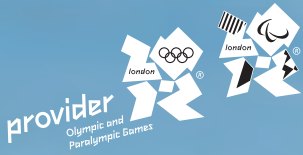




**G4S plc**

Corporate Social Responsibility Report 2011

# Securing Your World



**G4S is the world's leading international security solutions group**

With operations in more than 125 countries and 657,000 employees, we specialise in outsourced business processes and facilities in sectors where security and safety risks are considered a strategic threat.

G4S plays 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 and we believe this role can only grow in importance.

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**Cover image**

G4S Sporting Partnerships: The G4S 4teen brings together 14 young athletes from 13 countries across four continents to help them achieve their dreams on the world's biggest sporting stage. Pictured here is Fanuel Kenosi, the G4S 4teen's sprinter playing with children in the White City district of Gaborone, Botswana. For more information see page 34.

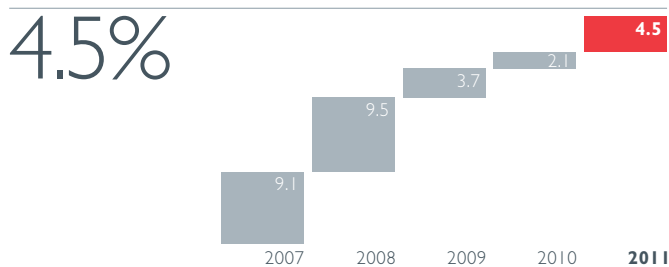
# Performance highlights

## Performance highlights

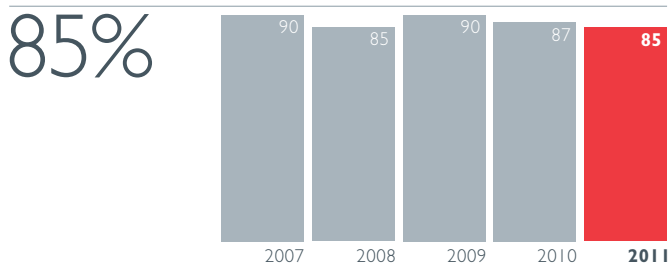
- ▶ Group turnover up 4.7%\* to £7.5 billion
- ▶ Organic turnover growth of 4.5%\*
- ▶ PBITA up by 2.1%\* to £531 million
- ▶ Operating cash flow\*\* of £449 million, 85% of PBITA
- ▶ Adjusted earnings per share up 6%\* to 22.8p
- ▶ Recommended total dividend per share up 8% to 8.53p

\* At constant (2011) exchange rates  
 \*\* As defined by management

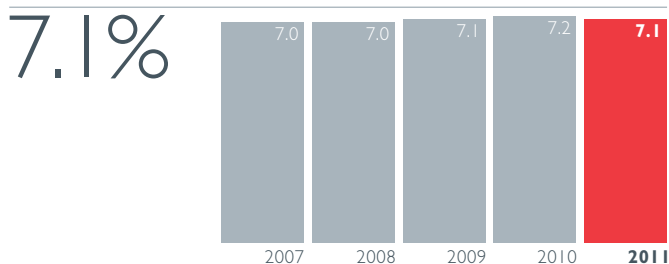
### Organic turnover growth %



### Cash conversion %



### PBITA margin %



## CSR Performance in 2011

### Strategic development

- ▶ CSR Committee became full board committee with extended non-executive director participation
- ▶ Carried out CSR materiality exercise to confirm key CSR priorities for the group
- ▶ Submitted first "Communication on Progress" in relation to UN Global Compact
- ▶ Commenced a significant human rights project to determine key human rights issues and develop detailed policies and guidelines for implementation in 2012
- ▶ Continued to drive the development of the International Code of Conduct for Private Security Providers

### Safeguarding our integrity

- ▶ Developed communications and training materials targeting 20,000 employees to ensure compliance with our business ethics standards and the UK Bribery Act
- ▶ Performed 150 internal audits – 50% more than in 2008
- ▶ Launched "Safe 2 Say" global whistle-blowing hotline service resulting in 30% increase in the issues logged
- ▶ Developed a Supplier Code of Conduct for the group

### Securing our people

- ▶ Reduced attack-related fatalities from 30 to 28
- ▶ Conducted 11 health and safety Critical Country Reviews
- ▶ Significantly increased response rate to our global employee survey by 30% to 245,000 employees
- ▶ Improved overall employee engagement levels from 76% in 2009 to 81% in 2011 of respondents to global employment survey

### Securing our environment

- ▶ Achieved an overall reduction in carbon intensity of 5.1%
- ▶ Introduced measurement of waste and water consumption into the Climate Action Programme
- ▶ Introduced a Green Building minimum standard for new-build or long lease facilities

### Securing our communities

- ▶ Conducted review of G4S community investment, identifying programmes with a combined value of over £2.1 million
- ▶ Facilitated over 78,500 hours of employee volunteering with charitable concerns and local community good causes

# Securing our future



Our CSR strategy has developed significantly over the last five years and I am proud to say that elements of our CSR strategy are a regular subject for discussion at Group Executive and board meetings. We take it very seriously and expect our employees and partners to do the same.

One of the reasons that we are successful, particularly in less developed countries, is that we have a strong culture of integrity and high standards which we bring to all our operations and everything we do.

## Chief Executive's Interview

### What does CSR mean to G4S?

As the world's largest security solutions company, we know that we can impact the lives of many, whether they are employees, customers, investors or members of the public going about their daily lives. **It is our responsibility to make sure that the impact we have is a positive one** and that we are contributing to a safer and more secure society for everyone.

### Why is CSR important to G4S?

There are very few businesses in the world which have the same geographic footprint, scale and diversity of workforce as that of G4S, nor a core service which touches the lives of millions of people – these **unique characteristics mean that CSR has to be a core part of our strategy.**

We operate in some countries where the political and social environment is challenging and **we need to make sure that we are operating in line with our own group values and standards** to ensure the integrity of the organisation, the safety of our employees and customers and the sustainability of our business.

**CSR issues are featuring more and more in bids for new contracts** and are forming a significant proportion of the criteria by which a bid submission or proposal is assessed. Companies which ignore this evolving trend do so at their peril.

### What are the biggest CSR risks or challenges for the group?

Our reputation is one of our biggest assets and it's a significant contributor to our business success. We operate in complex environments, our employees carry out sensitive tasks and people rely on us for their security and safety. If we get that wrong in any way, it can have a big impact on how people feel about the organisation. Having a culture of integrity and fairness and making sure every employee understands the part they play in delivering that is essential. That's why we have to **understand the issues** that employees face, **engage with them in a meaningful way** and make sure we have in place **measures and methodologies which capture non compliance** so that we can deal with it.

One of our main challenges is to continue to reduce the level of injuries and fatalities across our business – both from third party attacks and from other causes such as road traffic incidents.

# Securing our future



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## How would you sum up 2011 in terms of your CSR performance?

One of the key developments is that the **CSR Committee has become a full board committee**, comprising some very experienced non-executive directors – this reflects the increasing value we place on CSR and on our reputation – both the positive aspects by doing it well and the potential negative aspects for getting it wrong.

One of the biggest challenges for us in 2011 was to begin implementation of additional processes relating to the **UK Bribery Act**. Despite the fact that we have a strong business ethics policy and code which is communicated and understood across the organisation, the Bribery Act brought some additional requirements making it even more important that employees understand their obligations in this area. As a result, we have **reviewed all our policies relating to ethical conduct** and created some new guidance to provide additional clarity to staff on some of the key issues. We have **developed and implemented a group-wide training and awareness programme and further developed our audit capabilities and whistle-blowing processes**.

We have undertaken a review of our approach to human rights resulting in the creation of a **new human rights policy for the group**. In time, this will feed into the creation of a detailed set of guidelines for our staff on human rights issues and actions. This project has fed into a number of other areas such as our **processes for assessing new country entries and acquisitions** and will also **feed into the operational best practice** being developed in our new service excellence centres during 2012.

Elsewhere, we have conducted our **global employee survey**, generating responses from **245,000 employees** and providing a detailed insight into the views of our people that we can take into account as we continue to develop our employee engagement programmes.

On health and safety, **fatalities from work-related attacks are down** on the previous year, but it is disappointing that overall, the number of fatalities has increased, largely as a result of road traffic incidents. We are continuing to work directly with the affected businesses to continue our focus on road safety, reducing the impact of third-party attacks on our employees and sharing best practice on health and safety throughout the group.

Development of the **International Code of Conduct for Private Security Providers**, first launched in 2010, continued in 2011. We are working with companies, governments and NGOs to develop an oversight mechanism for the code which will become the means to check whether a company which has signed up to the code is actually complying with it, and to take action against the company if it is not.

We have also **continued to reduce our carbon intensity** by some 5.1% and have **invested more than £2m in local community projects**. Overall we have made excellent progress in 2011, which we intend to build on in 2012.

## What are the CSR priorities for 2012?

Overall, we must maintain the strong momentum we have on CSR-related issues. We have made significant progress in the last few years and this must continue. **Engaging with key stakeholder groups** will continue to be a large part of CSR activity – it has helped us to shape our strategy and test our methodology and has been of great value to the group.

We need to **complete our human rights review** and implement detailed guidelines across our businesses to make sure that we are having a positive impact on society.

Our **business ethics and anti-corruption training, awareness and compliance programme** needs to be in and we need to learn from any issues which arise from it whilst working hard to stamp out any signs of corrupt practice which we experience or witness around us.

We **must follow through on the actions we have agreed following our latest global employee survey** to continue to make G4S a great place to work.



**Nick Buckles**  
Chief executive officer

# Who we are and what we do

## Our business

G4S is the world's leading provider of security solutions, specialising in outsourced business processes and facilities in sectors where security and safety risks are considered a strategic threat, with expertise in the assessment and management of security and safety risks for buildings, infrastructure, materials, valuables and people.

G4S plays an important role in society. We make a difference by helping people to operate in safe and secure environments where they can thrive and prosper and we believe this role can only grow in importance.

G4S is the largest employer on the London Stock Exchange, with operations in more than 125 countries and over 657,000 employees.

**£7.5bn**

**Group turnover in 2011**  
(2010: £7.2bn\*)

**£531m**

**Group PBITA in 2011**  
(2010: £520m\*)

**657,000**

**Employees**  
(2010: 625,000)

**30%**

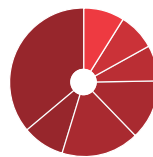
**Revenues from developing markets**  
(2010: 28%)

\* At constant exchange rates

## Shape of the organisation

G4S employs over 657,000 people making it one of the world's largest private employers. More detail on employees by region and by role is shown below:

### G4S employees by region



■ North America	59,100	9%
■ LATAM and Caribbean	52,580	8%
■ UK and Ireland	52,570	8%
■ Continental Europe	85,440	13%
■ Africa	111,720	17%
■ Middle East	59,150	9%
■ Asia	236,590	36%
<b>Total</b>	<b>657,200</b>	<b>100%</b>

### G4S employees by role



■ Front line employees	90.1%
■ Supervisor/first line managers	5.4%
■ Other	3.4%
■ Managers	1.1%

## Our structure

G4S is managed through a regional structure, led by four regional CEO's. The regional CEO's are members of the Group Executive team.



**Grahame Gibson**

Chief operational officer and  
Regional CEO – Americas



**David Taylor-Smith**

Chief operational officer and  
Regional CEO – UK and Africa



**Willem van de Ven**

Regional CEO – Europe



**Dan Ryan**

Regional CEO – Asia Middle East

# How we do it

## Our vision

Our vision is to be recognised as the global leader in providing security solutions, to help customers to achieve their own strategic goals and to deliver sustainable growth for G4S and long-term value for shareholders.

## Our strategy

Our strategy for growth consists of the following key components



Drive outsourcing in key markets



Focus on sectors where security is a key consideration



Develop long-term partnerships with customers



Transfer skills developed in more mature markets into key developing markets



Acquire businesses to drive future growth potential

## Our values

We are proud of our distinctive culture and strong values that are cascaded through the organisation. These values guide how we conduct our business and develop positive relationships with all stakeholders.

### Customer focus

We have close, open relationships with our customers that generate trust and we work in partnership for the mutual benefit of our organisations

### Expertise

We develop and demonstrate our expertise through our innovative and leading-edge approach to creating and delivering the right solution

### Performance

We challenge ourselves to improve performance year-on-year and to create long-term sustainability

### Best people

We always take care to employ the best people, develop their competence, provide opportunities and inspire them to live our values

### Integrity

We can always be trusted to do the right thing

### Teamwork and collaboration

We collaborate for the benefit of G4S as a whole



# Where we do it

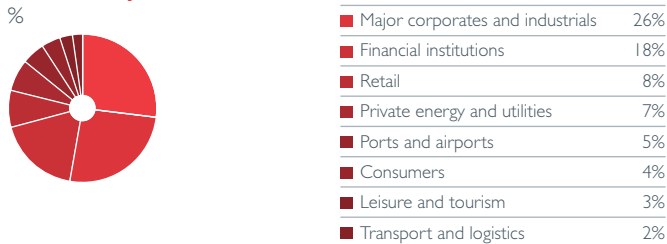
## Our key sectors and customers

G4S has a broad customer and geographic base, with thousands of customers ranging from small local companies to governments and global corporations.

We develop long-term strategic partnerships with customers in sectors where we can help them deliver their own business objectives – either increasing their revenues, reducing costs, managing risks and protecting critical assets or improving their service delivery.

We do that by understanding the environments in which our customers operate, the pressures they face and what matters to them. By applying our knowledge and expertise derived from delivering security solutions across diverse regulatory environments, we turn our customer's security challenges into opportunities.

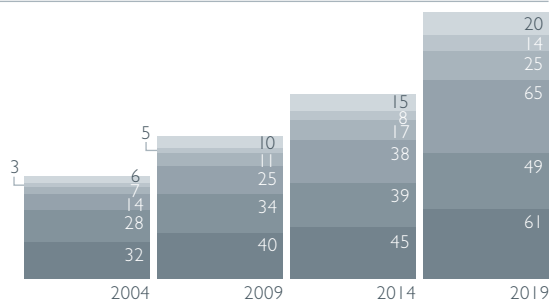
### Turnover by sector 2011



Based on published market research (Freedonia Report on World Security Services, March 2011) and our own analysis, we estimate that the global security market will grow at between 8% and 12% per year in developing markets and between 4% and 5% per year in developed markets during the five-year period from 2009 to 2014 as shown on the chart below. In addition, by 2019, 50% of the global security market revenue is expected to come from developing markets.

### Security industry growth

US\$bn



■ North America ■ Western Europe ■ Asia Pacific  
 ■ Latin America ■ Eastern Europe ■ Africa/Middle East

## Our geographic reach

G4S has a unique global footprint with operations in over 125 countries, including a strong presence in higher growth developing markets.

### Turnover by region 2011



1 UK, Ireland and Continental Europe  
 2 Middle East and Gulf States, Latin America and the Caribbean, Africa, South Asia and Asia Pacific  
 3 United States and Canada

### Total security market size

The charts below show the market size of the top three markets in each region for G4S.



#### UK and Africa

UK	£6,000m
South Africa	£3,000m
Ireland	£400m



#### Europe

Netherlands	£2,000m
Belgium	£700m
Finland	£450m



#### Americas

USA	£20,000m
Canada	£1,500m
Colombia	£750m



#### Asia Middle East

India	£650m
Saudi Arabia	£400m
Australia	£1,300m

# Our business characteristics

## Our key strengths

### Integrated security solutions

G4S is able to design and manage security solutions that bring together its capabilities in project management, risk consultancy, secure facilities, physical security, intelligent systems and high quality security-trained personnel to address the security challenges faced by a broad range of customers around the world.

### Cash solutions expertise

Understanding and managing cash cycles is one of the group's core skills. Central banks, commercial banks and retailers outsource their cash management to G4S as the group has the capability and experience to drive substantial efficiencies in the system whilst achieving maximum return for its customers over the longer term.

### Government partnerships

Government outsourcing is a strong, long-term source of growth as public sector spending remains under pressure and governments turn to the private sector to provide a number of outsourced services. Government contracts, which represented approximately 27% of group revenues for the year ended 31 December 2011, tend to be long-term strategic partnerships, with recurring revenues.

### Strong Developing Markets presence

G4S's global presence, market share and experience of working in developing markets constitute key strengths. Relatively high levels of GDP growth in certain developing markets, increasing demand for security services and G4S's ability to export its experience from its operations in more developed markets, drive positive revenue and margin development for the group in developing markets.

### Solutions approach

Each individual area of the business is a driver of value for the group. But it is when they come together that they truly make a difference. Exporting G4S's government expertise to new countries, leveraging its cash solutions model across developing markets and using its global risk management and security capabilities to protect some of the world's best known brands across international markets, drive even greater value for the group.

## Our investment attributes

G4S creates shareholder value as a result of a number of core investment attributes.

### Growth

- ▶ Organic revenue growth
- ▶ Developing markets exposure
- ▶ Major position in UK Government outsourcing
- ▶ A GDP ++ growth business
- ▶ Disciplined approach to acquisition spend



### Resilience

- ▶ Well diversified business
- ▶ Defensive services
- ▶ Structural growth through the cycle
- ▶ High customer retention and visibility of earnings



### Strong financial disciplines

- ▶ Operational efficiency and margin expansion
- ▶ Free cash flow generation/cash conversion
- ▶ Disciplined and coherent M&A/progressive dividend policy

### Growth

G4S has delivered strong organic growth since its creation in 2004, performing well above global GDP growth despite recent pressure on the economic environment. We are able to do this as a result of our significant and increasing exposure to higher growth developing markets and leading market positions in other places such as the UK Government outsourcing sector; where growth is strong and expected to continue. Organic growth is supplemented by disciplined re-investment of free cash flow in acquisitions focused on extending our presence in key growth countries and adding capability to help address the needs of customers in growing sectors.

### Resilience

Our business is well diversified across more than 125 countries and numerous customer sectors, with no over-reliance on any single area. Security is at the core of our service proposition and is one of the areas on which governments and commercial customers focus for cost-savings and reductions during economically challenging times, creating opportunities for outsourcing. We have a strong and growing number of long-term contracts coupled with excellent customer relationships and a customer service culture which result in strong customer retention rates and good earnings visibility.

