UK watchdog criticises G4S for misleading public over breach of human rights obligations towards Palestinians and finds it has not implemented key recommendations

**London, 07 July 2016** - In an important and critical statement published today, a UK government-funded business watchdog has found the British multinational company, G4S PLC:

- Continues to be in breach of fundamental human rights obligations through its operations in Israel and the occupied Palestinian territory;
- Has failed to implement two of the business watchdog's three recommendations to remedy the company's breach of human rights obligations;
- Issued a 'selective' and 'misleading' public response last year to the business watchdog's findings, as consistently highlighted by legal charity, Lawyers for Palestinian Human Rights (LPHR); and
- Failed to 'signal a serious intention' to address the business watchdog's findings and recommendations, a fact which the watchdog finds 'disappointing'.

In June 2015, the UK National Contact Point (UK NCP) (which is funded by the UK Government to independently investigate complaints against multinational companies for alleged breach of human rights and other obligations) significantly found G4S to be in breach of its obligations to 'respect human rights' and to 'prevent or mitigate adverse human rights impacts that are directly linked to its business operations' in Israel and the occupied Palestinian territory.

This followed the UK NCP's investigation of LPHR's comprehensive 'business and human rights' complaint concerning services provided by G4S to Israeli military checkpoints and prisons that infringe the human rights of Palestinians.

In its first statement since publishing its findings last year, the UK NCP critically finds today that G4S has not implemented the two recommendations made to the Company which "were specific to the issues examined in the [LPHR's] complaint" (see notes to editor).

The UK NCP concludes that G4S remains in breach of its human rights obligations, stating: "Until G4S publicly communicates the actions it is taking to address the impacts it is linked to by the contracts...the UK NCP considers that its actions are not consistent with its obligation...to address [human rights] impacts it is linked to by a business relationship."

Since June 2015, LPHR has consistently stated that G4S misrepresented the UK NCP's findings of breach (see notes to editor) and urged the Company to correct its selective and apparently misleading public statements on the UK NCP's findings. In its statement today, the UK NCP acknowledges LPHR's observations and states it "separately noted the G4S response at that

time, and considered that it referred to the [UK NCP's] Final Statement in a selective way that was misleading."

The UK business watchdog further expresses that it is "disappointing" that G4S did not take the opportunity in its public response to "signal the seriousness of its intention" to address the UK NCP's findings and recommendations.

The issue of misrepresentation was one of the issues of concern detailed in an LPHR letter privately sent to G4S in October 2015 which contained 16 key questions for the Company. G4S has failed to provide a reply despite it being re-sent in January and March this year, which is a point noted by the UK NCP in its statement today. LPHR published the letter on its and the Business and Human Rights Resource Centre's website in May 2016.

Following today's UK NCP statement, LPHR now publicly urges G4S:

- 1. To definitively commit to withdrawing from all of its relevant contracts with Israeli state agencies immediately, or as soon as practicable, so that it finally ends its unacceptable ongoing violation of human rights obligations towards Palestinians;
- To provide a specific date by which this full withdrawal will have occurred, and to publicly report to all stakeholders on that date whether full withdrawal has occurred; and
- 3. To finally acknowledge the full extent of the UK NCP's adverse findings of breach of human rights obligations made against the Company.

LPHR does not consider these issues to be adequately addressed by G4S' recent statements – made subsequent to the UK NCP's adverse findings against the Company - that it plans to sell G4S Israel. As far back as March 2011, G4S publicly stated its intention to 'exit as soon as possible a number of contracts which involve the servicing of security equipment at the barrier checkpoints, prisons and police stations in the West Bank'. But despite repetition of similar public statements, this appears not to have substantively materialised.

Until LPHR sees that concrete, and irreversible, steps have been taken in this regard, it will continue to urge that G4S withdraw from these contracts in accordance with its fundamental business and human rights obligations.

