

Wouldn't it be great
to grow our success
and responsibility
hand in hand?



At Capita, that's what we aim to achieve.



Chief Executive's introduction

Welcome to our Corporate Responsibility Summary Report for 2009.

This has been a challenging year in which to do business. The tougher economic climate has emphasised the need for businesses to demonstrate their sustainability: to show how they are managing their operations to support all their stakeholders over the long term, which is Capita's goal.

At Capita, success goes hand in hand with responsibility. By managing our key social, environmental and economic impacts well, we can deliver value to all our stakeholders. In turn this allows us to give our investors an appropriate return and generate the funding which is essential to the Group's long term sustainability.

Our aim is to embed CR at all levels in our business. Throughout the year we have continued to engage with our stakeholders, responding to their needs in the way we manage our key impacts. We have used the CR working group to challenge our CR activity and ensure that our strategy is aligned with our business principles and corporate values.

I am pleased with what we have achieved so far but recognise that there is still more to be done. This report provides a summary of how we performed in 2009 and outlines our plans for 2010. You can find more detailed information about our CR activities by visiting our CR website: www.capita.co.uk/corporate-responsibility. This live report enables us to provide regular updates throughout the year and allows you to select the information that interests you.

Corporate responsibility isn't just about ticking boxes. Sometimes you need to think outside them. In all our activities we try to use a little imagination – to ask ourselves: "Wouldn't it be great if....?" To see if we can do better, do more, or go beyond the brief to deliver greater benefit for our stakeholders. The case studies in this report give just a few examples.

I hope you enjoy reading more about the work we've done so far and that you will visit the website from time to time to check on our progress. Please let us know your thoughts on our activities: your feedback is important to us and will help to inform our future CR initiatives.

A handwritten signature in blue ink that reads "Paul Pindar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Pindar Chief Executive

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Capita at a glance

Capita is the leading business process outsourcing (BPO) company in the UK and Ireland. We support, manage and transform services for our clients' business operations in a wide variety of markets, where there are significant opportunities for growth.

We create and reshape services both to answer the needs of our clients and to deliver quality, responsive services to the public. Our clients benefit from Capita's expertise, innovation and extensive resources and infrastructure. When they transfer their administration and customer services to us we sign up to delivering an improved service, at a defined cost, over long term contracts.

We use customer insight and our ability to improve the management of people, processes and IT to achieve a more efficient alignment of resources and a better customer experience. Our innovative service solutions and record of consistent operational delivery have helped us to create a sustainable business.

Our strategies, KPIs and governance

Our business goal and strategy

We have a clear business objective – to develop Capita as a long term, sustainable business that delivers value to all its stakeholders by:

- Building appropriate scale and capacity and optimising our infrastructure to meet our **clients'** needs
- Managing resources well by actively attracting and building a quality workforce of motivated and supported **employees**
- Creating successful **supplier** relationships to ensure quality, responsible and cost-effective partnerships across the Group
- Controlling and minimising our **environmental** impacts
- Supporting the **communities** in which we work
- Consistently delivering value to our **shareholders**.

To achieve our objective we must engage with our stakeholders to understand and meet their needs and manage our business responsibly. This benefits us and our clients by allowing us to build on opportunities and reduce risks, so creating business advantage.

We manage our business and resources with a clear set of non-financial and financial KPIs, embedded policies and robust initiatives for each of our key priority areas.

Our principal non-financial KPIs

Aim	Progress 2009	2008
Client resources: building scale and capacity Continue to grow our infrastructure of business centres to meet the needs of our growing business.	62 business centres	62 business centres
Employee resources: retaining people Maintain high retention rates for senior managers (salaries exceeding £90k p.a.).	88%	88%
Maintain overall employee retention at or above industry average (2009: 84.3%, 2008: 82.7%) ¹	84%	82%
Create successful supplier relationships Annually audit all tier 1 suppliers against Capita's business principles.	100%	100%
Controlling our environmental impacts Continue to measure and assess our carbon footprint (tonnes CO ₂).	79,212	73,057*
Supporting our communities Continue to measure and grow our total community investment annually, using London Benchmarking Group (LBG) methodology.	£1.4m	£1.2m
Shareholder value Grow dividends at least in line with earnings – annual growth of total dividends.	17%	20%

¹ CIPD 2008 and 2009

* Based on latest available greenhouse gas emissions factors from Defra, we have reviewed our calculation methodology and, to ensure accurate year-on-year comparisons, our 2008 carbon footprint has been restated.

Our principal financial KPIs

Aim	Progress 2009	2008
Earnings per share Achieve long term steady growth in EPS.	38.75p	33.26p
Operating margins Maintain and strengthen margins.	13.31%	13.15%
Free cash flow Maintain strong free underlying cash flow.	£280m	£219m
Return on capital employed (ROCE) Achieve ROCE which exceeds our cost of capital.	20.6%	20.3%
Economic profit Achieve steadily increasing economic profit.	£162m	£139m
Gearing – interest cover Maintain an efficient capital structure, with relatively low gearing.	10.9x	7.4x
Capital expenditure Keep at or below 4% of revenue.	2.5%	3.5%

Our strategies, KPIs and governance

Our CR strategy

Our role is to help organisations to function more efficiently and cost-effectively. But we also recognise our responsibility to identify and manage the social and environmental impacts of our operations and the services we deliver.

To operate sustainably we need to know what issues are material to our business and to our stakeholders. In 2008, we engaged with our core stakeholders to review our material impacts and identify the areas that matter to them. They confirmed that we were reporting on all the main CR impacts that they would expect us to address. In 2009, we consulted with stakeholders again and confirmed that our overall material impacts had not significantly changed. We have continued to focus our activity across these priority areas, reflecting our stakeholders' interests.

Our CR leadership and governance

Our Board of Directors continues to take responsibility for ensuring that our CR strategy is embedded throughout the business. Our Group Finance Director, Gordon Hurst, has overall responsibility for CR activity. Each member of the Board also has specific responsibility for one of our 6 CR priorities. Their shared leadership of our CR approach demonstrates to stakeholders our commitment to integrating CR activity throughout the business.

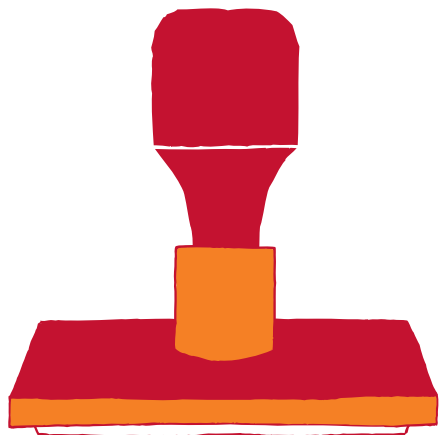
Our CR working group, which includes senior representatives from across the business, meets 4 times a year. They are responsible for developing our CR strategy to ensure it is aligned with our business strategy and that our Statement of Business Principles remains fit for purpose. We are currently looking at setting up a more formal CR Committee including external representatives, which will discuss and challenge our work, providing further input into and development of our CR activities.

Specific CR policies and procedures – including policies on health and safety, procurement, information security, environment and charitable activity – are developed by the Group functional heads. They are accountable for activity within their specific areas across all our individual businesses. This allows us to identify and manage any CR-related risks and report progress to the Board against our key CR targets.



Our Key CR Priorities

6 KEY PRIORITIES



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Priority 1

Responsible business practices

Aim:

To grow and manage our business responsibly, meeting the needs of all our stakeholders and delivering value for our shareholders.

Focus:

With a clear set of business principles setting out the standards of behaviour we expect, robust financial management and operational structures, good governance and risk management, we focus on creating a sustainable, long term business.

Engagement:

We engage with all our stakeholders regularly in a variety of ways – including formal dialogue, one-to-one meetings and informal day-to-day communications.

Statement of Business Principles

Our Statement of Business Principles sets out the standards of behaviour that we expect. It details our shared business values and the responsibilities we have to all our stakeholders. The key elements are:

- Act with integrity and honesty in all our dealings
- Treat clients and their customers fairly
- Communicate openly and transparently with all our stakeholders
- Show respect for those we work with, valuing their skills
- Treat clients and their customers fairly
- Invest in our local communities
- Manage and minimise our impact on the environment
- Ensure we do not have any business relationships with businesses or individuals who act outside legal boundaries or our wider CR and business principles.