### Strong financial disciplines

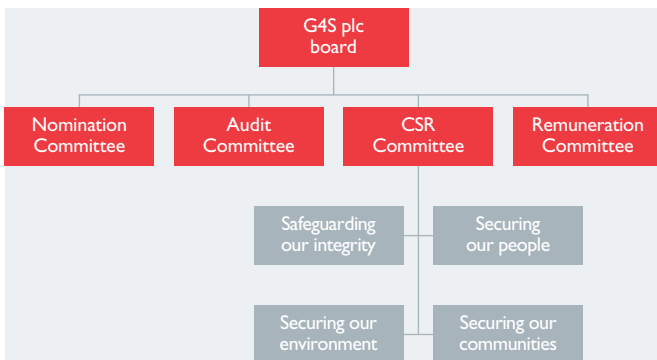
Our track record of delivery has been achieved within a framework of strong financial discipline focusing on operational efficiency to drive margin expansion and a continual focus on high levels of cash generation. We look to achieve an appropriate balance in our capital structure between investment in acquisitions and in investment returns through a progressive dividend policy.

These attributes, combined with the growing reputation of G4S as the world's leading security solutions provider, result in superior returns for our investors over the longer term.

# CSR strategy

## CSR management

In 2011, our CSR Committee became a full board committee (having previously been a sub-committee to Audit), comprising a number of experienced non-executive directors – this change reflects the increasing value we place on CSR and on our reputation. The committee is chaired by Mark Elliott, a G4S plc non-executive director with extensive experience of CSR from his 40 years in international business with global organisations such as IBM.



Duties of the CSR Committee include:

- ▶ Review, agree and establish the company's CSR strategy to ensure that it remains an integral part of the group's overall strategy
- ▶ Develop and recommend for acceptance by the board, policies on all aspects of CSR
- ▶ Receive reports and review activities from executives and specialist groups managing CSR matters
- ▶ Monitor compliance with the CSR policies and review performance against targets
- ▶ Review the integration of CSR processes with risk management programmes and reputation management priorities
- ▶ Develop and encourage effective two-way communication concerning CSR issues
- ▶ Ensure CSR-related issues are considered during acquisition due diligence
- ▶ Review best practice and benchmark where appropriate

## CSR priorities

In 2011, we carried out a CSR materiality exercise, assessing the views of our senior managers and external stakeholders to understand where G4S should focus its CSR strategy and resources. As a result of the exercise, G4S has focused on **integrity, people, environment and communities** as core CSR areas and within these, **business ethics and anti-corruption, human rights, employee engagement and health and safety** as priorities. While our CSR strategy contains a much broader range of subject areas, these issues will be the priority for development during 2012.

## Industry participation

Nick Buckles (CEO) is President of the Ligue Internationale des Sociétés de Surveillance, a global association of private security organisations.

Debbie McGrath (Group Communications Director) is chairman of the CBI South East Regional Council, the representative body for all CBI member companies based in the South East of England and the Thames Valley and a member of the CBI Chairmen's Committee which takes the lead responsibility for setting the CBI's position on all policy matters.



Other senior executives are active on the Boards of COESS, the Confederation of European Security Services, which represents the European security industry; ASSA-I (Aviation Security Services Association – International), representing the aviation security sector; and EOS, the European Organisation for Security, another EU-wide security industry body.



Senior G4S executives also hold memberships of the Danish Law Council, the GC100 – an organisation for general counsel and company secretaries of the FTSE 100 – and the 100 Index Club of Chief Financial Officers.

## UN Global Compact

In 2010, we became a signatory to the UN Global Compact, the international standard which promotes socially responsible business behaviour in the areas of human rights, labour, environment and anti-corruption. Early in 2012, we published our first UN Global Compact: Communication on Progress, reaffirming our support of the Ten Principles of the United Nations Global Compact. This outlines the actions we have undertaken to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations during 2011.



 See page 37 for more detail



“We have made great strides forward in our CSR strategy and approach in recent years. In 2011, we tackled some complex issues such as reviewing our approach to human rights and making sure the business was ready for the impact of the Bribery Act. Personally, in recent years I have seen CSR move from a project within the group to a core element of the group strategy and I am very proud that discussions on CSR-related topics feature regularly in our board room.”

**Mark Elliott**  
Non-executive director and chairman of the CSR Committee

## Engaging with our stakeholders

We continue to improve our communication and engagement with key stakeholder groups to ensure that our strategy is aligned to their needs and that, as our CSR programmes develop, we seek input and advice from those around us.

Stakeholder group	Why we engage	Examples of how we engage
<b>Customers</b>	The very nature of our work for customers requires us to understand their business issues and risks and provide an appropriate solution. Customer engagement also helps us to improve customer service and to develop new services to help customers achieve their own goals.	We constantly seek customer feedback through account management, operational reviews and customer surveys.
<b>Employees and their representatives</b>	As a service business, our organisation is judged on its service delivery and the difference we can make to our customers – it is essential that employees understand their role in service delivery, are trained well, rewarded appropriately, have the right tools for the job and are motivated to deliver a quality service to our customers. A significant proportion of our employees are represented by a union or collective bargaining method of some kind. We work with unions, union federations and other employee representatives to improve standards for employees and to make sure any issues are dealt with appropriately and consistently.	In 2011, we conducted our second global employee survey, receiving responses from 245,000 employees in over 160 businesses.  G4S conducts a global management survey which captures the views of senior management from countries across the world on key business, employment and strategic issues.  In 2008 we established a partnership with UNI, a global union federation – we entered into a global agreement called the Ethical Employment Partnership (EEP). This agreement provides a framework for business and unions to engage locally for the purposes of union recognition and collective bargaining.  We also have constructive relationships with works councils, unions and other employee representatives across the world.
<b>Investors</b>	Attracting appropriate investment in the group enables the group to develop its business and to continue to invest in its growth strategies.  Ensuring that our strategies and practices are aligned to investor needs and principles is a core element of developing investor confidence and ensuring that the group continues to attract the investment it requires.	We have strong relationships with the general investor community and investment analysts.  We also host investor meetings aimed specifically at SRI investors and ethical investment advisors. We respond to ad hoc requests for information throughout the year and also proactively seek advice and reaction from SRI experts on specific CSR-related issues as they arise.
<b>Industry bodies</b>	As an international leader in our sector we willingly take on responsibility for establishing strong benchmarks wherever we operate, and play a pivotal role in raising standards in the wider industry and society as a whole.	Since 2010, G4S has been directly involved in the development and launch of a new International Code of Conduct for Private Security Providers, which sets out principles for security operations in so-called “complex environments.” Many G4S managers and employees play an active role in industry bodies and associations across the world.
<b>Governments and legislators</b>	In addition to creating and implementing legislation, governments are also some of the group’s largest customers. The group supports regulation which is designed to improve standards and proactively encourages it where possible. It is important to ensure that legislative developments do not create unfair competitive environments or unnecessary burdens on business activities.	As a leading global business, G4S participates in consultations regarding industry specific issues and broader legislative programmes such as the impact of the UK Bribery Act.
<b>Experts</b>	Experts on specific topics help the group to ensure that policies and practices are aligned with best practice.	G4S has engaged with and sought the expertise of recognised sustainability and environmental specialists, including ERM, Radley Yeldar and Greenstone to assist in developing a robust environmental strategy and carbon measurement process.  During 2011, G4S engaged with Malachite, an independent human rights consultancy to conduct a human rights review – mapping out the human rights landscape, analysing G4S operations to determine human rights risks and assisting in the development of a human rights policy for the group.  We are members of both the Global Industrial Relations Network (GIRN) hosted by the International Organisation of Employers and Mercer’s Global Diversity Forum.

# Major projects in 2011

## In focus

### Bribery Act Compliance

As a major global company we recognise the threat that bribery poses to economic progress and development around the world. We are fully supportive of countries implementing effective legal frameworks to combat bribery, helping to ensure that people are clear about their responsibilities to conduct business in an open and honest manner.

Failure to comply with the Bribery Act has serious consequences for all UK companies, of course. But as a long-time champion of transparency and business ethics, G4S has warmly welcomed the new legislation. The Act will not only help G4S to strengthen its reputation as an ethical organisation but also make a major contribution to reducing the impact of bribery and corruption around the world.

Given the size and scale of our world-wide operations there are considerable practical implications of ensuring that there are adequate procedures in place at every level of the organisation to prevent bribery and to comply with the requirements of the Bribery Act which became effective from 1 July 2011.

In 2011, we embarked on an extensive programme to analyse every business for risks related to corruption – reviewing our policies and procedures and introducing new policies where we felt they needed to be strengthened to comply with the “adequate procedures” required by the Act. As a result, we took a number of actions:

**Policy Review:** We reviewed a number of our policies and updated them, providing practical guidance for managers on specific points relating to the Act.

**Awareness:** We embarked on a global awareness campaign to ensure all managers and employees understand the implications of the Act and our expectations in relation to their behaviour.

**Training:** We created training materials and methodology – in 25 languages – specifically on business ethics and anti-corruption, for implementation across the group – targeting around 20,000 people. We have also amended our employee induction programme to include the same business ethics and anti-corruption training materials.

**Reporting:** We launched a 24 hour global, multi-language and toll free, hotline service to ensure that all employees have a simple means of reporting any non-compliance with group policies or inappropriate behaviour.

## Compliance

In order to ensure our compliance with the Act we have implemented two new measures within our compliance and audit processes:

- ▶ A specific **questionnaire for management** to complete at a country level to **demonstrate their compliance with the group policies and procedures** and also assess risk areas. The results are reviewed by regional and group management and action will be taken to make sure that any weaknesses or unacceptable risks are dealt with
- ▶ A **programme of audits to validate the anti-bribery controls** in our businesses focusing particularly on countries where there is a perceived high corruption risk (using the Transparency International corruption perception index and other factors)

## Next steps

In 2012 we will ensure that all of these processes and procedures are in place and working well and will continue to develop our anti-bribery controls.

## In focus

### Human Rights Review

In 2010 and 2011 we faced increasing criticism regarding the provision of services to customers in the West Bank area through contracts which we had inherited through an earlier acquisition. We took a number of steps to better understand the issues in the West Bank including a legal opinion, feedback from NGOs and other third parties and a senior management visit to the region to review the operations on the ground. The result of the review was that we would continue to provide services to commercial customers in the region as our review demonstrated that these services were actually contributing to a safe and secure environment for all – regardless of their background. However, we decided that we would exit certain other contracts which could not be reconciled with our own business ethics policy. The exit will take some time, but we are committed to living up to the promises we made on our business in the region.

This issue prompted us to consider our position on human rights and to undertake a broad project tasked with creating a clear human rights policy and set of guidelines so that our businesses, wherever they operate in the world, are clear about the group's expectations on human rights and ethics and that we make a positive contribution to the countries and societies in which we work.

## Review

Our review consisted of three key phases:

- ▶ **Phase 1** – mapping the human rights landscape and clarifying which areas should be a focus for G4S
- ▶ **Phase 2** – analysing G4S operations to determine human rights risks and challenges, current good practice and areas for improvement
- ▶ **Phase 3** – developing a human rights policy and guidelines for implementation across the group

We worked with an external consultancy to conduct the review, which also incorporated feedback from independent third parties on G4S and human rights best practice.

## Conclusions

The overall theme from the review was that G4S has good policies, principles and practices in place regarding human rights issues, but that it needed a more systematic approach to human rights and a robust means of sharing human rights best practice around the group.

G4S had always supported the principles of the UN Declaration of Human Rights, but the review of the human rights landscape in 2011 concluded that in order to strengthen the group's commitment to human rights and to ensure that policies and processes were in line with the very latest thinking, G4S should focus its policy and procedures on UN Guiding Principles on Business and Human Rights and International Code of Conduct for Private Security Providers which were considered to be the most relevant for our business and in particular, those in the security industry.



### United Nations Guiding Principles on Business and Human Rights (2011)

These new guidelines are based on the International Bill of Human Rights and the ILO Declaration of Fundamental Principles & Rights at work (1998) – they are specific to businesses and the human rights risks and opportunities faced by them across the world. They are the result of six years of global consultation with governments, companies, NGOs and other stakeholders and were developed by John Ruggie, the Special Representative on Business and Human Rights to the UN Human Rights Council.

### International Code of Conduct for Private Security Providers (2011)

As well as being a signatory to the UN Global Compact, G4S is a founder signatory of a new International Code of Conduct for Private Security Providers which sets out principles for security operations in so-called “complex environments” – areas experiencing or recovering from disaster or unrest and where governments or the rule of law are weak. This code covers recruitment, vetting and training of staff, use of firearms, health and safety reporting and complaints handling. A steering committee launched a draft charter for the oversight mechanism for the code in January 2012 and is currently consulting with industry, governments and NGOs on its content.

### Key outcomes

As a result of the project, we have recently drafted a new Human Rights Policy based on the above principles and are currently seeking feedback from internal and external stakeholders on its content. Once the policy is agreed, we will implement it across the group and will develop operational guidelines to support its implementation.

We have also recently upgraded our CSR checklist process for evaluating new country entries, acquisitions and major contract bids to improve the human rights elements of the process based on a variety of external sources of human rights data.

We used the same checklist criteria to carry out an evaluation of G4S's existing operations to better understand the human rights risks and opportunities of our current business, keeping in mind that G4S cannot contribute positively to assisting individuals in realising their human rights as well as facing human rights risks if policies and procedures are not in place, or are not followed.

### Next steps

- ▶ Seek internal and external feedback on draft human rights policy
- ▶ Create human rights guidelines for businesses to build into operational best practice
- ▶ Implement human rights policy and guidelines across the businesses
- ▶ Improve internal awareness of human rights issues

## Human rights



In 2011, G4S senior management has shown a real determination to make the respect of human rights a priority across G4S businesses. This has focused on improvements to human rights due diligence and the duty of care to all G4S stakeholders.

Immediately after international agreement on the new United Nations Guidelines on Business and Human Rights in June 2011, G4S set in motion a human rights review. The review has combined a rights-sensitivity analysis of each G4S business sector to identify internal company human rights risks, and a geographical assessment to determine contextual operating risks worldwide. The sector analysis has identified a set of key human rights that are particularly relevant to each G4S business sector:

The geographical analysis has mapped particular high-risk countries. The review showed that G4S already respects human rights in a wide variety of ways but does so without consciously using a human rights framework or the language of rights. For example, G4S's intense concern for the good working conditions of their staff, and G4S's emphasis on customer care at detention centres, airports and large public events routinely involves a profound – but unspoken – respect for people's rights.

Internationally, G4S has also played a lead role in developing new professional standards for the armed protection work of private security companies. These are firmly in line with international human rights and humanitarian law.

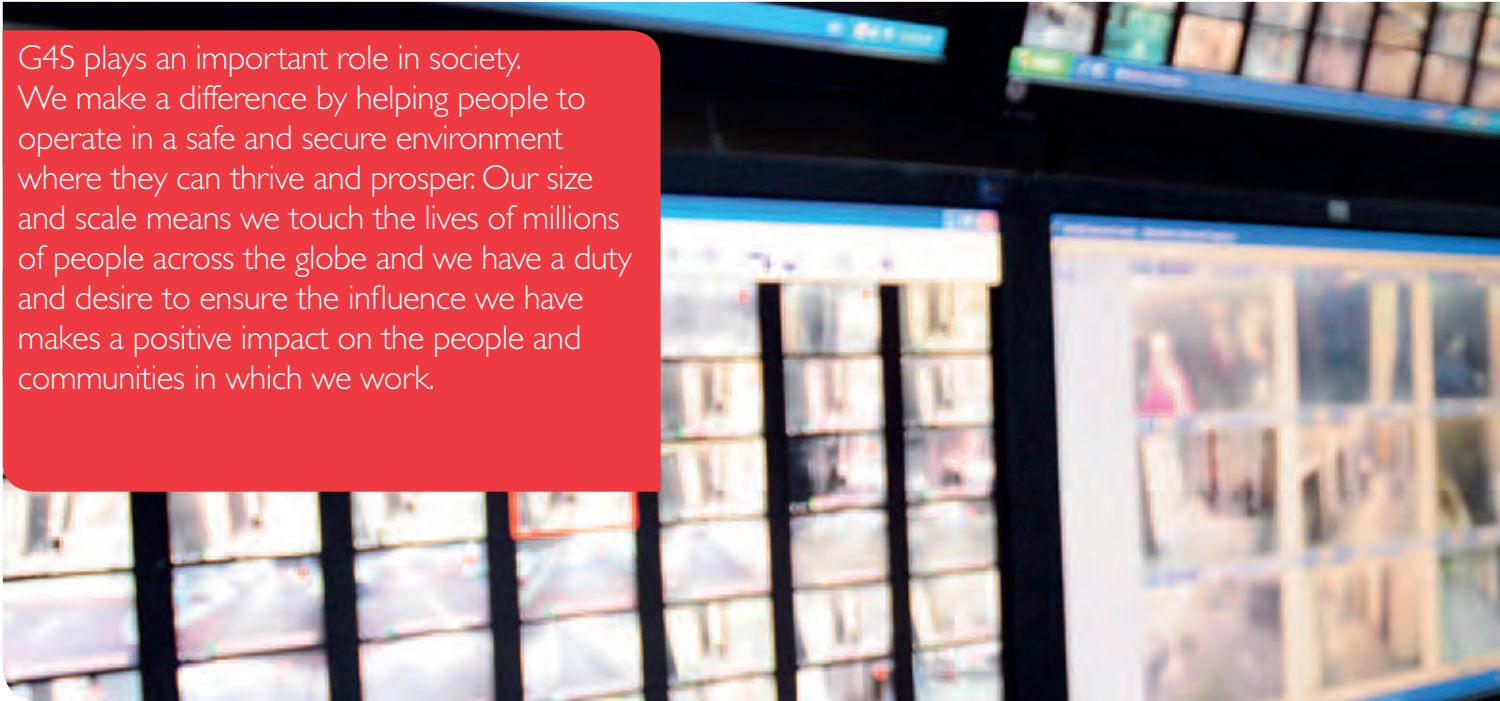
The challenge for 2012 will be to confirm G4S human rights policy, introduce an essential understanding of human rights to G4S staff, and develop simple guidelines on human rights due diligence, reporting and effective remedy. In line with the UN Guidelines, G4S will then be able to “know and show” their corporate impact on human rights.

#### Dr Hugo Slim

Senior Research Fellow, Oxford Institute for Ethics, Law and Armed Conflict

# Safeguarding our integrity

G4S plays 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. Our size and scale means we touch the lives of millions of people across the globe and we have a duty and desire to ensure the influence we have makes a positive impact on the people and communities in which we work.



