This is the report of the directors of the board of G4S plc for the year ended 31 December 2018.

1. The company

G4S plc is a parent company incorporated in England and Wales with company number 4992207. It trades primarily through its subsidiaries and joint ventures in numerous jurisdictions. A list of those subsidiaries and joint ventures is set out on pages 204 to 217.

G4S plc has its primary listing on the London Stock Exchange and has a secondary listing on the NASDAQ OMX exchange in Copenhagen.

2. Reporting obligations

In compliance with relevant listing rules and also with DTR4.1.5.R and DTR4.1.8R, the Integrated Report and Accounts 2018 contain the consolidated results for the year, shown in the consolidated income statement on page 144, a management statement contained in the strategic report and in the Directors' report and responsibility statements on pages 128 to 131.

Details of the development and performance of the Group's business during the year, its position at the year end, future developments, principal risks and uncertainties, prospects of the Group and other information which fulfils the requirements of a management report, are all contained on pages 2 to 71 of the strategic report and are incorporated by reference in this Directors' report. The Corporate governance report, the Audit Committee report and the Directors' remuneration report set out on pages 72 to 127. The Group's financial risk management objectives and policies in relation to its use of financial instruments and its exposure to price, credit, liquidity and cash flow risk, to the extent material, are set out in note 30 to the consolidated financial statements on pages 183 to 187 which is also incorporated by reference in this Directors' report.

None of the matters required to be disclosed by LR 9.8.4C R apply to the company other than shareholder waiver of dividends which is referred to in section 4 of this Directors' report.

3. Dividends

The directors propose the following dividend for the year:

- Interim dividend of 3.59p (DKK 0.2948) per share paid on 12 October 2018
- Final dividend of 6.11p (DKK 0.5321) per share payable on 14 June 2019

Shareholders on the Danish VP register will receive their dividends in Danish kroner. Shareholders who hold their shares through CREST or in certificated form will receive their dividends in sterling unless they prefer to receive Danish kroner by way of a cheque payable in the UK, in which case they should apply in writing to the Registrars by no later than 2 May 2019.

4. Capital

The issued share capital of G4S plc at 31 December 2018 is as set out on page 199 (note 34 to the consolidated financial statements) and consisted of 1,551,594,436 ordinary shares of 25 pence each. The number of shares in issue as at 12 March 2019 remains unchanged.

In general there are no restrictions on the holder's ability to transfer their shares or exercise their voting rights, other than in situations where the company is legally entitled to impose such restrictions (usually where amounts remain unpaid on the shares after request, or the holder is otherwise in default of an obligation to the company).

The company is not aware of any agreements between its shareholders that may restrict the transfer of their shares or the exercise of the voting rights attaching to them except in relation to the G4S Employee Benefit Trust ("the Trust") which has been established to facilitate certain employee share plans.

Resolutions granting the directors power, subject to certain conditions, to allot and make market purchases of the company's shares will be proposed at the company's annual general meeting. At 31 December 2018 the directors had authority in accordance with a resolution passed at the company's annual general meeting held on 15 May 2018 to make market purchases of up to 155,159,000 of the company's shares.

The company does not hold any treasury shares as such. However, the 5,342,225 shares held within the Trust and referred to on page 200 (note 35 to the consolidated financial statement) are accounted for as treasury shares. The Trust has waived its right to receive dividends in respect of the company's shares which it held during the period under review.

5. Significant agreements – change of control

The company is party to a £750,000,000 multi-currency revolving credit facility agreement which requires prompt notification of a change of control event following which funds committed but unutilised could be cancelled and repayment of outstanding funds utilised would need to be made within 45 days.

Under the same terms the company has a $350,000,000 term facility agreement and in January 2019 entered into a £300,000,000 12 month term bridge facility agreement.

The company entered into two US Private Placement Note Purchase Agreements (the "USPP Agreements"), on 1 March 2007 and 15 July 2008 respectively. The first USPP Agreement originally for $550,000,000, of which series C and D senior notes representing $250,000,000 remained outstanding as at 31 December 2018. The series C senior notes matured, on 1 March 2019 leaving only series D senior notes representing £105,000,000 outstanding, maturing on 1 March 2022. The second USPP Agreement originally for $513,500,000 and £69,000,000, of which only the series F senior notes representing $74,500,000 remain outstanding, maturing on 15 July 2020. Under the terms of both USPP Agreements, the company is required to offer the note holders the right to sell the notes at par value together with interest thereon upon a change of control.

Under the terms of the £2,500,000,000 Euro Medium Term Note Programme, the company currently has in issue four tranches of Medium Term Notes (MTNs), to various institutions on 13 May 2009 (£350,000,000), 9 November 2016 (€500,000,000), 2 June 2017 (€500,000,000) and 24 May 2018 (€550,000,000). In the event of a change of control, a put option comes into force, according to which holders of any MTN may require the company to redeem the MTNs at par if the MTNs carry a sub-investment grade credit rating in the period immediately prior to the change of control, or in certain circumstances where the MTNs are downgraded to sub-investment as a result of the change of control.

The Group's UK pension scheme trust deed contains provisions which apply if a takeover event occurs. Following such an event, the appointment and removal of trustees becomes subject to unanimous trustee agreement and the trustees acquire the unilateral power to set the employer contribution rates in certain sections of the scheme.

6. Post balance sheet events

Other than as described on page 202 (note 40) to the consolidated financial statements, there have been no significant events from 31 December 2018 to the date of this report.

7. Research and development expenditure

Research in connection with the development of new services and products and the improvement of those currently provided by the Group is carried out continuously. Research and development written-off to profit and loss during the year amounted to £4m (2017:£4m).