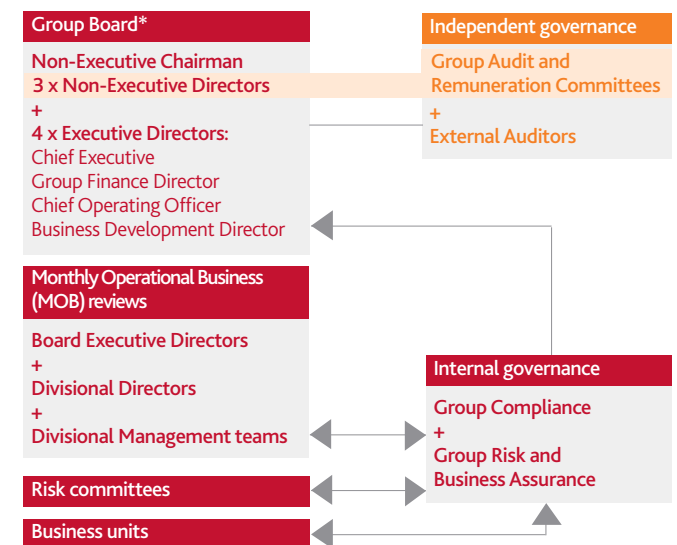
Our business principles are communicated internally to all our employees, and we give guidance where necessary to ensure that they are applied in all our business dealings.

By managing our business responsibly we will help to create a financially stable organisation, capable of delivering healthy investment returns to our shareholders. We hold regular meetings with our investors – showing them how we manage our business to meet both financial and non-financial targets, and seeking their opinions and feedback in open discussion.

Robust management processes and governance

Our management structure and business reporting process promote accountability and knowledge sharing across the Group, keeping management responsive to performance and trends in the business and the wider marketplace.

Our management and governance structure



*as at 1 March 2010.

The Chief Operating Officer and the Divisional Directors are responsible for the development and performance of the divisional businesses. They communicate and monitor the application of Group-wide business objectives, policies, procedures and standards. They work with and delegate responsibility to their management teams.

A key element of our business reporting process is our monthly operational business (MOB) reviews, where the performance of each business unit is reviewed. Management teams assess each business unit’s performance against their business plan and discuss its ongoing development, determining how planned targets will be met. Board Executive Directors attend these meetings to ensure they have a detailed knowledge of the progress of the divisions and are aware of developments and potential issues.

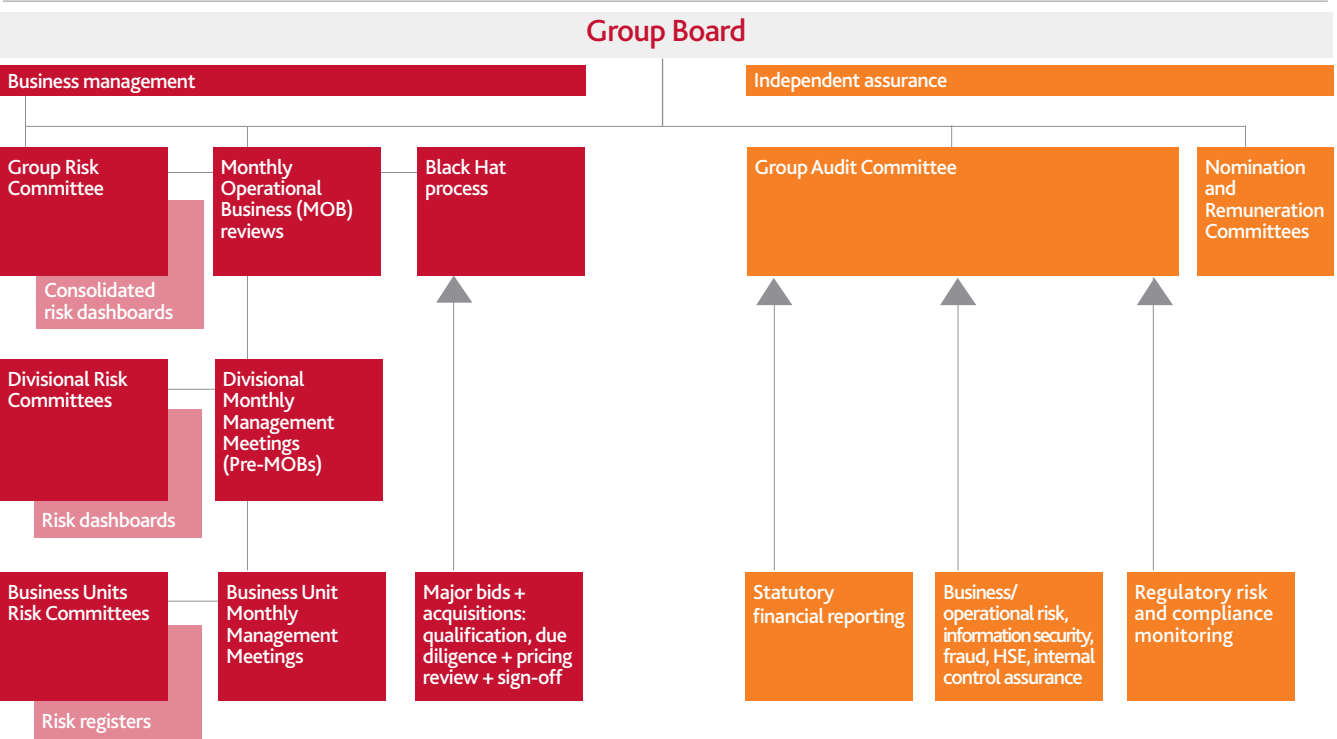
Risk Management

Systems and procedures are in place across the Group to identify, assess and mitigate major business and CR risks that could impact the delivery of our growth strategy. Monitoring our exposure to risk is an integral part of the MOB process.

Across a number of our businesses, including all the regulated businesses, the MOB process is supplemented by formally constituted risk committees and a ‘Black Hat’ process to monitor and seek Board approval regarding acquisitions and major bids.

At Group level, risk management is independently facilitated and challenged by the Group Risk and Business Assurance function, which reports to the Group Finance Director and independently to the Audit Committee.

Risk Management and Governance



Bribery

Capita recognises that bribery and corruption have an adverse affect on communities wherever they occur. We must act with the highest standards of integrity and honesty in all that we do. Capita is therefore committed to enforcing high moral and ethical standards in all business activities.

Fraud management

Preventing and detecting fraud is an important responsibility across our businesses and contracts. Our fraud policy is applied across the Group and is supported by local fraud risk co-ordinators, fraud assessments and training. If an employee suspects that fraud has been committed they have a duty to report the incident. We have 2 clear notification processes, defined in the Group fraud policy and the Group whistleblowing policy.

Meeting regulatory and legislative requirements

To help address its regulatory and legislative obligations, Capita maintains a comprehensive framework of policies and procedures. These are supported by employee training programmes in the relevant business areas, co-ordinated centrally or locally as appropriate. Adherence to these policies and procedures is monitored continuously to ensure that they and the associated training remain fit for purpose and to identify any improvement opportunities.

Capita supports a growing number of financial services clients: we now provide administration and customer services functions for over 25 million UK policies on behalf of our life and pensions business partners. The Financial Services Authority (FSA) Treating Customers Fairly initiative remains a key consideration for us in the delivery of financial services solutions, especially where there is a direct interface with customers. This is entirely consistent with our own Group-wide commitment to respect our customers, treat them fairly and ensure they receive the best possible service.

25m
UK POLICIES ARE ADMINISTERED
BY CAPITA ON BEHALF OF OUR LIFE
AND PENSIONS BUSINESS PARTNERS

Priority 2

The value of our services

Aim:

To transform our clients' services, adding value to their operations and meeting the service needs of the public.

Focus:

We are continuously looking to improve our clients' operations and ensure that their customers receive appropriate service. We do this through improving the way services are delivered – by improving business processes, increasing customer choice and accessibility and engaging our employees to maintain continuous improvement through innovation.

Engagement:

Maintaining good relationships with our existing clients is vital to creating a sustainable business. The varied nature of our business makes it difficult to adopt a uniform approach to measuring client satisfaction, so we use a number of review mechanisms. Client relationship managers meet with our clients regularly and report against service standards at least monthly. Our Board Directors actively make themselves available to clients and engage with them. Where we have large strategic partnerships with local authorities our Directors sit on partnership boards to ensure collaborative working and shared objectives.