Key Achievements in 2011	Priorities for 2012
<b>Audit and Compliance</b> <ul style="list-style-type: none"> <li>▶ Performed 150 internal control and business ethics audits – an increase of 50% since 2008</li> <li>▶ Developed a Supplier Code of Conduct for the group</li> </ul>	<b>Audit and Compliance</b> <ul style="list-style-type: none"> <li>▶ Maintain audit coverage at 2011 level</li> <li>▶ Enhance monitoring and reporting on Financial Reviews completed by Regional finance staff covering all business entities world-wide</li> </ul>
<b>Whistle-blowing</b> <ul style="list-style-type: none"> <li>▶ Launched global “Safe 2 Say” whistle-blowing hotline service – providing toll-free calls from all countries</li> <li>▶ 30% increase in issues logged by whistle-blowing hotline</li> </ul>	<b>Whistle-blowing</b> <ul style="list-style-type: none"> <li>▶ Further promote new global whistle-blowing hotline service and manage potential significant increase in volume of calls</li> <li>▶ Improvements in investigation and handling of issues raised</li> </ul>
<b>Anti-bribery</b> <ul style="list-style-type: none"> <li>▶ Development and continued implementation of group-wide anti-bribery training for employees</li> <li>▶ Implementation of enhanced anti-bribery controls through the audit process</li> </ul>	<b>Anti-bribery</b> <ul style="list-style-type: none"> <li>▶ Bedding in of anti-bribery controls</li> <li>▶ Programme of anti-bribery audits</li> <li>▶ Review of results of anti-bribery risk assessments and implement improvement actions</li> </ul>

## Material issues and actions

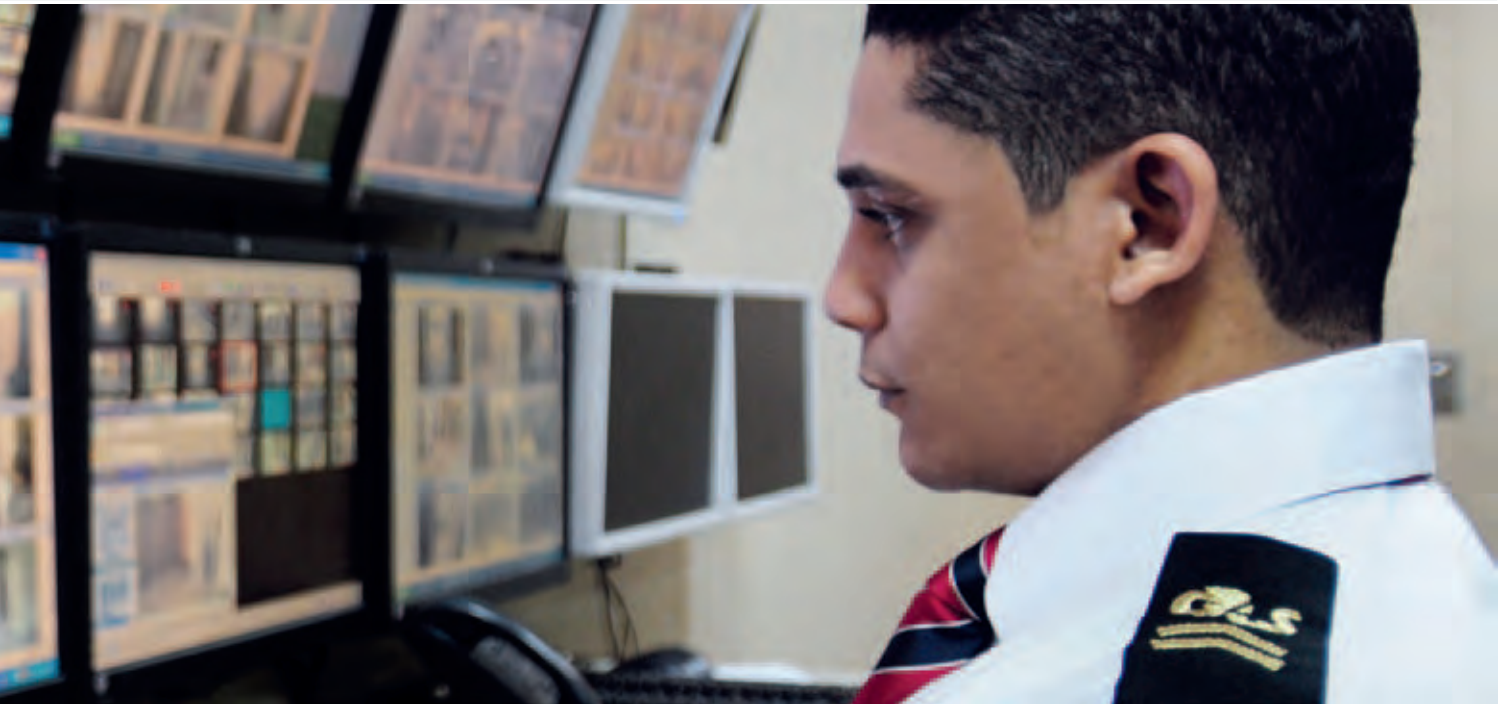
### Business ethics

#### Our point of view

Integrity is one of the group’s core values – being a responsible business partner; employer; customer and supplier is an important part of our strategy and forms an essential foundation on which we carry out our business. In our view, ethical behaviour of corporations should not be just a reaction to regulation or legal compliance, but a means of doing business which gives customers, employees, partners and communities the confidence that they are working with an ethical organisation which is not prepared to compromise on its integrity just to achieve its objectives or to make money.

We believe that high standards of ethical conduct provide a market differentiator and those organisations with the highest ethical standards will have the most positive impact on the lives of those around them and, ultimately, will be the most successful.

We see integrity and strong business ethics as a core part of the G4S strategy and fundamental to the way we operate. To ensure that high standards of business ethics remain a key component of our strategy and how we conduct our business, we have maintained a Business Ethics Steering Group, which reports to the Group Executive Team, comprising representatives of our Legal, HR, Communications and Internal Audit functions.



Employee Ethics Code
<b>Being safe and secure</b>
<ul style="list-style-type: none"> <li>▶ Putting health and safety first</li> <li>▶ Protecting the security of our customers and the public</li> <li>▶ Carefully following company rules and procedures</li> </ul>
<b>Being honest and trustworthy</b>
<ul style="list-style-type: none"> <li>▶ Always follow the law</li> <li>▶ Reporting any wrongdoing</li> <li>▶ Never offering or taking a bribe</li> <li>▶ Avoiding any conflict of interest</li> </ul>
<b>Being fair and considerate</b>
<ul style="list-style-type: none"> <li>▶ Showing respect and consideration for others</li> <li>▶ Treating people fairly</li> <li>▶ Considering our local communities</li> <li>▶ Thinking about the environment</li> </ul>
<b>Being professional and proud</b>
<ul style="list-style-type: none"> <li>▶ Doing the best job you can</li> <li>▶ Looking smart and professional</li> <li>▶ Being a good role model</li> <li>▶ Safeguarding the G4S name</li> </ul>

**Employee Ethics Code**

In order to ensure that our employees understand how they can play their part in delivering high ethical standards across the group, we have introduced a group-wide Ethics Code that sets out how we expect our employees to behave in order to "live" our value of Integrity (see above). This is supplemented with a Business Ethics Policy which provides a more detailed summary of the group's ethical standards of operation. Both documents apply to employees at all levels and establish a number of ethical principles and standards which should underpin behaviour throughout G4S.

**Ensuring high ethical standards**

In order to ensure that everyone in the group understands their obligations in relation to the Ethics Code and Policy, we:

- ▶ Update the code and policy each year, incorporating evolving legislation and evaluating any risks to the group's integrity
- ▶ Distribute the code and policy to managers and require them to personally sign up to playing their part in ensuring their implementation and therefore the group's compliance
- ▶ Require managers to disseminate the code and policy within their area of responsibility and reinforce the importance of ethical behaviour through employee induction, training, employment contracts, staff handbooks and other actions

We reinforce the importance of ethical behaviour through induction, employment contracts, staff handbooks, general training and communications practices.

## Safeguarding our integrity

### Risk Assessment & Compliance

To ensure compliance with our business ethics code and policies, we:

- ▶ Ask businesses as part of the G4S **risk assessment** process to assess their business ethics risks and compliance with the ethics policy
- ▶ Include business ethics as one of the key areas for our **internal audit** team to assess
- ▶ Provide **whistle-blowing** facilities so that any practices which do not comply with these standards can be reported confidentially and can be investigated thoroughly

#### Risk assessment

G4S has in place a well developed risk assessment approach. A key feature is the requirement for our businesses to routinely assess and report on their risks, including the actions they are taking to mitigate these risks to an acceptable level. Business ethics risks are included as part of this process.

The risk assessment covers a wide range of business risks that are relevant to G4S including macroeconomic trends, marketplace, product and key focus areas identified by executive management. Businesses are encouraged to consider how risks can become opportunities that can be used for the benefit of G4S and its stakeholders.

An internet-based system called RACSE (Risk Assessment and Control Self Evaluation) provides a system for our businesses to:

- ▶ Identify and analyse risks that could impact upon the business and their stakeholders
- ▶ Check the controls that they have in place to manage and mitigate these risks
- ▶ Make improvements to the controls where necessary

Risk management committees exist at regional and group level. The regional committees meet at least annually and the group committee (which includes the entire G4S executive management team) meets quarterly. A standard agenda covering risk and control issues is considered at each meeting and risk profiles are reviewed and updated as necessary.

### Internal Audit

Internal audit is one of the cornerstones of ensuring high standards of social as well as financial and corporate responsibility by monitoring business compliance with our Business Ethics Policy throughout the group.

Our internal audit team of 13 people is based in strategic locations around the world. In addition to the corporate internal audit function, we have other internal and compliance auditors within our regional management teams and some of our larger businesses. These auditors total in excess of 150 people.

The risk-based group audit plan ensures that all of our businesses, in all of the countries in which we operate in – including those in small and remote locations – receive at least one visit during a three-year period.

Ethical compliance has many facets, and internal audit is the means to monitor many of these within the general course of a controls audit covering standards of business practice, corporate governance and employee relations.

Overall, this monitoring activity helps to ensure that both managers and employees have a clear understanding of the group's standards of operation and the expectations of our stakeholders.

The managers of each business are also given assurance on their compliance with group standards and any remedial action to be taken is identified. The group sets and continually enhances standards which all business units must achieve. Current standards cover a wide range of essential business activities including Human Resources, Health & Safety, Business Ethics, Finance, Procurement, IT, Legal & Insurance, Customer Contracts and Operations.

In 2011 we conducted 150 on-site control audits. This was possible as regional finance teams took more responsibility for performing finance reviews, freeing up resources within the internal audit team. This has helped us to increase the number of on-site audits by 6% over the prior year and by 50% over the last four years.

Strict reporting lines ensure that all issues encountered, whether classified as control related, financial or ethical are brought to the attention of local and regional management. Serious issues are escalated to the group executive management team and the Audit Committee.



See page 28 for more detail

**2011 Audit findings**

An average of 4.9 issues per audit. This represented a slight improvement over the prior year where the average number of issues per audit was 5.3. This reflects an improvement in the basic controls across the businesses.

All businesses are required to meet group standards and hence smaller businesses operating in more challenging environments and with more limited resources can find this difficult to achieve. The audits help to identify this situation and make sure that the necessary support is provided to ensure these businesses can operate in line with the required standards.

The total number of issues raised which relate to standards of business and corporate governance have reduced compared to the prior year as a result of increased awareness of the requirements of the group's standards and policies.

There has been a small increase in the number of issues raised relating to employee relations – in line with the increased number of audits undertaken.

 See page 29 for more detail

There is a thorough follow-up process to each audit where we ensure that items raised during the process are addressed and resolved in a timely manner. Businesses are required to provide written updates on the implementation of actions. In serious cases, the business will be revisited after six months to ensure all audit points have been addressed.

**Whistle-blowing**

G4S requires all businesses to provide employees with a facility to report concerns locally to a senior manager. These might include fraud, misrepresentation, theft, harassment, discrimination or non-compliance with regulations, legislation, policies or procedures.

Employees who have concerns about behaviour which is contrary to the group standards are able to raise their concerns, anonymously if they wish, with their local human resources or finance director in the first instance. Alternatively they can raise concerns through the local telephone hotline or email address.

Employees can also report serious concerns at a corporate level through the group employee hotline service (Safe 2 Say) which was launched in 2011 replacing the previous group hotline managed by our internal audit department. The Safe 2 Say service is a 24 hour confidential hotline with toll free calls, dedicated multi-language capability and an internet-based case tool for the effective investigation and response to employee concerns.

All concerns reported via Safe 2 Say or received through other means are reviewed directly by the head of internal audit. Where our investigations reveal evidence of unethical conduct, disciplinary action is taken which may range from a formal reprimand to termination of employment.

Provision of the new hotline and the increased promotion of the ethics policy and code have resulted in a substantial increase in the total number of issues raised by employees.

There has been continuing promotion of the group ethics policy and whistle-blowing facility during 2011. Also we have further improved the logging and response to employee concerns raised via the G4S website and correspondence to head office. We believe that these factors, together with our growing employee base, have contributed to a 30% increase in the issues logged compared to 2010.

 See page 29 for more detail

**150**  
Performed 150 on-site internal control audits

**4.9**  
Average of 4.9 issues per audit

**30%**  
Increase in issues raised by employees through whistle-blowing



# Securing our people

As one of the world's largest private employers, our approach to people management has a material impact on our business and is a key focus for our management.



Key Achievements in 2011	Priorities for 2012
<p><b>Health and Safety</b></p> <ul style="list-style-type: none"> <li>▶ Continued reduction in fatalities from work-related attacks from 30 to 28 but overall increase in work-related fatalities from 59 to 76 due primarily to an increase in fatalities from road traffic accidents</li> <li>▶ 11 Critical Country Reviews conducted by H&amp;S experts to follow up on work-related fatalities in 2010</li> </ul>	<p><b>Health and Safety</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of global forum for health and safety practitioners to gather knowledge, share information and develop best practices</li> <li>▶ Development and implementation of a programme on road safety management to counter the high level of road traffic incidents</li> <li>▶ Monitoring the implementation of the action plans from Critical Country Reviews already conducted. Further reviews to be conducted in response to incident trends</li> <li>▶ Continue to utilise external H&amp;S benchmarks to check progress and drive change</li> </ul>
<p><b>Talent and Succession</b></p> <ul style="list-style-type: none"> <li>▶ Membership of the Global Leadership Talent Pool increased from 53 in 2010 to 81</li> <li>▶ 50% of vacancies in the top 250 management positions were filled through internal promotion</li> </ul>	<p><b>Talent and Succession</b></p> <ul style="list-style-type: none"> <li>▶ Increase the number of management vacancies filled through internal promotion towards our target of 70%</li> </ul>
<p><b>Diversity and Inclusion</b></p> <ul style="list-style-type: none"> <li>▶ Improvements in the gender balance of our workforce in Africa, Asia and the Middle East. Female employees account for 12% of the workforce overall and the number of women in management positions is 21%</li> </ul>	<p><b>Diversity and Inclusion</b></p> <ul style="list-style-type: none"> <li>▶ Continue to improve the gender balance at management level and in the talent pools</li> </ul>
<p><b>Employee Engagement</b></p> <ul style="list-style-type: none"> <li>▶ Second global employee engagement survey completed. There was a 30% increase in response level from the 2009 survey with over 245,000 surveys completed</li> <li>▶ Engagement Survey showed an improvement in overall engagement levels from 76% in 2009 to 81% in 2011</li> <li>▶ Employee turnover rates increased from 22.4% in 2010 to 25.2% in 2011</li> <li>▶ Employee stability rate (employees with more than one year's service) is maintained at 70%</li> <li>▶ Ethical Employment Partnership now rolled out globally</li> </ul>	<p><b>Employee Engagement</b></p> <ul style="list-style-type: none"> <li>▶ Launch multi-language induction DVD for all front line employees to ensure consistent message about values and ethical standards</li> <li>▶ Embed on-boarding e-learning tool for managers and support staff to communicate consistent messages about G4S, its strategy, values and ethical standards</li> <li>▶ Provide enhanced learning resources to front line managers to further develop their skills in managing and engaging employees</li> <li>▶ Maintain an employee stability ratio of at least 70%</li> <li>▶ Continue to develop positive relationships with unions and employee representatives to work in the best interests of all stakeholders</li> </ul>



## Material issues and actions

### Shape of the organisation

In 2011 the organisation continued to grow and by the end of the year the number of employees had increased from 625,000 to over 657,000. The region spanning Asia and the Middle East employs the largest number of people with 295,740 employees.

Front line employees who work in service delivery or customer facing roles comprise 90.1% of the workforce with a further 64,435 employees in management, supervisory and support roles.

Labour turnover rates have increased from 22.4% in 2010 to 25.2% in 2011. Increases in Asia where a significant number of our employees are based are mainly due to a change in reporting and classification of voluntary leavers.

Although low by comparison with many other businesses in the UK, turnover in G4S UK has also increased. This has been primarily as a result of business reductions in Iraq (managed by our UK business) and cash solutions and the loss of a couple of contracts for court escorting and immigration. Retention has been more challenging for these and other G4S businesses experiencing change and uncertainty.

Employee stability rates (numbers of employees with more than one year's service) have remained constant at 70%.



See page 30 for more detail

### HR standards and KPIs

G4S has set clear standards to ensure that all employees are treated with respect, dignity and fairness, wherever in the world they work.

We believe that compliance with these standards helps form a strong relationship with employees based on trust and creates pride in the organisation – our employee engagement strategy is built on this premise.

To ensure that we deliver on our commitments to our employees, businesses are required to report on key metrics relating to the following areas, every month:

- ▶ Health and safety
- ▶ Employee turnover and stability
- ▶ Industrial relations
- ▶ Recruitment rates

Consolidated monthly reports on this data are reviewed by the board and discussed in detail by the CSR Committee.

Local HR and line managers are responsible for making sure that these standards are adhered to in the businesses. Compliance is checked by the internal audit department during normal business audits.

### Employment standards

The terms and conditions of employment offered by G4S compare very favourably with others in our sector and are an important element of our proposition to attract and retain high calibre employees.

Across the group we ensure that employees receive terms and conditions of employment at least as favourable as those established by collective or industry-wide agreements or by legislation.

In certain markets a lack of enforcement of industry or regulatory standards allows less ethical employers to keep costs low at the expense of employees' pay. We work with unions, customers and governments to improve conditions for employees wherever market and economic conditions allow.

## Securing our people

### Case study

## Employee Welfare and Support



During 2011 grants were made to the families of five G4S employees killed due to political unrest in the Ivory Coast. Due to the circumstances surrounding these tragic deaths, no insurance claims could be made, so grants from the Employees' Trust are a vital lifeline to help support the employees' families at such a difficult time.

In August 2011 three G4S employees were killed and seven others injured in an attack by insurgents on the British Council in Kabul. In circumstances such as this where employees are injured or suffer hardship, the Employees' Trust Fund can make financial grants available in addition to any other local support provided by the G4S business or region.

### Employee welfare and support

G4S operates in many countries that are often affected by natural disasters and our employees are occasionally subjected to trauma during the course of their duties. The G4S Employees' Trust is available to employees and their families who suffer financial hardship as a result of such situations or occurrences.

### Health and Safety

We believe that the health and safety of our employees is of paramount importance and that, as the world's leading security solutions group, we must continue to set the global standard for health and safety in our industry.

In 2011, we began implementing the new health and safety standards and benchmarks which had been developed during the previous year. The new standards covered areas such as training, communication, reporting, risk assessments, KPIs and formal reviews.

Good progress has been made during the year in embedding the new strategy and we continue to work with customers, employees and unions to improve the health and safety environment for our employees.

### Fatalities in 2011

There was a continued reduction in the number of fatalities related to attacks on our employees by third parties in 2011, reducing from 30 to 28. Sadly, the overall number of work-related fatalities increased from 59 to 76. This increase was due mainly to the high number of road traffic fatalities which rose from 14 in 2010 to 30 in 2011. Providing ideas and sharing internal best practices on road safety will be a major focus for 2012.

In addition, the number of incidents in which there were multiple fatalities rose from one in 2010 to five in 2011 with a number of tragic events including a helicopter crash in Papua New Guinea and an insurgent attack on the British Council in Kabul leading to a total of five employee fatalities. The increase in fatalities has impacted on our performance against external benchmarks. The external benchmark data has not been updated in the last 12 months, so our analysis is based on the 2010 benchmark data for developing and developed markets.



[See page 30 for more detail](#)

### Critical Country Reviews

In 2011, we began our programme of Critical Country Reviews (CCRs) which focused on those countries where more than two work-related fatalities had occurred during 2010. These reviews are conducted by internal health and safety experts who have worked with local management teams to review the fatalities that occurred, to ensure that appropriate actions have been taken to prevent recurrence and to share best practice from their own business experiences. In total 11 CCRs have been conducted and management feedback has been very positive.

657,000  
Employees

90%  
In front line roles

£215,000  
Granted from the Employees'  
Trust Fund in 2011

Some of the themes emerging underpin the focus for health and safety in 2012 and include:

- ▶ Introduction of more robust accident reporting and investigation procedures
- ▶ Provision of defensive driving training in some countries
- ▶ Reviews of lone worker policies where applicable
- ▶ Increased employee communications on health and safety matters using a variety of methods and media such as toolbox talks, newsletters, briefings etc
- ▶ Introduction of mandatory procedures relating to vehicle safety such as wearing of seat belts, route planning, use of high visibility materials on motorcycles etc

One very positive outcome of this exercise is the networking between health and safety practitioners across the group and the sharing of best practice materials to support employee training and communications on health and safety.

### Talent and succession

We believe that employing the best people underpins our abilities to shape and implement strategic plans, adapt to change, build long-term partnerships with customers and engage our employees. Continuing to invest in the development of our people and in particular the talent pipeline, is vital to ensure they have the skills, knowledge and behaviours to meet increasingly complex challenges of doing business in a range of environments. As well as leading to improved performance for individuals, investment in the development of our talented leaders and managers in turn assists in motivating and retaining our employees through the creation of an environment where people are encouraged to reach their full potential.

#### Talent assessment

To ensure that G4S continually builds a strong talent pipeline we introduced a more comprehensive annual talent review process during 2011. The purpose was to clarify current and future capability requirements and to assess our pipeline against this as well as review succession planning.

Around 700 senior leaders and managers were reviewed against criteria on their performance and potential.

- ▶ 16% were assessed as having the potential to progress to a more complex role in the short term and we will focus on their development
- ▶ 70% were judged as highly valued and making a significant contribution to business performance, many of whom will also progress further with investment in their development

#### Strategic Leadership Network (SLN)

Over the last year the network of senior leaders created in 2010 has continued to build capabilities, not only for themselves but also for the group. The investment in their personal leadership development continues as well as their work on critical business projects that have enabled the G4S strategy to progress. Advances have been made in exchanging best practice and standardising approaches to business development; operational efficiencies; performance review; crisis management and continuous improvement.

7%

Reduction in attack-related fatalities

11

Critical Country Reviews conducted in 2011

#### Case study

### Critical Country Reviews



Across Africa six Critical Country Reviews were conducted following a number of work fatalities in South Africa, Kenya, Zambia, Mozambique and Democratic Republic of Congo. The reviews were carried out by the regional director for safety and health from G4S North America who travelled to each country to meet with the management teams, review the data from the fatalities and work with the teams to look at steps taken to prevent such incidents recurring. Each CCR in Africa lasted between two and five days and was facilitated by the regional health and safety manager for Africa. At the end of each review an action plan was developed with the management team which is currently being implemented. Feedback from all participants in this process has been exceptionally positive.

“The visit was appreciated by me and the G4S Secure Solutions’ Senior Management Team in South Africa as it not only demonstrates the group’s commitment to health and safety, but has also assisted us in obtaining an independent view of our health and safety performance and compliance. The recommendations from the review are being used to ensure that we implement processes that will lead to an improvement in our health and safety practices”.

#### Rudi Holtzhausen

National Quality and Audit Manager, G4S Secure Solutions, South Africa

“The feedback report was very enlightening. It provided us the rare opportunity of having a completely independent person analyse our current system and make constructive criticisms and recommendations.”

#### Pamela Ilunga

HR Director, G4S Democratic Republic of Congo

700

Managers assessed in 2011 talent review



## Securing our people

### Case study

## Diversity and inclusion



In a male orientated industry the management team of G4S Sweden are challenging traditional perceptions about security and reinforcing the view that diversity leads to better decision making. With a management team that comprises an equal split of men and women the business has captured local media interest and was featured in a recent edition of "Skydd & Säkerhet" ("Safety & Security"). The article included comments from a number of senior women who explained that they were attracted to work for G4S not just by the roles available, but also by the culture, the values and the opportunities to progress in the organisation. Women hold a number of senior operational roles as well as functional ones, several of them rising through the organisation from positions as security officers to their current positions as senior managers. This diversity appears good for business with strong results for the year.

As Thomas Lundin, managing director points out, it is all about having the best people regardless of their backgrounds. He comments, "We operate as a modern company that has prioritised skills and has a good mix at all levels. This helps in our analysis and discussions about the situations and opportunities the business faces. Ultimately this leads to better decisions and results".

"The SLN has been an extremely positive experience, both in terms of networking and learning experiences. My personal benefit has especially been in the areas of coaching and my learning experiences from the projects I have worked on. I have also learned a lot from being out of my comfort zone several times."

#### Regional CFO

G4S Americas

During the last year, almost half of the group have been moved into new roles or taken on increased responsibilities underpinning our strategy to develop successors through new opportunities.

#### Global Leadership Programme

An additional aspect of building our talent pipeline includes the Global Leadership Programme. 40 managers took part in various stages of the programme in 2011 and we have added another 41 to the GLP pool following the talent review of 2011.

"From a personal growth perspective, I can say that the experience, skills, support and tools provided by the GLP has contributed very significantly to my success and in turn the team and business success. For example, the business performance is back on track with a result currently tracking to achieve a 150% improvement on 2010."

#### Managing Director

G4S Australia and New Zealand

## Diversity and inclusion

In G4S we believe that increased diversity is vital to our continued success because the skills and talents needed to lead, develop and grow a global business are found in people from a diverse range of backgrounds. Given the nature of our business, our challenge is how we attract and retain the best people from the widest possible pool and provide them with an environment in which they can reach their full potential.

#### Diversity and inclusion assessment

In 2010 we launched a diversity and inclusion assessment tool to assist businesses in identifying gaps in their approach to diversity and inclusion and provide some suggestions as to what actions to take to fill them. The tool has been refined since its implementation as a result of internal and external feedback and is proving a useful method of assessing our various businesses.

Although the overall gender balance of the group remains unchanged with 12% of the workforce being female, there have been some improvements in a number of the regions most noticeably at the management level in Latin America, Africa, Asia and the Middle East. The percentage of women in managerial roles is much higher at 21%.



See page 31 for more detail

21%  
Of women in  
managerial roles



Over 450 managers have used the cultural awareness training tool that we introduced last year. It is being made available to all employees and is being used to support training on developing cultural competence, and to give guidance to employees who have to travel and communicate with people from a wide range of cultures.

Our continued focus on diversity and inclusion has been rewarded with a number of awards both in North America and the UK as well as with positive feedback from employees. In the employee engagement survey, 79% of employees agreed that the company respects and values people from different backgrounds. This was the most improved score in the survey which is encouraging given the focus on increased cultural understanding, and the training and toolkits being provided to foster the development of a more inclusive environment.

### Employee engagement

We believe that employee engagement is a critical driver of business success, helping us improve employee stability and increase our employees' motivation to deliver excellent service to our customers, leading in turn to sustainable business performance. Through continual monitoring of employee key performance indicators and rigorous analysis of employee feedback, we ensure engagement stays on the agenda of every manager and every business. group-wide minimum standards on topics such as strategy development, policies, management training and respect for international standards are in place and progress in achieving full compliance is monitored regularly.

#### Employee survey

In 2011, we undertook our second global employee survey in which we asked our employees around the world how they viewed G4S as an employer. Not only did we achieve an excellent set of results and improvements on the 2009 survey, but we also increased our response rate by 75,000, to 245,000 responses. This is of particular note, as many of our front line employees (who represent over 90% of the workforce) are based remotely and many have little or no access to technology.

Our employee survey questionnaire is devised around our simple approach to employee engagement which can be described as treating our employees with **PRIDE**. By this we mean:

- P**rotect their basic needs
- R**espect them as individuals
- I**nvolve them in the business
- D**evelop their skills and potential
- E**ngage them fully

Our 2011 survey show particularly good results in the area of "Protect" with 95% of employees who responded saying they understand the procedures required to do their job and 89% believing they have been well trained to do their role. This clearly demonstrates our ability to provide effective and comprehensive job training.

The overall level of engagement of our employees was also high with 81% of employees who responded saying they would recommend G4S to a friend and 81% were satisfied with their jobs and over 80% stated their intent to be employed by G4S in 12 months' time.

245,000

Employees completed the G4S global employee survey

81%

Of respondents would recommend G4S to a friend

We have implemented action plans to ensure continuous improvement in areas that were viewed as being critical to engagement. These plans include:

- ▶ Further resource for training front-line managers
- ▶ Introduction of a multi-language global induction DVD, plus an on-boarding e-learning tool for managers and support staff to ensure a consistent message on the G4S values and ethics
- ▶ Further development of our employer brand to attract and retain employees

The G4S employee survey is one of the largest of its kind and one which presents a great many unique challenges in engaging with our workforce. By using a bespoke survey tool, pragmatic approach and in-house management, G4S once again successfully conducted this survey efficiently and cost-effectively, gaining some important engagement metrics across the business. The next global employee survey is planned for 2013.

 See page 31 for more detail

### Labour relations

The Ethical Employment Partnership (EEP) entered into with the GMB and UNI, a Global Union Federation, in 2008 has now been successfully implemented across the group.

The EEP is a global framework agreement which explains the terms within which businesses and unions will engage locally for the purposes of union recognition and collective bargaining. It is designed to drive improvements in employment standards across the industry whilst helping to ensure that employee and union rights are respected throughout the group.

Every six months, senior representatives from UNI and the GMB meet with senior management to review progress and discuss any issues that have come to light with regards to the implementation or ongoing application of the EEP.

The relationship continues to be a positive one, with the parties seeking to find resolutions to challenges faced to ensure a stable operating environment for the company and job security for employees.

At a recent review Alice Dale, Head of UNI Property Services, commented that... "The partnership with G4S continues to drive standards in the security industry and its success provides evidence of the company's commitment to its employees and their collective voice."

Union membership levels have remained constant across the business since 2010 and are currently at about 14%. They are highest in Africa. Overall about a third of our employees are covered by the terms of a collective agreement.

88%

Of respondents in Africa agreed that they received effective job training

# Securing our environment

As an organisation that specialises in managing risk, we recognise that the threat to people and infrastructure from climate change is an important and ongoing concern for our group, our customers and our employees.



Key Achievements in 2011	Priorities for 2012
<ul style="list-style-type: none"> <li>▶ Measured the carbon emissions of businesses representing 94% of the group</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue to implement energy efficiency strategies to reduce carbon intensity by at least 13% from 2009 to 2012</li> </ul>
<ul style="list-style-type: none"> <li>▶ Achieved an overall reduction in carbon intensity of 5.1%</li> </ul>	<ul style="list-style-type: none"> <li>▶ Launch the implement the new G4S environmental strategy for 2012 to 2014</li> </ul>
<ul style="list-style-type: none"> <li>▶ Introduced measurement of waste and water consumption into the Climate Action Programme</li> </ul>	<ul style="list-style-type: none"> <li>▶ Develop our measurement of waste and water consumption and introduce a target for reduction</li> </ul>
<ul style="list-style-type: none"> <li>▶ Introduced a Green Building minimum standard for new-build or long lease facilities</li> </ul>	
<ul style="list-style-type: none"> <li>▶ Launched the world's first all electric cash-in-transit vehicle</li> </ul>	

## Material issues and actions

### Climate Action Programme

Alongside the risks faced by people and infrastructure from climate change are the challenges presented by the current economic climate, increasing fuel costs and the introduction of legislation such as the UK's Carbon Reduction Commitment have continued to drive energy efficiency and environmental impact to the top of the agenda.

At G4S, we recognise the impact that our business activities can have on the environment and are committed to managing this impact in a responsible manner. Through our Climate Action Programme, we are endeavouring to be the leader in our industry in measuring, reporting and reducing the intensity of our greenhouse gas emissions.

We have set ourselves a series of challenging targets to increase sustainability within our operations and reduce our carbon footprint.

In partnership with our customers, employees and suppliers, we are investing in energy efficient technologies, reducing waste and water consumption and encouraging our stakeholders to think about their decisions with the aim of reducing the environmental impact of our operations.

We are very proud of the progress we have made in increasing energy efficiency and reducing our environmental impact through the introduction of new ways of working with the aim of creating an environmentally sustainable G4S.

10.3%

Reduction in carbon intensity since 2009

3%

Reduction in carbon emissions since 2009

77 t/CO<sub>2</sub>e

Per £1 million of revenue




### 2011 Carbon footprint

The G4S 2011 total carbon footprint calculated for 100% of the business equates to some 608,500 t/CO<sub>2</sub>e. Through operational year-on-year growth we anticipate our direct carbon emissions to grow proportionally, we have therefore established a G4S average carbon intensity of 77 tonnes of CO<sub>2</sub>e per £1m of revenue at 2011 exchange rates. At the same rate, our carbon intensity for 2010 was 81.1 tonnes of CO<sub>2</sub>e per £1m of revenue.

Since we launched our Climate Action strategy in 2009, our carbon intensity has decreased by 10.3% per £1m of revenue. This reduction in carbon intensity translates to a real reduction of 3% in carbon emissions. This excellent progress is a continued realisation of our efforts to introduce energy efficiency measures across our business and a significant step toward our target to reduce carbon intensity by 13% between 2009 and 2012.

In certain regions, particularly the Middle East, G4S employs a large number of expatriate employees. Due to the operational nature of these contracts, G4S provides 24/7 care including accommodation and transport. We have therefore included the full carbon footprint of their employment and calculated an average measurement of 1,080 kg of CO<sub>2</sub>e per employee.

 See pages 32 and 33 for more detail

### Case study Changing behaviour



Modifying employee behaviour to incorporate energy efficient driver techniques has been a priority for our heavy cash transportation fleet since the beginning of our Climate Action Programme. The G4S Telematics system fitted to our cash transportation vehicles across Europe allow us to monitor, manage and adjust driving behaviour, with the employee fully engaged in the process.

The system is set up to provide the driver with audiovisual indicators of how their driving is measuring up and the direct improvements they are making to their impact on the environment, while also providing fleet management with updates in real-time.

Implementation of the system was completed in late 2011 and is expected to deliver cost savings of around £1.3m pa, around 10% of the operations fuel usage. It will also help to reduce road traffic incidents.

## Securing our environment

### Case study

### Switching to alternative fuels



Since 2010, G4S has introduced a number of electrically powered vehicles into our fleet, such as the T3 Motion in USA and the Tazzari Zero in the Netherlands, as part of our programme to reduce vehicle emissions and create a greener fleet.

In February 2011, G4S launched the world's first all-electric cash in transit vehicle. The first of its type, the vehicle is powered by lithium-ion batteries and incorporates a solar panel to produce sustainable energy to power the vehicle's ancillary electrical energy usage. The vehicle has been operating in Greater London, saving around 1,200 litres of fuel (around 3.2 t/CO<sub>2</sub>e) during its ten month trial.

The trial's findings have been positive, leading to two further vehicles being piloted by G4S. The first in Rotterdam where it is operating as part of G4S Netherland's Safe Express fleet and a second which will shortly be launched in London – which will enable us to collect comparison data on efficiency and operational usage.

It is hoped that the findings of the second vehicle in London will lead to the roll-out a further 12 electrically powered cash vehicles operating in the city.

### Energy reduction – A greener vehicle fleet

Many of the services G4S provides to governments, business and communities around the globe include the safe and secure transportation of either people or valuable material. To provide our customers with reliable and effective services, we operate a fleet of over 30,000 vehicles, including security patrol vehicles, prisoner escort vehicles and some 11,000 armoured cash transportation vehicles. It is this fleet which generates over 65% of our group's carbon emissions and we have focused our primary efforts here to reduce our energy consumption and achieve our target of 13% reduction in carbon intensity between 2009 and 2012.

By investing in new technologies such as stop-start systems and solar cells to power ancillary systems; and vehicle replacement programmes to introduce energy efficient alternatives, we have cut the emissions of our vehicle fleet by 5.5% between 2009 and 2011, an average reduction per vehicle of 10.1% to 12.75 t/CO<sub>2</sub>e in 2011.

### A driver for change

Between 2009 and 2011, our consumption of fuel for our vehicle fleet was reduced by 3.6%.

During the same period, the average cost of fuel has increased by 28%, thus avoiding a cost increase of £8.5m and demonstrating a clear incentive to develop and invest in initiatives to increase fuel efficiency.

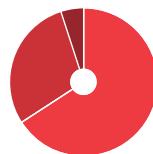
### Energy reduction – Reducing the impact of our buildings

G4S occupies a wide ranging collection of buildings across the globe. Covering more than 1.7 million m<sup>2</sup>, our facilities include corporate offices, industrial cash processing centres, employee accommodation, vehicle depots, prisons and detention centres.

Around 30% of our carbon footprint is generated by the energy and fuel usage at these buildings and so we are continuing to carry out replacement programmes using lower energy environmental solutions wherever possible and working to change employee behaviour through our "Big Think" campaign.

In 2011, we launched a new Green Building minimum standard requiring that all future new-build or long lease facilities, above a certain threshold must meet the regional environmental building standard such as BREEAM or LEED. We are currently consolidating our office space in London, which includes a new corporate office which has achieved a BREEAM rating of "Very Good".

### Carbon emissions by source 2011



■ Vehicle inc refrigerant	65.9%
■ Buildings inc refrigerant	29.3%
■ Air travel	4.8%



### Waste and water

The scarcity of resources such as water is a key issue in many of the countries in which we operate. Since 2008, G4S UAE has implemented a large scale water management programme to reduce usage of water and where possible recycle wastage – reducing consumption of water at our staff accommodation facilities by around 20%. Last year, G4S Cash Solutions UK began a programme to increase recycling rates to 95% by April 2012. The programme follows a six month implementation which resulted in the business tripling its recycling rates from 28% to 83%.


In 2011, we introduced the trial measurement of water and waste consumption into our Climate Action Programme. During the trial, we measured the consumption of around 55% of G4S facilities and determined that these consumed approximately 2.7 million m<sup>3</sup> of water and generated 10,000 tonnes of waste.

During 2012, we will continue to develop our measurement of waste and water consumption with the aim of setting targets for efficiency and reduction in the future.

### Key performance indicators\*

	2009	2010	2011	Reduction 2009 – 2011
CO <sub>2</sub> e emissions per £1m revenue	85.8 t	81.1 t	77.0 t	10.3%
Average CO <sub>2</sub> e emissions per employee	1,220 kg	1,125 kg	1,080 kg	11.4%
Average CO <sub>2</sub> e emissions per vehicle**	14.2 t	13.06 t	12.75 t	10.1%
Average CO <sub>2</sub> e emissions per building m <sup>2</sup> **	94.7 kg	92.1 kg	90.2 kg	4.7%
Reduction in carbon intensity from 2009 level	–	5.5%	5.1%	10.3%

\* Based on 94% measurement  
 \*\* Inc refrigerant

 See pages 32 and 33 for more detail

### Case study Renewable energy



In partnership with NPower, G4S Care & Justice Services in the UK is carrying out an assessment of its prison and detention facilities to seek opportunities for renewable energy sources to be integrated into its estate.

HMP & YOI Parc, a prison managed by G4S in south Wales will be the first to incorporate a solar array, generating more than 22,300 kWh after it is commissioned in April 2012 and reducing carbon emissions by around 22 tonnes. It is hoped that this can be followed by up to 20 Quiet Revolution wind turbines, which will generate another 189,200 kWh and further reduce the site's carbon emissions by 103 tonnes. Together these renewable energy sources will provide around 10% of HMP & YOI Parc's overall energy requirement.

The implementation of clean and renewable energy into our large Care & Justice Services estate offers G4S the opportunity to make considerable carbon emission and financial savings.

**5.5%**  
Reduction in overall vehicle emissions since 2009

**4.7%**  
Reduction in CO<sub>2</sub>e per average building m<sup>2</sup>

**1,080 kg**  
CO<sub>2</sub>e per average employee



# Securing our communities

We seek to make a positive social and economic impact on the communities in which our employees, customers and suppliers live and work around the world.



Key Achievements in 2011	Priorities for 2012
<ul style="list-style-type: none"> <li>▶ Conducted a review of G4S community investment, identifying programmes with a combined value of over £2.1 million</li> <li>▶ Facilitated over 78,500 hours of employee volunteering with charitable concerns and local community good causes</li> <li>▶ Invested £265,700 into programmes to support the long-term welfare and development of our employees in developing countries</li> <li>▶ Conducted Economic Impact Assessments of G4S operations in South Africa, India and Chile</li> </ul>	<ul style="list-style-type: none"> <li>▶ Build on our community investment to demonstrate greater impact on the people we strive to support</li> <li>▶ Further increase the level of investment in communities through donations of goods and services</li> </ul>

## Material issues and actions

### Understanding our impacts

As the world's largest provider of security solutions, G4S has an important and unique role to play in creating a prosperous and stable environment in which people can live and work. In addition to providing direct employment and training to 657,000 people across more than 125 countries, our business has a range of significant and far-reaching economic impacts. As well as directly benefiting our many employees and suppliers through the salaries, benefits and payments we make for goods and services, we indirectly support even more companies and their local communities as suppliers and employees make purchases and generate further economic activity through their spending.

### Contributing to stable and safe communities

We recognise that our ability to provide a safe and secure environment around the world depends on the deep and real relationships we have with the communities and people with whom we work.

At G4S we are therefore committed to being a good corporate citizen. We understand the importance of investing in the communities in which we live and work and to which we provide services.

By partnering with organisations in those communities and supporting the health, education and welfare of children and young people, G4S can help to raise the aspirations and reduce crime in those communities.



### Investing in our community

In 2011, we set ourselves a target of achieving £2 million investment in community programmes and charitable donations across the group.

In 2011, G4S completed its first comprehensive review of its regional and country managed community investment activity around the world. The review has helped us to understand the true level of G4S community investment, identifying more than 550 community programmes across the globe from projects for the safety, welfare and development of children such as "Kids Help Phone" in Canada and "Smile of the Child" in Greece which provide help lines for children when they most need care, advice and support; or the "Roof for my Country" programme in South America which aims to provide families in poverty stricken communities with a home.

During 2011, G4S and its employees contributed £2.25 million to charities and community good causes. Of this, £2.1 million consisted of corporate donations of money, goods and services from G4S businesses; another £152,000 was generously donated by our employees and other third-parties through G4S facilitated programmes.

- ▶ G4S and its employees contributed over £2,250,000 to charities and community good causes
- ▶ G4S facilitated over 78,500 hours of employee volunteering with charitable concerns and local community good causes
- ▶ Invested £265,700 into programmes to support the long term welfare and development of our employees in developing countries
- ▶ Invested in over 550 programmes supporting the health, education and welfare of children, young people and their families

78,500

Employee volunteer hours

£265,700

Invested into employee welfare

### Securing our employees

As one of the world's largest private employers, G4S understands the importance of supporting the long-term welfare and development of the people who make up our organisation in regions of the world where large parts of the community are at risk of poverty. We are developing programmes such as "Sharing with our People" which has built new homes for employees in Romania, Peru and Chile, and a scholarship initiative in Guatemala which works to help front line employees gain their high school diploma, helping them to provide a better future for themselves, their families and ultimately their communities.

In 2011, G4S invested £265,700 from the Employee's Trust and other welfare funds into programmes to support the welfare and development of our employees.

 See page 18 for more detail on our Employee's Trust

Over 550

Charities and good causes supported

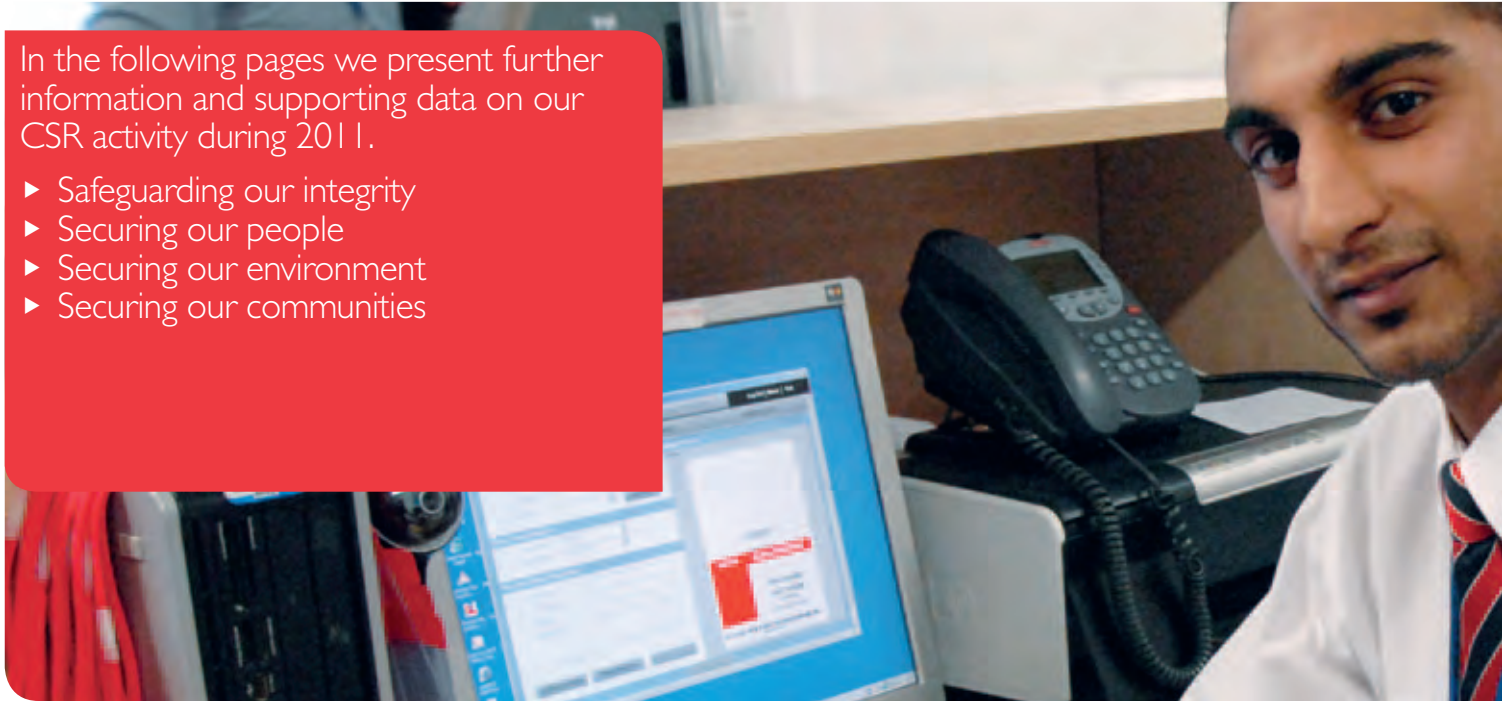
£2,250,000

Invested by G4S and its employees in local communities

# Supporting data

In the following pages we present further information and supporting data on our CSR activity during 2011.

- ▶ Safeguarding our integrity
- ▶ Securing our people
- ▶ Securing our environment
- ▶ Securing our communities

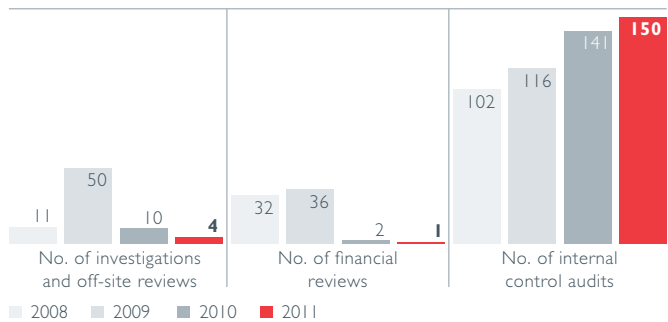


## Safeguarding our integrity

### Internal Audit

The chart below shows the internal audit activity during the last four years (2008–2011) in terms of assignments completed in different areas:

**Number of internal audits and reviews**



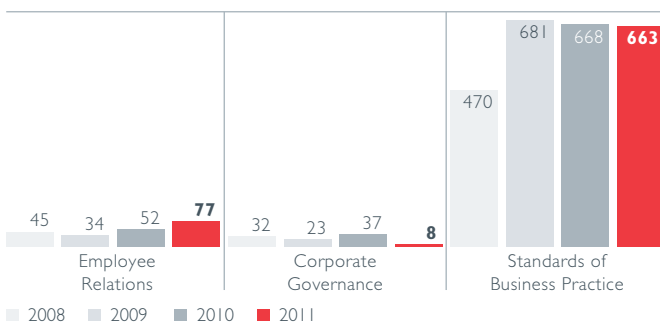




## Number of issues raised

The chart below shows an analysis of the issues raised in relation to business practice standards, corporate governance and employee relations during internal control audits from 2008 to 2011.

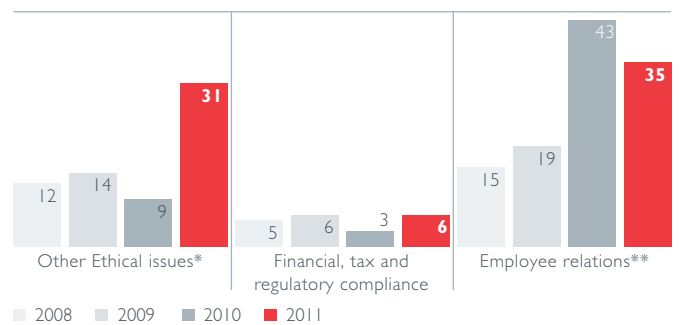
### Number of internal issues raised



## Whistle-blowing

The chart below shows an analysis of the whistle-blowing concerns raised at group level over the last four years.

### Number of whistle-blowing concerns received



\* Including theft, fraud, financial misreporting, misuse of company assets, non-compliance with policies and procedures etc  
 \*\* HR practices, employee conduct, conflicts of interest, harassment & discrimination

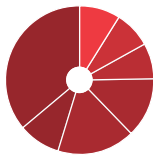
## Supporting data

# Securing our people

### Shape of the organisation

G4S employs over 657,000 people making it one of the world's largest private employers. More detail on employees by region and by role is shown below:

#### G4S employees by region



■ North America	59,100	9%
■ LATAM and Caribbean	52,580	8%
■ UK and Ireland	52,570	8%
■ Continental Europe	85,440	13%
■ Africa	111,720	17%
■ Middle East	59,150	9%
■ Asia	236,590	36%
<b>Total</b>	<b>657,200</b>	<b>100%</b>

#### G4S employees by role



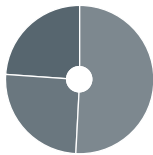
■ Front line employees	90.1%
■ Supervisor/first line managers	5.4%
■ Other	3.4%
■ Managers	1.1%

### Health and Safety

#### Fatalities by category

In 2011, the number of attack-related fatalities in the group reduced from 30 to 28. Sadly, the overall number of work-related fatalities increased due mainly to the high number of road traffic accidents.

#### Fatalities by category

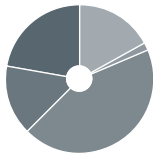


2010	
■ Attack	30
■ Non attack	15
■ Road traffic accidents	14
<b>Total</b>	<b>59</b>

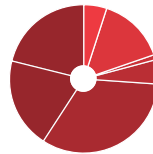


2011	
■ Attack	28
■ Non attack	18
■ Road traffic accidents	30
<b>Total</b>	<b>76</b>

#### Fatalities by region



2010	
■ North America	0
■ LATAM and Caribbean	10
■ UK and Ireland	0
■ Continental Europe	1
■ Africa	26
■ Middle East	9
■ Asia	13
<b>Total</b>	<b>59</b>

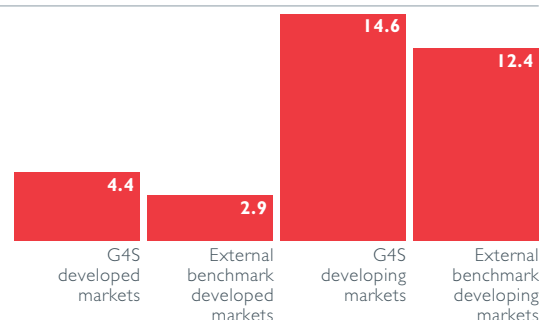


2011	
■ North America	4
■ LATAM and Caribbean	11
■ UK and Ireland	1
■ Continental Europe	4
■ Africa	25
■ Middle East	15
■ Asia	16
<b>Total</b>	<b>76</b>

#### Health and Safety Benchmark Data

Last year we reported on G4S fatalities compared with external data. The external data used was based on the average of the International Labour Organisation's (ILO) most recent data for G4S's largest 20 countries. Where specific country statistics were not available from the ILO, data has been drawn from local health and safety organisations and publications. In 2011 the benchmark data from the ILO remained unchanged so the comparison shown in the graph on the right is based on the 2010 data again. In 2011 the G4S fatalities are higher than that for both the developed and the developing markets. In the former this is mainly accounted for by the 4 deaths in North America, one of which was due to an attack, one a road traffic incident and there were two non-attack related fatalities.

