G4S is the world’s leading global, integrated security company specialising in the provision of security and related services to a diverse range of customers across six continents. We play an important role in society – our 585,000* employees deliver services that create a safe and better environment in which millions of people live and work. In this report we feature the important work carried out by our colleagues that makes us proud to be securing your world.

This report and our collective sustainability reporting framework were published in April 2017. Together they represent the CSR activity of G4S plc and its subsidiaries, associated undertakings and joint ventures for the year ended 31 December 2016. The audited Integrated Report and Accounts of G4S plc for the year ended 31 December 2016 contains further information about the company and should be seen as the definitive source for investment decisions. No significant changes from previous reporting periods have been made, including the boundaries and measurement methods, unless stated.

* Includes 27,000 employees in businesses to be sold or exited.
Our strategy addresses the positive, long-term demand for security and related services and our enduring strategic aim is to demonstrate the values and performance that make G4S the company of choice for customers, employees and shareholders. We aim to do this by delivering industry-leading, innovative solutions and outstanding service to our customers, by providing engaging and rewarding work for employees and by generating sustainable growth and returns for our shareholders. These aims are underpinned by the key programmes in our strategic plan:

**OUR VALUES AND ‘ONE G4S’**

Our people and values underpin everything we do. Our ‘One G4S’ model brings all areas of our business together and is designed to ensure that the way we go about our business is consistent across our global operations and is strongly aligned with our strategy and our values.

We believe that this approach will generate significant benefits for our customers, employees and shareholders.

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**SECURING YOUR WORLD**

**OUR BUSINESSES**

G4S is the world’s leading, global, integrated security company specialising in the provision of security and related services across six continents. We offer a broad range of services on a standalone basis or in conjunction with other services to provide customers with valuable integrated solutions. Technology, software and systems accounted for 13% of the Group’s continuing business revenues in 2016 and technology enabled security services contributed more than an additional £1.5 billion revenues in 2016.

**SECURITY SERVICES AND SYSTEMS (78%)**

**Market**

G4S operates an integrated security business in more than 100 countries across the globe. The global security market is highly fragmented; there are few international suppliers and our competitors are typically smaller local and regional companies.

**Our approach**

We design, market and deliver a wide range of security and related services and our global footprint provides valuable access to a highly diversified customer base in markets around the world. We aim to differentiate G4S by providing industry leading solutions that are innovative, reliable and efficient.

Our scale and focus on productivity supports our cost competitiveness and our sustained investment in professional staff, technology, software and systems enables us to provide innovative and reliable solutions for our customers on a stand-alone or integrated basis.

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**CARE AND JUSTICE SERVICES (15%)**

**Market**

G4S’s Care and Justice services are concentrated in the UK and Australia. The care and justice market is fairly consolidated with a small number of large providers. Larger companies are usually better equipped to deliver the highly specialised services in this sector.

**Our approach**

G4S will only offer custody, detention, rehabilitation and care services where we can maintain a qualified talent pool and where the political, legal, human rights and regulatory framework is consistent with our Group values and results in acceptable operational, commercial and reputational risk.

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**CASH SOLUTIONS (17%)**

**Market**

G4S Cash Solutions is one of a small number of large, global cash businesses and is the market leader or number two in 41 of its 44 markets. Each market is highly regulated, often by central banks, and the business requires significant infrastructure and expertise. G4S competes with local national and a small number of international competitors. Cash usage in most developed markets is mature, with flat or gradually declining volumes at an aggregate market level. Cash usage continues to increase in emerging markets.

**Our approach**

We transport, process, recycle, securely store and manage cash and we provide secure international logistics for cash and valuables. Our strategy is designed to enable us to accumulate volumes through cost leadership and product and service differentiation. To do this we invest in technology and develop and sell proprietary cash management systems which combine skilled professionals with software, hardware and operational support in an integrated managed service. We operate around the globe, focusing on markets where we are able to build and sustain a material market share in our key service offerings.
As a global company operating in many different and sometimes complex environments it is important that we work in a way which is sustainable and ethical and has a positive economic, social and environmental impact on society.

We demonstrated our ongoing commitment to sustainability through signing the UN Global Compact six years ago. The core principles of the Compact continue to be reflected in our policies, values and business activities today.

We expect our leaders and managers across the Group to take personal responsibility for working in a sustainable way which meets or exceeds the company policies and standards. We also expect them to understand where risks to sustainability may exist and put in place plans and actions to ensure that any risks are mitigated.

Our business processes have in-built standards to ensure that we are making the right choices for the company based on an understanding of where sustainability risks may exist. For example, investment proposals are assessed not just on the basis of appropriate operational delivery and financial returns, but also on whether they can be achieved in line with our company values and standards and whether the appropriate risk versus reward balance can be achieved.

This places formal responsibility on those involved in the Group Investment Committee, and I am also encouraged by the informal discussions which take place across the organisation, reflecting an understanding of our important role in society and the creation of a sustainability culture across the Group.

Embedding our values

Underpinning our culture are the Group values. These are the standards that we set for ourselves and the organisation which are reflected in our every-day behaviour.

Early in 2016 we completed a review of our values and we launched new values in March. Feedback from across our key stakeholder groups has been very positive and we are now embedding them across the Group – making sure our standards and practices are aligned.

We have commenced an employee communications programme aimed at making sure colleagues understand the new values, what they mean in practice and what we expect of our colleagues as a result.

We are developing a training programme for managers and a new and engaging method of introducing colleagues to the values when they first join the Group. We are embedding our new values into existing processes such as the Group’s competency framework – which assesses management performance and capability against an agreed set of criteria. Performance contracts for senior managers and the incentives associated with them include a clear requirement to carry out their role in accordance with the Group’s required standards of behaviour. This ultimately impacts how individuals are rewarded through incentive schemes.

