

May 8, 2019 valuewalk.com

GEO: Shareholders pass human rights proposal

At the annual meeting of shareholders for GEO Group this morning, a shareholder proposal requesting a report on the implementation of the company's human rights policy was passed with majority shareholder support. Shareholder-sponsored proposals infrequently pass, and, given the nature of the private prison business and the human right focus of the proposal, the fact that it was supported by a majority of shareholders is quite extraordinary and speaks to the growing risks investors see to inmate/detainee human rights. NEW YORK, NY, Tuesday, May 7th, 2019 – At today's annual meeting of shareholders of GEO Group, one of the country's largest private correctional/detention facilities, a proposal sponsored by religious investors and members of the Interfaith Center on Corporate Responsibility (ICCR) highlighting concerns around potential human rights risks was passed by a majority of shareholders. The resolution was supported by proxy advisors Institutional Shareholder Services (ISS) and Glass Lewis and, ultimately the company withdrew its opposition to the proposal. Investors say they hope the requested report will catalyze increased due diligence on human rights at the company. Shareholders filed the resolution as a result of alarming reports of potential human rights abuses at multiple GEO-owned and operated facilities, including an immigration detention center in Adelanto, California where the Department of Homeland Security's Office of Inspector General in October 2018 reported "serious issues relating to safety, detainee rights, and medical care". Inspectors found nooses made from twisted bed sheets in 15 of 20 cells inspected at the Adelanto center despite 1 suicide and 7 attempts at the facility last year. In addition, during their visit officials found that all 14 detainees in administrative segregation had been placed inappropriately. The proposal requested a report detailing the implementation of the portion of GEO's human rights policy that addresses "Respect for Our Inmates and Detainees". The referenced human rights policy was adopted nine years ago in response to another shareholder resolution by the same proponents, the U.S.A West Province of the Society of Jesus. "We have held ongoing engagements with GEO around human rights concerns for seven years, and were appreciative that, given the enormous risks inherent in its business, the company saw the importance of adopting a human rights policy in 2013 to prevent any lapses." said Fr. Bryan Pham of the U.S.A West Province of the Society of Jesus, "An increase in recent contracts with U.S. Immigration and Customs Enforcement and disturbing reports related to detainee safety seem to have exacerbated GEO's exposure to these human rights risks. We now need to better understand how that policy is being operationalized to mitigate them." Specifically the proposal requested that the report include: How GEO ensures that its employees are aware of, and know how to apply, the company's commitment to inmate/detainee human rights; Metrics used to assess human rights performance, including any process for independent outside verification of such metrics; and How GEO remedies shortcomings in human rights performance. "We are gratified that our request for further information on this issue was seen as a serious concern by fellow GEO shareholders", said Pat Zerega of Mercy Investment Services who co-filed the resolution. "When we consider what is at stake in terms of inmate and detainee welfare as well as GEO's reputation, it is imperative that they get this right. We look forward to continued, productive dialogue with the company that seeks meaningful solutions to both of these considerations." About the Interfaith Center on Corporate Responsibility (ICCR) Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability.