sites twice a year. 915 Capita employees attended health and safety courses, with over 3,000 managers attending in the last 3 years.	 <p>Continue to improve our health and safety record year on year to ensure all our staff are equipped and trained to carry out their task safely, efficiently and with due regard to the environment.</p>
Promote and support initiatives related to staff benefits that demonstrate a commitment to environmental issues	Worked with the suppliers of our staff benefits programme to secure offers and promotions on environmental products and services.	
NEW Encourage more environmentally friendly modes of commuting to work. Review the feasibility of introducing Cycle to Work scheme	Reviewed the feasibility and appetite for the introduction of the Cycle to Work scheme.	 <p>Implement Cycle to Work scheme in Quarter 3 in our UK offices</p>

 Achieved

 Partly achieved

 Ongoing

Investing in our communities








Objectives	2008 Progress	2009 Target
Total community investment		
Continue to identify and support projects in our local communities. Using London Benchmarking Group methodology measure our total community investment.	Total community investment = £600,000 (information captured from 60% of the Group)	 Continue to identify and work with suitable projects in our local communities. Continue to measure our community investment and increase the amount of data captured and reach across the Group.
Charitable giving		
Employees select one charity to be supported and promoted at a corporate level to really make a collective difference to the charity. Launch new corporate charity partnership with Macmillan Cancer Support. New target set to raise £1m by end of 2009.	Partnership launched to all employees. Number of charity events held throughout the year and £350,000 raised for corporate charity at end of 2008.	 Continue to support our chosen charity partner, including sponsorship of their flagship event, the Macmillan Annual Ball.
GAYE		
Continue to promote and fund the administration of the GAYE scheme to encourage participation of our employees. Aim to achieve Silver payroll giving award (5% of employees donating)	Worked with professional fundraisers to promote the scheme. 5.4% of our employees now donate via the GAYE scheme. Achieved Silver payroll giving award.	 Continue to work with professional fundraisers to increase the number of employees taking part in the scheme. Encourage uptake through the introduction of a one-off promotion.
Employee volunteering		
Encourage and support employees volunteering in the communities in which they work through establishing a robust, Group-wide funded volunteering scheme.	Reviewed the two pilot volunteering projects. Following their success we introduced the volunteering scheme right across the Group. Employee hours spent volunteering = over 8,500 hours	 Continue to work with volunteering broker and promote the scheme more widely across the Group, with a target of 3% of employees to have volunteered in 2009.
Matched Funding		
Provide matched funding support to our employees raising funds for charity to further encourage and recognise their efforts.	£50,000 provided in matched funding support to our employees	 Continue to provide matched funding. Launch a new online matched funding process for employees

 Achieved

 Partly achieved

 Ongoing

Environmental management

Objectives	2008 Progress	2009 Target
Carbon Footprint		
Start quarterly internal reporting of the Group's carbon footprint by cost centre.	Data mining and reporting tools have been developed and tested for business travel. Site energy reporting in place for Top 20 sites only.	 Incorporate the expanded energy reduction programme site energy data into the quarterly carbon footprint reporting to increase tracking of our progress.
Energy reduction		
Reduce energy consumption across the Group. Achieve 12% energy reduction in energy used at 18 largest sites by end 2008.	Achieved an 18.3% reduction in our energy usage since 2006.	 Roll out energy reduction programme across Group sites where possible. Install automatic, remotely readable electricity meters in 90% of sites to meet our obligations under the new Carbon Reduction Commitment regulations.
Introduce monthly energy data reporting to top 18 sites. Roll out energy reduction programme to next tier of sites.	Top 18 sites report monthly data to SH&E manager to review. Meetings held to educate the facilities managers about the energy reduction programme.	 Expand the Top 20 Programme reporting requirements to all metered sites.
Business Travel		
Continue to promote the use of BT conferencing internally and with clients.	Through the promotion of the scheme, we now have over 6,500 conference calls per month, involving 20,000 participants.	 Continue to promote the use of BT
Encourage selection of energy efficient vehicles. Look to establish guidance and choice of vehicle to achieve this.	A revised policy was published and incorporated a number of sub 120gm/km vehicles which have proved to be very popular.	 Continue to introduce further sub 120gm/km models as they become available and look to reduce our current cap of 190gm/km when possible.
Waste management		
Increase the level of recycling across all sites	Our site audits recorded that two thirds of our sites have well - established recycling programmes in place.	 Increase the number of sites who have well established programmes in place to ensure that all sites are recycling at optimum levels.
Group SH & E Audits		
All sites to achieve a minimum score of 75% on the environmental section of their Group SH & E Audits	239 out of 322 audits achieved a score of 75% or more.	 Continue to improve the minimum score and achieve 75% at all our existing and new sites.
NEW Employee CR Awareness		
Raise awareness of employee initiatives that our employees can get involved in, both at work and at home		Build on 2009 'Green Week' by running a further campaign in Quarter 3 to promote our environmental initiatives and ideas raised in Green Week across the Group to encourage continued employee awareness and engagement.

 Achieved

 Partly achieved

 Ongoing

