

1 May 2020

G4S plc
(the “Company”)

Integrated Report and Accounts 2019

Further to the preliminary announcement of its results for the year ended 31 December 2019 made on 11 March 2020, G4S plc, the global, integrated security solutions provider, announces that it has published its Integrated Report and Accounts 2019, which is available for viewing in the Investor Relations section of the Company’s website at [g4s.com/Investors](https://www.g4s.com/Investors).

As announced on 9 April 2020, the original date of the Company’s 2020 Annual General Meeting was postponed and the Company’s 2020 Annual General Meeting is now scheduled to take place on 17 June 2020. An announcement with further details including publication of the 2020 Notice of Annual General Meeting will be circulated in due course.

Hard copies of the Integrated Report and Accounts 2019 will be posted together with the Notice of Meeting in due course to those shareholders who have elected to receive them. A copy of the Integrated Report and Accounts 2019 has also been submitted to the National Storage Mechanism and will be available for viewing shortly at [morningstar.co.uk/uk/NSM](https://www.morningstar.co.uk/uk/NSM).

A condensed set of the Company’s financial statements and extracts of the management report were included in the Company’s preliminary final results announcement, which is available at [g4s.com/Investors](https://www.g4s.com/Investors). That information, together with the Appendix to this announcement, which contains additional information extracted from the Integrated Report and Accounts 2019 for the year ended 31 December 2019, constitutes the material required for the purposes of compliance with the Transparency Rules.

This announcement should be read in conjunction with, and is not a substitute for, reading the full Integrated Report and Accounts 2019. Together these constitute the information required by DTR 6.3.5, which must be communicated in unedited full text, through a Regulatory Information Service.

References in this announcement to the Company’s website are intended to refer only to the specific documents mentioned herein and not to other information available on that website.

Page and note references in the text below refer to page numbers and notes in the Integrated Report and Accounts 2019.

APPENDIX

The group's principal risks and uncertainties:

A description of the principal risks and uncertainties that the Company faces is extracted from pages 81 to 87 of the Integrated Report and Accounts 2019.

Emerging risk

Covid-19

Risk

The global coronavirus pandemic involving the spread of Covid-19 presents a number of different risks to the business. The spread is rapid and the global economic outlook uncertain. We have a large workforce and operate in a wide range of business sectors in over 90 countries. It follows that the risks of adverse health and safety, operational and financial impacts arising from the pandemic and the associated governmental responses in the markets where we operate could be significant.

The safety of our employees and those in our care is our first priority and is at the forefront of our response to the pandemic.

The counter measures adopted by governments around the world as they seek to mitigate the impact of the pandemic, the resultant disruption and economic effect in the countries where we operate and the actions taken by our customers in response will impact on our operations and financial results leading to potential decreases in revenue, increases in costs and adverse effects on profits and cash flows.

The most material immediate reductions in demand for our services as a result of pandemic-related restrictions have arisen in the ports & airports, transport & logistics and leisure & tourism sectors, which, together, represent around 6% of our annual revenues and in respect of our retained traditional cash businesses which represent around 4% of our annual revenues. There may be further demand reductions in other sectors driven by the economic effect of governmental restrictions, although this is likely to vary substantially from market-to-market and, in some cases, we are seeing increased demand in other sectors (for example in healthcare-related services in the Americas and Europe & Middle East regions). Increased operating costs are also likely to result from additional investment in personal protective equipment, increased workforce sickness levels and the need to furlough staff, although, in a number of geographies the impact of this is being mitigated by government financial support arrangements.

Risk mitigation

G4S has taken action across a wide range of fronts in mitigation of the risks presented by the pandemic. We have instituted protective measures for staff in the "frontline", which in some cases included wearing protective equipment and guidelines to follow in certain security situations.

All our regions have rolled out agreed Business Continuity Plans to ensure we are actively managing the disruption presented by this pandemic. We provide essential services for our customers and the continuation of these services is a key priority. Contingency plans have been implemented in consultation with our customers on whose sites we operate and we are implementing a range of measures to mitigate operational and commercial risks as they emerge.

We are working closely with customers to understand their actions in response to the pandemic, in some cases requiring extra security services, in some reducing or suspending services. We are working diligently on redeploying and supporting our employees being affected by the change in demand from customers and ensuring we understand, and engage, the help and support available from various governments.

