

Our strategy addresses the long-term positive demand for security and related services and our enduring strategic aim is to demonstrate the values and performance that makes G4S the company of choice for customers employees and shareholders.

This section summarises our strategic priorities and how we focus our resources and expertise in areas where we can achieve the best results for customers and sustainable growth and return for investors.

Our CSR approach covers a broad range of areas but we have three material priorities: health and safety, human rights and anti-bribery and corruption which are covered in detail on page 36.

Strategic priorities

Underpinned by corporate culture based on Group Values and commitment to corporate social responsibility.

Key risks

See Principal risks pages 64 to 71.

KPI

See page 34 for more detail and the progress in the Group's financial and non-financial KPIs and how they link to the Group's strategic priorities.

STRATEGIC AND PERFORMANCE OVERVIEW



PEOPLE AND VALUES

We recruit, develop and deploy the best people in the industry

- Embed the right culture; promote our G4S values and sustain strong employee identification with those values
- Embed health and safety behaviours
- Talent acquisition, development and succession planning
- Engage to ensure best performance
- Incentivise and recognise success

- Our trained and skilled people are hired by competitors or other companies or do not behave in line with the Group's values, resulting in adverse impact on customer service or those in our care
- Negative impacts on our employees' health and safety

67%

Reduction in road traffic fatalities since 2013



CUSTOMER FOCUS AND SERVICE EXCELLENCE

We build long-term customer relationships based upon trust and understanding of customers' businesses and objectives

- Positive demand for security services driving revenue growth of 4-6% p.a. in the medium term
- Investment in risk consulting expertise to lead initial customer engagement and develop excellent service and solution design
- Investment in technical and project management capability
- Investment in sales, marketing, account management teams, Salesforce CRM, embed G4S way of selling and contract retention programmes

- Failure to understand customers' changing needs or falling short of customer expectations

£1.4bn

Annual contract value of new business won in 2018 (2017: £1.4bn)



TECHNOLOGY AND INNOVATION

We design, market and deliver innovative, industry-leading technology and services that protect and add value for our customers wherever they operate

- We continue to invest in the resources, skills and capabilities to develop and deliver technology-enabled security and cash management solutions:
- Secure Solutions – expand and upgrade technology-integration capability
- Cash Solutions – leading bank and retail cash technology

- Failure to market or deliver our services and technology effectively or failure to deliver adequate value for money

45%

Of security revenues were technology enabled in 2018 (2017: 42%)



OPERATIONAL EXCELLENCE AND COST LEADERSHIP

We have safe, secure, reliable and efficient operations

- Deliver £70-£80m annual operational cost savings programme by 2020
- Operational excellence and efficiency: implement lean, automated processes
- Continue to improve health & safety awareness and performance

- Failure to comply with our standards results in harm, loss of expertise or investment fails to deliver benefit

30bp

Improvement in Secure Solutions Adjusted PBITA margin in 2018 compared with 2017



FINANCIAL AND COMMERCIAL DISCIPLINE

We manage risk effectively and ensure we provide profitable, cash generative services

- Improved risk management, including contract risk management
- Established and embedded rigorous capital investment appraisal processes
- Portfolio programme
- Driving improved cash flow
- Capital allocation

- Inefficient capital management and failure to comply with Group risk management standards

£20m

Reduction in annual finance costs through refinancing achieved

COMMITMENT TO CORPORATE SOCIAL

RESPONSIBILITY UNDERPINS THE STRATEGY