

# Section 172 Statement

The Board is aware of and understands its duties under Section 172 of the Companies Act 2006 (“Section 172”) and that engaging with our diverse stakeholder base is key to successfully managing GBG. This has never been more relevant than during the current Covid-19 pandemic, where we continue to work hard to keep our team members safe and our business viable. The information below sets out how we treat and interact with our stakeholder groups, which we believe demonstrates how seriously the Board takes its responsibilities under section 172. You can find more information on each of the statements and further detail on how the directors engage with each stakeholder group in the corresponding section of this Annual Report (as indicated in the table below).

Consequences of any decisions in the long-term	Page Ref:
<p>We recognise the importance of engaging with stakeholders to help inform our strategy and Board decisions. We also acknowledge that every decision the Board has made will not necessarily result in a positive outcome for all of our stakeholders.</p> <p>We carefully consider key and material decisions regarding the likely consequences on all stakeholders and where appropriate, we discuss these matters with the affected stakeholder group. This helps us understand their views and factor their feedback into our decision process.</p> <p>The business units and our central services teams regularly report to the Board about the strategy, performance and key decisions they’ve taken. This assures the Board that we consider stakeholder interests in decision-making and also that we consult the Board on matters and decisions that require its support and approval</p>	<p>See the table on page 101 (below) which sets out some of the key decisions we have taken this year</p>
The interests of all our team members	Page Ref:
<p>Our people are key to our success and we want them to be successful both as individuals and in the teams they operate. We are very proud of the culture we have across the Group and the way that our team members work and collaborate together. Their cooperation creates a unique environment in GBG, which our colleagues continue overwhelmingly to recommend as a great place to work.</p> <p>We support this culture by engaging with our team members through regular surveys; a bi-monthly CEO webinar with a live Q&amp;A session; awards for outstanding performance in supporting our core values; annual kick-off seminars to provide in-depth detail of our strategy and objectives and encouraging and supporting a range of team building events. We support a number of initiatives and activities that focus on the health and wellbeing of our people; diversity and inclusion; personal development opportunities and charitable activities within the communities where we work.</p> <p>The Board also regularly considers matters and initiatives as part of its commitment to promote diversity and equality across all of our teams.</p>	<p>ESG pages 42 to 57</p> <p>ESG pages 42 to 57</p> <p>ESG pages 42 to 57</p>

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The need to foster GBG’s business relationships with suppliers, customers and others	Page Ref:
<p><b>Suppliers:</b> There is a direct correlation between the way we interact with our key suppliers and the quality of the product and services we deliver to our customers. Alongside looking for new suppliers to enhance our business and to provide resilience, we also recognise the importance of our existing supplier relationships. Developing these long-term relationships builds trust and support within a partnership environment.</p>	Strategic Report pages 12 to 57
<p><b>Customers:</b> We build strong lasting relationships with our customers. We spend considerable time understanding their needs and views, listening to how we can improve our products for them. We support this with our annual Voice of the Customer Survey.</p>	Strategic Report pages 12 to 57
<p><b>Bankers:</b> We actively engage with our bankers to secure optimum rates and terms, while also providing them with information about the Group’s prospects and governance. By doing this, we continue to secure long-term relationships, built on trust and mutual benefit.</p>	Finance Review pages 24 to 27
<p><b>Government and Regulators:</b> Compliance with laws and regulations, especially in relation to data privacy, accounting standards, health &amp; safety and governance, are key focus areas for the business. We actively engage with regulators as and when required.</p>	ESG pages 42 to 57
GBG’s impact on the community and environment	Page Ref:
<p>We engage with the communities where we operate by supporting local and international charities, raising funds and encouraging team members to volunteer and participate in activities that support these local causes. This includes our annual support of the GBG Challenge, a global event which sees team members from all our locations completing some form of challenge in order to raise money for their chosen charity.</p>	ESG pages 42 to 57
<p>We operate a ‘reduce, reuse and recycle’ policy across all our offices, which includes technology and office consumables. To conserve energy, we have installed light sensors as well as air conditioning and heating timers in our offices. We actively promote video conferencing for team meetings to reduce unnecessary travel between offices.</p>	ESG pages 42 to 57
GBG’s reputation for high standards of business and ethical conduct	Page Ref:
<p>GBG has a Code of Conduct which forms the basis of our approach to ethical behaviour. We do not tolerate practices which breach any laws or regulations which could result in reputational damage to the business. All members of our team are trained on the basic compliance principles that underpin GBG’s Code of Conduct including: Modern Slavery; Anti Bribery and Corruption and Anti-Tax Evasion. If team members have concerns, they have access to a confidential, whistleblowing hotline that operates internationally.</p>	ESG pages 42 to 57
To act fairly between GBG’s members	Page Ref:
<p>GBG has only one class of share in issue and so shareholders benefit from the same rights as set out in GBG’s Articles of Association. The Board recognises its legal and regulatory duties and does not take decisions or actions, such as selectively disclosing confidential or inside information that would provide any shareholder with an unfair advantage. We have many lines of communication with our shareholders, including regular investor presentations, results webcasts and the Annual General Meeting. Discussions with shareholders cover a wide range of topics, including financial performance, strategy, outlook and governance matters.</p>	Corp Gov page 64