Tareq Shrourou, Director of LPHR, said:

"The striking criticism of G4S by the UK's business watchdog for misleading the public on a significant business and human rights issue is a decisive moment for upholding the importance of companies' human rights obligations. LPHR has persistently highlighted G4S' misleading

statements and apparent failure to address the UK NCP's adverse findings over the last year, but the Company has disturbingly provided either a woefully inadequate and misleading public response or no response at all.

"G4S must now demonstrate the responsible conduct required from a multinational company by fully acknowledging the extent of the adverse findings made by the UK NCP and by urgently ending its breach of fundamental business and human rights obligations.

"LPHR has set out, directly to G4S, a clear business and human rights analysis which clarifies that the only effective action the Company can take to end its unacceptable ongoing involvement in Israel's systemic and sustained human rights mistreatment of Palestinians, is to expeditiously and responsibly withdraw fully from its relevant contracts with Israeli state agencies.

"This required action is long overdue, and we urge in the interests of accountability and transparency that full withdrawal takes place immediately, or as soon as practicable, with a specific date provided for when it will be completed."

### **NOTES TO EDITORS**

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- 1. Lawyers for Palestinian Human Rights (LPHR) is a legal charity in the United Kingdom that works on projects to protect and promote Palestinian human rights.
- 2. LPHR has published commentaries providing more detailed information in relation to: the UK NCP's 2015 Final Statement; the latest G4S Corporate Social Responsibility Report; and G4S's apparent decision to sell G4S Israel.
- 3. The two UK NCP recommendations that G4S has been found not to have implemented are:
  - i) To work with business partners to address the adverse human rights impacts raised in LPHR's complaint; and,
  - ii) To communicate to stakeholders the actions it has taken in regard to the issues raised in LPHR'S complaint.

The single recommendation the UK NCP finds that G4S has implemented is "a general recommendation in regard to human rights risk assessment".

4. In its statement today, the UK NCP clarifies its findings in its 2015 Final Statement:

"For the avoidance of doubt, the UK NCP re-iterates that its Final Statement found actions of G4S to be inconsistent with its obligation under Chapter IV, Paragraph 3 of the OECD Guidelines to address [human rights] impacts it is linked to by a business relationship. This finding was unqualified.

"Because its actions were inconsistent with this Paragraph, the UK NCP found them also to be inconsistent with general provisions of the Guidelines in regard to respecting human rights (Chapter IV, Paragraph 1 and Chapter II, Paragraph 2). Only this finding on the wider provisions was described by the UK NCP as arising technically - because it arises out of the way in which the Guidelines define the general obligation – and as not representing a broad failure of human rights."

- 5. LPHR felt it necessary to publicly express concern, through the Business and Human Rights Resource website, at a series of G4S' public statements made immediately subsequent to the publication of the UK NCP's Final Statement. In particular, after omitting any reference to the UK NCP's adverse findings in their first statement published on 9 June 2015, G4S' second statement of 11 June 2015 prompted by an LPHR statement dated 10 June 2015 inaccurately asserted that the UK 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 public statement of 30 June 2015, despite clear prompting from LPHR in a statement dated 23 June 2015.
- 6. It is LPHR's view that, by refusing to acknowledge the UK NCP's plain, and unqualified, adverse finding of a breach of Chapter IV, Paragraph 3 of the OECD Guidelines, G4S publicly misrepresented the extent and substance of the UK NCP's adverse findings. This view has also been expressed directly to G4S in our letter to the company dated 28 October 2015.
- 7. The UK National Contact Point promotes the OECD Guidelines for Multinational Enterprises in the UK. In this role, it considers complaints that multinational enterprises based in the UK, or operating there, have not met their obligations under the Guidelines. The UK NCP is funded by the UK Government based in the Department for Business, Innovation and Skills.
- 8. The OECD Guidelines constitute the only government-backed international instrument on responsible business conduct with a built-in grievance mechanism. This complaints mechanism requires NCPs to provide a platform for discussion and assistance to parties to help find a resolution for issues arising from the alleged non-observance of the OECD Guidelines. The human rights chapter (Chapter IV) of the OECD Guidelines, which LPHR's complaint draws on, is firmly based on the United Nations Guiding Principles on Business and Human Rights (UNGPs).