From a funding perspective, we are adopting a prudent stance in relation to our liquid resources. We have a favourable debt maturity profile and a strong liquidity position, which has been further enhanced by the sale of the conventional cash businesses. The Board has not recommended payment of the 2019 final dividend and we have implemented strict cost and cash flow management measures to ensure we protect the Group's financial position.

Mitigation priorities for 2020

We are responding dynamically to the rapidly changing situation that the Coronavirus pandemic has created. We will continue with our current focused management approach to protect the company and its key stakeholders until the impact of Covid-19 abates.

Our priorities remain the health and safety of our staff, customer service, financial discipline and business continuity.

Principal risk

Culture and values

Risk

G4S operates in around 90 countries, and provides security for people, premises and valuable assets. Inevitably, our employees, customers and services are impacted by many different cultures that this scenario brings. Furthermore, we operate security services and solutions in environments involving detainees, victims of crime, people needing assistance, and other members of the public. Having an appropriate set of values strongly embedded as our corporate culture is very important to ensure employees meet our high expectations including compliance with our ethical business conduct standards. Failure to do so risks not delivering on our commitment to our colleagues, customers and other stakeholders and may fail to comply with legislation and international standards. In some cases, this could impact the Group's performance, have an adverse effect on the Group's reputation and lead to penalties or criminal action.

Risk mitigation

Our values, detailed on page 27, are continually reinforced to all employees through a variety of key processes including recruitment, induction training, and recognition schemes as well as communications materials. Our values-based training materials have been developed to reflect common experiences or particular challenges which come to light from whistleblowing cases, internal grievances or feedback from the global employee-engagement survey (most recently conducted in 2019). There are HR controls in place to ensure that the way we organise, acquire, protect, develop, engage and reward our employees is in line with our values, our expectations and applicable laws and regulations. Values ambassadors in businesses are helping to cascade values-related communications. For managers, the enhanced competency framework has helped guide the development of mandatory on-line training, which uses realistic scenarios to guide participants to make values-based decisions from a range of options in order to achieve the right outcomes in real situations. We continue to build awareness of the importance of living our values in our day to day activities and reward and recognition schemes continue to be aligned to our values. In everything we do, no matter how challenging the circumstances, we require our people to behave in line with our values and to be prepared to use our whistleblowing facility, Speak Out, if they become aware that others are not living up to our values.

In 2019, we received 555 reports through Speak Out (2018: 519). All matters are reviewed and follow a standard process of consideration and potential investigation. Those of a serious nature are investigated at a senior and independent level. We have finalised our investigations in respect of 69% of those cases opened in the year, and will work to complete the remainder in 2020.

Mitigation priorities for 2020

During 2020, we will embark on a review and refresh of our policies around employee screening and vetting, our G4S onboarding programme, our bribery and corruption awareness training programme and our whistleblowing programme, including our investigation and close-out procedures. We aim to pursue a best-practice approach to business ethics, and to driving the appropriate behaviours in a global workforce. Specific actions relating to these programmes are covered throughout this report. We will devise methodologies and processes to measure our success in embedding the G4S values.

Principal risk

Health and safety (H&S)

Risk

The provision of security services to protect people and valuable assets, presents a unique mix of health and safety risks. The main categories are armed attacks, road safety, accidents on customer sites and firearms management. In addition to the potential to harm individuals, a breach of H&S regulations or not meeting customers' standards could disrupt the Group's business, have a negative impact on our

reputation and lead to financial and regulatory costs. In 2019, 20 (2018: 24) employees lost their lives in work-related incidents, of which 9 (2018: 14) were as a result of armed attacks and 7 (2018: 7) were road-traffic incidents. There were 2 (2018: 9) non-natural deaths of people in our custody and one work-related death of a subcontractor.

Risk mitigation

Our goal is Zero Harm and we prioritise safety management to protect the health and well-being of our colleagues and those around us. Our controls reflect the risk profile of our industry and lessons from investigating incidents, including standards for road safety and firearm management.

We have minimum requirements for H&S and firearms training, including bespoke modules for front-line staff. Performance is measured retrospectively through injury rates and more proactively through high potential incidents and compliance scores. All sites are inspected prior to deploying security officers to ensure the risks do not exceed our risk appetite.

