



Mr. Ashley Almanza
Chief Executive Officer
G4S PLC
The Manor
Manor Royal
Crawley
West Sussex
RH10 9UN

CC: Mr. John Connolly, Chairman G4S PLC

28 October 2015

Dear Mr. Almanza,

Re: Clarification on key issues following the UK National Contact Point's findings in relation to G4S' activities in Israel and the occupied Palestinian territory

We write further to the recent publication of the UK National Contact Point's (NCP) 'Final Statement' concerning our complaint against G4S PLC under the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises (OECD Guidelines) in relation to G4S' operations in Israel and the occupied Palestinian territory (OPT).

This letter is private at present for the specific purpose of facilitating a detailed and open discussion, from which we, as parties to the NCP process, can mutually benefit.

The main purpose of this letter is to request: clarification of G4S' interpretation of the NCP's Final Statement; an update on G4S' review of the NCP's adverse findings and the implementation of the NCP's recommendations; and clarification on G4S' contracts in Israel and the OPT and public commitments. Specific requests are included below in indented text, for ease of reference.

G4S' interpretation of the UK NCP's Final Statement

The NCP's key adverse finding, at paragraph 76 of the Final Statement, is that G4S is in breach of its obligation to "address [human rights] impacts that it is linked to in a business relationship," which is a core human rights breach of the OECD Guidelines (Chapter IV, Paragraph 3). In addition, the NCP found that there are "technical inconsistencies" with G4S' overarching obligations to respect human rights under the OECD Guidelines (Chapter II Paragraph A2 and Chapter IV, Paragraph 1).



LPHR notes, with emphasis, that the NCP clearly does not refer to G4S' failure to comply with the fundamental human rights obligation outlined in paragraph 76 as a "technical" breach.

As you will be aware, LPHR publicly expressed concern at a series of G4S' statements on these findings through the Business and Human Rights Resource Centre website. In particular, after omitting any reference to the NCP's adverse findings in the first G4S statement published on 9 June 2015, the second statement of 11 June 2015 – prompted by an LPHR statement dated 10 June 2015 - inaccurately asserted that the NCP's adverse findings did not extend beyond that of a "technical inconsistency" with the OECD Guidelines. This misrepresentation was, regrettably, not retracted, or appropriately clarified, in G4S' third and final statement of 30 June 2015, despite clear prompting from LPHR in a statement dated 23 June 2015.

It is LPHR's view that, by refusing to acknowledge the NCP's plain, and unqualified, adverse finding of a breach of Chapter IV, Paragraph 3 of the OECD Guidelines, G4S has publicly misrepresented the extent and substance of the NCP's adverse findings. In light of this, and in the interests of clarity for the process moving forward, LPHR repeats its requests of 23 June, and specifically asks G4S to confirm that it acknowledges and accepts that the NCP:

1. Has found that G4S is in breach of its obligation to address the human rights violations with which it is linked by its business relationships with relevant Israeli state agencies; and
2. Did not describe this adverse finding as a "technical" breach.

G4S' review of NCP's adverse findings and implementation of following recommendations

LPHR looks forward to positively engaging in the NCP's follow-up process, due to take place in March 2016. In the interim period, LPHR is concerned to ensure that G4S is rigorously reviewing the NCP's adverse findings, with the purpose of transparently bringing itself into compliance with its human rights obligations under the OECD Guidelines. LPHR notes in this regard that the NCP has emphasised, both at paragraphs 74 and 76 of its Final Statement, the importance of "clearly", and "publicly", communicating the ways in which G4S has sought to address the adverse human rights impacts it is linked to through its business relationship. The NCP noted that regardless of any efforts that may have already been made in this regard, and which G4S alleges cannot be disclosed for reasons of commercial confidentiality, the details disclosed by G4S are not sufficient to remedy the breach of the OECD Guidelines: "Until G4S publicly communicates the actions it is taking to address the impacts it is linked to...the UK NCP considers that its actions are not consistent with its obligation under Chapter IV, Paragraph 3..." (paragraph 76 of the NCP Final Statement)

LPHR therefore invites G4S to:



3. Confirm that the NCP's adverse findings of G4S breaches of the OECD Guidelines has been, or is to be, specifically addressed by its internal audit that “
[REDACTED]” (per page 21 of G4S response to the NCP dated 17 February 2014);
4. Provide an update on the steps it has taken to implement the NCP’s recommendations at paragraph 80 of its Final Statement; and
5. State whether or not it will undertake the important action outlined by the NCP at paragraph 76 of its Final Statement and “publicly communicate the actions it is taking to address the impacts it is linked to”.

