

Reducing our environmental impact

Our 'low' FTSE4Good environmental impact rating reflects the nature of our business. Capita has an inherently lower environmental impact than many large organisations in other industry sectors. Nonetheless, we understand that good environmental management must be integral to our business and we make every effort to minimise the impact of our operations.

How do we manage and measure our environmental impacts?

We have a Group environmental policy and an environmental code of practice for suppliers. Board level responsibility rests with the Group Finance Director, Gordon Hurst.

We continue to measure key environmental impacts as part of our monthly site reporting. We have a full time resource managing this function, supported by a network of site managers, site SH&E Advisers and FM managers. In the past year we have worked hard to enhance our data collection, and we will continue to make further improvements.

We now have over 300 sites in the UK, Ireland, Channel Islands and India. At our own sites, or where we are sole occupants, we aim to adopt and promote good practice in areas such as:

- Energy use
- Transport
- Waste management
- Recycling
- Building specifications
- Implementation of ISO 14001.

At most of our offices we do not have overall control of the site, typically sharing it with other tenants. Wherever possible we work in partnership with the property manager, our clients, other tenants and subcontractors to positively influence the environmental performance of our projects.

What are we doing to combat climate change?

Energy reduction across our sites

Climate change is a growing challenge for business. Our most significant climate change impact is energy use, and over the past year we have launched a Group-wide programme to reduce this.

In 2006, we set a target of reducing energy use by 12% at our 20 largest sites by 2008. We are progressing well towards this target; with an overall saving of some 8% across 18 sites (due to consolidation of sites). The total reduction to date of over 3m kWh equates to an emissions reduction of just under 1,000 tonnes of CO₂.

Encouraged by the success of this programme, we are rolling it out across the rest of the Group – starting with the other 73 sites that have Group electricity or gas supply contracts.



Engagement with the Carbon Trust

We have been working with the Carbon Trust, which has provided technical support and helped train the facilities managers at our sites in the energy reduction programme.

-1,000

Tonnes of CO₂.

We have reduced our energy use by 3m kWh which equates to just under 1,000 tonnes of CO₂.

= 58,523

Tonnes of CO₂ – our carbon footprint

We continue to measure and assess our carbon footprint to reduce our impact on the environment.

-8%

Energy use

We have reduced our energy usage by 8% across 18 sites (due to consolidation of sites).

Engagement with the Carbon Trust

We have been working with the Carbon Trust, which has provided technical support and helped train the facilities managers at the sites in the energy reduction programme. All site managers have been given a list of energy-saving tips to implement; these include reducing lighting levels where possible, removing redundant light fittings, replacing all tungsten filament bulbs with compact fluorescents, improving lighting controls, and reducing heating and air conditioning set points and operating times.

Hugh Jones, Solutions Director, the Carbon Trust, comments on our approach:

“Having established a baseline carbon footprint, Capita was committed to reducing its carbon emissions across multiple sites. Through a series of carbon surveys the energy being used was identified and recommendations made on effective strategies to reduce the carbon footprint across key sites. This included improvements in energy management, improvements in data collection and analysis, higher efficiency equipment and improving employee awareness.”

To further reduce our carbon footprint and increase employee engagement we are about to launch Capita’s ‘green pages’ on our employee intranet. This will include information on what our employees can do at work and at home, as well updates on what the Group is doing to reduce our environmental impact. Employees will also be able to calculate their own personal carbon footprint.

Transport management

Our other significant environmental impact is transport. Our company car policy states that all new and replacement company cars will be diesel, and 95% of our fleet cars are now diesel. This policy is undergoing a review to reflect changes in health and safety liabilities, to keep it attractive to employees, and increase incentives to reduce carbon emissions by improving the flexibility for drivers to trade down to a lower emissions car.

We try to reduce car travel generally and have continued to promote the use of our BT conference call facility throughout the business – over 34,000 conference calls were made over the last year, a third more than in 2006, saving both time and money.

Several of our offices have a ‘green’ travel plan. Alongside this we also support local initiatives such as lift sharing and shuttle buses to and from our offices. We are also evaluating the introduction of the Government’s Cycle to Work scheme.



+

= **70%**
Improved
efficiency

Addressing the need
to reduce energy
consumption

Innovative server
management

**New World Server project:
saving energy with virtual servers**

Many of our client contracts involve IT infrastructure, and two years ago we recognised that our approach to server management was needlessly expensive: many servers were running at only 10% utilisation.

We decided to invest in a new data centre using consolidation, standardisation and virtualisation to provide a ‘best in class’ data service for all future business. As a result we now run our server estate at 80% utilisation, significantly reducing energy use as well as costs. We aim to have 1,000 virtualised servers running in this environment by the end of 2008.

How are we managing waste?

We actively manage the resources we use and how we recycle or responsibly dispose of them. Responsibility for this is shared by our SH&E and Procurement teams.

Over the last year we have:

- Worked with our suppliers to source more environmentally responsible products
- Developed more effective waste management policies
- Focused on influencing our suppliers' environmental impacts by revising our procurement policies and detailing the standards of behaviour required when dealing with suppliers
- Run recycling schemes across the Group to ensure our IT equipment, toner cartridges, mobile phones and paper are either recycled or responsibly disposed of in line with the EU WEEE Directive.

Last year we collected over 8,000 units through the Digital Pipeline Initiative, set up to donate our redundant IT equipment to schools and community centres in developing countries. Additionally, we help to sustain employment for people with disabilities as Life Cycle Services, who manage this service for us, work with Remploy.

34,000

Conference calls made

We try to reduce car travel generally and have continued to promote the use of our BT conference call facility throughout the business. [2006:21,600]

8,000

Pieces of IT equipment donated

We set up an initiative to donate our redundant IT equipment to schools and community centres in developing countries. [2006: 5,000 donated]



**Move towards
Carbon Neutral
status**

**Working with
Resolution**

**Implementing greener
policies**

Resolution goes neutral

Capita staff working on the Resolution contract in Glasgow and Wythall are supporting Resolution in their Carbon Reduction project. In 2006, Resolution started the project by determining the size of its actual carbon footprint, and since then they have taken significant measures to reduce their emissions. These include creating greener policies for the business. For example, all paper bought is now recycled, a higher proportion of renewable energy procured, and staff are encouraged to take a greener approach to the way in which they work, including switching off unused IT equipment, recycling more and reducing waste.

Once significant reductions in carbon emissions are achieved, Resolution also intends to invest in verifiable carbon offset schemes to offset its remaining emissions and become carbon neutral.