All businesses are expected to have workplace audits and inspections in place, and business leaders complete statements of compliance to G4S standards for H&S and firearms where applicable. Targeted reviews and support are provided by the corporate H&S function. Key controls are included in the scope of Internal Audit.

During 2019 we continued to refine our controls such as the process of assessing site risks as well as training on road safety. We have utilised lessons learned from serious incidents to drive actions to prevent reoccurrence, conducted mandatory induction training, firearm safety awareness training and conducted targeted reviews of high priority businesses.

Mitigation priorities for 2020

Since the start of 2020, our focus has progressively shifted to managing the impact of the Covid-19 pandemic (see page 81). In addition to following the advice of local authorities, we have introduced mandatory controls in all businesses. Work practices are being adjusted in consultation with our customers.

Where possible we will continue to focus on our workplace inspections. We will strengthen our risk assessment processes for service lines which represent a different risk profile to our core manned guarding and cash services.

We will investigate every serious H&S incident and strive to continuously refine our standards, policies, controls and training materials where we see an opportunity to reduce H&S risks further, using lessons learned from serious incidents to drive actions to prevent reoccurrence.

Principal risk

Laws and regulations

Risk

G4S operates under many complex and diverse regulatory frameworks, some of which have extraterritorial reach and many where regulations change frequently. Risks include: new or changed restrictions on foreign ownership; difficulties obtaining all relevant licences to operate; complying with employment legislation covering a wide range of requirements; complying with often complex and broad ranging local tax regulations; increasing litigation and class actions; bribery and corruption and complying with human rights legislation. Failure to meet the required standards can lead to higher costs from claims and litigation; inability to operate in certain jurisdictions, through either direct ownership or joint ventures; loss of management control; damage to our reputation; and loss of customer confidence.

The investigation opened by the Serious Fraud Office (SFO) in 2013 in the UK, in respect of the Group's Electronic Monitoring contract remains on-going and we are unable to predict the outcome with certainty. The Group continues to engage and co-operate fully with the SFO investigation, however based on currently available information and the broad range of possible adverse outcomes (including any one or a combination of the SFO prosecuting individuals and/or the G4S Group companies involved and ultimately if convicted, the imposition of significant financial penalties, possible debarment from future UK Government contracts, or the entering into a deferred prosecution agreement between the SFO and relevant G4S entities, with the potential, in certain circumstances, should a G4S entity or one or more of the Group's current or former employees face criminal charges, to allow the Ministry of Justice to reopen the £108.9m settlement agreed and paid in 2014), the Group is unable to make a reasonable determination and a reliable estimate of the outcome of the on-going process.

Risk mitigation

Our policies and procedures clearly set out the requirement for local management teams to comply with all relevant laws and regulations. Group and regional leadership, together with our Ethics Committees at group and regional level provide oversight and support our businesses to mitigate the risks. We continue to conduct compliance reviews to enhance our understanding and compliance with legislation, including Human Rights legislation, ethical practices and codes of conduct.

Group legal and regional leadership closely monitor changes in foreign ownership laws and make appropriate plans to respond. G4S continues to liaise with relevant governments and authorities to influence positively the regulatory environments in which we work.

Mitigation priorities for 2020

Given the complexity and impact of non-compliance in respect of this risk, the board and Executive team will focus on the enhancement of compliance with laws and regulations across all jurisdictions we operate in. We have enhanced our compliance structures to improve our three lines of defence in managing and monitoring the associated risk. This will include direct enquiry and oversight by group and region of

local management to ensure these risks are fully understood and ensure that concerns are addressed appropriately with mitigation plans implemented promptly.

Principal risk

Geopolitical

Risk

We operate in many countries across the world, with wide-ranging government and political structures, different cultures with varying degrees of compliance with laws and human rights, particularly within conflict and post-conflict zones. We operate in varying and often volatile political environments, doing difficult and dangerous work for high profile customers. At the strategic level we acknowledge these risks as a part of the business we are in, and ensure we carefully assess the risks before entering a new country and keep the situation in high risk countries under review. At an operational level we deploy our expertise, take great care to monitor the situation and respond to threats appropriately, and employ effective operational controls to protect our business and our employees. The risk factors include: political volatility, including the outcome of elections and referendums affecting trade rules and regulations and changes in policies towards business, revolution, terrorism, military intervention, mistreatment of migrant workers and employees working for our suppliers. These risks impact us in many ways: the health and safety of our staff and customers; the continued operation of our businesses; and the ability to secure our assets and protect our financial performance.