Clarity on G4S’ contracts in Israel and the OPT and public commitments

Further, and also in the interests of transparent communication, LPHR has previously sought through its complaint to the NCP that G4S disclose specific information about the precise nature and extent of its operations in Israel and the OPT. Regrettably, such information has not been forthcoming. LPHR again requests that, in order to advance discussions on G4S’ implementation of the NCP’s recommendations, G4S discloses details regarding:

6. the services provided in Israeli Prison Service (IPS) Facilities and in connection with Israeli military checkpoints, including those within the Separation Barrier/Wall in the occupied Palestinian territory and the Erez Crossing (such details would include: the name and location of each military checkpoint and IPS Facility where G4S has provided services; the full nature of the services provided at each military checkpoint and IPS Facility; and the start date at which services were provided).

In addition, LPHR notes that G4S’ public statements since March 2011 (see Annex I at the foot of this letter) indicate that G4S has: long been aware of acute human rights concerns connected to its activities in Israel and the OPT; been in a dialogue about them with G4S’ contracting partners in Israel; and consequently made repeated commitments from March 2011 through to April 2013 “to exit” contracts “between 2012 and 2015”, which shifted without explanation in June 2014 to a commitment to “not renew’ contracts that will end ‘between 2014 and 2017”.

You will no doubt be aware that it is LPHR’s considered position that given any efforts by G4S over a reasonable period of time to use leverage to prevent or mitigate the adverse human rights impacts have failed, the only effective action left for G4S to properly take is to withdraw from the relevant contracts. This position is supported by the commentary to the United Nations Guiding Principles on Business and Human Rights (UNGPs), on which the relevant human rights provisions of the OECD Guidelines are based, and on which G4S’ human rights policy is also expressly based. The UNGPs commentary clarifies that withdrawal from a business relationship is the next step to consider when “the enterprise lacks the leverage to prevent or mitigate adverse impacts and is unable to increase its leverage... Here the enterprise should consider ending the relationship....”



G4S itself has stated, in a letter to the NCP dated 13 March 2014, that it “
[REDACTED]. Further, G4S has previously acknowledged as far back as March 2011 that it needs “to exit” specific contracts in order to “ensure that [its] business practices remain in line with [its] Business Ethics Policy.”

More generally, G4S' Human Rights Policy affirms in its opening sentence G4S' “commit[ment] to fulfilling its responsibilities on human rights around world by applying the United Nations Guiding Principles on Business and Human Rights across all of our businesses” (page 3, G4S Human Rights Policy 2013). This unequivocal human rights policy commitment is reiterated in the latest version of G4S' Business Ethics Policy (page 9, G4S Business Ethics Policy 2015). In LPHR's view, it is clear therefore that in order to comply with the OECD Guidelines, the UNGPs, and G4S' own Human Rights Policy and Business Ethics Policy, the only available, and essential, next step is for G4S to withdraw from the relevant contracts with Israeli state agencies.

Given the inconsistencies in G4S' public statements and the imperative need for clarity on the issue of G4S compliance with its human rights obligations and commitments, LPHR asks G4S to confirm and clarify:

7. The specific dates on which G4S' contracts relating to military checkpoints, including those located along the Separation Barrier/Wall, and IPS Facilities will end;
8. Which of these contracts G4S has committed to, or will commit to, withdraw from prior to their end date;
9. The specific services to which each of these contracts relates;
10. Confirmation that these contracts will not be renewed and additional contracts will not be entered into;
11. Why public statements from March 2011 onwards on this issue have been inconsistent;
12. That it confirms as correct its clear statement of 13 March 2014 that G4S is “
[REDACTED]”; and
13. G4S' understanding that compliance with the UNGPs and, accordingly, their own human rights and business ethics policy, necessitates considering withdrawal as the only available next step when it lacks the leverage to prevent or mitigate adverse human rights impacts, so to ensure compliance with its responsibilities to respect human rights.

