

# MARKET REVIEW

## Key Market Trends

### Sustained Growth in Digital Commerce

More people than ever before are going online to buy goods and to access services and businesses are relying on digital services to transact safely and securely.

Organisations with multi-channel offerings have been able to react to this trend quickly, but those that offer a purely manual service have been forced to digitise.

As a new demographic of people, the previously "under-digital", become increasingly comfortable with using online services, businesses need to ensure they continue to provide a simple and easy to use experience.

### Increased Focus on Frictionless Onboarding

The need to invest in business growth is increasing as the digital world becomes more and more competitive. In particular, the ability to onboard customers quickly and accurately, anywhere in the world, supports the global economy getting back on its feet.

This rising long-term demand makes our target markets attractive and drives competitive activity. We see larger competitors partnering or acquiring technology to link identity and fraud, while niche players and new entrants are attracting investment to drive innovation.

The competitor activity and customer feedback we see drives our strategy. We continue to focus on our differentiators, linking up our platforms with our customers at the centre and investing in innovation and marketing.

### Ever-increasing Fraud and Data Breaches

With increased online traffic, email volumes and working from home, fraudsters have become ever more opportunistic in targeting vulnerabilities for both businesses and consumers.

As the opportunities for fraudsters continue to grow, so does the sophistication in methods they use. We live in a data-centric digital world and anti-fraud measures must reflect this. For any industry, success will come down to smart application and continued innovation.

Increased levels of online fraud are driving demand for fraud capabilities.

### Increase in Regulatory and Compliance Focus

Compliance regulations are becoming more stringent, and this is driving businesses to factor compliance into their technology purchasing decisions.

While anti-money laundering and counter terrorist financing regulations continue to evolve globally, there is also an emerging drive towards social responsibility for businesses. This is particularly seen in the financial services and gaming sectors, with a focus on affordability, age verification and a single view of customer activity.

Money laundering continues to be a major issue in financial markets with many banks receiving significant fines from their regulators.

Huge fines and potential reputational damage are putting pressure on gaming operators to ensure people are old enough and to determine whether players can afford to gamble.

In the US, the California Consumer Privacy Act, which allows any California consumer to demand to see information a company has saved on them, means there is a growing need for identity verification at the point of onboarding new customers.

### Covid-19

Covid-19 has upended the identity verification process for many organisations, especially those that relied on face-to-face verification. This creates new opportunities to demonstrate the value of robust and sustainable identity verification rather than 'quick-fix' solutions that are open to compromise.

As an older demographic has embraced digital technology to stay connected with a new confidence in online methods, businesses will need to continue to simplify and streamline their online experience for new customers.

# BUSINESS MODEL

## Customer and Consumer Needs

We support businesses and consumers through the entire journey, enabling delivery of excellent customer experience whilst managing fraud, risk and compliance.

## Our Offer

Using leading technology to bring together and enhance consumer data, we offer our customers global, flexible and long-term solutions.