Risk mitigation

In markets where potential policy or trade agreements have a significant impact on our ability to trade we engage with national and international governments to promote the benefits that G4S brings to a market and an economy, to ensure that we minimise the impact of any trade restrictions or trade policy.

We collaborate with our local partners; conduct early risk assessments before and during security assignments; develop robust operating procedures; and work closely with our local and global customers in managing the risks of operating in such environments. Our G4S Risk Management business has particular expertise in providing secure solutions in very high risk, low infrastructure environments.

We have a clear commitment to respect human rights, which all businesses must comply with. All business units are required to annually self assess their compliance with human rights standards which are reviewed by group management and included in internal audits for the higher risk countries. We have also built awareness of human rights responsibilities across the business and our partners and are increasing engagement with suppliers to ensure they are also complying with international human rights standards. This is governed by a mandatory supplier code of conduct which includes anti-bribery and modern slavery requirements. A set of HR core standards which businesses have to confirm compliance with each year, include explicit reference to HR policies on screening, migrant workers (including their recruitment and accommodation) and practices which underpin the fair treatment of employees such as redundancy, grievances, and discrimination.

Mitigation priorities for 2020

In markets where potential government policy or trade agreements may have a significant impact on our ability to trade we will continue to engage with national and international governments to promote the benefits that G4S brings to a market and an economy, to ensure that we minimise the impact of any trade restrictions or trade policy. We will continue to monitor the results of human rights control self-assessments providing support with training and guidance where needed to further embed awareness and understanding of expectations. We will also continue to increase engagement with suppliers to ensure their compliance with human rights standards.

Principal risk

People

Risk

As one of the world's largest employers, we recognise that there are challenges in attracting and retaining employees in such a diverse range of regions and countries. We face risks associated with recruiting, training, engaging, rewarding and managing people, as well as ensuring we retain critical talent to deliver increasingly sophisticated services through our employees. Screening and vetting is a particular challenge in some territories, which lack supporting infrastructure from the relevant authorities. Any incident where our people fail to meet expectations of customers and other stakeholders could lead to financial and reputational damage. Whilst our controls are robust we still face the risk of an employee not behaving in line with our values.

Risk mitigation

The Group's mandatory human resource standards cover core requirements for delivering the HR strategy, such as ensuring there are effective organisational structures in place, that employees are screened, inducted and trained to perform their jobs, and that there are appropriate mechanisms in place for managing on-going performance and recognising great performance. Compliance is self-assessed annually and reviewed by local, regional and group teams. Additionally, key HR controls are tested by internal audit during visits to the businesses. The HR Screening Policy has been revised and implemented and forms part of the assessment process for 2020. The performance and potential of managers across the Group is reviewed to identify development needs and build succession plans. We also deliver leadership programmes to nurture talented individuals early in their careers, and help them develop into more senior roles as they move through the organisation. Feedback from our global employee survey is used to develop initiatives which support employee engagement and development at all levels of the organisation.

Staff turnover is a key indicator to us of employee satisfaction, and reducing it improves service excellence and reduces recruitment costs. During the year staff turnover reduced from 24.7% in 2018 to 23.7% in 2019.

Mitigation priorities for 2020

Compliance with our Core HR Standards will again be self-assessed during 2020 and reviewed by local, regional and group teams as well as tested by internal audit.

Particular focus will be placed on the revised Screening and Vetting Policy, as well as reviews of in-country labour supply, laws and regulations. Direct support will be provided as necessary to enhance compliance with our standards. More detailed training is being prepared to ensure HR teams have a really good understanding of the core standards, why they are important and what actions they need to take to ensure compliance if there are any gaps.

Principal risk

Growth strategy

Risk

Our focus is on the development and offering of innovative, integrated products and services and improving business efficiency to strengthen service excellence and support improved margins. We are focusing on higher value security solutions underpinned by technology, in addition to core service areas. We target territories where we feel we can grow our market offerings, as well as concentrate on overall customer service using an integrated service oriented approach to differentiate us from competitors.

There are risks with adopting such a strategy: that we fail to create higher-value solutions that differentiate us from local commoditised competitors; that we fail to deliver our core services effectively and consistently; that we lose contracts or growth opportunities through price competition and market changes; that we fail to enter target markets successfully; that we become over-reliant on large customers; and that our business transformation initiatives do not deliver as expected.

