

UN Global Compact: Communication on Progress 2012



GENERAL

Period covered by Communication on Progress (COP)

16th February 2011 to 16th February 2012

Statement of continued support by the Chief Executive Officer (CEO)

I am pleased to confirm that G4S plc reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders within our CSR Report and other channels of communication.

Nick Buckles
Chief Executive Officer
2nd January 2012

HUMAN RIGHTS PRINCIPLES

Assessment, Policy and Goals

At G4S, we continue to support the UN Declaration on Human Rights and the OECD Guidelines for Multinational Enterprises. We take a strategic approach to respecting human rights, recognising the potentially positive and negative impacts of our operations; the particular nature of our business as a security company; the UN framework, and the different geographies in which we operate.

During 2011, we have:

- Worked with independent human rights experts (www.malachitegroup.co) to carry out a risk assessment based on the countries in which we operate and the services we provide.

We are now working towards developing a human rights policy and framework, based around the UN Guiding Principles on Business and Human Rights, for implementation across the group. The new policy will be applied in partnership with the many existing policies and procedures which already take great care to ensure that we respect human rights.

- Continued to develop the new International Code of Conduct for Private Security Providers, developed by the industry, civil society representatives and the Swiss, UK and US Governments.

G4S is a founder signatory of the Code which sets out principles for security operations in so-called “complex environments” – areas experiencing or recovering from disaster or unrest and where governments and the rule of law are weak. It covers recruitment, vetting and training of staff, the use of force by security company staff, including the handling of firearms, health and safety and reporting and complaints handling.

Further information:

- G4S Business Ethics Policy > <http://tinyurl.com/868mwy7>
- G4S Supplier Code of Conduct > <http://tinyurl.com/8y74wkc>
- International Code of Conduct for Private Security Providers > <http://tinyurl.com/7krsbcb>

Implementation

The G4S CSR Committee ensures that corporate social responsibility, of which human rights are a core component, is an integral part of the group’s strategy and that we continue to have a positive impact on people and communities.

The CSR Committee reports directly to the G4S plc Board and is chaired by Mark Elliott, a G4S plc non-executive director.

Measurement of outcomes

Please refer to Assessment, Policy and Goals.

LABOUR PRINCIPLES

Assessment, Policy and Goals

At G4S, we continue to support the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Rights at Work. 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. To ensure that our people are fully engaged and motivated, we invest in and involve them so that they feel engaged and motivated about being part of G4S. This is key to sustained business success. We endeavour to continuously improve levels of employee engagement, motivation, expertise and performance and, through doing so achieve increased customer satisfaction and the continued growth of our business.

The Company has a number of systems in place to ensure that freedom of association is respected. This includes:

- Business Ethics Policy – Section 4.2 sets out the Company's commitment to the ILO principles on freedom of association and states ..' G4S supports the four fundamental principles in the ILO Declaration. Thus, in accordance with local legislation and practice we will respect freedom of association and the right to collective bargaining, employment will be freely chosen with no use of forced or child labour, and we will not discriminate on the basis of gender, colour, ethnicity, culture, religion, sexual orientation or disability'. The Policy is reviewed and where necessary updated every year. A copy is distributed to all managers and they are required personally to sign up to playing their part in ensuring that the Policy is implemented and the terms are complied with.
- The Ethical Employment Partnership which was signed with UNI, the global union federation in December 2008, is a global agreement that allows G4S to achieve its financial objectives while helping to ensure that employee and union rights are respected throughout G4S. The Partnership Agreement states that'The Company will respect rights established through the core labour conventions of the ILO and will apply them in accordance with the agreement wherever legally possible. This includes the rights of its employees to freedom of association and to be members of trade unions and the right of unions to be recognised for the purpose of collective bargaining. In accordance with the agreement review meetings are held twice a year between representatives of the Company, GMB and UNI to discuss implementation and progress of the agreement.
- Group HR standards – there are a number of standards that all businesses throughout G4S are required to adhere to. One of these standards is to 'respect the freedom of association and the right to collective bargaining in accordance with local legislation and practice and the terms of any union agreements in G4S'. Businesses are required to confirm their adherence to Group standards each year and compliance is verified during audits conducted by the internal audit team.