### External datasets

**arvato**  
BERTELSMANN



**EQUIFAX**



dun & bradstreet

**NAVINFO**

**illion**

**'PAYPHONE'**

**Gemserv**



**Driver & Vehicle Licensing Agency**



**TransUnion**  
Formerly Callcredit

**Disclosure & Barring Service**

**LexisNexis**

**NETELIS ASIA**



### Resources and Capabilities

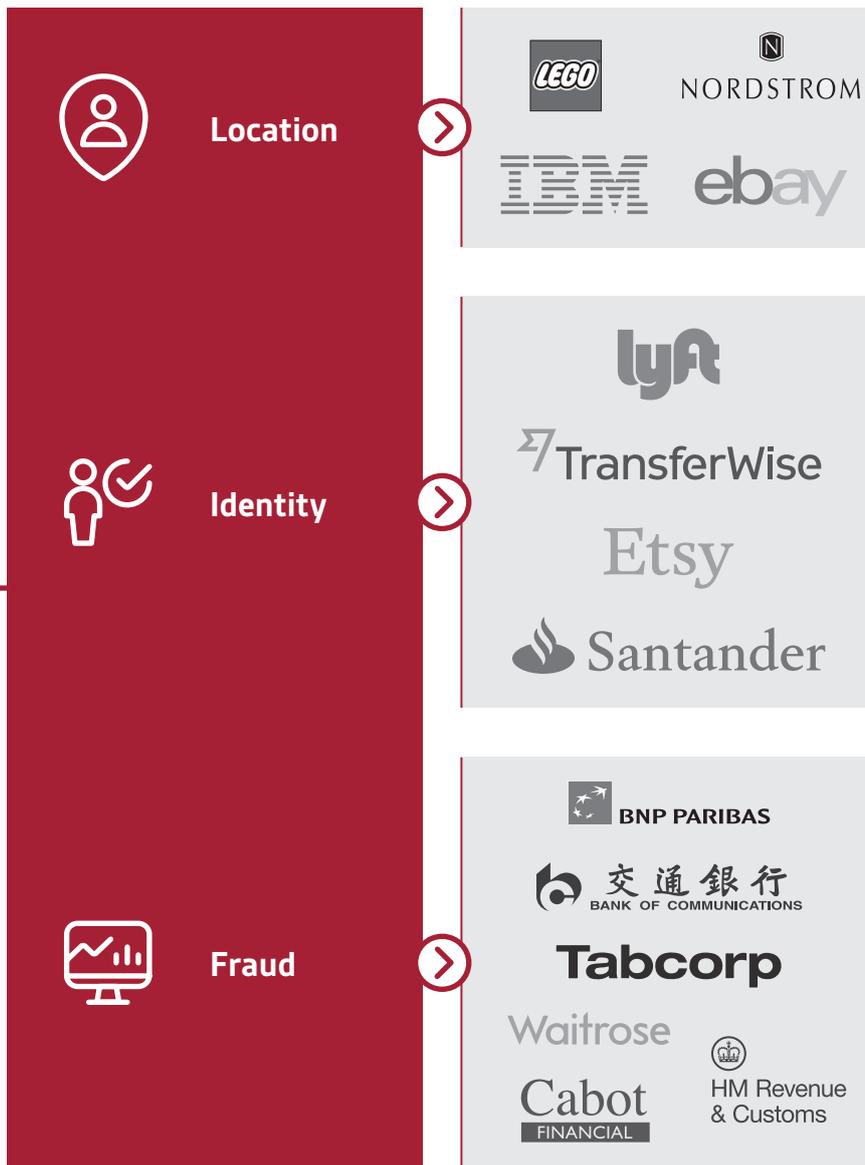
Our success is underpinned by our core resources and capabilities

- Global data reach, resulting from partnerships with public and private sector data partners – over 150 partnerships

## Stakeholder Outcomes

### Proprietary Software/Algorithms

### B2C Clients



Delivering for our customers and their consumers enables us to create value that we reinvest and share with our stakeholders.

#### Customers

##### We help:

- Spot potential problems
- Increase revenues through more effective use of technology and consumer data
- Digitise traditional, manual processes
- Scale businesses to take advantage of international growth

#### Team Members

##### We offer:

- Interesting and diverse career paths
- Opportunity for cross-cultural exchange
- Recognition of talent and personal achievement

#### Shareholders

##### We provide high-value return through:

- Profitable, cash-generative growth
- High proportion of recurring revenue
- 8 year adjusted EPS CAGR of 24%

**20,000**  
customers across over 70 countries integrating our technology into their services and operations.



- These partnerships provide compliant access to diverse datasets, for example, credit reference agencies, electoral rolls, passport and national ID registrars, postal services, retail consumer data and social media – over 375 datasets
- International identity document verification including passports, driving licences and national ID card – 4,000+ documents

- Global address validation confirming the address really exists – 245+ countries and territories
- Highly skilled and motivated team that actively promote GBG



# STRATEGY

## Key objectives

## Our achievements in 2019-20

### Customers



- Be a trusted and strategic partner for our customers. Engage with them regularly to provide expert advice and proactive support for delivering success.
  - Be customer-obsessed. Put the customer first in all areas of the business and take action based on customer feedback.
  - Be customer-centred. Simplify our portfolio into three core areas of Location, Identity and Fraud. Join up our propositions around customer use cases to maximize the number of GBG products that can offer value to our customers.
  - Be personal in our approach to global customers. Continue to develop our sales and service models to deliver the appropriate customer experience.
- Once again, we received and acted upon record numbers of customer feedback, resulting in another consecutive year of improvements across our customer experience measures.
  - We have improved our use of technology across customer and operations in order to bring customer feedback closer to our people and ensure it is actioned.
  - Our Global Helpdesk is now operational 24/7 for many of our customers and partners.
  - Our Customer Success teams have helped our customers meet their business challenges with new product offers and solutions.