Risk mitigation

We focus on delivering excellent service through the best-practice service delivery guidelines in place for both Secure Solutions and Cash Solutions service lines. We have implemented an effective sales methodology focused on consultative selling which enables our customers to view our innovative integrated solutions offerings.

We continue to innovate our product offering, including proprietary security systems, video and intelligent camera systems, video management systems, global security intelligence systems and software tools including incident-management systems such as RISK360 in our Secure Solutions business. For Cash Solutions, development would include: retail solutions, CASH360 and solutions for smaller retailers.

Our global accounts programme supports and promotes our multinational accounts initiatives and our consistent focus on delivering excellent service to customers helps to drive customer satisfaction, retention and future growth.

Mitigation priorities for 2020

We will continue to drive the focus on customer needs and how our innovative and integrated service will add value. We will leverage the existing structural approach to understand customers requirements and proactively improve relationships and customer satisfaction. We will continue to innovate our product offering. We will focus energy on identifying emerging risks and take appropriate action as soon as practicably possible. The customer service and management structure is robust and effective, but continues to be enhanced and adapted to the changing environments.

Principal risk

Information security

Risk

Information Security remains a focal point for many organisations. Regulations and sanctions relating to the potential failure to secure sensitive and confidential data, which we are entrusted with by customers, staff, suppliers and other stakeholders, drive risk in this area. Like all organisations, we face cyber attacks from a variety of sources which, if successful, could result in censure and fines by national governments; loss of confidence in the G4S brand and specific loss of trust by customers, especially those in government and financial sectors. Additionally, we face the risk of disruption to service delivery from system failures, incomplete backup routines, inadequate business continuity and disaster recovery plans.

Risk mitigation

The IT function is centrally managed to control the way our systems are supported and run. We have “defence-in-depth” technologies (i.e. multiple layers of defence) in key systems to protect information entrusted to us. This helps to ensure policies and standards are applied consistently across all operating businesses. We are in Phase 3 of our cyber defence investment programme, which involves moving to a managed cloud platform, upgrading our operating systems and endpoint computing structures, further enhancing the security of our IT systems and infrastructure. We continue to manage cyber security threats through the use of managed cyber security products, centralised infrastructure management tools and cyber vulnerability assessments.

We maintain and monitor our use of information security standards and guidance to ensure compliance with General Data Protection Regulation (GDPR) across the UK and Europe.

Mitigation priorities for 2020

We are more than halfway through the final phase of our Cyber Investment strategy, which is due to complete in Q2 2020. We are confident of achieving our objectives on a timely basis, enabling a more effective and agile cyber defence programme.

We have developed a G4S Cyber Risk Assessment methodology enabled by a set of powerful tools that assess the enterprise risks caused by PC's and user behaviour in real time. We will further develop and embed this methodology in 2020.

Principal risk

Major contracts

Risk

The Group operates a number of long-term, complex, high-value contracts with multinational companies, governments or strategic partners. Key risks include; accepting onerous contractual terms; poor mobilisation of contracts; not transitioning effectively from mobilisation to on-going contract management; not delivering contractual requirements; losses exceeding contractual liability limits; inaccurate billing for complex contracts; ineffective contract-change management; and not managing sub-contractors appropriately.

Risk mitigation

We have strict thresholds for the approval of major bids, involving detailed legal review and senior management oversight. For a selection of our most significant contracts, independent reviews of all aspects of contract management and performance are completed with appropriate actions agreed and monitored to completion. We also perform a quarterly financial review of the top 25 and low-margin contracts in each region.

For our large multinational customers, account managers oversee performance of these contracts across relevant countries and have regular updates with customers to ensure we deliver against contractual terms. We develop and maintain strategic partnerships in order to fulfil global customer needs in markets where G4S does not operate directly and maintain regular monitoring and communication processes to manage effective delivery.

We have embedded into the Salesforce opportunity management tool our updated approval requirements to make compliance and monitoring more effective, and have introduced a global reporting platform for global strategic customers monitoring key performance metrics and risk indicators.

Mitigation priorities for 2020

While great improvements have been made in reducing the risk of taking on onerous contracts, we will continue to enhance the quality of the analysis used in the bidding process and ensure that lessons are learned from underperforming contracts.

Internal audit will perform more contract reviews to ensure the risks in those contracts are appropriately mitigated.