Further information:

- Ethical Employment Partnership > <http://tinyurl.com/7jcjb97>
- Business Ethics Policy > <http://tinyurl.com/868mwy7>
- G4S Supplier Code of Conduct > <http://tinyurl.com/8y74wkc>

UN Global Compact: Communication on Progress 2012



Implementation

The G4S CSR Committee ensures that corporate social responsibility, of which employment issues are a core component, is an integral part of the group's strategy and that we continue to have a positive impact on people and communities.

The CSR Committee reports directly to the G4S plc Board and is chaired by Mark Elliott, a G4S plc non-executive director.

During 2011, G4S has:

- Successfully completed the final phase of the roll out of the Ethical Employment Partnership, it now applies across all the countries in which G4S operates.
- Completed the second global employee engagement survey. 37% of employees responded compared with 29% in 2009. All the questions that were repeated from the 2009 survey showed some improvement and overall 81% of employees confirmed that they would recommend G4S as an employer (up from 78% in 2009).
- Completed a Talent Review Process for managers across the organisation to ensure alignment of expertise and development programmes with business strategy.
- Carried out 8 Critical Country Reviews (CCR's) to follow up on fatalities which occurred in 2010. The CCR's are aimed at using the health and safety expertise that already exists in G4S to help businesses identify and where possible take actions to reduce the workplace risks to the lives of our people.
- Continued the roll out of our Diversity & Inclusion strategy and implementation of plans developed as a result of the self assessment process completed in 2010. G4S has won a further diversity award and accreditations as an Investor in Diversity in a number of UK businesses.
- Carried out training to promote awareness of employee labour rights. In line with the employee engagement strategy the company has developed a training model for employees linked to the PRIDE model (Protecting, Respecting, Involving, Developing and Engaging). Training to promote union rights takes a number of different forms in accordance with the location and business requirements. For example in one UK business a series of 1 day training courses called 'Working Collaboratively' have been run to encourage a rewarding and beneficial partnership between the company and recognised trade union. The course helped delegates understand the Ethical Employment partnership and recognition agreement and highlighted the benefits of working together. A series of first line manager workbooks that are also linked to the PRIDE model have been developed and are being distributed to all businesses. There is a workbook called 'Understanding Unions and Building Union relationships'. These workbooks are intended to be widely accessible.

Measurement of outcomes

Demographic data of management and employees is published in our CSR Report. The G4S plc CSR Report for 2010 is available at: <http://reports.g4s.com/csr/corporate-social-responsibility-report.html> Data for 2011 is currently being collated and will be published in our next CSR Report in April 2012.

ENVIRONMENTAL PRINCIPLES

Assessment, Policy and Goals

At G4S 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 2009, we launched a three year environmental strategy committing us to:

- Measuring and reporting the carbon emissions of at least 90% of the business.
- Setting a target for reduction in carbon intensity* of 13% by 2012, averaging 4.5% per annum (*tonnes of CO2e per £m turnover).

Further information:

- G4S Environmental Policy > <http://tinyurl.com/7spoprc>
- G4S Supplier Code of Conduct > <http://tinyurl.com/8y74wkc>
- G4S CSR Report 2010 > <http://reports.g4s.com/csr/corporate-social-responsibility-report.html>

Implementation

The G4S CSR Committee ensures that corporate social responsibility, of which the Climate Action Programme is a core component, is an integral part of the group's strategy and that we continue to have a positive impact on people and communities.

The CSR Committee reports directly to the G4S plc Board and is chaired by Mark Elliott, a G4S plc non-executive director.

We are very proud of the progress that we have made and the steps taken to create an environmentally sustainable G4S by increasing our energy efficiency and reducing our carbon intensity.

Around 65% of our carbon footprint is generated by our large and operationally restrictive vehicle fleet and therefore it is here that we have focussed much of our efforts to reduce carbon emissions.

- Eco-driver training and monitoring
- Vehicle replacement programmes, introducing more energy efficient alternatives.
- Switching to alternative fuels such as electricity or biogas. In 2011, G4S launched the world's first all electric cash in transit vehicle.
- Introducing new technologies such stop-start systems and solar cells (to power vehicle ancillary systems).