### People



- Attract and retain the best and most engaged people within the technology sector by building a recognised, innovative and trusted employer brand.
- This year we have continued our commitment to our people. We have grown our headcount to 1,050 increasing the size and geographic spread of our teams across the globe.
  - We have also continued our focus on developing the skills and experience of our team to meet the demands of the business. As a result, we conducted approximately 20,000 hours of professional development training, and almost 100 of our team were either promoted or undertook an internal development job move. We also continue to improve support through best practice policies, such as our new and fully inclusive approach to 'family friendly'.
  - Overall, our People Plan has once again ensured we have outstanding engagement across the business with 92% of the team actively participating in our engagement surveys and improvement planning, and 91% recommending GBG as a 'great place to work'.

### Technology



- Deliver trusted, compelling and innovative technology solutions for our global customers and teams.
  - Develop and deliver collaborative roadmaps with products centred around the global customer needs.
  - Ensure our customers, GBG and its team members remain safe, secure and compliant in all that we do.
  - Enable worldwide scale with technology that facilitates collaborative remote working for team members, supports engagement, and helps us to maintain our culture.
- We have enhanced our global technology Senior Leadership Team with Chief Technology Officers for Identity, Location and Fraud and appointed a Chief Engineer to pursue operational excellence.
  - We have made good progress with collaborative Product and Technology strategies, making more product enhancements than ever before. For example, we have expanded the global reach of our products and integration with partners, such as what3words and SecureBank and saw volumes match those of Black Friday.
  - Our new Identity Solution brings together our identity product suite, cross-references the discreet identity check outcomes and triangulates the results for a more robust identity check.
  - We continue to focus on trust and security and to embrace and retain our ISO certifications, as well as other market relevant standards (e.g. PCI/DSS).
  - An independent audit recognised our Cyber Security enhancements this year and we will keep investing in this area to keep pace with changing threats.
  - We mobilised our workforce with minimum disruption as Covid-19 spread. We are encouraging engagement through a series of informal activities and remote learning and development.

## Our focus for 2020-21

- Our Customer Success Managers are working with customers to address challenges they have from Covid-19 and to adapt our services to their changing needs.
- Progress with our rollout of new technology and tools that simplify the customer experience for our customers and internal team members.
- Support product and platform improvements through insight and customer feedback, making sure that our roadmaps are relevant for customers.
- Increase the number of customers who have access to our 24/7 helpdesk and provide increased ability for customers to "self-serve" for product support.
- Ensure all our teams prioritise the customer, and their service levels, during this period of uncertainty.

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- Our People focus for the year ahead will be on 3 things:
    - Keeping our team safe and secure – helping them to do their best
    - Continue to focus on their professional development
    - Ensure clear understanding of expectations and alignment with group goals

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- We continue to explore new ways of working, and are considering the opportunities Technology will play in a post Covid-19 world.
  - Balancing time spent on research and innovation versus product delivery is a persistent challenge. We have made good progress developing a Machine Learning capability across our products, including a next-generation Artificial Intelligence-based address parser.
  - We have also made significant progress executing our Cyber Security Strategy across our Global Security Operations Centre and InfoSec teams. This extends to best practice controls around our products and partners.
  - Our Chief Engineer and our Head of Performance, Programs and Quality, will support our focus on operational excellence. Both will ensure we have the right methods, people and tooling in place.
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# STRATEGY

## Key objectives

## Our achievements in 2019-20

### Brand



- Evolve our positioning and messaging to provide clearer understanding of the value GBG provides our core audience groups, across our key markets.
- Using knowledge gained from our customers and markets, we'll provide helpful and insightful content ensuring we continue to be positioned as leaders and our audience groups understand the importance of data verification technology.