Principal risk

Business separation

Risk

After an intensive review, the Group announced the approval of the separation of Cash Solutions from the business. As a result, various options for the separation

were considered, including demerging to create two companies, a Global Secure Solutions business and a Global Cash Solutions business. However, we were approached by various investors interested in our conventional cash business and, as announced on 26 February 2020, we agreed to sell the majority of the conventional cash businesses to Brink's (see page 16).

A separation of this nature is always accompanied by risks such as: transformation risk borne out of the need to separate the business systems and processes; people and change risk, such as distraction from normal business focus, anxiety surrounding future roles; and future needs. Furthermore, operational and financial risk, project delivery risk, and strategic risks exist which may impact on customer and investor confidence and share price.

Risk mitigation

The Cash Solutions business is a distinct and identifiable operation around the world which reduces much of the operational and financial risks. The agreement reached between the parties sets out a phased approach to handover of the affected businesses, with clear understanding of timelines and process. As is usual for a large transformation project, there are many dynamic workstreams and timelines, which are refreshed and reported on at regular intervals. The workstreams are risk assessed, managed and communicated to ensure clear activity in delivering the separation.

Mitigation priorities for 2020

The strategic priority is to deliver the separation of the disposal businesses within the timelines set, in a controlled and organised manner, and with the least possible disruption to the remaining business. Our transformation team is engaged and focused and has clear plans on the key separation areas such as systems, people, and the change agenda. Around 71% of the Transaction has completed as at 28 April 2020.

Principal risk

Cash losses

Risk

We provide a wide range of cash-management services across the Group, including cash processing, fit-sorting of notes for recycling, holding funds on behalf of customers, secure storage, ATM services, as well as transporting high values of cash and valuables including international shipments. Our Retail Cash Solutions offering provides full outsourcing of the cash cycle.

Our Cash Solutions business faces risks related to external attacks, internal theft, and administrative failure. This can lead to reputational damage, loss of profit, increased cost of insurance and health and safety considerations for our employees and the public.

Risk mitigation

Our Cash Solutions business focuses on the effective operational performance of the cash cycle, including physical security, cash reconciliations and cash management throughout our cash businesses, to reduce both the number and value of losses. We have continued to improve the Reconciliation and Operational Cash Controls procedures throughout our cash businesses and have concentrated on implementing the right processes through direct support from regions and the Group. Self assessments against these standards are performed twice a year by each branch and head office and compliance is supported and monitored by regional teams and through internal audit. We have clearly-defined, mandatory security principles and standards to secure our employees, cash holding facilities and vehicles. The region and local cash security teams are responsible for monitoring compliance with these security principles through self-assessments performed by local management.

Internal audit conducts yearly audits to verify compliance based on individual country risk profiles and loss records. There are processes in place for monitoring attacks and cash losses to ensure early detection and lessons learned are communicated across the Group. Innovative security-defence products are enabled in the tracking of secure boxes, employees and vehicles.

Mitigation priorities for 2020

We will continue to drive excellence and improvement in our Reconciliation and Operational Cash Controls process, through a continuous improvement programme of reviewing and adapting standards, monitoring and assessing performance against those standards, and maintaining an effective cash management cycle.

See page 16 for the details of the disposal of the majority of our conventional cash solutions businesses during 2020. This principal risk will be reviewed in 2020, as the Transaction completes.

Related party transactions (note 38 to the consolidated financial statements, page 230)

Transactions and balances with joint ventures

Transactions between the company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. All transactions with related parties are entered into in the normal course of business.

Transactions with joint ventures included revenue recorded of £79m (2018: £60m) and purchases recorded of £nil (2018: £nil). Amounts due from related parties include £1m (2018: £2m) from joint ventures. Amounts due to related parties include £nil (2018: £nil) to joint ventures.

No expense (2018: £nil) has been recognised in the year for impairment in respect of amounts owed by related parties.