Customer choice and inclusivity

We focus on our clients' customers. Where possible we provide inclusive, accessible services for end-users. We work with our clients to improve their customers' overall experience. By using innovative new service solutions we can reduce administration costs across the public sector so that more money can be reinvested into front-line services.

For example, for the NHS we deliver NHS Choices, a health information website giving people reliable information and advice, enabling them to make informed choices about their healthcare. This allows them to take responsibility for their own health, reducing the burdens on the NHS and transforming the delivery of health and social care. The average number of visitors to the site in 2009 was 7.2 million a month; we have set a target of 11.7 million by 2011. By providing the service online we are making it more accessible, allowing people to access it anywhere, anytime.

Regeneration and economic growth

As well as benefiting our clients' operations through improved service delivery, we bring wider benefits to the public and local communities where we work. Through our client partnerships we help to regenerate our local communities. We create more jobs for local people and wherever possible use local suppliers.

We are also often involved in the physical regeneration of our local communities. For example, through our strategic partnership with Blackburn with Darwen Council, our Capita Symonds property consultancy business has worked on a project to build a £12.7m state-of-the-art sport and leisure centre. The project began with the demolition of the existing structure within a conservation area. The new building, designed to fit with Darwen's urban environment, optimises user comfort through a combination of mechanical engineering, natural lighting and solar control. The new facilities have benefited the whole borough, supporting the local economy and regeneration of the town centre.

7.2m
VISITORS A MONTH TO THE
NHS CHOICES WEBSITE

Protecting our clients and their customers

Managing our clients' services responsibly means adhering to all legal requirements regarding data protection and information security.

We have robust policies and procedures governing data security, including user guidance, online training and incident procedures. It is mandatory for all Capita employees to complete information security, data protection and fraud awareness training every year. Where our clients have particular risks to their business we work with them to address their requirements.

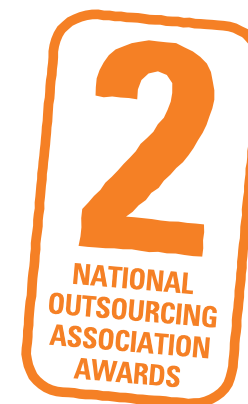
Our employee vetting policy applies to all employees, including contractors and temporary employees. This is driven by the need to 'know your employee' in line with the FSA's statutory objective.



Recognition of service excellence – National Outsourcing Association (NOA) award for Contact Centre Provider of the Year

Capita picked up two awards at the sixth annual NOA Awards: Contact Centre Provider of the Year for our life and pensions operation in Glasgow, which services our Pearl contract, and Financial Services Outsourcing Project of the Year for our partnership with Prudential.

The awards, which celebrate best practice in outsourcing, help to demonstrate that through best practice we deliver service excellence to our clients and their customers.



Case study

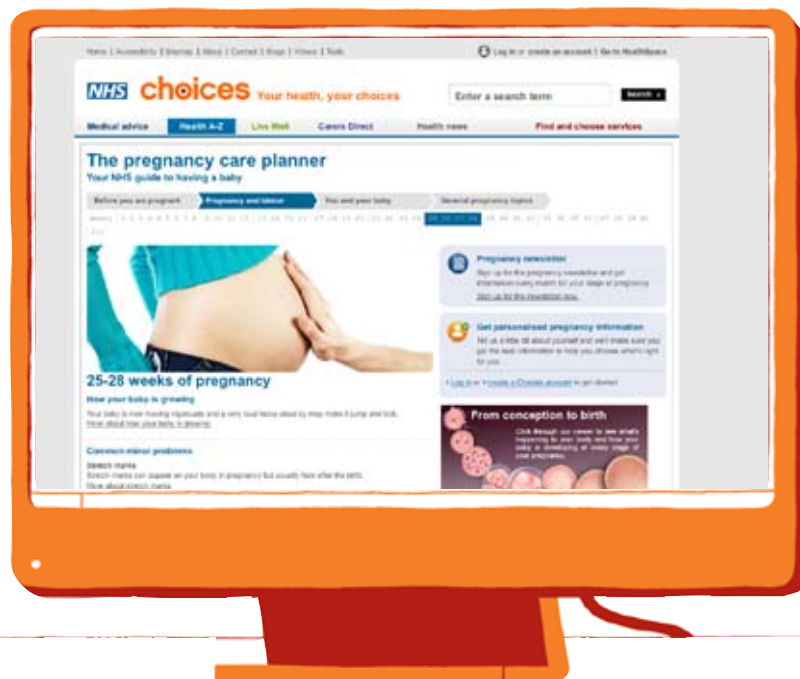
NHS Choices

Wouldn't it be great
if you could manage
your pregnancy online?



NHS Choices

Over 40,000 pregnant women did in just the first 13 months of Capita running NHS Choices.



In 2008 we took on NHS Choices, the Department of Health's information website. Our mission: develop it into the health service's digital front door for England – helping to take pressure off front-line services, while also reducing costs.

What we've done

The contract was about much more than improving efficiency. We've helped to introduce initiatives that bring real benefits to the community. Just 3 examples:

Pregnancy planner: The NHS Choices pregnancy planner is an app that brings expectant mothers weekly pregnancy information and advice, right on their desktop. Instead of searching through reams of pregnancy information online, they simply key in their due date: they then have 24/7 access to pregnancy advice relevant to their week of pregnancy. In its first 13 months, over 40,000 pregnant women downloaded it – so it was helping 6% of the pregnant population to plan their health and wellbeing better.

UK Online: Not everyone has access to the internet. So we've been working with UK Online centres to give the digitally and socially-excluded online health information – and training on how to use the internet. Over the past 18 months we've partnered with 9 'champion' centres to promote NHS health information to all their clients. The project has helped people who've never used the internet before to get health information, find local NHS services and manage their health conditions.

Facebook Healthy Living: Facebook gives us another channel for reaching people and motivating them to lead healthier lives. We set up and run the Healthy Living community, providing advice and support to users while promoting NHS Choices' Live Well content, tools and videos. The page hosts a health 'goal setter' app which lets users set health goals and receive motivational messages to help them hit their targets. It's still early days, but just over 4 weeks from launch we'd attracted 14,500 users, leading to 43,152 page views.

What we've achieved

We were set a target of 7 million visits a month by 2011. By sharply expanding the website's usefulness, we hit our target 2 years early.

- We're helping 7 million people a month to make informed decisions about their health
- We've helped NHS Trusts by providing syndicated content for their local sites
- And we've made the communication 2-way. Users can now add comments to the site, sharing their experience of health services (and their ratings) with other users. In turn, this is encouraging hospitals to make service improvements.

Priority 3

Supporting our people

Aim:

To be a sustainable business we need to attract and retain talented, ambitious people to work with us – people motivated by working for a company that behaves responsibly and invests in developing their careers.

Focus:

We rely on our people to drive the business forward. By offering our employees a workplace that is supportive, rewarding, diverse, safe and inspiring we become an employer of choice, well positioned to attract the best talent.

Engagement:

We engage with our employees in a number of ways encouraging open, 2-way communication, listening to our employees and taking action where appropriate.

Leadership development

Our company culture is one of strong leadership. Investing in skills and developing our people is critical to our future prosperity. In 2009 we enhanced our approach to training and introduced the Capita Managers Academy, providing courses for managers that equip them to help deliver our business strategy, respond to clients' needs and manage and support our people effectively. We maintained our retention rate for senior managers at 88% (2008: 88%) and raised our overall employee retention rate to 84% (2008: 82%).

Creating a Group-wide culture

We have 36,800 employees, primarily in the UK, Ireland, Channel Islands and India. As 70% of our employees transfer to Capita from other organisations, maintaining a positive Group-wide culture is important to us.

An annual employee survey helps us to identify and track where our policies and initiatives are working well and where we need improvement. In 2009 in particular, employees reported that we were doing well in embedding our equality and diversity action plan, and had good processes in place for whistleblowing and treating customers fairly. We showed improvement in communicating our corporate values and the implementation of our CR strategy, especially through our community investment programme; but we still need to improve on the environmental management of our offices, increasing recycling and introducing new initiatives. The survey response rate rose from 44% in 2008 to 68% in 2009. We will continue to encourage our employees to provide feedback in this way.