- We have continued to position GBG as an industry expert on key issues by building relationships with targeted media across the globe, resulting in media coverage in globally recognised titles including CNBC, Wired, The Financial Times and Forbes.

### Products



- Align our product roadmaps to the customer problem and deliver high-quality products that differentiate us from our competitors.
- Run regular customer workshops to drive integrated, customer-obsessed product development.
- Deliver joint product and technology strategies with aligned targets linking to overall Group strategies.
- Continue to increase our focus on being a truly data-driven organisation. Make sure we are able to measure and report on product adoption and usage, to enable better-informed decisions regarding product lifecycle management.

- We delivered the first iteration of a single developer experience, to improve the ease-of-integration through documentation and sample code.
- In Location, we have worked with technology to deliver a new underlying platform, that supports the continuing growth in global traffic and feature breadth that the market requires.
- We have delivered the Identity Solution, a single customer onboarding experience for identity and document verification, as well as 11 new global data item checks.
- In Fraud, we have delivered new versions of our flagship products; Instinct and Predator, as well as Orchestration and Machine Learning modules to improve fraud detection accuracy.

## Our focus for 2020-21

- We are adapting our messaging and campaigns to reflect changed Covid-19 priorities, with particular focus on partner webinars and digital marketing activities.
- Our global marketing team continues to grow across all core regions, with two clear priorities: enable revenue growth and brand positioning. The newly formed digital team is enabling us to excel in these objectives.
- With strong growth in Asia Pacific across a large regional split, we need a strong marketing presence. The team is aligned to the business goals and helping us gain even greater insight into our customers and helping drive growth in this key region.

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- We are increasing our focus on tactical packaging and pricing to adapt to changed buying behaviours resulting from Covid-19.
  - Maintain a focus on User and Customer experience within our products and platforms.
  - Focus on data-driven insights, reporting and product adoption techniques.
  - Deliver improved data-ingestion model to speed up testing and implementation of data partners.
  - Privacy and security by design throughout the product development lifecycle.
  - Continue to retire legacy products to focus on our strategic goals.
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# KEY PERFORMANCE INDICATORS

The Board monitors the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Performance is assessed against the strategy and budgets using financial and non-financial measures.

The following details the principal Key Performance Indicators ("KPIs") used by the Group, giving the basis of calculation and the source of the underlying data. A summary of performance against these KPIs is given below. Non-Statutory measures are defined within note 37.