#### Fatalities per 100,000 employees





## Diversity and inclusion

We believe that increased diversity is vital to our continued success. One of the ways by which we measure diversity is the ratio of female to male employees and managers. In 2011, 12% of the total workforce was female and 21% of managers were female. The chart below shows this data by region:

### Proportion of female employees

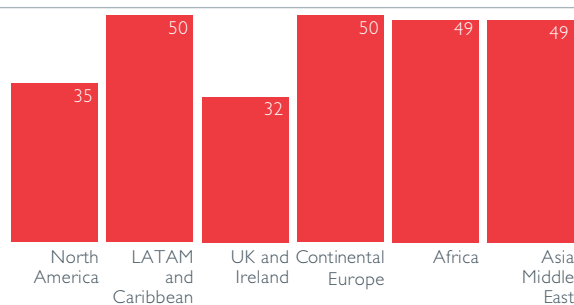
Region	Front line	Managers
North America	23%	26%
LATAM and Caribbean	11%	20%
UK and Ireland	22%	26%
Continental Europe	17%	16%
Africa	6%	23%
Middle East	4%	7%
Asia	8%	19%
<b>Total</b>	<b>12%</b>	<b>21%</b>

## Employee engagement

### Employee survey

245,000 employees took part in the 2011 global employee survey. The responses by region are shown below:

### Employee survey %



The chart below summarises the average positive response to each of the core survey questions:

### Average positive response to each of the core survey questions

70% to 79%	80% or more
Respects and values diversity	Job understanding
Listens to opinions and ideas	Well trained for job
Provides materials and equipment	Recommend G4S
Ensures effective communication	Job satisfaction
Encourages development within role	Feel part of the G4S team
Takes health and safety seriously	Intent to stay
Treats employees fairly	
Provides support and feedback	
Provides recognition for jobs well done	

## Labour relations

14% of G4S employees are represented by a union and 31% are covered by the terms of a collective agreement. The chart below shows the data by region:

Region	% Union Membership	% Collective Agreements
North America	19	19
LATAM and Caribbean	6	18
UK and Ireland	23	76
Continental Europe	23	60
Africa	35	61
Middle East	0	0
Asia	2	10
<b>Total</b>	<b>14%</b>	<b>31%</b>

## Employee voluntary turnover

Employee turnover rates increased from 22.4% in 2010 to 25.2% in 2011.

Region	2010	2011
North America	28.4%	<b>28.7%</b>
LATAM and Caribbean	29.8%	<b>31.8%</b>
UK and Ireland	9.5%	<b>11.3%</b>
Continental Europe	25.7%	<b>26.0%</b>
Africa	11.3%	<b>13.7%</b>
Middle East	33.4%	<b>26.3%</b>
Asia	25.1%	<b>30.5%</b>
<b>Total</b>	<b>22.4%</b>	<b>25.2%</b>

## Employee Service

Employee stability rate (employees with more than one year's service) was maintained at 70%.

	2010	2011
< 12 months	191,595	<b>206,250</b>
1 – 2 years	107,782	<b>110,230</b>
2 – 5 years	171,638	<b>176,540</b>
5 – 10 years	97,459	<b>102,690</b>
10+ years	56,485	<b>61,490</b>

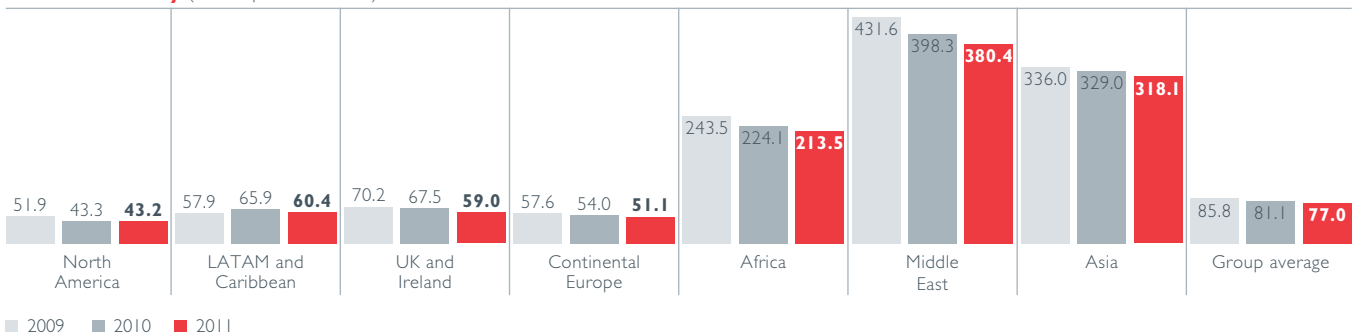
Supporting data

# Securing our environment

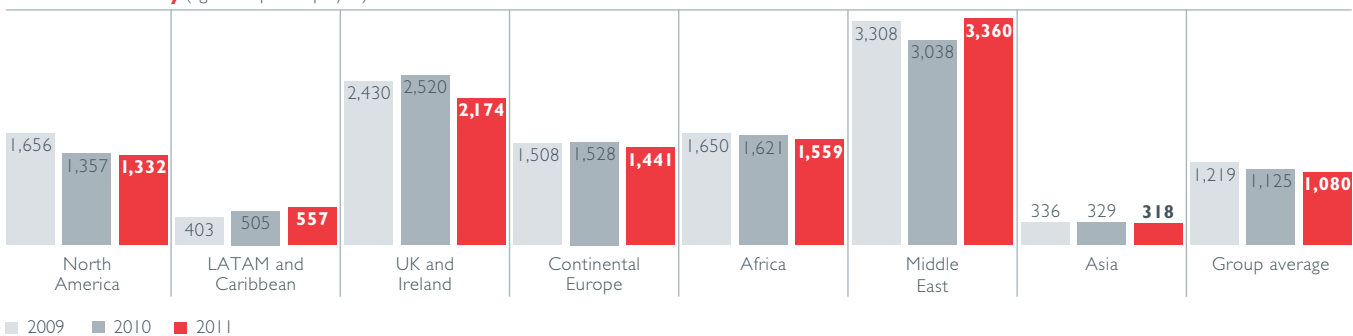
## Carbon footprint analysis

We calculate that during 2011, G4S emitted some 608,500 t/CO<sub>2</sub>e. The following charts show our carbon footprint in a number of ways:

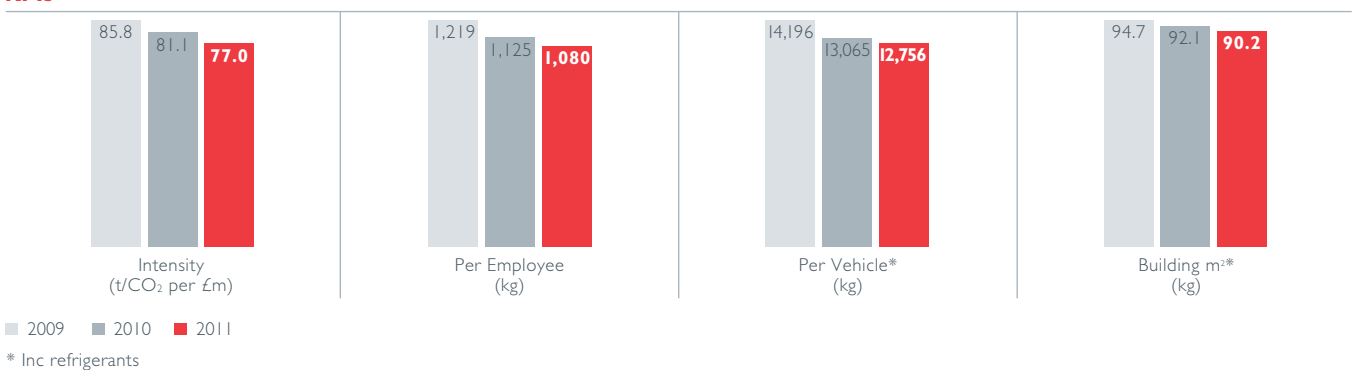
**Carbon intensity** (t/CO<sub>2</sub>e per £m revenue)



**Carbon intensity** (kg/CO<sub>2</sub>e per employee)



**KPIs**



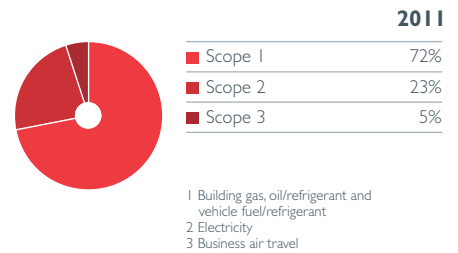
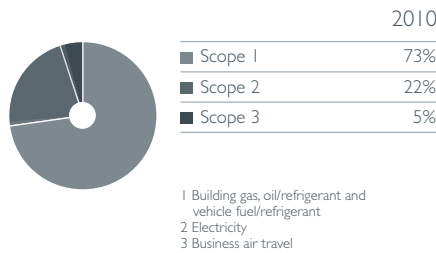
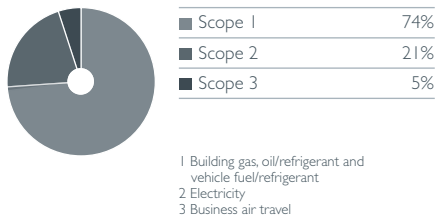
**Direct and indirect energy consumption**

Source		2009	2010	2011
<b>Buildings</b>	Electricity (MWh) (indirect)	210,000	213,000	<b>221,000</b>
	Gas (MWh) (direct)	66,000	67,000	<b>64,000</b>
	Oil (litres) (direct)	2,990,000	3,970,000	<b>3,790,000</b>
<b>Vehicles</b>	Petrol (litres) (direct)	58,200,000	53,500,000	<b>56,700,000</b>
	Diesel (litres) (direct)	87,000,000	86,200,000	<b>82,300,000</b>
	Other (litres) (direct)	488,000	570,000	<b>1,450,000</b>

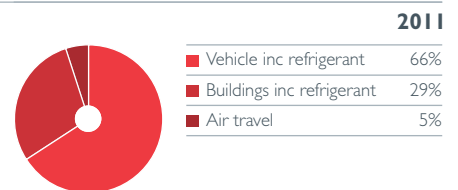
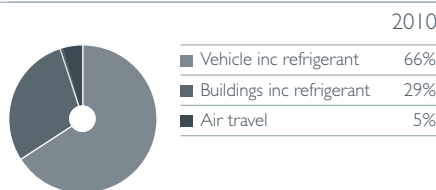
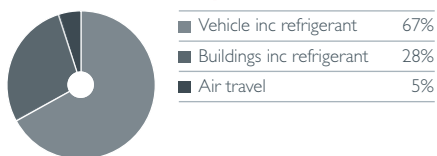
For more information on our Climate Action Programme, please visit [www.g4s.com/cap](http://www.g4s.com/cap)

- ▶ Approach & coverage
- ▶ Establishing our Climate Action culture

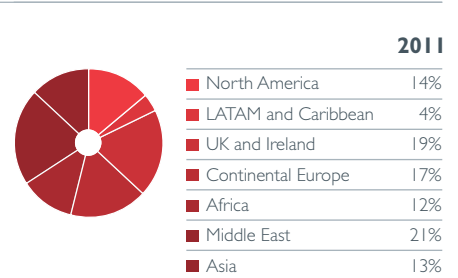
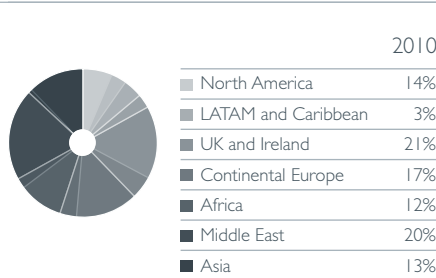
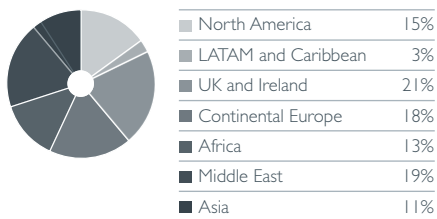
**Carbon emissions by scope**



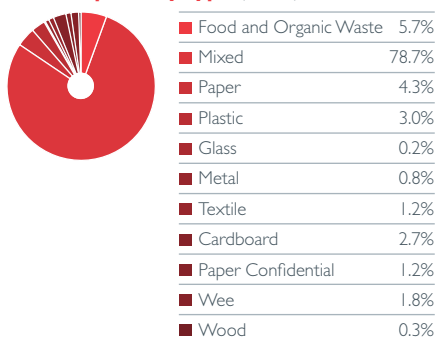
**Carbon emissions by source**



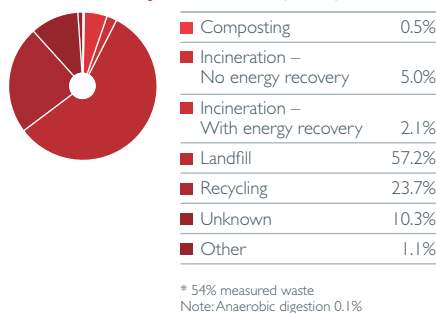
**Carbon emissions by geographic region**



**Waste\* – Consumption by type (tonnes)**



**Waste\* – Breakdown by treatment (tonnes)**



**Water\* – Consumption (m³/year)**



## Supporting data

# Securing our communities

### Investing in our communities



In 2011, G4S and its employees have contributed over £2,250,000 to charities and good causes across the globe.

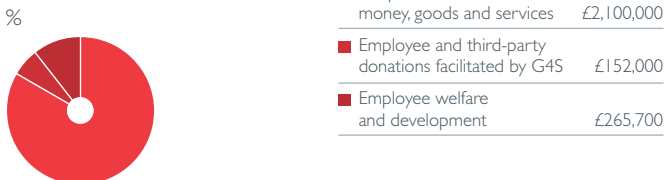
Many of our business activities deliver immense benefits to communities across the globe, such as supporting humanitarian aid efforts in Africa or enabling the rehabilitation of offenders in the UK, USA and South Africa.

In addition to funding six major, long-term community-based initiatives around the world, G4S encourages business across the group to play their part in engaging with and helping to improve their local communities.

G4S 4teen	Global sports programme supporting young people from a range of less developed countries
Jifu Action	Children's home in China
Acacia Project	Sustainable farming community in Malawi
Ark of the World	Care and support for underprivileged children and their mothers in Greece
Gifts 4 Schools	School and school supplies for underprivileged children in Jamaica
Shiksha School	School and school supplies for underprivileged children in India

For more information see [www.g4s.com/communities](http://www.g4s.com/communities)

#### Donations 2011



### G4S 4teen



The G4S 4teen brings together 14 young athletes from 13 countries, across four continents towards their goal of winning a gold medal on the world's biggest sporting stage. Supported by G4S global ambassador Haile Gebreselassie, the G4S 4teen programme enables G4S to assist the athletes, their families and the local communities financially, socially and logistically in a genuine and meaningful way, creating goodwill, trust and new sporting heroes in key markets for our business.

The partnership provides each athlete with unique experiences that are designed to help them develop both within the sporting sphere and personally. The benefits that the athletes receive also extend beyond the individual; G4S works with each athlete to provide opportunities to their local communities that they would only ever have dreamed of experiencing.

G4S is proud to support the G4S 4teen athletes to achieve their full potential and in 2011, two of the athletes were selected to compete for their countries at the London 2012 Olympic Games. We are hoping that many of the G4S 4teen will be travelling to London to compete in the world's greatest sporting event.

G4S 4teen athlete	Country	Sport
Obinna Metu	Nigeria	100m, 200m
Fanuel Kenosi	Botswana	100m, 200m
Zodwa Maphanga	South Africa	Table tennis
Pauline Korikiwang	Kenya	Middle distance runner
Juan Maegli	Guatemala	Sailing
Mariana Londono	Colombia	BMX
Margus Hunt	Estonia	Discus
Mangal Ho	India	Archery
Snigdha Manda	India	Shooting
Chein An Chen	Taiwan	Table tennis
Sharmin Akhta	Bangladesh	Shooting
Sebastian Jahnsen	Peru	Swimming
Charly Suarez	Philippines	Boxing
Chatchai Butdee	Thailand	Boxing

You can follow the progress of the G4S 4teen at [www.g4ssport.com](http://www.g4ssport.com)

## Securing our communities

### Case study

#### Jifu Action – China



G4S has an ongoing partnership with the Nan Hui Tao Yuan Orphans Foster Home in the Pudong district of Shanghai. The home provides education for children with physical handicaps or learning difficulties, many of whom would otherwise not receive any schooling. Since 2007, G4S' support of the Jifu programme has equipped three classrooms and pays the salary of five teachers, enabling 50 children to learn numeracy, literacy and life skills.

### Case study

#### Community Engagement in Bloemfontein – South Africa



G4S South Africa is investing in education and school drop-out reduction for students in grade 10 to 12, through the Ikhwezi Winter School project. The project offers maths and science classes to 620 teenagers every Saturday throughout the school year as well as the holidays. G4S funding covers the salaries of the twenty educators for the holiday programme as well as materials, transport and sponsorship of employees' children. G4S also provided three volunteer vocational trainers to deliver craft skills training such as leather work, box making and paper craft to a further 225 students.

Since 2006, G4S South Africa has been running the innovative School Desk Scheme in partnership with Old Mutual. Through this programme inmates at the G4S managed Mangaung Correctional Centre use woodwork skills to recondition old dilapidated school desks which are given to local schools in Bloemfontein. Since the start of the project, 1,200 desks have been donated to disadvantaged schools.

### Case study

#### Sabio Caldas School – Colombia



During the G4S 4teen Regional Training Camp in November 2011, G4S 4teen athletes Juan Maegli, Mariana Pajon Londono and Sebastian Jahnsen were part of a very special presentation to Sabio Caldos school, a charity funded organisation in one of Bogota's most underprivileged areas.

The athletes surprised the children with 40 brand new computers and a wide array of sports equipment. The children treated their guests to performances by the school's choir, band and orchestra and enjoyed a unique opportunity to play a number of different sports and activities with the three G4S 4teen athletes who also shared stories with the children helping them to understand the importance of commitment and ambition. The day ended with all of the school's 1,042 children watching local hero Mariana give a BMX display to the thrilled children.

### Case study

#### Mochudi Resource Centre – Botswana



In April 2011, G4S 4teen sprinter Fanuel Kenosi spent a special day at the Mochudi Resource Centre in Gaborone, Botswana, where he was on hand to help donate sporting equipment to the many children it helps, through the provision of accommodation, rehabilitation and life skills training for 61 children with visual impairments.

The afternoon gave G4S the opportunity to officially hand over the equipment which included specialist sports equipment and educational toys. The children put on entertainment for the guests while enjoying a special tea and a surprise visit from an ice cream van! During the afternoon Fanuel spent time playing football with the children and in return they gave him a lesson in the rules of Goalball.

Fanuel said: "I feel privileged to be able to come to this centre and spend time with these children. This is a very special place and I'm proud of G4S for supporting such a worthwhile project".



## Securing our communities

### Case study

#### Ciudad de los Ninos – Peru



In March 2011, former G4S 4teen Greco-Roman wrestler Eduardo Palas spent a day with the children of the Ciudad de los Ninos in Lima, Peru and treated the excited children to an unforgettable G4S sports day.

Before the activities began, Eduardo surprised the children with the donation of new sports equipment provided by G4S Peru to mark the beginning of an ongoing relationship with the centre. Eduardo kick-started the activity-filled afternoon by teaching the youngsters new sports, skills and games, allowing them to enjoy a unique opportunity of playing with a champion athlete.