84%
OVERALL EMPLOYEE
RETENTION RATE

Developing our people

We want our employees to be good at what they do, and we support them in their career development. We continuously encourage them to progress through training, which is firmly embedded in all our businesses. This encourages and supports personal and career development, in turn bringing employees greater job satisfaction. In 2009, we invested £11.9m in employee training, providing 4,100 training days. As the business grows the range of new opportunities increases, allowing us to offer people more varied careers.

Recognising success

We recognise and reward the individual success of our employees, both financially and through our People Awards programme. This celebrates employees who have demonstrated their commitment to our values: leadership, effective teamwork, service excellence, cost saving and efficiency, and community engagement. We also offer our employees the opportunity to benefit from the Company's success through our sharesave and ownership schemes. In 2009 these had 11,042 participants, with 32% of eligible employees taking part.

17.5%
OF EMPLOYEES FROM
ETHNIC MINORITY GROUPS

Diversity, inclusion and human rights

As a large employer operating in a number of countries, we believe our success results directly from the experience and quality of our employees. We believe this is best sustained by developing their talents while recognising their differences and benefiting from their unique skills. Where possible, we employ local people and ensure that each workforce reflects the composition of its local community.

Our equality and diversity policy sets out the behaviour we expect from our employees – to provide a workplace where people are treated fairly and equally, and are free from all forms of discrimination. All our HR policies are well established and publicised across the Group, promoting a positive working environment. Our policies comply with or exceed the legal and regulatory requirements in the countries where we operate. They therefore meet UK, European and Indian employment law as well as international human rights legislation, including International Labour Organisation standards.

Employee wellbeing

We encourage employees to have a good work/life balance and offer them the flexibility to allow this. Where possible we support part-time working, job sharing and flexible working hours.

We are committed to the health, safety and wellbeing of our employees and contractors. We operate a health and safety management system across the Group which includes our health and safety policy. In 2009, our RIDDOR accident frequency rate for employees and contractors was 1.65 per 1,000 employees (2008: 1.57). The slight increase resulted from a change in employment mix as we expanded our various field operations.

4,100
EMPLOYEE TRAINING
DAYS IN 2009

Case study

Apprenticeship Scheme



Wouldn't it be great
if we could give young
people work skills?



Apprenticeship Scheme

Through our apprenticeship scheme we have done exactly that.

APPRENTICESHIP NOTICEBOARD



Apprenticeships? Aren't they an industrial thing? We thought they'd work just as well in our line of work. So each year we're taking on 5 apprentices for a 3-year programme at Service Birmingham, our joint venture with Birmingham City Council.

All come from Birmingham schools, where they've been seen as under-achieving. "The scheme is part of Service Birmingham's ongoing commitment to the schools it works with," says Kim McCarthy, who runs the apprenticeship programme. "These young people may not have had the most positive experience at school. When they come to us they're often quite shy and lacking in confidence."

What we've done

All our apprentices are galvanised by having real work to do in a real work environment. We placed Alex Bradley on a Voice over Internet Protocol (VoIP) Telecoms project, part of the Council's business transformation programme. "Working here has increased my confidence a lot as I have to deal with customers on a daily basis," he says. "I'd really like to work as a network administrator in a high-tech school, and this work experience and training is giving me a really good background for that."

Nakash Shah is one of three apprentices currently working with Link2ICT at Fort Dunlop. "Nakash was very shy when he came to us," says Kim McCarthy, "but he's proved to be a real ambassador, encouraging others to join the scheme. His former teachers were amazed at his confidence when he returned to Sheldon Heath School to talk about the scheme."

What we've achieved

- We've increased the skills and confidence of the apprentices: "As well as giving them useful, career-enhancing training and work experience, we believe the confidence boost they get from working in a supportive environment and seeing their skills blossom is worth even more," says Kim
- We're supporting schools in the local communities
- Service Birmingham is benefiting, too, says Kim: "I'm always being asked by colleagues when one of the apprentices will be available – proof that their work is adding real value."

Priority 4

Managing our supply chain responsibly

Aim:

To manage our business and supply chain responsibly we select suppliers who operate responsibly, meeting our business needs and the needs of our clients.

Focus:

Capita values its reputation for integrity and reliability. To maintain our reputation, we need clear policies and procedures for managing our supply chain and mitigating risks across our operations.

Engagement:

Members of our procurement team meet our strategic suppliers regularly, reviewing their performance and ensuring they continue to adhere to our procurement policy and CR standards. In 2010 we plan to hold another supplier engagement conference for all our current and potential suppliers.

Creating successful supplier relationships

We recognise that good procurement practices can directly enhance our own business performance. Our supplier relationships are managed at Group level by our Group procurement team and at local level by procurement specialists in the individual businesses. We also manage some of our clients' supplier relationships.

Our Group procurement team provide guidance and training to our procurement specialists who are purchasing goods and services from local suppliers in the form of a procurement policy and operating framework. This year we revised our procurement policy, allowing us to consolidate our expenditure and maximise our purchasing power.

Supplier assessment process incorporates CR

Capita has over 15,000 suppliers, who are all required to undergo our supplier assessment process. They must answer questions on their culture and values, environmental credentials, health and safety record and commitment to CR. This enables us to choose suppliers which meet our business and CR standards.

When we work with subcontractors they are also required to meet our stringent criteria. We have a subcontracting policy and a dedicated unit within our Group procurement team to check that they work within our framework.

In 2009, we launched an online registration portal. This has been developed to ensure that we work as productively as possible with all our suppliers, identifying partnership and knowledge sharing opportunities. It also acts as a repository of supplier data for our internal procurement community, as well as giving them the tools for conducting online tendering.

15,000
CAPITA SUPPLIERS, ARE ALL
REQUIRED TO UNDERGO OUR
SUPPLIER ASSESSMENT PROCESS

Supplier diversity

We give all suppliers the opportunity to work with us. We acknowledge that many small and diverse suppliers face specific challenges associated with a lack of time and resources when attempting to engage with large corporates like Capita, but we are committed to removing any barriers to entry for SMEs and minority-owned companies.

17%
OF OUR 2009 SPEND
WITH OFFICE
DEPOT WAS ON
ENVIRONMENTALLY
RESPONSIBLE
PRODUCTS

Working with our suppliers

We continue to work with our suppliers to procure environmentally responsible products, such as those containing recycled materials or components. We also look at the logistics of delivering goods, to reduce both costs and emissions.

In 2009, we worked with our stationery supplier, Office Depot, to continue to encourage our use of environmentally responsible products resulting in 17% (2008: 17%) of our total spend being spent on such products. Nearly a third of this was on paper and envelopes. We continue to develop our relationship with Office Depot: at the end of 2009 we began working to reduce both companies' carbon emissions by using cargo cycles, instead of vans, to deliver to our London offices.

50%
OF ALL GROUP
SUPPLIERS AUDITED

Case study

Gas Safe Register

Wouldn't it be great
if we could help make
gas safer?



Gas Safe Register

The new gas register scheme we implemented is now making gas safer.



Our business is not just to run services more efficiently but to make them work better. In 2009, we won a unique opportunity to help make gas installations safer for everyone in the UK.

In homes and workplaces, unsafe gas work and appliances can seriously injure and kill. Last year alone, 310 people were injured in gas-related incidents – through fires, explosions, gas leaks and carbon monoxide (CO) poisoning – and 18 died. In appointing us to replace the old CORGI gas installer registration scheme, the Health and Safety Executive challenged us to help reduce that toll. Our solution is benefiting not only responsible gas engineers but the wider community as well.

What we've done

As well as setting up the new Gas Safe Register we launched a programme to educate the public about the dangers of unsafe gas work and CO poisoning. We ran campaigns to raise awareness of the dangers of using illegal gas workers, while also making it easy for customers to check whether engineers are registered and what their competencies are. As well as checking qualifications, customers can also see engineers' photos before they visit – which helps to increase security, especially for vulnerable customers.

To ensure that engineers are working in accordance with industry standards we introduced a stricter, more rigorous inspection regime. And we set up a new helpline to support both customers and engineers.

We will continue to promote gas safety through the new Gas Safe Charity. We've commissioned research into ways of reducing CO poisoning and will share our learning through awareness campaigns.

What we've achieved

The improved service we provide has been recognised by both customers and the gas industry.

- Within 8 weeks of its launch, the Gas Safe Register had 126,000 gas engineers registered, more than the previous scheme ever achieved. This was largely due to the simple and cost-effective registration process and greater public awareness of the register
- Both customers and the gas industry have praised the new online support and helpline.