Where specific actions are required – for example an improvement in the safety performance of a particular business – leaders and managers will have specific non-financial objectives in order to make sure the actions are given the right level of priority and focus.

In addition, we are encouraging colleagues to “Speak Out” if they are aware of or witness wrongdoing or behaviour which is not in line with our values. In 2016 we completed the global implementation of Speak Out, our whistleblowing hotline and case management system for the most serious of issues. Whilst we still have some way to go to ensure all cases of wrongdoing are being reported through the appropriate channels, we have seen a growing willingness of employees to raise concerns via Speak Out. We will continue to remind colleagues of the options open to them for reporting their concerns.

In 2017, we will also be undertaking a global management and employee survey, which will be linked to the company values. This is a very important means of gathering feedback from colleagues around the world on what the values mean in practice and how well they are being embedded in our organisation.

Employee safety

One area of our business which continues to concern me and my executive team is that of employee safety. We have made good progress in improving our safety standards, resources and accountability for safety issues, safety performance remains unsatisfactory and I regret to report that although we achieved a significant improvement in road safety, 47 colleagues lost their lives in the course of their duties last year. This was principally as a result of sharply higher levels and greater intensity of armed attacks on our employees. We are working closely with peer companies and law enforcement agencies to mitigate these attacks. The number of road traffic-related fatalities has decreased by 20% since 2013 when the road safety programme was launched.

We will continue to focus on safety on the front line, where it matters the most, where we can have the most impact on the behaviour of our colleagues and where lives can be saved and injuries avoided.

A sustainable future

We continue to make positive progress in all areas of our CSR strategy but recognise – as part of our ongoing transformation of the Group – that there is more we can do to continuously improve our sustainability performance.

This will continue to be a focus for the management and board as the group continues to develop in the coming years.

Ashley Almanza
Group Chief Executive Officer
We play an important role in society. We make a difference by helping people to operate in a safe and secure environment where they can thrive and prosper.

Through its services and organisation, G4S delivers a broad range of significant and far-reaching social, economic and environmental benefits to the communities in which it works, many of which are helping to realise the United Nations Sustainable Development Goals.

We create employment opportunities, and invest in and develop our employees. We directly benefit them and our suppliers through the salaries, benefits and payments we make for goods and services.

In our Care and Justice operations, we develop innovative programmes to rehabilitate offenders and provide them with the encouragement and skills needed to help them rebuild their lives once released.

Our colleagues work with governments and non-governmental organisations in high-risk environments, such as former conflict areas, to support humanitarian, stabilisation and economic reconstruction efforts.

We encourage industry standards to be raised. By embedding our policies and practices into less developed regions, as well as by supporting new approaches such as the Ethical Employment Partnership or the International Code of Conduct for Private Security Providers, we have helped to improve industry standards around the world.

In this report, we have mapped our key sustainability programmes against the SDGs in order to provide a clearer insight into the impacts we have in this regard and to highlight the SDGs which G4S is helping to advance through our programmes and operations.

The United Nations Sustainable Development Goals (SDGs) call upon business to advance sustainable development through the investments they make, the solutions they develop, and the practices they adopt.

We direct our sustainability activities through the three priority areas identified in our materiality review. Our focus on these areas enables us to maximise the positive elements of our wider socio-economic impact and helps to protect against negative impacts. Together, our materiality review, social impact mapping and priority areas present a complete picture of how we identify, understand and manage the impacts which we have.

See our Skills India case study on page 23.

See our materiality analysis on page 14 for more information.


SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) call upon business to advance sustainable development through the investments they make, the solutions they develop, and the practices they adopt.

1  No Poverty
2  Zero Hunger
3  Good Health and Well-being
4  Quality Education
5  Gender Equality
6  Clean Water and Sanitation
7  Affordable and Clean Energy
8  Decent Work and Economic Growth
9  Industry, Innovation and Infrastructure
10 Reduced Inequalities
11 Sustainable Cities and Communities
12 Responsible Consumption and Production
13 Climate Action
14 Life below Water
15 Life on Land
16 Peace, Justice and Strong Institutions
17 Partnerships for the Goals

SUSTAINABLE DEVELOPMENT GOALS

PREVENTION OF CRIME

G4S delivers a wide range of specialist security services that mitigate the risk or impact of criminal behaviour and help to create safer communities. A key focus of our Care and Justice operations is to confront and address offender behaviour and work towards their rehabilitation.

HEALTH AND WELLBEING

The nature of G4S’ work and the environment in which we operate may become hazardous. Mitigating this risk so that our people and those in their care can return home safe every day is a strategic priority for the Group. G4S is investing in safety awareness, training and intervention as part of an ongoing programme to enhance the safety culture of the company and achieve its goal of zero harm.

JOB CREATION

G4S provides direct employment to 585,000 people around the world. Through its supply chain and employee expenditure, G4S indirectly supports the creation of hundreds of thousands of further jobs worldwide. In helping to create safer environments in which businesses may prosper, G4S can also contribute to the attractiveness of investment by businesses into new communities and the creation of further employment opportunities.

We encourage industry standards to be raised. By embedding our policies and practices into less developed regions, as well as by supporting new approaches such as the Ethical Employment Partnership or the International Code of Conduct for Private Security Providers, we have helped to improve industry standards around the world.

SOCIO-ECONOMIC IMPACTS

Working with an expert panel, we have identified 15 social, economic and environmental areas within the SDGs where G4S makes its most significant impact.

These are the specific areas through which G4S makes a positive difference to society and communities around the world.