Eduardo said: "You know, it's really nice to be giving these children an afternoon of fun, some of these children remind me of when I was younger and all I wanted to do was play sports, so it is really good to be giving them a chance to do that. It's also nice to help G4S as they have done so much to help me".

### Case study

#### Shiksha School – India



Since it opened in April 2010, the G4S Shiksha School has provided a brighter future for 60 young boys and girls in the community of Sangam Vihar, one of Delhi's poorest areas.

In partnership with Hope Worldwide and G4S India, G4S plc has funded the construction and ongoing administration of the school, providing the salaries of the teaching staff, educational materials and uniforms.

Alongside classes in reading, writing (in both Hindi and English) and mathematics, an important part of the children's daily routine is the nutritious cooked meal, especially catered for the children. Due to the extreme poverty of their families, this meal is in many cases the only food they will receive each day.

### Case study

#### Scottish Street Rugby – UK



G4S UK is the principal sponsor of Scottish Rugby's Street Rugby initiative with a three-year, six-figure investment. This community programme, which received a cross-party commendation at the Scottish Parliament, aims to increase participation in rugby and reduce anti-social behaviour and crime in targeted areas by engaging 4,500 disengaged and disadvantaged teens and young adults from across Scotland. Both G4S and Scottish Rugby firmly believe that sport can play a powerful role in being the catalyst to improving the quality of life for young people in communities across Scotland. Rugby can offer youngsters potentially life-changing opportunities to enhance their education and skills; improve their confidence, health and wellbeing; develop respect for themselves and others; and build stronger and safer communities.

Commenting on the programme and G4S' involvement, Colin Thomson, Scottish Rugby's head of community rugby, said: "We believe that Street Rugby can play a major role in helping young Scots to become healthier, safer and stronger while increasing the opportunities for young Scots to play rugby – especially those in disadvantaged areas."

### Case study

#### Flood Relief – Honduras

Sustained heavy rainfall in October 2011 caused flooding throughout Honduras, damaging roads and homes and affecting almost 40,000 people, leading President Porfirio Lobo to declare a state of emergency.

G4S took action to help the victims of the floods. Our employees who were in the areas affected, delivered aid packages of clothing food and shelter.

## Voluntary standards

**Case study**

### Knit-a-Square – South Africa



G4S South Africa lent its support to the worthwhile Knit-A-Square (KAS) project. Through community connections, the initiative encourages people to knit squares and sew them together to make blankets to be distributed to needy children. Via the internet the initiative has blossomed with people from all over the world sending hundreds of knitted squares every month to the KAS project in South Africa.

In 2010, G4S South Africa began to assist KAS by opening some of the hundreds of parcels they receive each week and sorting the content. The project has grown to such an extent that, in addition to knitted squares, they receive donations of clothing, gifts, toys and other useful items. Having separated them, the squares are packaged and sent to the G4S managed Mangaung Correctional Centre at Bloemfontein to be made into blankets as part of a workshop for inmates.

This project also offers MCC offenders an opportunity to give back to the community. Once the blankets are made, KAS and the local offices of G4S Care and Justice Service and G4S Cash Solutions give these colourful blankets, clothes and toys to needy children living in local slum communities.

**Case study**

### Charity Golf Tournament – USA

In November 2011, G4S USA hosted its annual charity golf and tennis tournament, raising over £70,500 for various charities, including two children's hospitals, medical and children's charities and several organisations supporting law enforcement officers, from whom many G4S employees are drawn. Now in its 14th year; the G4S Charity Golf & Tennis Tournament has in total raised more than £1 million for charities and good causes in the USA.

### About this report

This report presents the CSR activity of G4S plc and its subsidiaries, associated undertakings and joint ventures for the year ended December 2011 and follows our 2010 CSR Report published in April 2011. No significant changes from the previous reporting periods have been made, including the boundaries and measurement methods applied, unless stated.

### Global Reporting Initiative

We have self-declared our full report as meeting the requirements of a GRI G3 report Application Level C.

Our GRI Index is available to view online at [www.g4s.com/gri](http://www.g4s.com/gri)

### UN Global Compact

In February 2012, we published our first UN Global Compact Communication on Progress. This document reaffirms our support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In our Communication on Progress, we described the actions we have undertaken to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations during 2011.

Since the publication of our Communication on Progress, we can now provide additional information on the demonstration of our commitment to the principles, which we have published in our CSR Report 2011.

Principle	CSR Report Pages
Human Rights	3, 8, 9, 10, 11, 13
Labour	3, 8, 9, 13, 16, 17, 20, 21, 30
Environment	3, 9, 13, 22, 23, 24, 25, 31
Anti-Corruption	3, 8, 9, 10, 12, 13

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Design and production:  
Radley Yeldar | [www.ry.com](http://www.ry.com)

## How would you sum up 2011 in terms of your CSR performance?

One of the key developments is that the **CSR Committee has become a full board committee**, comprising some very experienced non-executive directors – this reflects the increasing value we place on CSR and on our reputation – both the positive aspects by doing it well and the potential negative aspects for getting it wrong.

One of the biggest challenges for us in 2011 was to begin implementation of additional processes relating to the **UK Bribery Act**. Despite the fact that we have a strong business ethics policy and code which is communicated and understood across the organisation, the Bribery Act brought some additional requirements making it even more important that employees understand their obligations in this area. As a result, we have **reviewed all our policies relating to ethical conduct** and created some new guidance to provide additional clarity to staff on some of the key issues. We have **developed and implemented a group-wide training and awareness programme and further developed our audit capabilities and whistle-blowing processes**.

We have undertaken a review of our approach to human rights resulting in the creation of a **new human rights policy for the group**. In time, this will feed into the creation of a detailed set of guidelines for our staff on human rights issues and actions. This project has fed into a number of other areas such as our **processes for assessing new country entries and acquisitions** and will also **feed into the operational best practice** being developed in our new service excellence centres during 2012.

Elsewhere, we have conducted our **global employee survey**, generating responses from **245,000 employees** and providing a detailed insight into the views of our people that we can take into account as we continue to develop our employee engagement programmes.

On health and safety, **fatalities from work-related attacks are down** on the previous year, but it is disappointing that overall, the number of fatalities has increased, largely as a result of road traffic incidents. We are continuing to work directly with the affected businesses to continue our focus on road safety, reducing the impact of third-party attacks on our employees and sharing best practice on health and safety throughout the group.

Development of the **International Code of Conduct for Private Security Providers**, first launched in 2010, continued in 2011. We are working with companies, governments and NGOs to develop an oversight mechanism for the code which will become the means to check whether a company which has signed up to the code is actually complying with it, and to take action against the company if it is not.

We have also **continued to reduce our carbon intensity** by some 5.1% and have **invested more than £2m in local community projects**. Overall we have made excellent progress in 2011, which we intend to build on in 2012.

## What are the CSR priorities for 2012?

Overall, we must maintain the strong momentum we have on CSR-related issues. We have made significant progress in the last few years and this must continue. **Engaging with key stakeholder groups** will continue to be a large part of CSR activity – it has helped us to shape our strategy and test our methodology and has been of great value to the group.

We need to **complete our human rights review** and implement detailed guidelines across our businesses to make sure that we are having a positive impact on society.

Our **business ethics and anti-corruption training, awareness and compliance programme** needs to be in and we need to learn from any issues which arise from it whilst working hard to stamp out any signs of corrupt practice which we experience or witness around us.

We **must follow through on the actions we have agreed following our latest global employee survey** to continue to make G4S a great place to work.



**Nick Buckles**  
Chief executive officer

# Who we are and what we do

## Our business

G4S is the world's leading provider of security solutions, specialising in outsourced business processes and facilities in sectors where security and safety risks are considered a strategic threat, with expertise in the assessment and management of security and safety risks for buildings, infrastructure, materials, valuables and people.

G4S plays an important role in society. We make a difference by helping people to operate in safe and secure environments where they can thrive and prosper and we believe this role can only grow in importance.

G4S is the largest employer on the London Stock Exchange, with operations in more than 125 countries and over 657,000 employees.

**£7.5bn**

**Group turnover in 2011**  
(2010: £7.2bn\*)

**£531m**

**Group PBITA in 2011**  
(2010: £520m\*)

**657,000**

**Employees**  
(2010: 625,000)

**30%**

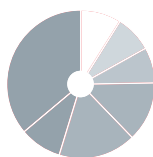
**Revenues from developing markets**  
(2010: 28%)

\* At constant exchange rates

## Shape of the organisation

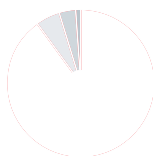
G4S employs over 657,000 people making it one of the world's largest private employers. More detail on employees by region and by role is shown below:

### G4S employees by region



North America	59,100	9%
LATAM and Caribbean	52,580	8%
UK and Ireland	52,570	8%
Continental Europe	85,440	13%
Africa	111,720	17%
Middle East	59,150	9%
Asia	236,590	36%
<b>Total</b>	<b>657,200</b>	<b>100%</b>

### G4S employees by role



Front line employees	90.1%
Supervisor/first line managers	5.4%
Other	3.4%
Managers	1.1%

## Our structure

G4S is managed through a regional structure, led by four regional CEO's. The regional CEO's are members of the Group Executive team.



**Grahame Gibson**  
Chief operational officer and  
Regional CEO – Americas



**David Taylor-Smith**  
Chief operational officer and  
Regional CEO – UK and Africa



**Willem van de Ven**  
Regional CEO – Europe



**Dan Ryan**  
Regional CEO – Asia Middle East



# How we do it

## Our vision

Our vision is to be recognised as the global leader in providing security solutions, to help customers to achieve their own strategic goals and to deliver sustainable growth for G4S and long-term value for shareholders.

## Our strategy

Our strategy for growth consists of the following key components

1

Drive outsourcing in key markets

2

Focus on sectors where security is a key consideration

3

Develop long-term partnerships with customers

4

Transfer skills developed in more mature markets into key developing markets

5

Acquire businesses to drive future growth potential

## Our values

We are proud of our distinctive culture and strong values that are cascaded through the organisation. These values guide how we conduct our business and develop positive relationships with all stakeholders.

### Customer focus

We have close, open relationships with our customers that generate trust and we work in partnership for the mutual benefit of our organisations

### Expertise

We develop and demonstrate our expertise through our innovative and leading-edge approach to creating and delivering the right solution

### Performance

We challenge ourselves to improve performance year-on-year and to create long-term sustainability

### Best people

We always take care to employ the best people, develop their competence, provide opportunities and inspire them to live our values

### Integrity

We can always be trusted to do the right thing

### Teamwork and collaboration

We collaborate for the benefit of G4S as a whole

# Where we do it

## Our key sectors and customers

G4S has a broad customer and geographic base, with thousands of customers ranging from small local companies to governments and global corporations.

We develop long-term strategic partnerships with customers in sectors where we can help them deliver their own business objectives – either increasing their revenues, reducing costs, managing risks and protecting critical assets or improving their service delivery.

We do that by understanding the environments in which our customers operate, the pressures they face and what matters to them. By applying our knowledge and expertise derived from delivering security solutions across diverse regulatory environments, we turn our customer's security challenges into opportunities.

### Turnover by sector 2011

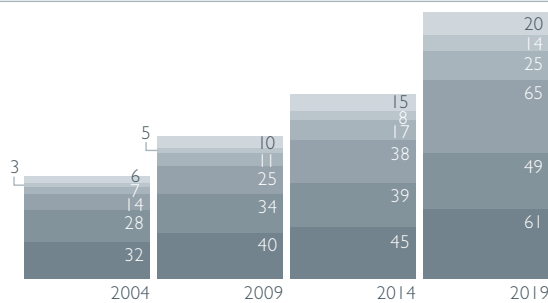


Government	27%
Major corporates and industrials	26%
Financial institutions	18%
Retail	8%
Private energy and utilities	7%
Ports and airports	5%
Consumers	4%
Leisure and tourism	3%
Transport and logistics	2%

Based on published market research (Freedonia Report on World Security Services, March 2011) and our own analysis, we estimate that the global security market will grow at between 8% and 12% per year in developing markets and between 4% and 5% per year in developed markets during the five-year period from 2009 to 2014 as shown on the chart below. In addition, by 2019, 50% of the global security market revenue is expected to come from developing markets.

### Security industry growth

US\$bn

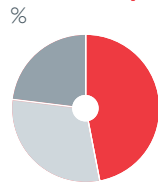


■ North America	■ Western Europe	■ Asia Pacific
■ Latin America	■ Eastern Europe	■ Africa/Middle East

## Our geographic reach

G4S has a unique global footprint with operations in over 125 countries, including a strong presence in higher growth developing markets.

### Turnover by region 2011



Europe <sup>1</sup>	47%
Developing markets <sup>2</sup>	30%
North America <sup>3</sup>	23%

- 1 UK, Ireland and Continental Europe
- 2 Middle East and Gulf States, Latin America and the Caribbean, Africa, South Asia and Asia Pacific
- 3 United States and Canada

### Total security market size

The charts below show the market size of the top three markets in each region for G4S.



#### UK and Africa

UK	£6,000m
South Africa	£3,000m
Ireland	£400m



#### Europe

Netherlands	£2,000m
Belgium	£700m
Finland	£450m



#### Americas

USA	£20,000m
Canada	£1,500m
Colombia	£750m



#### Asia Middle East

India	£650m
Saudi Arabia	£400m
Australia	£1,300m

# Our business characteristics

## Our key strengths

### Integrated security solutions

G4S is able to design and manage security solutions that bring together its capabilities in project management, risk consultancy, secure facilities, physical security, intelligent systems and high quality security-trained personnel to address the security challenges faced by a broad range of customers around the world.

### Cash solutions expertise

Understanding and managing cash cycles is one of the group's core skills. Central banks, commercial banks and retailers outsource their cash management to G4S as the group has the capability and experience to drive substantial efficiencies in the system whilst achieving maximum return for its customers over the longer term.

### Government partnerships

Government outsourcing is a strong, long-term source of growth as public sector spending remains under pressure and governments turn to the private sector to provide a number of outsourced services. Government contracts, which represented approximately 27% of group revenues for the year ended 31 December 2011, tend to be long-term strategic partnerships, with recurring revenues.

### Strong Developing Markets presence

G4S's global presence, market share and experience of working in developing markets constitute key strengths. Relatively high levels of GDP growth in certain developing markets, increasing demand for security services and G4S's ability to export its experience from its operations in more developed markets, drive positive revenue and margin development for the group in developing markets.

### Solutions approach

Each individual area of the business is a driver of value for the group. But it is when they come together that they truly make a difference. Exporting G4S's government expertise to new countries, leveraging its cash solutions model across developing markets and using its global risk management and security capabilities to protect some of the world's best known brands across international markets, drive even greater value for the group.

## Our investment attributes

G4S creates shareholder value as a result of a number of core investment attributes.

### Growth

- ▶ Organic revenue growth
- ▶ Developing markets exposure
- ▶ Major position in UK Government outsourcing
- ▶ A GDP ++ growth business
- ▶ Disciplined approach to acquisition spend



### Resilience

- ▶ Well diversified business
- ▶ Defensive services
- ▶ Structural growth through the cycle
- ▶ High customer retention and visibility of earnings



### Strong financial disciplines

- ▶ Operational efficiency and margin expansion
- ▶ Free cash flow generation/cash conversion
- ▶ Disciplined and coherent M&A/progressive dividend policy

### Growth

G4S has delivered strong organic growth since its creation in 2004, performing well above global GDP growth despite recent pressure on the economic environment. We are able to do this as a result of our significant and increasing exposure to higher growth developing markets and leading market positions in other places such as the UK Government outsourcing sector; where growth is strong and expected to continue. Organic growth is supplemented by disciplined re-investment of free cash flow in acquisitions focused on extending our presence in key growth countries and adding capability to help address the needs of customers in growing sectors.

### Resilience

Our business is well diversified across more than 125 countries and numerous customer sectors, with no over-reliance on any single area. Security is at the core of our service proposition and is one of the areas on which governments and commercial customers focus for cost-savings and reductions during economically challenging times, creating opportunities for outsourcing. We have a strong and growing number of long-term contracts coupled with excellent customer relationships and a customer service culture which result in strong customer retention rates and good earnings visibility.

### Strong financial disciplines

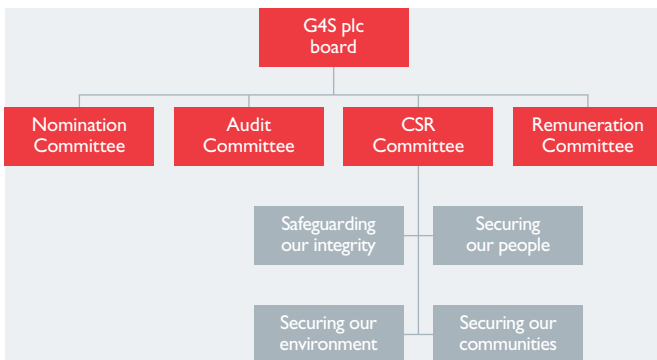
Our track record of delivery has been achieved within a framework of strong financial discipline focusing on operational efficiency to drive margin expansion and a continual focus on high levels of cash generation. We look to achieve an appropriate balance in our capital structure between investment in acquisitions and in investment returns through a progressive dividend policy.

These attributes, combined with the growing reputation of G4S as the world's leading security solutions provider, result in superior returns for our investors over the longer term.

# CSR strategy

## CSR management

In 2011, our CSR Committee became a full board committee (having previously been a sub-committee to Audit), comprising a number of experienced non-executive directors – this change reflects the increasing value we place on CSR and on our reputation. The committee is chaired by Mark Elliott, a G4S plc non-executive director with extensive experience of CSR from his 40 years in international business with global organisations such as IBM.



Duties of the CSR Committee include:

- ▶ Review, agree and establish the company's CSR strategy to ensure that it remains an integral part of the group's overall strategy
- ▶ Develop and recommend for acceptance by the board, policies on all aspects of CSR
- ▶ Receive reports and review activities from executives and specialist groups managing CSR matters
- ▶ Monitor compliance with the CSR policies and review performance against targets
- ▶ Review the integration of CSR processes with risk management programmes and reputation management priorities
- ▶ Develop and encourage effective two-way communication concerning CSR issues
- ▶ Ensure CSR-related issues are considered during acquisition due diligence
- ▶ Review best practice and benchmark where appropriate

## CSR priorities

In 2011, we carried out a CSR materiality exercise, assessing the views of our senior managers and external stakeholders to understand where G4S should focus its CSR strategy and resources. As a result of the exercise, G4S has focused on **integrity, people, environment and communities** as core CSR areas and within these, **business ethics and anti-corruption, human rights, employee engagement and health and safety** as priorities. While our CSR strategy contains a much broader range of subject areas, these issues will be the priority for development during 2012.