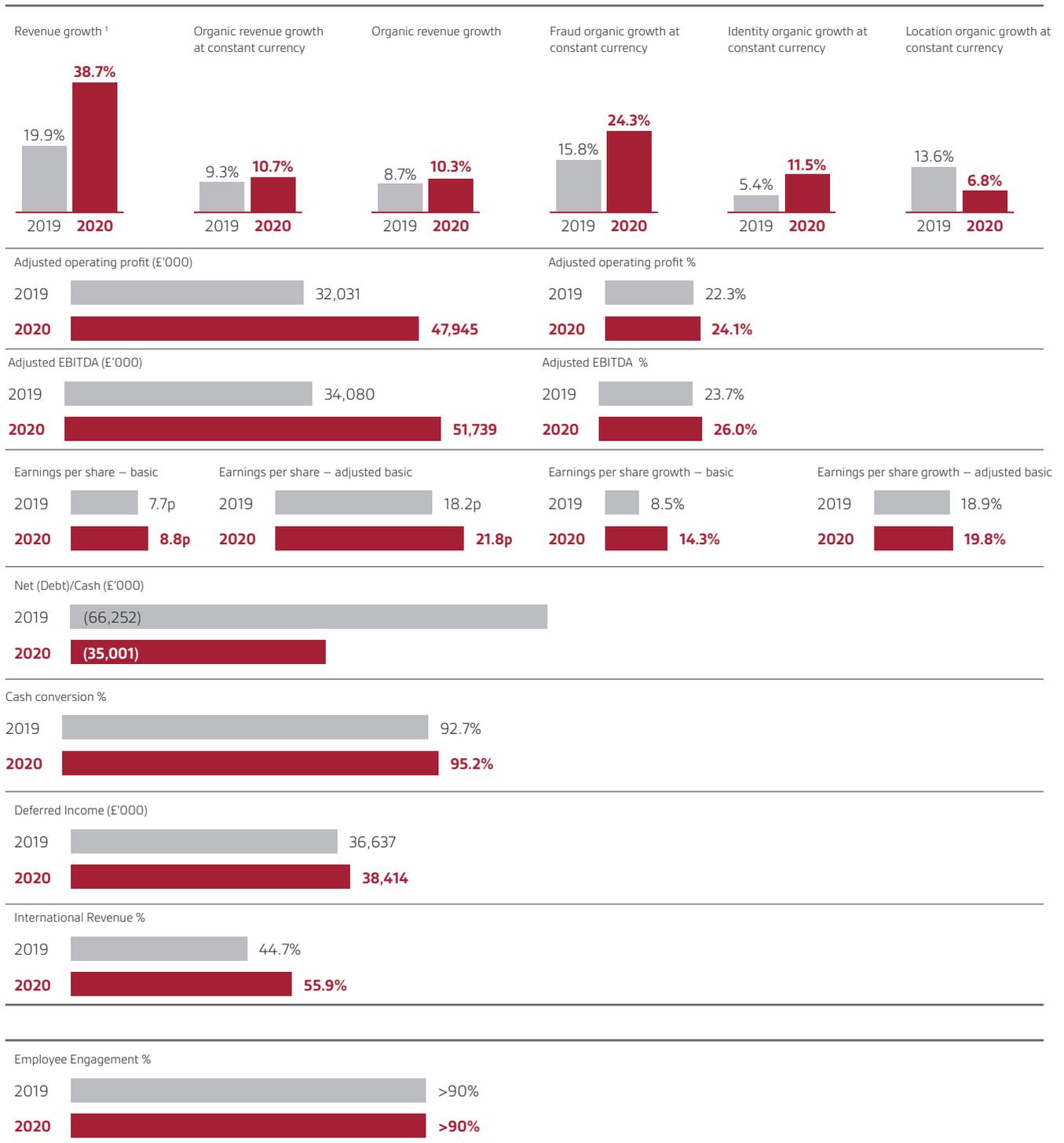
The Group uses the following primary measures to assess the performance of the Group and its propositions.

KPIs	Definition	Why this measure is important
Financial KPIs:		
<b>Revenue and Organic Revenue Growth at Constant Currency</b>	Revenue and revenue growth are used for internal performance analysis to assess the execution of our strategies. Organic growth is also measured, although the term 'organic' is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies. Organic growth is defined by the Group as year-on-year continuing revenue growth, excluding acquisitions (until the date of their anniversary) and will be reported at each reporting interval. Organic growth is measured on a constant currency basis to remove the impact of changes in exchange rates.	Revenue and revenue growth are used for internal performance analysis to assess the execution of our strategies.  Organic growth is also measured, although the term 'organic' is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.
<b>Adjusted Operating Profit</b>	Adjusted operating profit means profits before amortisation of acquired intangibles, share-based payment charges, exceptional items, net finance costs and tax.	This is used by management for internal performance analysis and to assess the execution of our strategies. Management believe that this adjusted measure is a more appropriate metric to understand the underlying performance of the Group.
<b>Adjusted EBITDA</b>	Adjusted EBITDA means operating profit before depreciation, amortisation, share-based payment charges and exceptional items.	This is used by the Group for internal performance analysis to assess the execution of our strategies. Management believe that this adjusted measure is a more appropriate metric to understand the underlying performance of the Group.
<b>Earnings Per Share and Earnings per Share growth</b>	Earnings per share is calculated as basic earnings per share from continuing operations on both an adjusted and unadjusted basis. Earnings per Share growth is calculated as the growth in year on year earnings per share on both an adjusted and unadjusted basis.	This measures the profitability of the Group relative to the number of shares in issue, and is therefore an important measure for our shareholders.
<b>Net Debt/Cash</b>	This is calculated as cash and cash equivalent balances less outstanding external loans. Unamortised loan arrangement fees are netted against the loan balance in the financial statements but are excluded from the calculation of net debt/cash.	This is monitored to measure our net external debt liabilities against the available headroom on our debt facilities.
<b>Cash Conversion</b>	This is calculated as cash generated from operations in the Consolidated Cash Flow Statement, adjusted to exclude cash payments for exceptional items, as a percentage of Adjusted EBITDA.	This is used by the Group to monitor our ability to turn profit into cash.
<b>Deferred Income</b>	Deferred income, which is included in our Consolidated Balance Sheet within Trade and Other Payables, is the amount of invoiced business in excess of the amount recognised as revenue.	This is an important internal measure for the business and represents the amount that we will record as revenue in our Consolidated Statement of Comprehensive Income in future periods. Trends may vary as business conditions change.
<b>International Revenue as a Percentage of Total Revenue</b>	The revenue from our international operations (i.e. outside of the United Kingdom) as a percentage of our total revenue.	This is an important internal measure for the Group to assess progress towards expanding our international operations.
Non-financial KPIs:		
<b>Employee Engagement</b>	The business undertakes twice yearly engagement survey, measuring if employees feel they have a voice and that the business is able to respond to issues.	Employee engagement is a key focus area for the business in order to retain and grow what we believe is some of the best talent in our industry.