LPHR here notes that G4S has repeatedly alleged that it is unable to communicate further on the nature of the relevant contracts for reasons of “commercial confidentiality”. LPHR is obviously unable to verify the extent of the required confidentiality provisions and so has taken this argument in good faith. It notes, however, that in a letter to the NCP dated 17 February 2014, G4S stated:



“
”(emphasis added). LPHR therefore asks G4S to confirm or explain the following:

14. Whether G4S sought approval from the Israeli government to disclose certain relevant details within the confidential confines of the NCP process;
15. If so, what the outcome of that request was; and
16. If not, why G4S did not make such a request and whether will it now proceed to do so.

Next steps

We are hopeful that you will positively engage, and respond to, each of the numbered issues raised in this letter. We reiterate that this letter is private at present for the purpose of facilitating detailed and open discussion. In the interests of moving things forward so that the NCP follow-up process in early 2016 can be as constructive as possible, we await your response by **Friday 27th November 2015** which we will then consider and respond to. We request that your correspondence also be submitted electronically to Tareq Shrourou at [**contact@lphr.org.uk**](mailto:contact@lphr.org.uk).

Yours sincerely

Tareq Shrourou
Director, Lawyers for Palestinian Human Rights



ANNEX I

G4S public statements regarding human rights and their activities in Israel and the OPT

April 2015

G4S releases a Corporate Social Responsibility Report, which states: “There have been a number of independent reviews of the business in Israel, the latest of which was commissioned in April 2014. That review concluded that the company has no causal or contributory role in human rights violations. At the group’s annual general meeting in June 2014, the Chairman reconfirmed decisions made previously by the company in relation to specific contracts: that they would not be renewed when they expire. The group stands by that commitment.”

- Reported by G4S, April 2015

June 2014

G4S verbally announces at its Annual General Meeting that three of its contracts in Israel and the OPT will not be renewed when they expire. G4S states that these contracts are due to expire at the end of 2014, the end of 2015 and the end of 2017, but that it will subsequently fulfil warranty periods.

G4S stated that the ‘Framework Agreement’ ending in 2014, covers all contracts with the Israeli Prison Service for facilities holding Palestinian prisoners, both within the West Bank and in Israel.

- Reported by Corporate Watch, June 2014

April 2013

G4S reaffirms its March 2011 statement when telling the Financial Times: “[h]aving conducted a review in 2011, we concluded that, to ensure that G4S Israel business practices remain in line with our own business ethics policy, we would aim to exit the contracts which involve the servicing of security equipment at a small number of barrier checkpoints, a prison and a police station in the West Bank area.”

This was reportedly due to occur in 2015.

- Reported by Financial Times, 21 April 2013

May 2012

G4S issued a CSR update, providing the following chronology:



“G4S in Israel

2002

- Group 4 Falck stated the company would “exit the West Bank”
- The company exited settlement protection services

2011

- G4S legal review of ongoing operations in the region
- G4S ethical review of ongoing operations in the region
- G4S consultation with stakeholders
- Concluded that commercial contracts for traditional security services are not controversial
- Decided to attempt to exit certain other contracts
- Began customer dialogue

2012

- Customer insisting on contractual requirements
- Exits of contracts scheduled upon contract expiry between 2012 and 2015.”

- Reported by G4S, May 2012

April 2012

The G4S 2011 Annual Report states:

“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. 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. Our review mapped the human rights landscape, analysed G4S operations to determine human rights risks and challenges and developed a human rights policy.

As a result of the project, we have recently drafted a new human rights policy 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.”

- Reported by G4S, April 2012



March 2011

G4S releases a public statement regarding its activities in Israel and the OPT: "...we have... concluded that to ensure that our business practices remain in line with our Business Ethics Policy, we will aim to exit a number of contracts which involve the servicing of security equipment at the barrier checkpoints, prisons and police stations in the West Bank. We will aim to complete this exit as soon as possible, but also recognise that we have contractual obligations to our customers which we must take into consideration."

- Reported by Who Profits, March 2011