Over 28% of our carbon footprint is generated by heating and powering G4S managed buildings. Through the continued implementation of energy efficient replacement programmes and changing employee behaviour, we are working to further reduce the environmental impact of our facilities.

UN Global Compact: Communication on Progress 2012



Measurement of outcomes

G4S's Climate Action Performance:

- In 2010, G4S measured the carbon emissions of businesses representing 94% of the group (2011 data is currently being measured and will be published in April 2012).
- Between 2009 and 2010, G4S achieved overall reduction in carbon intensity of 5.4%, (2011 data is currently being measured and will be published in April 2012).
- In 2011, we introduced the measurement of waste and water consumption into the Climate Action Programme (FY data is currently being measured and will be published in April 2012).
- Developed a Green Building minimum standard for new-build or long lease facilities.
- Introduced a Supplier Code of Conduct.

ANTI-CORRUPTION PRINCIPLES

Assessment, Policy and Goals

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.

We have a Group-wide Business Ethics Policy which clearly defines what we as a Group consider to be acceptable and unacceptable business practices. We demand compliance with this policy from all managers and employees across the Group.

In order to ensure that everyone in the group understands their obligations in relation to the Business Ethics Code & Policy, the CSR Committee:

- Updates the code and policy each year, incorporating evolving legislation and evaluating risks to the group's integrity
- Distributes the code and policy to managers, requiring them to personally sign up to playing their part in ensuring their implementation
- Requires 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.

In 2011 a full review of our anti-corruption policies and processes was undertaken across the group to incorporate the measures required by the UK Bribery Act. This review resulted in the development of seven new policies, updated internal audit processes, the development of a comprehensive communications toolkit and the roll out of global anti-corruption training programme to over 40,000 employees across the group.

Implementation

The G4S CSR Committee ensures that corporate social responsibility, of which business ethics and anti-corruption are core components, is an integral part of the group's strategy and that we continue to have a positive impact on people and communities.

The CSR Committee reports directly to the G4S plc Board and is chaired by Mark Elliott, a G4S plc non-executive director.

Measurement of outcomes

To ensure that all parts of the company comply with the Business Ethics Policy, we:

- Ask businesses to conduct an evaluation of the risks within their business.
- Include business ethics as one of the key components of our internal audit function, which carries out specific audits in high risk countries or in businesses which have been identified as being at risk of non-compliance.
- Provide whistle-blowing facilities at global and local levels so that any practices which do not comply with these standards can be reported confidentially and investigated thoroughly.

UN Global Compact: Communication on Progress 2012



During 2011, G4S has:

- Reviewed and updated the Business Ethics Policies. Seven new policies have been created specifically in response to the UK Bribery Act, which have been rolled-out the new policies and adequate procedures via existing regional management structure.
- Reviewed it's internal audit programme to prepare, check and test compliance with Group anti-bribery controls and processes. This includes the implementation of new and revised policies and procedures, employee and management training, and awareness programmes and implementation of employee confidential reporting hotlines.
- Developed a communications toolkit which has been designed to assist in the roll-out of the key elements of the implementation plan, the promotion of the Business Ethics Code and the implementation of the employee confidential reporting hotlines in all countries and all G4S operations. The toolkit offers templates in various formats which can be downloaded, translated into local languages and distributed through existing internal communications channels.
- Rolled out a global training programme to all managers and relevant employees. The training is available in a number of languages and different formats to meet the business needs. It provides an overview of the UK Bribery Act and some scenario based exercises to explain how the legislation applies in practice. There is also a test at the end of the training programme. Employees are required to complete the programme and pass the test as evidence that they have fully understood the training and their responsibilities.

Further information:

- Business Ethics Policy > <http://tinyurl.com/868mwy7>

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Additional Information

The G4S plc CSR Report for 2011 is currently under production and is expected to be published in April 2012. Which available, this report will be submitted to the UN Global Compact Communication on Progress website in support of this statement.

If you have any questions about G4S Corporate Social Responsibility, please contact:

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