Priority 5

Environmental management

Aim:

As we are a service business our direct environmental impacts are not broad; but the scale of our business means our impacts need to be managed well.

Focus:

We focus on our main Group-wide environmental impacts: minimising energy use at our sites, reducing business travel and managing our resource use and waste management. Our environmental management system, based on the ISO 14001 standard, allows us to monitor and manage our impacts and continually improve performance in these areas. And our environmental policy sets out our commitment to complying with the relevant environmental legislation, and board level responsibilities.

Engagement:

We work with a number of organisations and stakeholders – including the Carbon Trust and the Environment Agency – to help manage our environmental impacts and share knowledge and innovations. Additionally we work with our clients and suppliers to help reduce their environmental impacts. And encourage our employees to be more energy efficient at work and at home.

Climate change

We are committed to playing our part in tackling carbon emissions and have a transparent approach to our climate change activities. We have published our carbon footprint annually since 2005. In 2009 our total footprint, including our rapidly growing Indian operations, was 79,212 tonnes – an increase of 8.4% (2008: 73,057 tonnes) while our Group turnover grew by 10%. With 5 sites in 3 cities in India, our emissions from business travel and use of electricity within India have grown. However, we have managed to reduce air travel between the UK and India. In 2010 we set a target to reduce our carbon intensity (Scopes 1 and 2) by 4.5% a year.

Energy reduction

We established an energy reduction programme in 2006 which continues to achieve year-on-year savings. In 2009 we saved a further 11.9% compared with 2008 – adding up to a saving of 28% or 4,400 tonnes of CO₂ since the programme began.

In 2009 we continued increasing the energy efficiency of our operations, expanding our energy reduction plan across a further 80 sites. Now 35% of Group businesses measure and monitor their energy use.

Business travel

Business travel is the second biggest factor contributing to our carbon emissions. Despite a greater focus on controlling business travel, related emissions grew by 10% – in line with the growth of the business – compared to the previous year.

Video and teleconferencing provide effective ways to reduce travel. We increased the number of conference calls made by 67% to 116,000 in 2009 (2008: 76,000). Over the next year we will engage our employees in a targeted campaign to reduce business travel emissions.

116,000
CONFERENCE CALLS
MADE IN 2009

Waste and resource management

Our focus is primarily to use resources efficiently, recycling more and reducing our waste. Our biggest opportunity in this area lies in reducing our paper use by implementing services that cut the need to produce printed materials. Where waste must be disposed of we ensure it is done safely and in compliance with all legislation.

Through a number of Group-wide schemes we recycle paper, mobile phones, redundant IT equipment, printer cartridges and PDAs. We are currently investigating purchasing reconditioned IT equipment, in particular reconditioned printers.

We engage with our employees to encourage behaviour change – raising awareness through internal campaigns including an annual 'Green Week' and encouraging them to improve environmental management in their offices and homes.

Total carbon footprint for Capita Group (including India operations)

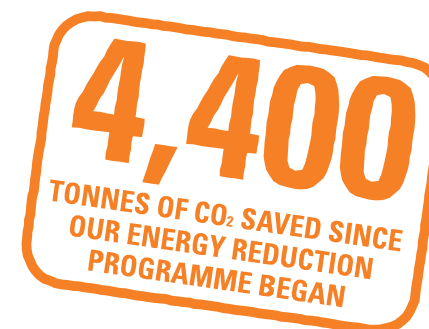
	2009	2008	2007
Offices (Scope 1 and 2)	55,626	51,398	40,858
Business travel	22,156	20,458	17,665
– Car (Scope 1 and Scope 3)	16,177	13,717	12,827
– Air travel (Scope 3)	4,169	5,164	3,613
– Train (Scope 3)	1,740	1,504	1,171
– Taxi (Scope 3)	70	73	54
Total Group (tonnes CO₂e)	79,212	73,057	58,523
Group turnover (£m)	£2,687m	£2,441m	£2,073m
Carbon intensity – Scope 1 and 2 (tonnes CO ₂ e/£m)	21.2	21.6	23.0

Carbon footprint for Capita's India operations

	2009	2008	2007
Air travel (Scope 3)	1,106	1,383	1,127
Employee commuting by shuttle (Scope 3)	1,428	1,200	979
Offices (Scope 2)	9,579	4,901	2,849
Total India (tonnes CO₂e)	12,113	7,484	4,954
India turnover (£m)	£46.3m	£17.9m	£15m
Carbon intensity – Scope 2 (tonnes CO ₂ e/£m)	207	274	190



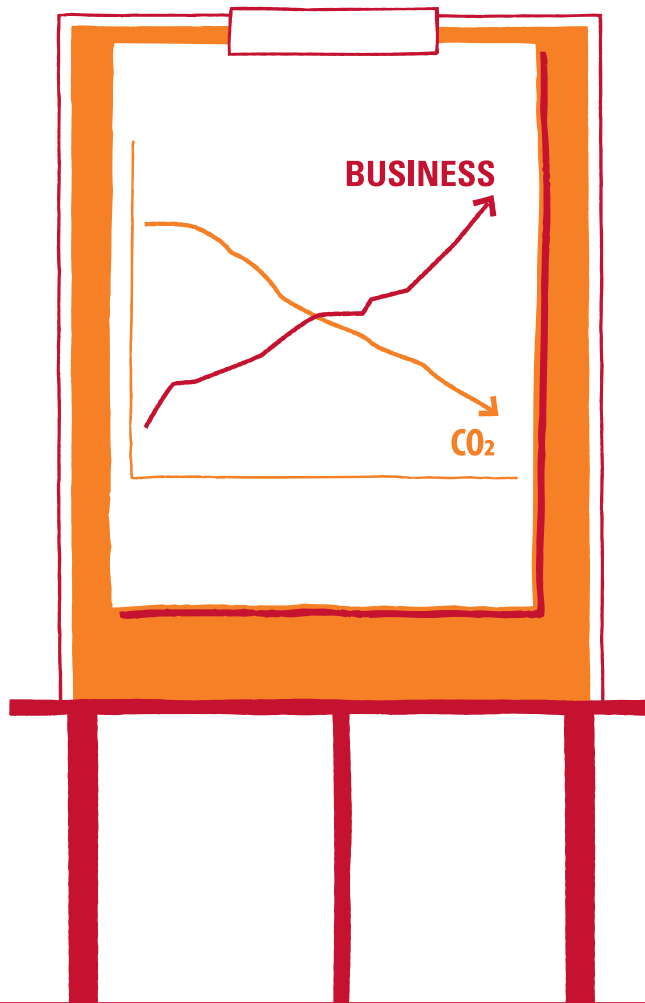
Awarded to the Integrated Services and Insurance & Investor Services divisions



Case study

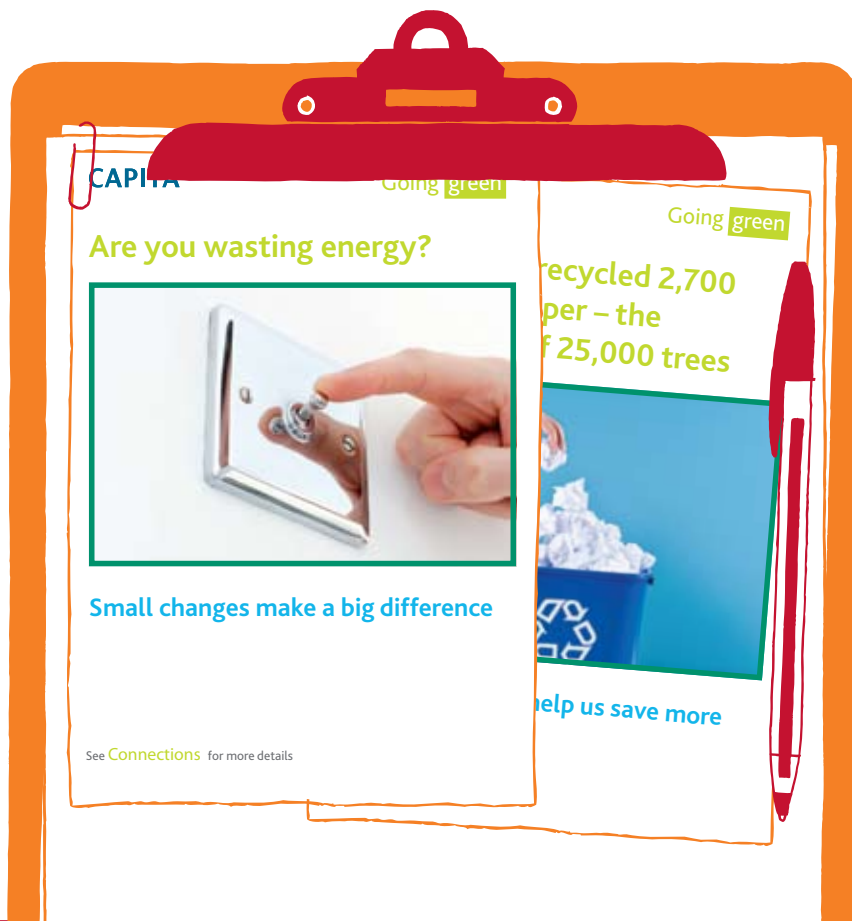
Carbon Trust Standard

Wouldn't it be great
if we could do more
business with less CO₂?