Visit(g4s.com/business4peace) to read the case study.

See pages 16 to 19.

Job creation:

G4S provides direct employment to 585,000 people around the world. Through its supply chain and employee expenditure, G4S indirectly supports the creation of hundreds of thousands of further jobs worldwide. In helping to create safer environments in which businesses may prosper, G4S can also contribute to the attractiveness of investment by businesses into new communities and the creation of further employment opportunities.

Health and wellbeing:

The nature of G4S’ work and the environment in which we operate may become hazardous. Mitigating this risk so that our people and those in their care can return home safe every day is a strategic priority for the Group. G4S is investing in safety awareness, training and intervention as part of an ongoing programme to enhance the safety culture of the company and achieve its goal of zero harm.

See our Skills India case study on page 23.

See our materiality analysis on page 14 for more information.


DEFINING OUR SOCIAL IMPACT

We play an important role in society. We make a difference by helping people to operate in a safe and secure environment where they can thrive and prosper.

Through its services and organisation, G4S delivers a broad range of significant and far-reaching social, economic and environmental benefits to the communities in which it works, many of which are helping to realise the United Nations Sustainable Development Goals.

We create employment opportunities, and invest in and develop our employees. We directly benefit them and our suppliers through the salaries, benefits and payments we make for goods and services.
OUR PERFORMANCE IN 2016

We made good progress in a number of key CSR areas in 2016. In this section, we cover some of the key actions undertaken in the last year.

- Introduced a new online safety training module covering minimum health and safety requirements – since 2015, over 3,000 managers have completed online health and safety training modules.
- Conducted health and safety control self-assessments in all countries as part of the Group’s risk and compliance systems.
- Completed seven Group-led deep dive reviews of safety in high-priority countries.
- Introduced safety improvement programmes for specific risk areas such as motorcycle safety.
- Road traffic related fatalities have decreased by 20% since 2013 when our road safety programme was launched.

CSR HIGHLIGHTS

- 3.6% Reduction in carbon intensity since 2015
- 13 “Top Employer” certifications in countries across Africa
- 402 Cases reported and managed via our global whistleblowing system Speak Out during 2016
- 7 Deep dive reviews of safety in high-priority countries
- 4 Human rights risk assessments of major business opportunities
- 3,000 Managers have completed online health and safety training modules

HUMAN RIGHTS

- Conducted a global human rights assessment.
- Completed human rights self-assessments of businesses operating in high-risk environments.
- Undertook four human rights risk assessments relating to new business opportunities under review by the Group Investment Committee.
- Business units across the Group have undertaken local human rights risk assessments.

PEOPLE & VALUES

Our Group strategy and sustainability performance are underpinned by our people and values. In 2016 we achieved a number of important milestones:

- Refreshed our human resources core standards and delivered training to regional and country-level HR managers to ensure their understanding of the Group’s requirements.
- Completed a review of our Group values, resulting in the development of a core set of values which are more closely aligned to our strategy and business model.
- Launched the new values across the Group with an internal communications campaign highlighting our key values and behaviours.
- Commenced the development of values training and awareness materials for new colleagues joining the Group.
- Achieved certification as a “Top Employer” in 13 countries across Africa by the Top Employer Institute.
G4S is a global business with operations in more than 90 countries. We employ over 585,000 people, making G4S one of the world’s largest private employers.

### OUR PEOPLE

#### Employees by geographical segment

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Africa</td>
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<tr>
<td>Asia Pacific</td>
<td>159,000</td>
<td>19%</td>
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<tr>
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<tr>
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<td>9%</td>
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<tr>
<td>UK &amp; Ireland</td>
<td>47,000</td>
<td>8%</td>
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</tbody>
</table>

#### Employees by role

<table>
<thead>
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<th>Role</th>
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</thead>
<tbody>
<tr>
<td>Frontline</td>
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</tr>
<tr>
<td>Supervisory</td>
<td>5.8%</td>
</tr>
<tr>
<td>Admin</td>
<td>3.2%</td>
</tr>
<tr>
<td>Manager</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

### Human resources core standards

During 2016, the HR core standards, which cover every business in the Group that has completed self-assessment of compliance with the core standards using our enterprise risk management systems. The system provides a common platform for managing risk and streamlines the process for completing, monitoring and reporting compliance against the standards. As with previous years, any gaps identified are followed up via both regional and group HR teams and through business audits. As well as investing time and effort in ensuring our existing operations are fit for purpose, we are also developing a new HR system which will be piloted in Ireland in 2017.

* Includes 27,000 employees in businesses to be sold or exited.

### Diversity

Our employee diversity is a source of competitive advantage to G4S. We believe it helps us to innovate and stay ahead of our competition. To harness our great diversity and enable all our employees to realise their potential, we encourage our businesses to create inclusive working environments. Tools including online cultural awareness training and cultural calendars are available to employees, and we encourage colleagues to seek, acknowledge and value differences. Robust policies are in place, which make it clear that we do not tolerate any form of discrimination. If employees believe they are unfairly treated, we offer multiple channels for raising concerns, including our global reporting hotline.

### Employee retention

High employee turnover is a risk which we seek to mitigate through the HR core standards. It impacts not only our ability to deliver excellent service, but also the costs of doing so. The causes and potential solutions of high turnover in our businesses are many and varied.

Retention was identified as a priority in 2016, and we have focused significant efforts in key countries, where it was clear that employee turnover had made a material impact on the business. These priority businesses have increased reporting and sharing of information. A new HR practitioners’ toolkit is under development which will provide guidance on the analysis and tackling of employee turnover issues.

The efforts and focus on retention appear to be having an influence, with the percentage of voluntary turnover across the Group reduced by 7.1% in 2016. This reduction has been particularly noticeable in Africa, Latin America and the Middle East & India regions.

