



## **LPHR statement on G4S announcement of agreement to sell G4S Israel**

**London, 06 December 2016** - On Friday 2 December, [G4S announced](#) that it had reached an agreement on the sale of G4S Israel to FIMI Opportunity Funds for £88m, subject to regulatory approvals 'which are expected within the next three months'. FIMI is an Israeli private equity fund.

LPHR notes that G4S makes no reference in its press release to the fact that this entity has been heavily implicated in a successful business and human rights complaint that was initiated by LPHR in 2013. Nor does it clearly set out the extent to which G4S will continue, post-sale, to be involved in the provision of services to Israeli state agencies that were the subject of that complaint.

The culmination of this complaint last year saw the the UK National Contact Point (UK NCP) find that G4S was in breach of its business and human rights obligations under the OECD Guidelines for Multinational Enterprises (OECD Guidelines). These breaches were in regard to G4S' activities in Israel and the occupied Palestinian territory which are associated with violations of international humanitarian law and international human rights law. The relevant activities are provided under contracts between G4S and Israeli state agencies, such as servicing and maintaining surveillance equipment used at military checkpoints, including some located along the illegal Separation Barrier/Wall, and installing and maintaining security systems within Israeli Prison Service facilities.

The G4S press release further omits reference to G4S Israel providing services and equipment in the occupied Palestinian territory, when describing G4S Israel as 'providing manned security and security systems across Israel'.

It also fails to provide any comfort that FIMI Opportunity Funds conducted any, or adequate, human rights due diligence prior to the purchase or that it will take appropriate steps to remedy the UK NCP's findings that some of the activities that G4S Israel undertakes are in breach of fundamental business and human rights obligations.

The act of withdrawal from relevant contracts is required under the OECD Guidelines and the UN Guiding Principles on Business and Human Rights (UNGPs) if a company is unable to exercise its leverage to mitigate or prevent the human rights violations with which it is linked through its business relationship. Through selling G4S Israel, G4S may therefore now be acting more compatibly with its business and human rights obligations under the OECD Guidelines and UNGPs, although they outwardly state in their press release that their decision to sell is based on seeking to 'improve their strategic focus and capital discipline'. To what degree any consideration of G4S' own human rights and business ethics policies, its clearly stated



commitment to implementing the UNGPs, or being found by the UK NCP to be in multiple human rights breach of the OECD Guidelines, were factors that also privately contributed to their decision is a matter that can only be speculated upon. The extent to which G4S continues to provide services to Israeli state agencies within the occupied Palestinian territory will also remain to be seen.

Although we welcome the decision to sell G4S Israel as being an act in accordance with its business and human rights responsibilities, we do remain seriously concerned that, up until now, G4S has still not publicly acknowledged the extent of its breach of its human rights obligations as determined by the UK NCP. This disturbing failure prompted the UK NCP to publicly reprimand G4S earlier this year for being 'selective and misleading' in its public response to the business watchdog's significant findings.

LPHR will monitor the sale process of G4S Israel to FIMI Opportunity Funds as an extension of its work bringing a successful business and human rights complaint against G4S to the UK National Contact Point for the OECD Guidelines for Multinational Enterprises. We hope that FIMI Opportunity Funds will seek to address the human rights violations at Israeli prisons and detention centres, and at military checkpoints, including along the Wall. However, the evidence alone that it has agreed to buy G4S Israel, does raise initial serious concerns over the adequacy or existence of a rigorous human rights due diligence process.

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