Carbon Trust Standard

The success of our carbon management programme has meant we have reduced our carbon intensity.



We want to continue to improve our environmental management – and with the skills and expertise of our people, we should be able to make a real difference. We are working hard at reducing our carbon emissions, for example.

What we've done

We've launched an energy reduction programme and we've been working hard on reducing business travel and waste.

Our facilities managers have taken on the role of 'energy champions'. We have asked them to improve the energy performance of our buildings and monitor the progress of our energy saving projects. And where buildings are not under our direct control, we're working with the landlords to step-up energy efficiency.

And our efforts aren't confined to our own offices. Through our annual Green Week campaign we encourage our employees to think about the small changes that can make a big difference – both at work and at home. We also work with our clients, cutting their impact through initiatives like data centre consolidation.

Our work has been recognised by the Carbon Trust Standard Company. In November 2009 our Integrated Services and Insurance & Investor Services divisions achieved the Carbon Trust Standard, which recognises not just sustained emissions reduction but also overall carbon management governance. We were also recognised as a Brand Emissions leader by ENDS carbon.

"The Carbon Trust Standard is proof an organisation has taken genuine action to reduce its impact on climate change by cutting carbon emissions," says Harry Morrison, general manager of the Carbon Trust Standard. "Capita's work is an excellent example of the carbon and energy savings that can be made through simple changes to improve the efficiency of standard office buildings."

What we've achieved

- We've made energy savings of 28% since 2006
- 2 of our divisions have been awarded the Carbon Trust Standard
- We're included in the Global 100 Most Sustainable Corporations in the World
- We've been named as a brand emissions leader by ENDS Carbon.

Priority 6

Investment in our communities

Aim:

To make a positive impact through the services we provide and through investing in the communities where we operate, maximising the benefits and understanding and managing any negative impacts of our business operations.

Focus:

As a responsible business we are committed to supporting our local communities. In 2009 our employees supported over 300 community initiatives through our 'Capita Commit' programmes which include our community investment programme and our charity work.

Engagement:

We meet with representatives from our local communities to ensure we make a positive impact that benefits local people. We also collaborate with other local businesses and sit on regional Business in the Community boards.

Capita in the Community

Our community investment programme aims to tackle social exclusion of all kinds. We donate our time, skills and money to community initiatives, supporting projects in local schools and community groups.

In 2009, we reviewed our community investment programme, streamlining our approach to align with our CR and business strategy and allow us to direct our efforts more effectively. We introduced a framework basing our activities around 3 themes: education, social exclusion and health.

The programme is applied centrally at Group level and also by individual businesses, including our operations in India. The framework provides enough flexibility to allow our businesses to address specific local needs in the areas where they work.

Through this programme we provide positive educational support and training for young people and adults, supporting them through the entire cycle of education to employment and helping them to reach their full potential. We support people who are socially excluded by improving accessibility to services and providing opportunities to use digital technology.

And we also partner with a healthcare charity as our corporate charity, providing financial support and using this as an opportunity to educate our employees regarding health issues.

In 2009, we increased our support for getting unemployed people back into work. Our Life and Pensions operation in Glasgow entered into a Local Employment Partnership with Jobcentre Plus, helping to employ and train local people. Through our support of the Backing Young Britain campaign we are also providing new opportunities to young job seekers through the provision of work placements.

9,000
HOURS VOLUNTEERED BY EMPLOYEES
IN THEIR LOCAL COMMUNITIES

Our employee volunteering programme encourages employees to use their skills and resources to support their local communities. This could be through one-off projects, such as running a CV workshop for socially-excluded groups seeking employment, or more regular volunteering such as helping children in local schools to improve their reading. The benefits of the scheme for the community, employees and our business are widely recognised. During 2009, nearly 3,000 employees volunteered in their local communities, contributing over 9,000 hours of their time.

We use the London Benchmarking Group methodology to capture and value as much of our community investment data as possible. In such a diverse and constantly growing business the extent of data capture is limited, but in 2009 we valued our total community investment at £1.4m (2008: £1.2m).

Capita Helping Hands

In addition to our involvement in local communities we also support a number of charitable activities, including some key clients' initiatives. We select 1 charity partner to benefit from our fundraising activities Group-wide. In 2008, our employees chose Macmillan Cancer Support as our charity partner for the next 2 years. At the end of 2009, and with the support of our employees, we decided to extend our partnership for a further year due to the high level of employee engagement.

We support the charitable efforts of our employees through a central payroll giving scheme: 1,400 of our employees donate to charity this way. Through our matched funding scheme we provide additional financial support for employees who raise funds individually, donating over £70,000 in 2009. Their efforts are recognised and celebrated through our employee recognition awards, which include an award for charitable support and community engagement.



A member of

Business in the

Community

£440,000
RAISED FOR MACMILLAN IN 2009

Case study

Fundraising for Macmillan Cancer Support

Wouldn't it be great
if we could raise a
mountain of cash
for charity?



Fundraising for Macmillan Cancer Support

In 2 years, we have raised almost £1m by climbing mountains, challenging each other and having a Ball!



In 2008, our employees chose Macmillan Cancer Support as our charity partner. We set ourselves a target to raise £1m through our partnership.

What we've done

We support the charity both financially and by promoting awareness of its work through internal campaigns. These run alongside our wider health education campaigns designed to promote a healthy and supported workforce.

Our central charity team organises Group-wide activities throughout the year, including our annual Charity Week and adventure race day, Capita Challenge. This year, following an employee suggestion, 37 Capita employees made a 10-day expedition to climb Mount Kilimanjaro, the world's tallest free-standing mountain. Each had to raise at least £5,000 through sponsorship and novel fundraising events.

Rachel Gascoigne, Corporate Account Manager at Macmillan Cancer Support, said:

"The dedication and innovation that Capita and its employees have shown to raise money for Macmillan over the last 24 months has been inspirational. Not only has Capita raised almost £1m through planned fundraising activity, but they have also engaged their suppliers, stakeholders and staff to donate their skills and expertise to support a number of our projects. Macmillan is delighted to have our partnership with Capita extended until December 2010 and the money raised will mean we can help more people affected by cancer across the UK."

As a company we supplemented our employees' support by sponsoring the Macmillan Winter Ball in 2009 for the second year running. We worked with our stakeholders – including suppliers, clients and our employees – who gave their time and gifts in kind to maximise the funds generated for the charity.

What we've achieved

- In 2009 we raised £440,000 for Macmillan
- Over 2 years we've raised £800,000 against our £1m 3-year target to help Macmillan support the lives of people affected by cancer
- We generated a further £152,000 by fully sponsoring the Macmillan Winter Ball
- We've increased employee awareness of the charity and related health issues.