## Performance against KPIs

A summary of the Group's progress in achieving its objectives, as measured against KPIs, is set out below. Non-Statutory measures are defined within note 37.

### Performance



# CHIEF EXECUTIVE'S REVIEW

As you might imagine, our current focus and attention is on Covid-19. That said, I think it is important to acknowledge how strongly GBG performed in the year ending March 2020. We delivered record revenue and profit, ahead of market expectations, while also making strong progress against our key strategic objectives. This has strengthened GBG and gives us the confidence to face the challenges and embrace the opportunities ahead. Before addressing aspects of our performance, achievements and strategic progress in 2020, I will cover the actions we have taken in response to the Covid-19 pandemic.

## Covid-19

The Covid-19 crisis had a limited financial impact on FY20, as it escalated towards the end of our financial year. As we said in our Covid-19 update in April 2020, our priorities have been to protect our team members and to support their health and well-being; to look after our customers; and to make our business secure, both financially and operationally. We took a number of swift actions, including:

- Achieving a smooth transition to full remote working for all of our global teams within a few days of local lockdowns being announced. Although our team members are already used to working from outside of the office, we have taken extra steps to enhance the way we engage with them and support them through the challenges of a sustained time in isolation.
- We took prudent and decisive action early in the process to preserve liquidity and reduce discretionary costs. This included an immediate Group-wide pay freeze, as well as pausing all non-essential recruitment. We are carefully assessing project spend and are restricting it to those areas critical to the long-term success of GBG. We have also deferred the payment of the accrued bonus for GBG's Executive Directors and we will not declare a final dividend in respect of the 2020 financial year.
- We formed a Covid Team in mid-March, drawn from the Group's senior management. The team met daily to assess the range of issues impacting GBG. They scoped and rapidly put in place a plan of action, assigning activities and responsibilities. The team continues to meet regularly each week to monitor progress and to consider whether to adapt and/or flex the plan of action in light of ongoing developments.
- Within the first week of being established, the Covid Team received daily statistics on usage volumes of all of our services together with updates on network service availability. This data has been provided throughout the period to identify trends and to support our activities.
- We have held a virtual Board meeting each week. The Board's regular agenda covers: team members; customers; financial health; operations; governance; and opportunities.

Although the impact of Covid-19 on GBG has not been as marked as with many other organisations, the full effect on the business is still unfolding. We are seeing different levels of impact depending on the customer vertical, product solution and geography.

In addition to the steps we have taken to reduce discretionary costs, we have been mindful also of our wider obligations to do the right thing to support our team members, customers and other stakeholders. We want to make sure that we are all well-placed to deal with whatever lies ahead as the world adapts to the impact of Covid-19. With that in mind, we will continue to invest in areas that support this longer-term objective.

## Overview

The strong financial performance in 2020 means GBG continues to have the capability and resources to make important investments across the Group to support further growth. We are committed to developing and launching additional world-class products, improving how we take these products to market and recruiting and developing the very best people.