## Key Decisions Made

The Board has operated effectively during the year and made a wide range of decisions in a way that would most likely promote the success of the Company for the benefit of its members as a whole, having regard to the factors set out in section 172 of the Companies Act 2006. Below, we've set out a number of decisions which demonstrates how the Board have exercised this duty and considered the views of different stakeholder groups:

Issue	Decision:	Impact:	Stakeholder consideration:
Covid-19 Pandemic	The changing environment caused by Covid-19 meant that the Board had to quickly approve and support a range of decisions to conserve cash and preserve liquidity, including: an immediate Group-wide pay freeze and suspending the dividend and deferring the bonus payments accrued by the Executive Directors.	The beneficial effects of these actions were factored into the review that the Board conducted as part of an extensive stress test of GBG's balance sheet, cash and access to draw down facilities.  The output of this review meant the Board could give appropriate assurances about GBG's going concern, viability and banking covenants.	In making its decisions, the Board carefully considered the long-term interests of stakeholders, especially our team members, investors, customers, suppliers and bankers.  The Board also considered the importance in securing the support of its bankers by demonstrating GBG's longer-term credentials to ensure continued access to debt funding.
Appointment of a New CFO	As detailed in the Nomination Committee Report, David Ward was appointed to the Board on 1 July 2021 having joined GBG on 17 May 2021. The Nomination Committee proposed the appointment decision and the Board approved it.	The Board agreed that David's appointment was key to adding a director with specific technical skills and knowledge to support its competencies and input as GBG continues to grow and develop.	The Board considered the impact of the appointment on the Board's composition and skill set, as well as how the position would support the Non-Executive directors in having an Executive Director with specific technical skills.
Divestment of Marketing Services business	The Board carefully considered the proposed divestment, having originally discussed the matter in December 2018, provisionally approved it in June 2019 and then finally approved it in January 2021.	The Board agreed that the sale of GBG's Marketing Services business would support GBG's strategic focus on its core global capabilities in Location Intelligence, Identity Verification and Fraud Prevention.	The Board considered the potential implications for various stakeholders (i.e. team members, investors and GBG as a whole). The Board noted that selling to a company in the same sector, could save some team member positions, rather than GBG potentially being forced to close the business in the future.