CR progress & performance

Full details of our CR priorities, initiatives and progress are set out on our corporate website at www.capita.co.uk/corporate-responsibility

CR priorities

Objective	2009 progress	2010 target
1. Responsible business practices		
Shareholders Consistently deliver value to our shareholders	Continued to deliver value to our shareholders, growing our dividends in line with earnings >	Continue to create sustainable growth and deliver healthy investor returns
Stakeholder engagement Broaden our engagement with external stakeholders, specifically asking for feedback on our assessment of our key impacts	We continued to engage with our key stakeholders on both a formal and informal basis >	Engage further with stakeholders, using research to confirm that we are continuing to address our key impacts and that our reporting continues to meet our stakeholders needs
CR governance and leadership CR working group to meet regularly to review CR strategy and activities across key impact areas. Establish a CR Committee including independent external representatives to provide further strategic input and oversight	Our CR working group, which includes senior representatives from across the business, met 4 times. We have not yet established a CR Committee with external representatives ✓	Establish a CR Committee including external representatives to challenge and develop our CR strategy. It will be chaired by Gordon Hurst, who has overall responsibility for CR activity
Robust management procedures Ensure that we have the appropriate policies and procedures in place to manage our business, and that they are clearly communicated across the organisation	Continued to maintain a strong structure and have the right management and governance procedures in place to allow us to identify and mitigate any risks to our business >	Continue to manage and grow our business responsibly, monitoring the application of our procedures across the business. Ensure that where there are business-specific risks, appropriate procedures are in place to address them
Monitoring and measurement Continue to collect data across the business for quarterly external reporting. Ensure processes are swiftly embedded across any new business operations	Information and data successfully collected across the business, allowing us to monitor CR activities throughout the year >	Establish clear targets across our key priority areas for 2010, and continue to collect information and data across the business to monitor our progress
2. The value of our services		
Client partnerships Maintain high level of client service and retention	Continued to have the right resources in place to support clients fully and give them a high level of service. 15 major contracts secured or extended in 2009 >	Continue to build our scale and capacity, enabling us to provide a high level of service to our existing clients. Actively engage with potential clients to demonstrate the benefits and added value that we can provide
Continue to develop new and innovative ways to increase the efficiency of our clients' operations and manage their CR-related impacts	Worked with our clients to improve business processes, providing inclusive, accessible services for end-users. Where possible, we continued to introduce service solutions that reduced their negative CR impacts >	Continue to benefit clients' operations through improved service delivery and add real business value for clients and the wider community
Protecting our clients Continue to meet or exceed our regulatory and legislative requirements	We updated the content of our information security, data protection and fraud awareness training modules and ensured all employees completed the training. We also provided additional specific, detailed training for employees where necessary ✓	Continue to ensure that all our employees complete annual information security, data protection and fraud awareness training

Key

✓	Achieved
✓	Partly achieved
>	Ongoing
✗	Not achieved

CR progress & performance

Continued

CR priorities

Objective

2009 progress

2010 target

3. Supporting our people

Diversity Continue to hold and promote the diversity champions' quarterly forum. Keep raising awareness of our commitment to diversity and inclusion through regular promotion to all employees and managers. Use the employee survey to see if employees feel they are treated fairly, regardless of age, gender disability or ethnicity	The diversity champions' forum was held twice in 2009. We used the network of employees to help implement our Equality and Diversity policy across the Group. We encouraged employees to undertake diversity awareness training. Results from the 2009 employee survey showed over 90% of employees felt that they were treated fairly regardless of race or ethnicity, disability or sexual orientation. Fewer than 1% of employee grievances were related to any diversity issue	✓	Increase the network of diversity champions and continue to hold regular forums which report progress on a new diversity action plan. Actions are progressed by the diversity champions in their local business unit. Training and skilling is provided to the champions to support them in their activity. We will use the results from our employee survey as an indicator of our year-on-year progress
Employee diversity Where possible, we employ local people and ensure that each workforce reflects the composition of its local community	Male/female split remained at 52% male/48% female Male/female split for management remained at 74% male/26% female Male/female split for senior management remained at 88% male/12% female Ethnic diversity (employees from ethnic minority groups) increased to 17.5% (2008: 15.5%)	➤	Continue to employ people local to our operations where possible
Employees by location Have at least 10% of our workforce in India by end of 2009	We increased our workforce in India, with 10% of our total workforce now based there.	✓	To continue to use our network of business centres – onshore, nearshore and offshore in India, to offer our clients flexible service solutions
Employee recognition Launch new awards scheme, Capita People Awards, in Quarter 1 with quarterly nominations. Recognise the achievements of nominees under the scheme quarterly	The new awards scheme was a success, with over 300 employees nominated for awards. Finalists were recognised and rewarded at an awards ceremony	✓	Continue to promote the awards scheme and encourage regular recognition events within all businesses and divisions
Employee engagement Repeat annual employee survey and ensure it covers questions regarding our CR activities, including employee training, support and welfare Operate in line with our union partnership agreements	Employee survey completed in 2009: the 68% response rate was up from 44% in 2008. We used the survey to identify areas for improvement, and focused on these during the year We continued to hold regular meeting with unions and have developed additional union partnership agreements	➤ ➤	Repeat the employee survey in 2010. Aim to increase the response rate by promoting the survey more widely across the business Continue to engage with our union partnership arrangements
Senior management retention rate Attract and retain the appropriate level of senior management	Our senior management retention rate for 2009 remained at 88% (salaries exceeding £90k)	✓	To continue to attract and retain talented ambitious people to drive the strategic direction of the Group
Overall employee retention rate Maintain employee retention rate at industry average (2009: 84.5%)*	Overall employee retention rate increased to 84% for 2009 (2008: 82%)	✓	Continue to attract and retain the right people across the business

Key

✓	Achieved
✓	Partly achieved
➤	Ongoing
✗	Not achieved

*CIPD 2009

CR progress & performance

Continued

CR priorities

Objective

2009 progress

2010 target

3. Supporting our people continued

Career development

Review and refresh our internal training modules in 2009

Capita Academy launched in 2009, providing access to more than 100 training courses for our employees. We continued to invest in online training where possible



Promote the Capita Academy to all employees. Review feedback and ensure content is refreshed. Ensure that all employees have a development plan in place, and receive training through the appropriate channel

Monitor the number of training courses facilitated by our training business during 2009

In 2009, we invested £11.9m in employee training, providing over 4,100 training days. We continually reviewed the courses provided to ensure our employees developed necessary skills



Continue to monitor and review our training courses to ensure that they meet individual and business needs

Promote managerial training throughout 2009

We delivered 123 specific HR courses to our managers, and 951 managers benefited from the Managers' Guide to Employment Practices



Continue to support manager training through Capita Manager Academy, including ILM accreditation

Increase awareness and support of vocational qualifications by launching and promoting Skills Pledge in Quarter 1

We continued to support our vocational learning programme, with over 1,000 employees taking part since the programme began. In 2009 we signed the Skills Pledge



Expand the programme to include Capita sites in Scotland. Develop a way to deliver this solution to external organisations in the local communities where we work

Employee welfare

Continue to improve our health and safety record year-on-year to ensure all our employees are equipped and trained to carry out their work safely, efficiently and with due regard to the environment

We provided a safe and productive working environment for our employees. Our accident frequency rate was 1.65 per 1,000 employees (RIDDOR) in 2009 (2008: 1.59). This slight increase was due to the expansion of our various field operations



Keep working to reduce our accident frequency rate. Recognise the importance of developing a positive safety culture to reduce unsafe behaviour and the key role that managers play in that process. We aim for 20% of all line managers to complete our new internal Health and Safety course in 2010

Ensure we carry out risk-based health assessments for all employees to identify and manage any work-related ill health

Assessments completed across the Group. Line managers reviewed sickness and absence rates to identify any potential areas for concern



Continue to monitor and measure workplace-related illnesses

Continue to improve the minimum score on our safety, health and environment (SH&E) audits across the Group. Target to achieve scores of 75% or above at all our existing and new sites

We achieved scores of 82% in the Group SH&E audits across all our sites
In 2009, the SH&E Team launched the new online SH&E audit. This solution is designed to help site managers and SH&E advisers manage their day-to-day processes more efficiently. It allows all locations across the UK, Europe and India to accurately record, track and report accidents and incidents online



Continue to improve the minimum score in SH&E audits and ensure that we deliver our cross audit programme. Review and refresh our Group SH&E manual. Further develop our online accident/incident reporting system

Part-time working

Provide flexible working hours for our employees

In 2009 15% (2008: 15%) of our employees worked part-time



To continue to support part-time working, job sharing and flexible working hours where possible

NEW: Reduce slips, trips and falls

Launch a 'Slips, Trips and Falls' campaign in Quarter 2 to increase employee awareness of possible hazards