8. Employees

With 546,000 employees our success is underpinned by the way we attract, develop and engage with our people. Our disclosures relating to employee communication and consultation can be found on pages 20 to 25.

Our aim is to develop and grow, so removing barriers to employment helps us to tap into the widest talent pool and to harness all the skills and abilities people have. If, during the course of their employment individuals become disabled and unable to meet the job requirements we seek to retrain or retain their talents by making reasonable adjustments wherever possible. We do not employ forced, bonded or child labour. We appoint people based on their skills and capabilities and not any personal characteristics which are discriminatory or illegal in the countries in which we work. Further information on our approach to diversity and inclusion can be found on page 23.

9. Political donations

Each year the company's shareholders have passed a resolution on a precautionary basis to allow the company and its subsidiaries to make political donations or incur political expenditure not exceeding £50,000. However, the board confirms that the Group's policy is not to make any financial contribution to political parties and that the company and its subsidiaries have made no contributions during the year to political parties carrying on activities, or to candidates seeking election within the EU, or anywhere else in the world.

10. Greenhouse gas emissions

Alongside the risks faced by people and infrastructure from climate change are the challenges presented by global economic conditions.

Managing fuel costs and the impact of "carbon taxes" through programmes to improve the Group's energy efficiency and reduce its environmental impacts are important to the continued effectiveness and sustainability of the Group's business.

We follow WBCSD* and WRI** Greenhouse Gas Protocol to measure our Scope 1 and 2 emissions – vehicle fleet, fuel, refrigerants and electricity usage for G4S businesses over which the Group has financial and operational control. In addition the Group has measured Scope 3 emissions from employee business air travel.

The businesses that reported data in the 2018 GHG measurement represent 90% of the Group's operations, across a 12 month period. This level of measurement, including each of the Group's main service types, allows reliable calculation of the total GHG emissions for 100% of the Group.

The G4S total carbon footprint during 2018, extrapolated to 100% of the business equates to some 455,310 t/CO2e. These CO2e emissions, including emissions generated by services which our customers have outsourced to G4S, have decreased by 3.5% since 2017 – against a 1.1% revenue growth in our underlying businesses during the same period, reflecting the efforts made to increase the energy efficiency of our business.

In 2019, we will continue to implement efficiency strategies with the aim of reducing carbon intensity by at least 3.5% per annum.

For further details, please visit g4s.com/environment.

* World Business Council for Sustainable Development
** World Resources Institute

GHG emissions (t/CO2e) (Based on 90% measurement)	**2018**	2017
Vehicles (inc. refrigerants)	236,155	239,265
Total buildings (inc. refrigerants)	132,149	138,734
Including electricity emissions of	*96,833*	*101,506*
Air travel	17,147	17,693

		Carbon intensity
	2018	2017
Tonnes CO_2e per £m turnover	59.5	61.2

11. Substantial holdings

The company had been notified under DTR 5 of the following interests in the ordinary capital of G4S plc:

As at 31.12.2018	
Invesco Limited	185,873,696 (11.97%)
BlackRock, Inc.	86,852,067 (5.59%)
Mondrian Investment Partners Limited	78,613,679 (5.07%)
Harris Associates LP	79,355,377 (5.11%)
Oddo BHF Asset Management SAS	46,499,821 (3%)

Between 1.1.2019 and 12.3.2019	
Invesco Limited	170,634,274 (10.99%)

12. Auditor

A resolution to re-appoint PricewaterhouseCoopers LLP, chartered accountants, as auditor to the company for 2019, and for their remuneration to be fixed by the Audit Committee, will be submitted to the annual general meeting.

13. Directors

The directors, biographical details of whom are contained on pages 74 and 75, held office throughout the year, apart from Clare Spottiswoode who retired from the board on 15 May 2018 and Elisabeth Fleuriot, who was appointed to the board on 18 June 2018.

In accordance with the Code provisions on re-election of directors in the UK Corporate Governance Code, each of the directors continuing in office will offer themselves for re-election or election, as the case may be. The board believes that the directors standing for re-election or election possess experience and expertise relevant to the company's operations; that they continue to be effective; that they are committed to the success of the company; and that they should be re-elected (or elected) at the annual general meeting.

The contracts of service of the executive directors have no unexpired term since they are not for a fixed term. They are terminable at 12 months' notice. None of the non-executive directors has a contract of service.

The company has executed deeds of indemnity for the benefit of each of the directors in respect of liabilities which may attach to them in their capacity as directors of the company. These deeds are qualifying third-party indemnity provisions as defined by section 234 of the Companies Act 2006 and have been in effect since 14 June 2010 for Ms Spottiswoode, 1 October 2010 for Ms Fok, 8 June 2012 for Mr Connolly, 1 January 2013 for Mr Spence,1 April 2013 for Mr Weller,1 May 2013 for Mr Almanza, 5 June 2015 for Mr Daly, 27 May 2016 for Mr Mogford, 1 July 2016 for Ms Thoralfsson, 1 January 2018 for Mr Ramsay and 18 June 2018 for Ms Fleuriot. Copies of the forms of indemnity are available on the company's website. In addition, indemnities have been granted by the company in favour of certain of the directors of some of the Group's subsidiaries in India, Malaysia and the UAE. The company has maintained a directors' and officers' liability insurance policy throughout the year under review.

Details of directors' interests (including the interests of their connected persons) in the share capital of G4S plc are set out on page 121, and the directors' remuneration is set out on page 116.

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

None of the directors had a material interest in any contract significant to the business of the Group during the financial year.

By order of the board

CELINE BARROCHE
Company Secretary

12 March 2019