Up until the end of 2019 the Group had a legal interest in a number of joint ventures and joint arrangements, where the economic interest was divested by the Global Solutions Group prior to its acquisition by G4S plc in 2008. The Group's legal interest in these entities was terminated during December 2019. Transactions with these entities during the year comprised:

| | 2019 Services/sales to £m | 2018 Services/sales to £m |
|---|---------------------------------|---------------------------------|
| White Horse Education Partnership Limited | 3 | 3 |
| Integrated Accommodation Services plc | 44 | 50 |
| Fazakerley Prison Services Limited | 43 | 41 |
| Onley Prison Services Limited | 18 | 17 |
| UK Court Services (Manchester) Limited | 2 | 2 |
| East London Lift Company Limited | 1 | 2 |
| Total | 111 | 115 |

The Group had outstanding balances of £12m due from these entities at 31 December 2018.

Transactions with post-employment benefit schemes

Details of transactions with the Group's post-employment benefit schemes are provided in note 31. Unpaid contributions owed to schemes amounted to £0.1m at 31 December 2019 (31 December 2018: £0.2m).

Transactions with other related parties

In the normal course of the Group's business the Group provides services to and receives services from certain non-controlling interests on an arm's-length basis.

Remuneration of key management personnel

The Group's key management personnel are deemed to be the non-executive directors and those individuals, including the executive directors, whose remuneration is determined by the Remuneration Committee. Their remuneration is set out below. Further information about the remuneration of individual directors included within key management personnel is provided in the audited part of the Directors' Remuneration report on pages 124 to 148.

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------|
| Short-term employee benefits | 7,636,207 | 8,168,995 |
| Post-employment benefits | 33,512 | 21,788 |
| Other long-term benefits | 24,630 | 33,514 |
| Share-based payment | 2,015,161 | 4,596,918 |
| Total | 9,709,510 | 12,821,215 |

Statement of directors' responsibilities:

The following responsibility statement is repeated here solely for the purpose of complying with Disclosure and Transparency Rule 6.3.5. This statement relates to and is extracted from page 152 of the Company's Integrated Report and Accounts 2019. Responsibility is for the full Integrated Report and Accounts 2019, not the extracted information presented in this announcement and in the preliminary final results announcement.

‘Statement of directors’ responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Integrated Report and Accounts and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards comprising FRS101 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU, subject to any material departures disclosed and explained in the group financial statements;
- for the parent company financial statements, state whether applicable UK Accounting Standards comprising FRS101 have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that its financial statements and Directors’ remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors’ report, directors’ remuneration report and corporate governance statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

Each of the directors in office at the date of this report, whose name is set out on pages 92 and 93 of this Integrated Report and Accounts, confirms that, to the best of his or her knowledge:

- the financial statements in this Integrated Report and Accounts have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and the Group; and
- the management report required by DTR4.1.8R (contained in the strategic report and the Directors' report) includes a fair review of the development and performance of the business and the position of the parent company and the Group taken as a whole, together with a description of the principal risks and uncertainties they face.

The strategic report from the inside front cover to page 87 includes information on the group structure, the performance of the business and the principal risks and uncertainties it faces. The financial statements on pages 163 to 254 include information on the Group and the company's financial results, financial outlook, cash flow and net debt and balance sheet positions. Notes 22, 25, 26, 29 and 30 to the consolidated financial statements include information on the Group's investments, cash and cash equivalents, borrowings, derivatives, financial risk management objectives, hedging policies and exposure to interest, foreign exchange, credit, liquidity and market risks.

Pages 163 to 245 contain information on the performance of the Group, its financial position, cash flows, net debt position and borrowing facilities. Further information, including financial risk management policies, exposures to market and credit risk and hedging activities, is given in note 30 to the financial statements. After making enquiries, including consideration of the potential financial impact on the Group of the Covid-19 pandemic, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors consider it appropriate to adopt the going concern basis in preparing the financial statements as explained in note 3 to the financial statements on page 168.

Directors are also required to provide a broader assessment of viability over a longer period, which can be found on page 113 of the Integrated Report and Accounts.

The directors consider that the Integrated Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for

shareholders to assess the Group and parent company's performance, business model and strategy.

The statement of directors' responsibilities and the strategic report are approved by a duly authorised committee of the board of directors on 29 April 2020 and signed on its behalf by Tim Weller, Group Chief Financial Officer.'

Celine Barroche
Company Secretary
G4S plc

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Notes to Editors:

G4S is the leading global security company, specialising in the provision of security services and solutions to customers. Our mission is to create material, sustainable value for our customers and shareholders by being the supply partner of choice in all our markets.

G4S is quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S is active in around 90 countries and has over 558,000 employees. For more information on G4S, visit www.g4s.com.