Key

✓	Achieved
✓	Partly achieved
➤	Ongoing
✗	Not achieved

CR progress & performance

Continued

CR priorities Objective	2009 progress	2010 target
4. Supply chain management		
Supply chain management Continue to audit all our strategic suppliers against Capita standards of business	All our strategic suppliers were reviewed against our standards of business during 2009 ✓	Audit all strategic suppliers annually
Review all strategic suppliers' supply chains to ensure transparency and compliance with our policies, including specific CR objectives	This is an ongoing process. In 2009 we worked with 50% of our strategic suppliers to review their supply chains >	Continue to work with strategic suppliers to review their supply chains
Consistently increase the number of supplier audits across all our Group suppliers: 49% audited in 2008. Continue to promote audited suppliers above unaudited suppliers to our procurement specialists and employees	Number of supplier audits increased. 50% of all Group suppliers audited in 2009 ✓	Continue to maintain and increase the number of supplier audits across Group suppliers and promote the use of audited suppliers
Policies and framework Revise specific policies for procurement and supplier management by July 2009	Revised procurement policy and framework issued in June 2009 to all procurement specialists across the Group ✓	Issue a new responsible procurement policy across the Group in June 2010. Our procurement specialist will help to implement the policy when procuring goods
Design online supplier registration portal for all suppliers to enable us to monitor compliance with our policies	New online supplier registration portal launched in December 2009. This allowed us to communicate our Statement of Business Principles to our suppliers to help ensure that they are aware of and comply with our policies ✓	All new suppliers must register via our online registration portal, ensuring that they adhere to our policies and meet our CR objectives. This will allow us to identify and mitigate risks in our supply chain more easily
Monitor our work with SMEs Introduce new process to measure and monitor our engagement with SMEs		Use information from the new online supplier registration portal to monitor and measure our work with SMEs NEW TARGET
Working with our suppliers Work with our suppliers to increase the range of environmentally-friendly products available to our employees and promote more responsible procuring across the Group	In 2009, 17% of our overall spend with our stationery suppliers was on environmentally-friendly products. A third of this was on paper and envelopes >	Continue to identify opportunities where we can work with suppliers to help manage our environmental and social impacts
Supplier conference		Hold a supplier engagement conference in 2010 NEW TARGET

Key

✓	Achieved
✓	Partly achieved
>	Ongoing
✗	Not achieved

CR progress & performance

Continued

CR priorities

Objective

2009 progress

2010 target

5. Environmental management

Carbon footprint

Continue to measure and manage our carbon footprint annually

In 2009 our carbon footprint was 79,212 (tonnes CO₂e) (2008: 73,057)** and our carbon intensity was 21.2 (tonnes CO₂e/£m). We were awarded the Carbon Standard for two of our divisions in recognition of our efforts to measure and manage our carbon emissions



Continue to monitor, measure and manage our carbon footprint reducing our carbon intensity by 4.5% annually for Scopes 1 and 2



Incorporate the data from the expanded energy reduction programme into our carbon footprint reporting to monitor and measure our progress

Energy data was reported to our Carbon manager on a quarterly basis, allowing us to monitor the success of our energy-reduction programme and identify areas for improvement



Continue to report results in our Annual and CR reports. Take part in the Carbon Disclosure project

Energy reduction

Expand our energy reduction programme, including reporting requirements across Group sites where possible. Install automatic meter readings (AMR) in 90% of sites to meet our obligations under the new Carbon Reduction Commitment (CRC) regulations

We have made energy savings of 28% since the energy reduction programme began. In 2009 this programme was expanded, with 35% of our sites now measuring and monitoring their energy use. We began the installation of AMR across the Group at CRC obligated sites. This will be complete by the end of 2011



Complete the introduction of AMR across the Group to meet our CRC obligations

Business travel

Continue to promote the use of BT conferencing internally and with clients

Number of conference calls made increased to 116,587, twice as many as 2008



Targeted campaign to reduce business travel across the Group. Continue to promote the use of conference/video calls

Continue to introduce further sub-120gm/km models as they become available, and look to reduce our current cap of 190gm/km where possible

All our company cars run on diesel and are subject to our maximum emissions level of 175gm/km. The average CO₂ rating of vehicles is 147gm/km (over a fleet of 1,896)



Cap our emissions at 160gm/km. Roll out vehicle tracking system where appropriate across the Group



Work with The Energy Savings Trust to validate and improve the carbon footprint of our fleet vehicles, and work towards getting full accreditation from Motorvate

Key

✓	Achieved
✓	Partly achieved
➤	Ongoing
✗	Not achieved

** Based on latest available greenhouse gas emission factors from Defra. We have reviewed our calculation methods and to ensure year-on-year comparisons our 2008 carbon footprint has been restated.

CR progress & performance

Continued

CR priorities

Objective

2009 progress

2010 target

5. Environmental management continued

ISO 14001

Achieve further ISO 14001 accreditations at our higher-impact sites

The number of accredited sites reduced from 47 to 45 due to contracts ending at two accredited sites



Continue to achieve accreditation where appropriate, including any new high-impact sites

Encourage more environmentally-friendly modes of commuting to work by introducing Cycle to Work scheme

Our Cycle to Work scheme was introduced in Quarter 4 and made available to all permanent staff



Continue to run the Cycle to Work scheme in 2010

Waste management

Increase the number of sites with waste management programmes

All sites now have a waste management programme



Work with MITIE to identify opportunities to improve our waste management and costs across the Group

Employee CR awareness

Continue employee engagement and awareness by promoting environmental initiatives and ideas suggested by employees

Continued communication and promotion of ideas to reduce our environmental impact, both at work and at home



Green week in Quarter 2 2010 will specifically target a reduction in business travel. We will also encourage employees to take part in voluntary projects that tackle climate change

6. Investing in our communities

Community investment programme

Continue to identify and work with suitable projects in our local communities

In 2009 we reviewed our community investment programme. We established a framework, streamlining our initiatives and aligning the programme with our business activities. We continued to identify and work with projects within this framework to support the communities in which we work



Relaunch and increase promotion of our community investment programme 'Capita Commit' to all employees

Employee volunteering

Continue to work with our volunteering broker to promote the scheme more widely across the Group. Aim to get 3% of employees involved in voluntary work in 2009

Launched new employee volunteering section on the intranet to continue to promote and encourage our employees to take part in volunteering projects in their local communities exceeded the target set with 3,000 employees (8.2%) volunteering in 2009. We introduced a new category in our employee recognition scheme to reward employees who have been involved in projects in their local communities



Continue to increase employee involvement across the Group, setting a new target of 15% of employees volunteering in 2010



Measurement

Continue to measure our community investment and increase the amount of data captured across the Group

We continued to use the London Benchmarking Group (LBG) methodology to capture data to measure our total community investment. In 2009 we invested £1.4m through community projects and charitable initiatives



Continue to benchmark our activity and increase the data captured from across the Group, specifically across new contracts

Key

✓	Achieved
✓	Partly achieved
➤	Ongoing
✗	Not achieved

CR progress & performance

Continued

CR priorities

Objective

2009 progress

2010 target

6. Investing in our communities continued

Charitable giving

Continue to support our chosen charity partner, including sponsorship of its flagship event, the Macmillan Annual Ball

We continued to support Macmillan Cancer Support, raising £440,000 through employee fundraising in 2009. Through our sponsorship of the Macmillan Ball we leveraged a further £152,000. At the end of 2009 we extended our partnership with Macmillan for a further year



Continue to back Macmillan Cancer Support through employee fundraising and corporate support. Increase awareness of its work through internal campaigns among employees. Select a new corporate charity partner in 2010

Corporate donations

Continue to provide corporate donations to support our charity partner, employee fundraising and disaster appeals

In 2009 we provided £0.5m in corporate support



Continue to provide support through our corporate donations

Payroll giving

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

We worked with our professional fundraisers throughout the year, with 1,434 employees donating over £178,000 to charities. We received the Silver payroll giving quality mark from the HMRC in recognition that over 5% of our employees give to charity via the scheme



Launch a targeted campaign to increase uptake of the scheme, in partnership with our professional fundraisers and new payroll giving administrator. Aim to achieve Gold payroll giving quality mark

**NEW
TARGET**

Matched funding

Provide matched funding support to our employees. Launch a new online matched funding process for employees

Launched matched funding process on new intranet. Applications for matched funding increased during 2009 and we donated £70,000 to local charities



Continue to support employees' charitable activities through our matched funding scheme. Investigate the introduction of a local grant-making scheme

Key

✓	Achieved
✓	Partly achieved
➤	Ongoing
✗	Not achieved

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