In 2017, we will continue to focus on retention, and seek opportunities to strengthen our recruitment activities using similar tactics and targeted approaches.

### Employee screening

Screening our employees appropriately is vital to ensuring that we safeguard our customers’ assets and our reputation as a trusted supplier. Our processes for screening have evolved over time. Security regulations have changed, new risks have emerged and access to different sources of screening data, such as social media, have become available.

During 2016, we reviewed our screening policy and practices, particularly for high-risk employees such as those carrying firearms or working in hostile environments. This will lead to the development of a Group-wide training programme for HR and recruitment practitioners. The new programme will be mandatory and delivered online, supplementing existing training related to our HR core standards, regulatory and customer requirements.
CSR Chair’s statement

Clare Spottiswoode, CSR Chair

Our approach to CSR
Both as a founding member of the CSR Committee and as Chair over the last four years, I have seen the positive impact of having a committee dedicated to sustainability and how it has become embedded in the Group across a broad range of areas and I am proud of the progress which has been made.

For example, ensuring that a new area of business conforms to and is consistent with our core values is a deciding factor in whether to move forward with an opportunity. The fact that managers bring opportunities to executives to check compatibility with our values at an early stage is an encouraging sign of how these standards are becoming embedded in the organisation.

Stakeholder engagement
The Group’s progress in sustainability has been informed by a number of factors – an important element of which is stakeholder engagement.

The committee is very grateful to G4S colleagues and external stakeholders who have helped the Group focus its CSR strategy in the appropriate areas and for such positive and active engagement on the most critical issues.

I find our annual meetings with socially responsible investors and ethical social and governance groups of particular value and their continuous engagement with the Group’s management, investor relations and CSR colleagues is also highly valued.

Our CSR focus continues to be on health and safety, human rights and anti-bribery and corruption, although our overall programme covers a much broader range of areas. Towards the end of 2016 we will conduct a further review of material issues with input from internal and external stakeholders to ensure that the Group continues to focus on the most important and material issues.

The Group’s progress in sustainability has been informed by a number of factors – an important element of which is stakeholder engagement.

The committee is very grateful to G4S colleagues and external stakeholders who have helped the Group focus its CSR strategy in the appropriate areas and for such positive and active engagement on the most critical issues.

I find our annual meetings with socially responsible investors and ethical social and governance groups of particular value and their continuous engagement with the Group’s management, investor relations and CSR colleagues is also highly valued.

Now that our enhanced whistleblowing process – Speak Out – is embedded across the Group, we are seeing increased levels of reporting, which is very encouraging. However, there is more work to do to promote the service to colleagues across the Group and to monitor and evaluate trends and causes of alleged non-compliance with G4S standards. The CSR Committee will continue to monitor progress in this area.

Our first modern slavery statement will be published shortly on our website. With such a diverse business which operates in such a wide variety of markets and countries, acknowledging our commitment to fair and open labour practices in this important area is a demonstration of our ongoing commitment to an ethical and sustainable business.

See page 5 for more information on culture and values.

The global employee engagement survey will be an essential part of this feedback, as will our improved visibility of whistleblowing cases, actions and outcomes.

Being passionate about safety is a core value of the Group. We have made significant progress in embedding a safety culture and have seen strong improvements in key areas such as reducing the number of road traffic accidents across the Group. Whilst these improvements are positive, we must continue to focus our efforts on reducing the risk of injury to our staff and ensuring that all employees think about safety every day – how they can keep themselves safe and what they can do to protect each other.

This safety culture is being driven right from the very top of the organisation with a significant focus from the group chief executive and group human resources director and the full and active support of the board and Executive Committee.

The committee will continue to work with executive management colleagues to ensure that good sustainability practices are further embedded into the Group. We will scrutinise sustainability performance and ensure that the strategic priorities are being addressed appropriately.

I also hope that our constructive dialogue with our employees, investors, customers and other key stakeholders will continue in order to further develop and focus our sustainability agenda.

Clare Spottiswoode
CSR Chair

Paul Spence
Non-executive director

Winnie Kin Wah Fok
Non-executive director

2016 membership
CSR Committee meetings are also attended by the group corporate affairs director, group human resources director and the regional president of the UK & Ireland region. The meetings are also attended by internal and external experts as required.
Materiality and stakeholders

CSR MATERIALITY REVIEW

To help ensure that G4S’ approach to CSR remains focused on the areas that are of most relevance to the business and its stakeholders, we carry out a wide-ranging materiality review of ethical and sustainability issues every two years.

Core priority areas

- Health and safety
- Tax
- Human rights
- Anti-bribery and corruption
- Economic impact
- Responsible procurement and supply chain management
- Community engagement
- Resource use and waste
- Transparency
- GHG emissions
- Environmental management

Further information on the methodology used to determine the 2016/17 materiality matrix can be found in our CSR Report 2015 www.g4s.com/csr2015

ENGAGING WITH OUR STAKEHOLDERS

Values: • Integrity • Respect • Service excellence

SRI Engagement: UK & Global

A regular in newspaper headlines over the last few years, the company’s reputation has taken a hit through involvement in several high-profile incidents, which have raised our concerns around group-wide risk oversight and management, effectiveness of internal controls, as well as broader corporate culture.

As G4S’ previous federal business structure had been a key factor in the issues which have impacted it during recent years.

The company’s past focus on acquisition growth and flag-planting has created a security conglomerate, not an integrated company.

We have engaged heavily with G4S at all levels. We met the company’s CEO, chair of the corporate social responsibility committee, as well as non-executive directors. Health and safety and employee behaviour were crucial issues that we discussed extensively with the company.

In light of the company’s embattlement in several custodial and detention service controversies, which we believe have impacted it during recent years.

Those were largely reassuring, with G4S making significant efforts to ensure constructive relationships between its officers and the prisoners through its focus on prisoner rehabilitation. However, from a resourcing and security point of view, we still have material concerns about the sustainability of the UK prison industry as a whole.

We are engaged with the company’s CEO and have raised our concerns about group-wide risk oversight and management, effectiveness of internal controls, as well as broader corporate culture.

The feedback from over 449,000 employees who completed the employee engagement survey in 2015 provided many ideas on how to improve employee retention. We believe that motivated and highly engaged employees are more likely to work harder and stay longer; so the survey is a critical opportunity to assess levels of engagement and find out what really matters to our employees.

We want to know what they think of G4S as an employer and what they feel the company needs to do more of, and differently, in order to improve their working day.

During 2016, we have been implementing action plans in response to feedback from the last survey.

The next engagement survey is being prepared for distribution during 2017. This time the questions will be aligned to the new group values as a way of further embedding them in our processes and gathering employee feedback on how well G4S lives up to these values and what needs to change.

Access to the survey is being extended this year through wider use of mobile technology and more language options. We look forward to reporting on the results in 2018.

The next engagement survey is being prepared for distribution during 2017. This time the questions will be aligned to the new group values as a way of further embedding them in our processes and gathering employee feedback on how well G4S lives up to these values and what needs to change. Access to the survey is being extended this year through wider use of mobile technology and more language options. We look forward to reporting on the results in 2018.

For further information on our stakeholder engagement see www.g4s.com/csr

Customer engagement

We are working in a more rigorous approach to customer satisfaction monitoring and relationship management.

We provide a wide range of positive social impacts in the communities in which we live and work.

We have strengthened our risk and internal audit systems and processes.

We engage with our employees through a global employee survey and a variety of representative forums.

We seek independent expertise on key issues.

Customers

We are investing in more rigorous approaches to customer satisfaction monitoring and relationship management.

Partners and suppliers

We have strengthened our risk and internal audit systems and processes.

Employees

We engage with our employees through a global employee survey and a variety of representative forums.

Investors and SRI analysts

We proactively seek feedback from socially responsible investment analysts and shareholders.

Multilateral organisations and governments

We participate in relevant consultations and support events at which we may demonstrate our expertise on security-related issues.

Independent experts

We seek independent expertise on key issues.

Communities and NGOs

We work with our communities and NGOs to ensure constructive relationships with G4S making significant efforts to disengage with more underway.

Contract discipline has also been strengthened as part of the leadership’s commitment to centralisation. A crucial aspect of this improved discipline has been the explicit consideration of reputational risks. Positively, and in contrast to earlier reports, the company now has a CEO who is able to give examples of where he put cultural alignment before purely commercial interests.

With many of its initiatives still in their early stages, G4S still has a long way to go, something which it has openly admitted. Ultimately, however, we believe that many of the necessary foundations for safety and security have been laid.”

Jeremy Kark, Head of Responsibility at Hermes Investment Management and Maxine White of Hermes EOS.

The case study is an extract from Hermes EOS Annual Report 2015 www.hermes-eos.com
Our priority areas: Health and safety

HEALTH AND SAFETY

2016 PRIORITIES

- Introduced additional training modules on specific health and safety risks and developed compliance controls.
- Introduced health and safety control self-assessments as part of the Group’s risk and compliance process.
- Completed planned work on the development of the onshore incident management programme.
- Conducted interventions and critical country reviews in specific businesses to improve health and safety performance.
- Issued guidance on managing safety risks pertinent to our industry.

FOCUS ON SAFETY: USA

G4S is committed to providing its employees with a safe working environment and achieving its goal of zero harm.

To help achieve these goals, G4S Regulated Security Solutions (USA), a leading provider of security services to the nuclear power industry in North America, has initiated a comprehensive safety programme that is built upon the foundation of management involvement, employee awareness and employee participation. It is an active and ongoing programme comprised of awareness training, supervisory skills training, safety observation documentation, accident and injury event analysis and employee safety evaluations.

In developing our safety culture and employee behaviour, G4S Regulated Security Solutions (USA) has implemented:

- A safety awareness training DVD
- Weekly “safety moments”
- Computer based training courses
- Industrial safety programmes
- Specific safety handbooks and exams covering key risk areas
- Specific safety campaigns covering key risk areas

The safety programme has shown measurable effectiveness in the nuclear environment, recording over 10 million hours of operation without a single lost time incident.

Values:
- Safety
- Service excellence

SDGs:
- G4S is committed to providing its employees with a safe working environment and achieving its goal of zero harm.
The safety and wellbeing of our employees and those in our care is one of our key priorities. Our goal is zero harm.

To enable us to secure the world for our customers and the communities we serve, we must prioritise the safety as well as the health and wellbeing of our employees. It is our responsibility to ensure that our colleagues return home from work safely every day.

The nature of our work and the environments we operate in mean that serious and safety present a strategic risk to our business. We believe that setting the highest standards for health and safety across our industry helps to keep our colleagues safe and builds loyalty and commitment to G4S among our employees. Leading by example and having expertise in health and safety gives not only our employees, but also our customers and other stakeholders, confidence in the values of the company that they are working with.

We recognise that our businesses operate in different contexts and face varying levels of risk. The Group health and safety strategy sets the framework and provides a vision of how each business can progress from a level of compliance with health and safety regulation to a level of differentiation where G4S leads the industry in health and safety practice.

All businesses within the group assess their performance against a set of core health and safety standards. Compliance is monitored and periodically audited with reviews of performance at regional, group and board level via the CSR Committee.