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Issue	Decision:	Impact:	Stakeholder consideration:
Divestment of Employ & Comply business	<p>The Board had discussed this divestment case for some time.</p> <p>The Board determined that significant ongoing investment would be needed in this non-core area with declining revenues.</p>	<p>The Board agreed that the sale of GBG's Employ &amp; Comply business would support GBG's strategic focus on its core global capabilities in Location Intelligence, Identity Verification and Fraud Prevention.</p>	<p>The Board agreed that the post divestment position would increase GBG's organic revenue growth and EBIT margins, which would allow us to increase investment capacity, increase GBG shareholder value and provide additional net cash. The Board considered that, seen from a team perspective; while a difficult decision, it would provide a more certain long-term future for those in roles that would be transferred across to the buyer.</p>
Investigate Investment	<p>The investment case was originally made to the Board in January 2020. It was then followed up and approved by the Board.</p>	<p>GBG Connexus is a highly profitable line of business which, although niche to the UK, provides a strong flow of cash to support our broader businesses.</p> <p>The rationale for acquiring Investigate (for £4m in GBG equity) was to enable GBG to access HooYu Investigate's IP in order to protect and subsequently grow GBG Connexus revenue quickly.</p>	<p>GBG Investigate will be available to all UK GBG customers, enabling them to conduct efficient and compliant investigations.</p> <p>For team members, this investment makes sure that we will continue to develop opportunities and income from our markets.</p> <p>In terms of our shareholders, we made sure we bought a well-priced asset and conducted extensive due diligence to ensure the best chance of success.</p>
CredoLab Investment	<p>The investment case was made to the Board in June 2020. The Board decided to make a \$3m (c.£2.5m) investment through issue of GBG shares for an 11% stake.</p>	<p>The Board agreed that Credolabs was a sound investment.</p>	<p>The Board considered it a lower risk to invest in a company with proven skills and customers, rather than develop these competences ourselves. This provided a quicker route to opportunities in a fast-paced market.</p>
Team Member Incentive	<p>GBG operates an annual high achievers incentive trip initiative to recognise members of our teams who have performed exceptionally throughout the financial year.</p> <p>With travel restrictions imposed by Covid-19, we offered a share award incentive instead.</p>	<p>The Board recognised the issue and approved the solution proposed by management to make an award totalling c. 18k shares to 37 team members in July 2020, with the condition that they could exercise the option if they were still employed by GBG on 1 May 2021.</p>	<p>Team member engagement was a major consideration, as well as the long-term uncertainty of when travel restrictions would be lifted. The Board decided we should continue to recognise team members' contribution to maintain employee motivation and engagement.</p>

Issue	Decision:	Impact:	Stakeholder consideration:
Award of share save options to all team members on an annual basis	During the year, the Board approved the award of share options to all of GBG's team members on an annual basis under the Group's share save scheme.	Our vision is to have "the best and most engaged team members" so that they contribute towards GBG's success. The Board firmly believes this decision will have a positive impact, not only in engaging and rewarding GBG's team members, but also in aligning their interests with that of our long-term investors.	As well as considering the benefits to team members, the Board also considered the potential impact of this decision on investors in terms of the long-term effect of share dilution and share scheme headroom limits.
Asset Reunification and Share Forfeiture	The Board decided to introduce a share forfeiture programme following the completion of a tracing and notification exercise to any shareholders who have not had contact with the Company over the past 12 years. The Company's Articles of Association were amended to allow for this. Under the share forfeiture programme the shares and dividends associated with shares of untraced members are forfeited.	We were able to trace and reconnect with over 100 shareholders representing c. 100k shares. For those whom we were unable to trace, their shares and unclaimed dividends were forfeited. The net proceeds to GBG of this process was c. £2.7m in cash.	<p>Reuniting shareholders with their assets, demonstrates best practice in corporate governance.</p> <p>We have removed the ongoing requirement and cost of servicing Untraced Members.</p> <p>Where unsuccessful in tracing shareholders, the return of funds to GBG has improved GBG's cash position. This has both enabled us to reduce our requirement on borrowings and the associated costs involved and it has also allowed us to invest in our vision to build trust in a digital world.</p> <p>In addition the Board has continued to reimburse those shareholders that have come forward after the deadline of being able to make a claim, under the share forfeiture programme, in respect of their forfeited shares.</p>