## Industry participation

Nick Buckles (CEO) is President of the Ligue Internationale des Sociétés de Surveillance, a global association of private security organisations.

Debbie McGrath (Group Communications Director) is chairman of the CBI South East Regional Council, the representative body for all CBI member companies based in the South East of England and the Thames Valley and a member of the CBI Chairmen's Committee which takes the lead responsibility for setting the CBI's position on all policy matters.



Other senior executives are active on the Boards of COESS, the Confederation of European Security Services, which represents the European security industry; ASSA-I (Aviation Security Services Association – International), representing the aviation security sector; and EOS, the European Organisation for Security, another EU-wide security industry body.



Senior G4S executives also hold memberships of the Danish Law Council, the GC100 – an organisation for general counsel and company secretaries of the FTSE 100 – and the 100 Index Club of Chief Financial Officers.

## UN Global Compact

In 2010, we became a signatory to the UN Global Compact, the international standard which promotes socially responsible business behaviour in the areas of human rights, labour, environment and anti-corruption. Early in 2012, we published our first UN Global Compact: Communication on Progress, reaffirming our support of the Ten Principles of the United Nations Global Compact. This outlines the actions we have undertaken to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations during 2011.



 See page 37 for more detail



“We have made great strides forward in our CSR strategy and approach in recent years. In 2011, we tackled some complex issues such as reviewing our approach to human rights and making sure the business was ready for the impact of the Bribery Act. Personally, in recent years I have seen CSR move from a project within the group to a core element of the group strategy and I am very proud that discussions on CSR-related topics feature regularly in our board room.”

**Mark Elliott**

Non-executive director and chairman of the CSR Committee

## Engaging with our stakeholders

We continue to improve our communication and engagement with key stakeholder groups to ensure that our strategy is aligned to their needs and that, as our CSR programmes develop, we seek input and advice from those around us.

Stakeholder group	Why we engage	Examples of how we engage
<b>Customers</b>	The very nature of our work for customers requires us to understand their business issues and risks and provide an appropriate solution. Customer engagement also helps us to improve customer service and to develop new services to help customers achieve their own goals.	We constantly seek customer feedback through account management, operational reviews and customer surveys.
<b>Employees and their representatives</b>	As a service business, our organisation is judged on its service delivery and the difference we can make to our customers – it is essential that employees understand their role in service delivery, are trained well, rewarded appropriately, have the right tools for the job and are motivated to deliver a quality service to our customers. A significant proportion of our employees are represented by a union or collective bargaining method of some kind. We work with unions, union federations and other employee representatives to improve standards for employees and to make sure any issues are dealt with appropriately and consistently.	In 2011, we conducted our second global employee survey, receiving responses from 245,000 employees in over 160 businesses.  G4S conducts a global management survey which captures the views of senior management from countries across the world on key business, employment and strategic issues.  In 2008 we established a partnership with UNI, a global union federation – we entered into a global agreement called the Ethical Employment Partnership (EEP). This agreement provides a framework for business and unions to engage locally for the purposes of union recognition and collective bargaining.  We also have constructive relationships with works councils, unions and other employee representatives across the world.
<b>Investors</b>	Attracting appropriate investment in the group enables the group to develop its business and to continue to invest in its growth strategies.  Ensuring that our strategies and practices are aligned to investor needs and principles is a core element of developing investor confidence and ensuring that the group continues to attract the investment it requires.	We have strong relationships with the general investor community and investment analysts.  We also host investor meetings aimed specifically at SRI investors and ethical investment advisors. We respond to ad hoc requests for information throughout the year and also proactively seek advice and reaction from SRI experts on specific CSR-related issues as they arise.
<b>Industry bodies</b>	As an international leader in our sector we willingly take on responsibility for establishing strong benchmarks wherever we operate, and play a pivotal role in raising standards in the wider industry and society as a whole.	Since 2010, G4S has been directly involved in the development and launch of a new International Code of Conduct for Private Security Providers, which sets out principles for security operations in so-called “complex environments.” Many G4S managers and employees play an active role in industry bodies and associations across the world.
<b>Governments and legislators</b>	In addition to creating and implementing legislation, governments are also some of the group’s largest customers. The group supports regulation which is designed to improve standards and proactively encourages it where possible. It is important to ensure that legislative developments do not create unfair competitive environments or unnecessary burdens on business activities.	As a leading global business, G4S participates in consultations regarding industry specific issues and broader legislative programmes such as the impact of the UK Bribery Act.
<b>Experts</b>	Experts on specific topics help the group to ensure that policies and practices are aligned with best practice.	G4S has engaged with and sought the expertise of recognised sustainability and environmental specialists, including ERM, Radley Yeldar and Greenstone to assist in developing a robust environmental strategy and carbon measurement process.  During 2011, G4S engaged with Malachite, an independent human rights consultancy to conduct a human rights review – mapping out the human rights landscape, analysing G4S operations to determine human rights risks and assisting in the development of a human rights policy for the group.  We are members of both the Global Industrial Relations Network (GIRN) hosted by the International Organisation of Employers and Mercer’s Global Diversity Forum.



## Securing our environment

### Case study Switching to alternative fuels



Since 2010, G4S has introduced a number of electrically powered vehicles into our fleet, such as the T3 Motion in USA and the Tazzari Zero in the Netherlands, as part of our programme to reduce vehicle emissions and create a greener fleet.

In February 2011, G4S launched the world's first all-electric cash in transit vehicle. The first of its type, the vehicle is powered by lithium-ion batteries and incorporates a solar panel to produce sustainable energy to power the vehicle's ancillary electrical energy usage. The vehicle has been operating in Greater London, saving around 1,200 litres of fuel (around 3.2 t/CO<sub>2</sub>e) during its ten month trial.

The trial's findings have been positive, leading to two further vehicles being piloted by G4S. The first in Rotterdam where it is operating as part of G4S Netherland's Safe Express fleet and a second which will shortly be launched in London – which will enable us to collect comparison data on efficiency and operational usage.

It is hoped that the findings of the second vehicle in London will lead to the roll-out a further 12 electrically powered cash vehicles operating in the city.

### Energy reduction – A greener vehicle fleet

Many of the services G4S provides to governments, business and communities around the globe include the safe and secure transportation of either people or valuable material. To provide our customers with reliable and effective services, we operate a fleet of over 30,000 vehicles, including security patrol vehicles, prisoner escort vehicles and some 11,000 armoured cash transportation vehicles. It is this fleet which generates over 65% of our group's carbon emissions and we have focused our primary efforts here to reduce our energy consumption and achieve our target of 13% reduction in carbon intensity between 2009 and 2012.

By investing in new technologies such as stop-start systems and solar cells to power ancillary systems; and vehicle replacement programmes to introduce energy efficient alternatives, we have cut the emissions of our vehicle fleet by 5.5% between 2009 and 2011, an average reduction per vehicle of 10.1% to 12.75 t/CO<sub>2</sub>e in 2011.

### A driver for change

Between 2009 and 2011, our consumption of fuel for our vehicle fleet was reduced by 3.6%.

During the same period, the average cost of fuel has increased by 28%, thus avoiding a cost increase of £8.5m and demonstrating a clear incentive to develop and invest in initiatives to increase fuel efficiency.

### Energy reduction – Reducing the impact of our buildings

G4S occupies a wide ranging collection of buildings across the globe. Covering more than 1.7 million m<sup>2</sup>, our facilities include corporate offices, industrial cash processing centres, employee accommodation, vehicle depots, prisons and detention centres.

Around 30% of our carbon footprint is generated by the energy and fuel usage at these buildings and so we are continuing to carry out replacement programmes using lower energy environmental solutions wherever possible and working to change employee behaviour through our "Big Think" campaign.

In 2011, we launched a new Green Building minimum standard requiring that all future new-build or long lease facilities, above a certain threshold must meet the regional environmental building standard such as BREEAM or LEED. We are currently consolidating our office space in London, which includes a new corporate office which has achieved a BREEAM rating of "Very Good".

### Carbon emissions by source 2011



■ Vehicle inc refrigerant	65.9%
■ Buildings inc refrigerant	29.3%
■ Air travel	4.8%

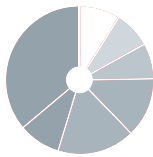
## Supporting data

# Securing our people

### Shape of the organisation

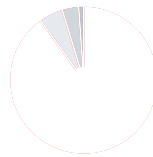
G4S employs over 657,000 people making it one of the world's largest private employers. More detail on employees by region and by role is shown below:

#### G4S employees by region



North America	59,100	9%
LATAM and Caribbean	52,580	8%
UK and Ireland	52,570	8%
Continental Europe	85,440	13%
Africa	111,720	17%
Middle East	59,150	9%
Asia	236,590	36%
<b>Total</b>	<b>657,200</b>	<b>100%</b>

#### G4S employees by role



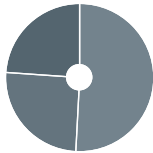
Front line employees	90.1%
Supervisor/first line managers	5.4%
Other	3.4%
Managers	1.1%

### Health and Safety

#### Fatalities by category

In 2011, the number of attack-related fatalities in the group reduced from 30 to 28. Sadly, the overall number of work-related fatalities increased due mainly to the high number of road traffic accidents.

#### Fatalities by category

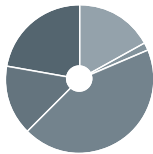


	2010
Attack	30
Non attack	15
Road traffic accidents	14
<b>Total</b>	<b>59</b>

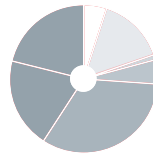


	2011
Attack	28
Non attack	18
Road traffic accidents	30
<b>Total</b>	<b>76</b>

#### Fatalities by region



	2010
North America	0
LATAM and Caribbean	10
UK and Ireland	0
Continental Europe	1
Africa	26
Middle East	9
Asia	13
<b>Total</b>	<b>59</b>

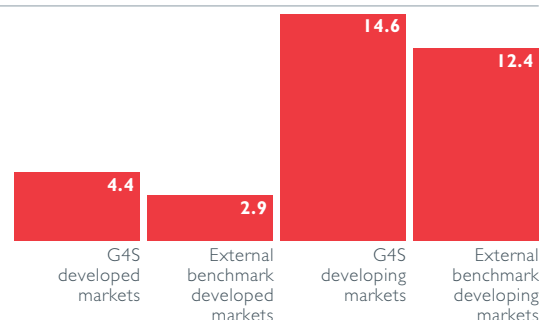


	2011
North America	4
LATAM and Caribbean	11
UK and Ireland	1
Continental Europe	4
Africa	25
Middle East	15
Asia	16
<b>Total</b>	<b>76</b>

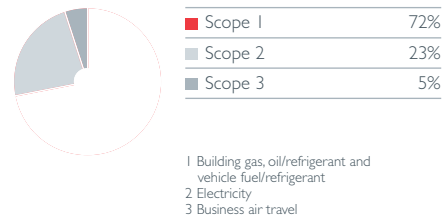
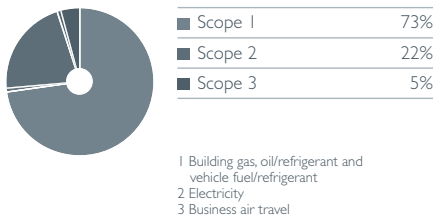
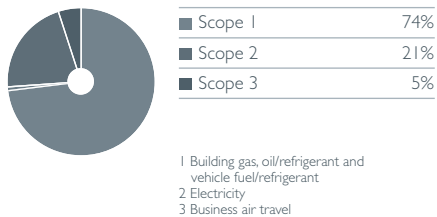
### Health and Safety Benchmark Data

Last year we reported on G4S fatalities compared with external data. The external data used was based on the average of the International Labour Organisation's (ILO) most recent data for G4S's largest 20 countries. Where specific country statistics were not available from the ILO, data has been drawn from local health and safety organisations and publications. In 2011 the benchmark data from the ILO remained unchanged so the comparison shown in the graph on the right is based on the 2010 data again. In 2011 the G4S fatalities are higher than that for both the developed and the developing markets. In the former this is mainly accounted for by the 4 deaths in North America, one of which was due to an attack, one a road traffic incident and there were two non-attack related fatalities.

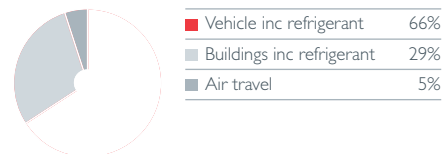
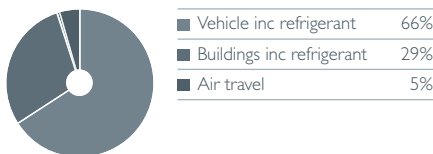
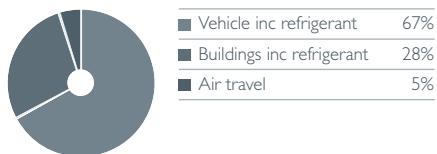
#### Fatalities per 100,000 employees



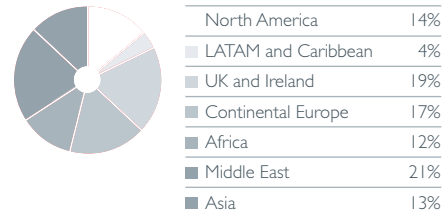
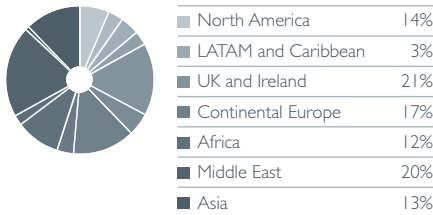
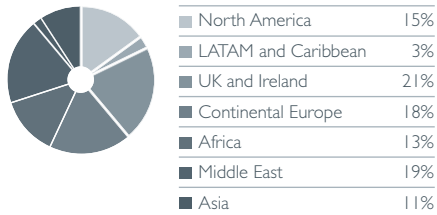
**Carbon emissions by scope**



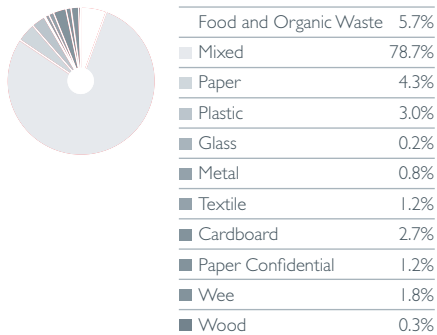
**Carbon emissions by source**



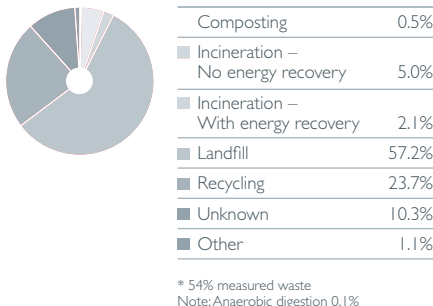
**Carbon emissions by geographic region**



**Waste\* – Consumption by type (tonnes)**



**Waste\* – Breakdown by treatment (tonnes)**



**Water\* – Consumption (m³/year)**



## Supporting data

# Securing our communities

### Investing in our communities



In 2011, G4S and its employees have contributed over £2,250,000 to charities and good causes across the globe.

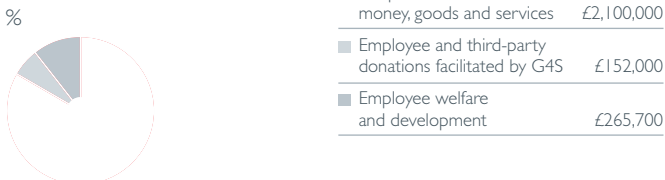
Many of our business activities deliver immense benefits to communities across the globe, such as supporting humanitarian aid efforts in Africa or enabling the rehabilitation of offenders in the UK, USA and South Africa.

In addition to funding six major, long-term community-based initiatives around the world, G4S encourages business across the group to play their part in engaging with and helping to improve their local communities.

G4S 4teen	Global sports programme supporting young people from a range of less developed countries
Jifu Action	Children's home in China
Acacia Project	Sustainable farming community in Malawi
Ark of the World	Care and support for underprivileged children and their mothers in Greece
Gifts 4 Schools	School and school supplies for underprivileged children in Jamaica
Shiksha School	School and school supplies for underprivileged children in India

For more information see [www.g4s.com/communities](http://www.g4s.com/communities)

#### Donations 2011



### G4S 4teen



The G4S 4teen brings together 14 young athletes from 13 countries, across four continents towards their goal of winning a gold medal on the world's biggest sporting stage. Supported by G4S global ambassador Haile Gebreselassie, the G4S 4teen programme enables G4S to assist the athletes, their families and the local communities financially, socially and logistically in a genuine and meaningful way, creating goodwill, trust and new sporting heroes in key markets for our business.

The partnership provides each athlete with unique experiences that are designed to help them develop both within the sporting sphere and personally. The benefits that the athletes receive also extend beyond the individual; G4S works with each athlete to provide opportunities to their local communities that they would only ever have dreamed of experiencing.

G4S is proud to support the G4S 4teen athletes to achieve their full potential and in 2011, two of the athletes were selected to compete for their countries at the London 2012 Olympic Games. We are hoping that many of the G4S 4teen will be travelling to London to compete in the world's greatest sporting event.

G4S 4teen athlete	Country	Sport
Obinna Metu	Nigeria	100m, 200m
Fanuel Kenosi	Botswana	100m, 200m
Zodwa Maphanga	South Africa	Table tennis
Pauline Korikiwang	Kenya	Middle distance runner
Juan Maegli	Guatemala	Sailing
Mariana Londono	Colombia	BMX
Margus Hunt	Estonia	Discus
Mangal Ho	India	Archery
Snigdha Manda	India	Shooting
Chein An Chen	Taiwan	Table tennis
Sharmin Akhta	Bangladesh	Shooting
Sebastian Jahnsen	Peru	Swimming
Charly Suarez	Philippines	Boxing
Chatchai Butdee	Thailand	Boxing

You can follow the progress of the G4S 4teen at [www.g4ssport.com](http://www.g4ssport.com)