Progress in 2016

The process of building capability to continuously improve our management of health and safety, eliminating fatal incidents and potentially fatal risks, continued during 2016:

- Improvement programmes targeting high priority countries have continued, with support and oversight provided by both the Group and the regions. Deep dive reviews of safety were conducted in seven priority countries and programmes were also introduced for specific risk areas, such as motorcycle safety.
- The Group’s core health and safety standards were revised in 2016. The implementation was supported by the introduction of formal guidance as well as training for health and safety practitioners across the Group.
- A further online training module was introduced covering the minimum health and safety requirements for G4S businesses. Since 2015 over 3,000 managers have completed online health and safety training modules.
- All businesses completed health and safety self-assessments based on the group’s core standards as part of the Group’s risk and compliance systems. Actions and timelines were drafted to address any issues that arose.
- Online incident management and action tracking was introduced in selected businesses. This programme will only continue in businesses where it is considered that it will deliver a tangible improvement in health and safety performance.

During 2016, 47 of our colleagues lost their lives in work-related incidents, principally as a result of attacks by third parties and road traffic incidents. This is a tragic loss for their families, friends and colleagues and reminds us of the importance of our efforts when it comes to health and safety.

All fatal and permanently disabling incidents are reported at a Group level and investigated through a specific process, led by the managing director of the business concerned.

On a comparative basis, work-related fatalities increased from 47 fatalities in 2015 to 50 in 2016. The number of road traffic-related fatalities has decreased by 20% since 2013 when the road safety programme was launched. However, the number of fatal attacks, particularly in our Cash Solutions businesses, has increased. Action plans to prevent further incidents have been put in place. Each G4S business is required to have a process for reporting and investigating workplace injuries. Improvement targets are set at business level and are based on factors such as the business risk profile and local statutory reporting requirements.

During 2016, the Group’s lost time injury frequency rate was 0.33 per 100,000 working hours, based on reporting that covered 96% of employees. This is compared to a rate of 0.36 in 2015. The reduction is due to both an increase in coverage of reporting and a reduction in the rates in some of the businesses which had previously higher rates.

There were nine non-natural deaths in custody in 2016. All deaths in custody are investigated by the relevant authorities, who make a determination of the cause of death. Seven of these incidents were due to self-harm. Pronouncements will be made by the relevant coroner on the two remaining incidents following their investigations.

20% decrease in road traffic fatalities since 2013

3,000 managers have completed online health and safety training modules

0.33 lost time incidents per 100,000 working hours

Values: • Safety • Service excellence

SDGs: • SDG3: Good health and wellbeing • SDG8: Decent work and economic growth

In some regions it is necessary for G4S security officers to carry firearms as a means of additional protection for themselves and those in their care. Therefore, we have a comprehensive policy on firearms covering a range of issues relating to firearms safety, including their control, procurement, storage and transportation.

Regular firearms maintenance, refresher training and the appropriate screening of employees help to ensure the safety of both employees and the firearms they use.

The implementation of this policy is reviewed through a process of compliance audits and review, both by the local businesses and by Group internal audit.

See page 11 for more information on our approach to the screening of our employees.

ROAD SAFETY AWARENESS: MOZAMBIQUE

During 2015, G4S Mozambique suffered 27 road traffic incidents, posing a serious risk to the safety of our employees. In response, and to help achieve the organisation’s objective of zero harm, a new road safety action plan was implemented. A new driver training and evaluation programme, covering theoretical and practical tests, has been rolled out this year, which is supported by a wide range of safety awareness booklets, posters and videos as well as regular ‘toolbox talks’. The results have been positive, with a reduction of 51% in road traffic incidents during 2016.

Values: • Safety • Service excellence

SDGs: • SDG3: Good health and wellbeing

Priorities for 2017

During 2017, we will continue to work towards our goal of zero harm by:

- Drafting action plans for businesses which have had multiple fatalities as well as monitoring their implementation.
- Enhancing the performance management process through tracking incidents which have the potential to result in a fatality, and to improve the coverage of lost time incident reporting to 98%.
- Continuing to build health and safety capability within the Group, which includes a review of frontline health and safety training.
- Revising the G4S Golden Rules of Safety to ensure that they reflect the potentially fatal hazards front line employees face.
G4S was proud to announce in 2016 that its Australia and New Zealand businesses had become White Ribbon accredited workplaces, having over the past 18 months taken active steps, and driven best practice, to help prevent and respond to violence against women.

“We are committed to the health and wellbeing of all our employees. We cannot ignore the statistics and we want to make sure that G4S as an organisation can be trusted to support the brave steps taken by our people as needed. Over the next three years, our aim is to continue to create a safer and more respectful workplace, supporting employees across all spheres as well as contributing to a national cultural change in the topic of preventing and responding to violence against women.”

Dennis Roach, MD G4S Australia & New Zealand.
Our priority areas: Human rights

G4S’ human rights policy and its related framework are based upon the UN Guiding Principles on Business and Human Rights. Alongside our values of Integrity and Respect, the framework reinforces the continued development of a business model which aids the realisation of the Sustainable Development Goals through the improvement of industry standards, community support and job creation.

We are proud of our role in society and the positive contribution we make to the realisation of human rights through the range of services we offer and the standards we apply to our employees.

However, we also recognise that we have a duty to ensure that we are not at risk of violating human rights through the services we provide; the customers we work with, the suppliers we use, or through the treatment of our own employees and others who are in our care.

Progress in 2016

We have reviewed and updated our human rights framework and embedded its standards and awareness into our business policies and processes.

During 2016, we have:

- Continued to build awareness of human rights standards and responsibilities into company communications and processes.
- Reviewed 107 geographic regions for our human rights heatmap. The 2016 review identified 47 regions in which human rights may be at high or very high risk. The risks in these environments may commonly include restrictions on civil liberties, high levels of corruption and the local attitude to labour rights and standards. The findings of this review are integrated into our risk and compliance processes and may trigger additional levels of assessment and internal audit where necessary.
- Began a programme to embed our updated supplier code of conduct into our global procurement processes.
- Engaged with a broad range of stakeholder groups, including government bodies, non-governmental organisations, investors and customers to address concerns relating to human rights. Whilst this 2016 report does not include a section on current issues at (at the time of writing) there are no further developments or new serious issues to report, we have not changed our position on being open in relation to live challenges faced by the company in this area.
- Carried out four human rights risk assessments relating to major business opportunities for review by the group investment committee.
- As part of our global risk management process, a broad assessment of operational and other business issues has been carried out against our “risk universe,” which includes human rights and other CSR risks.
- Refreshed the human resource core standards training package and delivered training on its key policies and practices to all G4S HR managers and directors.

MODERN SLAVERY

We have a duty to ensure that, either through our business or supply chain, we do not risk violating an individual’s human rights by supporting forced, bonded or compulsory labour, human trafficking or other kinds of modern slavery.

We will shortly publish our first statement in compliance with the Modern Slavery Act 2015. In our statement, we will report on the actions we have taken to help prevent modern slavery within our business and supply chain, specifically highlighting the development and implementation of:

- Our supplier code of conduct – setting out G4S’ requirements and expectations with respect to key areas of responsible sourcing, including respect of international standards and the prohibition of forced or coerced labour.
- Our migrant workers policy – developed to safeguard migrant workers from unscrupulous recruitment practices and help to prevent and manage any risks arising from their employment and accommodation.
- The statement will also describe other key policies which relate to the prevention of modern slavery – our business ethics policy, human rights policy and Speak Out whistleblowing channels.

107 human rights reviews conducted as part of our geographic heatmap assessment.

SKILLS INDIA: INDIA

We are supporting Skills India, a government initiative which aims to train 400 million people in different skills by 2022. G4S is a major employer throughout India, with more than 126,200 employees. Every month we recruit nearly 4,000 people, providing each employee with a minimum of 148 hours training delivered via 32 training centres across the country. This alone equates to nearly 5,000,000 hours of training provided by G4S to new recruits every year, in addition to the ongoing training provided to all employees.

Values: • Respect • Service excellence
SDGs: • Integrity • Teamwork

DEBATING MATTERS BEYOND BARS: UK

Working in partnership with Debating Matters, G4S hosted a pioneering new prison debating initiative at HM Prison Birmingham in the UK during the summer of 2016. Six teams, comprising of 40 prisoners, were judged in an intense series of debates on topics such as drugs in sport, the criminalisation of non-payment of the television licence fee, votes for prisoners and whether free speech has its limits. Following a programme of preparation and training, provided by the Debating Matters team, the debates were judged by a distinguished and high profile panel. Prisoners, their families, prison staff, and local agencies with an interest in prison reform, education and rehabilitation formed an audience for the events.

“Debating Matters Beyond Bars challenges the notion that prisoners aren’t capable or able to research and argue about the ethical rights and wrongs of the big issues facing society, using researched, evidenced arguments and we hope it will be an important addition to Birmingham’s educational work. The project is an exciting opportunity to demonstrate that debate can flourish in unexpected places and that no idea should be beyond critical discussion or debate.”

Clare Fox, Founder and director of the Institute of Ideas behind the Debating Matters initiative.

Values: • Integrity • Respect • Service excellence • Innovation • Teamwork
SDGs: • Integrity • Respect • Teamwork

DEBATING MATTERS BEYOND BARS

2017 priorities

During the course of 2017, we will continue to implement our human rights framework and further develop our approach to human rights in line with emerging good practice.

We will:

- Commence a review of our supply chain to assess and help ensure that all suppliers meet the standards of our supplier code of conduct and develop action plans to address any that do not.
- Institute a new process for conducting internal audits of G4S businesses operating in countries identified as high or very high risk in our human rights heatmap.
- Review human rights risks across the group’s geographic footprint and update our human rights heatmap.
- Conduct human rights control self-assessments of businesses operating in high-risk countries.
- Carry out human rights risk assessment in key business areas.
- Continue to build awareness of human rights responsibilities across the business.

Further information on our commitment and approach to human rights can be found online at www.g4s.com/humanrights
Completed the global implementation of the Speak Out whistleblowing hotline and case management system.

Completed our review of the Group’s anti-bribery and corruption policies to ensure that they are in line with current best practice and to implement any changes as appropriate.

Conducted annual control self-assessments of key issues, including business ethics, health and safety and human rights using the group risk and compliance system.

Continued to create an environment in which G4S colleagues can be confident that they can Speak Out and raise concerns and that they will be taken seriously without fear of retaliation.
Behaving with integrity and respect are key to G4S’ core values – they are an integral part of the Group’s strategy and form an essential foundation on which we carry out our business.

We believe that being a responsible and ethical business partner, employer, customer and supplier is not just a reaction to the challenges of legal compliance, but an important means of doing business and provides a clear market differentiator for G4S, particularly in many developing regions.

Business ethics

We have a group-wide business ethics policy and ethics code which clearly define what is considered to be acceptable or unacceptable business behaviour. We demand compliance with this policy and code from all managers and employees across the Group.

In order to ensure that everyone in the Group understands their obligations in relation to this policy, we carry out the following:

• Regular updating and improvement of the G4S business ethics policy, incorporating evolving standards and legislation and evaluating any risk to the Group’s ethical standards.
• Distributing the policy to senior managers and instructing them to review the policy and personally sign up to playing their role in ensuring its implementation and therefore the Group’s compliance.
• Ensuring that all employees are aware of their obligations under the ethics code, through various communications channels, including values and induction training, employee magazines, awards programmes etc.
• Providing specific training to all managers and supervisors on business ethics and preventing bribery and corruption through a tailored programme available in a variety of languages and formats.
• Reinforcing our values and the importance of ethical behaviour through induction, employment contracts, staff handbooks, training and communications practices.

We have now completed the global implementation of our new whistleblowing hotline and case management system and have received a total of 402 reports from our employees during 2016.

We are pleased that the number of reports has increased since we introduced the new hotline.

As the number of reports grew, we are confident that they may raise concerns without fear of retaliation.

We are confident that they may raise concerns without fear of retaliation.

All matters reported to Speak Out are reviewed and directed to the most appropriate channel for action. Many of these matters are grievances which are transferred to the relevant HR department to follow up, as they are best placed to investigate and resolve the matter promptly. Concerns regarding operational procedures are investigated by local management to ensure that relevant standards are being followed.

Investigations relating to other matters, such as bribery, ethical or financial issues may be conducted by our internal network of investigators or independent experts.

Matters of a serious nature are investigated at a senior and independent level, with 55 investigations completed during 2016.

The ethics steering group has continued to oversee case management of whistleblowing reports and conduct regular reviews of serious cases, the investigation’s progress and resulting actions.

Risk management

Our risks, including ethics and sustainability risks, are captured in a global risk reporting information system. These risks are formally reviewed annually by every business unit and head office function. An overview of our principal risks can be found in our integrated annual report www.annualreport.g4s.com.

During 2017, we will:

• Implement further initiatives to drive risk management awareness and mitigate actions and embed these within our businesses.
• Continue to increase awareness of Speak Out and create an environment in which colleagues are confident that they may raise concerns without fear of retaliation.
• Improve our analysis of whistleblowing reports to better identify trends and themes and where necessary put in place strategic action to prevent similar issues in the future.

At HMP Altcourse, G4S has begun a trial of new technology which is designed to help prevent organised criminals from launching contraband over the prison’s walls to their associates inside.

The technology incorporates a sophisticated video analytics system linked to cctv cameras on the prison perimeter, which is programmed to discern and differentiate between people, vehicles and other moving objects.

The new system alerts officers to identified areas of concern so that they can determine if people caught on camera look likely to launch an object over the wall. Prison officers can then be dispatched to the package’s precise location inside the facility and the police are called to apprehend the criminals on the outside.
SECURING OUR ENVIRONMENT

We recognise the impact that our business activities can have on the environment and are committed to managing this impact in a responsible manner.

G4S’ total carbon footprint during 2016 equates to 503,821 t/CO₂e. These CO₂e emissions, including emissions generated by services which our customers have outsourced to G4S, have decreased by 1.01% since 2015, against a 6.3% growth in the business during the same period, reflecting the efforts made to increase the efficiency of our business.

Key performance indicators

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<th>Indicator</th>
<th>Value</th>
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<tr>
<td>t/CO₂e per £m revenue</td>
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<tr>
<td>kg/CO₂e per average employee</td>
<td>931</td>
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<tr>
<td>kg/CO₂e per average building (including refrigerant)</td>
<td>108.7</td>
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<tr>
<td>t/CO₂e per average vehicle (including refrigerant)</td>
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Further information on our environmental impact and the methodology used to determine our performance can be found online at www.g4s.com/env

REPORTING FRAMEWORKS

UN Global Compact
G4S became a signatory to the UN Global Compact in 2011. The world’s largest CSR initiative, the Global Compact sets out 10 universal principles on human rights, labour environment and anti-corruption to which businesses must align their strategies and operations, and calls upon companies to take actions that advance the UN’s Social Development Goals. G4S is proud to reaffirm its commitment to these principles, which continue to be reflected in our core values. G4S is a signatory of the Business for Peace initiative and remains active within the UK Network of the UN Global Compact – continuing to participate as a member of the governing Advisory Group.

Within our collected sustainability reporting framework we have described the actions we have undertaken to build upon and further integrate the Global Compact and its principles into our business strategy, culture, values and daily operations during 2016.

Carbon Disclosure Project
Since 2009, G4S has reported on the progress of its environmental management through the Carbon Disclosure Project (CDP).

In the latest CDP report, Tracking Corporate Climate Progress, G4S achieved a CDP performance band of (B) against a programme average of (C). Reporting to the CDP helps to demonstrate a company’s awareness of their greenhouse gas emissions, allowing for reduction targets to be put in place, as well as addressing the risks and opportunities that are associated with climate change.

CSR Index
A full index of our key sustainability programmes and other ethical and social policies and practices is available on our website at www.g4s.com/csrindex

UN Global Compact Communication On Progress Index

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<th>UN Global Compact Communication On Progress Index</th>
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<td>Statement of continued support by CEO</td>
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<td>Human Rights: Principles 1 &amp; 2</td>
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<td>Labour: Principles 3, 4, 5 &amp; 6</td>
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<td>Environment: Principles 7, 8 &amp; 9</td>
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<td>Anti-Corruption: Principle 10</td>
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Our sustainability reporting framework is led by our Integrated Report and Accounts and this Corporate Social Responsibility Report. These documents are supported by our website, which contains a greater range of information on wider ethical and sustainability issues.

This includes our environmental reporting, labour relations and other human resource core standards, community investment and more.

A full index of sustainability-related issues can be found online at www.g4s.com/csrindex.