## Market Drivers

With over 30 years' market experience, as well as a suite of products that are truly innovative and global, we help our customers to benefit and succeed in the digital economy by interacting safely and securely with their consumers.

Our growth has been achieved by delivering innovative digital solutions to businesses around the world, helping them provide a frictionless customer experience, reduce online fraud and meet increasingly stringent compliance regulations. This is driven by:

- Continuing growth in e-commerce, particularly in mobile
- Increasing levels of fraud and data breaches
- A continued rise in the cost and complexity of local compliance requirements for a number of sectors we serve globally
- Consumers expecting simple, fast and safe online journeys

While it is too early to draw definitive conclusions on the impact of Covid-19, initial observations indicate that many of these drivers might well accelerate. For example, before Covid-19, many organisations had not yet fully digitalised their systems. Now, we are seeing customers speeding up the digitalisation of their offerings. We are helping them to address the opportunities and threats posed by the pandemic to make things easier, faster and more convenient for their customers and to protect and/or reinvent their business models. We are an essential partner on this journey, helping our customers establish trust in their digital operations.

## Strategic Focus Areas

Our strategic focus is on expanding internationally through three complementary but, in most cases today, distinct solutions that underpin all our propositions: Location, Identity and Fraud. Each solution contributed to the strong performance in the period. We are pleased to see that revenues from our international operations continue to form a major part of our growth – up from 45% to 56% of our total business.

In the current rapidly changing environment, our sector, product and geographical diversification lets us align our developments and resources with evolving customer demand and market trends. We continue to invest and strengthen the capabilities and skills of our teams to meet the growing needs of our customers around the world, especially as their own consumers are speeding up the pace at which they access services using mobile and online technologies. We are committed to supporting our customers as they develop their solutions to meet the demands being made of them, while also making sure that these developments are safe and secure, protecting their consumers from fraud and meeting regulatory requirements.

## Corporate Transactions

IDology has performed strongly. It has now met a key objective of the acquisition – to help us to secure our goal of providing leading identity data intelligence solutions globally by increasing the scope and coverage of one of our core propositions in North America, a key geography.

We are also making significant progress in our strategic objective to have a business of scale for all of our solution areas of Location, Identity and Fraud in our key regions.

Our financial position at the year-end, together with the steps we have taken to conserve our cash resources and protect access to debt financing, means that we continue to have the means and ability to consider acquisitions and investments when they arise. This gives us the option to increase the pace of our go to market initiatives and/or broaden our geographic reach and product capabilities.

## Scale Through Technology

This year, under the stewardship of a new global technology leadership team, we have significantly advanced the technology and cyber defences underpinning our customer propositions and operations. We made it a strategic priority to shift to a globally capable, cloud-based operational model. We have begun to realise key platform capabilities that will deliver the scale, agility and compliance requirements demanded by our international customer base.

## Growth: New Business and International Expansion

We have seen a good performance across all of our solution areas and geographies in terms of: winning new logos; additional business from existing customers; and customer retention. This includes:

# CHIEF EXECUTIVE'S REVIEW

- *Location solution:* Loqate secured a number of new customers in the year across Europe and USA. This included Adidas and Wish, together with John Lewis Partnership and GNC, which we secured in the first half of FY20. In addition, it secured a five-year contract with IBM towards year-end that both extended and expanded our existing relationship, worth a minimum of \$13.5million.
- *Identity solution:* new business wins supported double-digit growth across all our main geographies. This included a deal with Rank Group in the UK to install our technology across their UK casino estate. Other new business wins in the year include PayPal, Adyen and Sky in addition to William Hill Group, announced at the half year.
- *Fraud solution:* in addition to building on our successes in the Asia Pacific region, we also saw encouraging growth in the year in EMEA. This was supported by new agreements in the second half of the year with First Abu Dhabi Bank and Volkswagen Payments S.A., along with an extension of our relationship with Arval, a subsidiary of BNP Paribas Fortis, to provide our Fraud solutions across another three European countries.
- *Upsell and Cross-sell:* we continue to see growth from existing customers increasing their use and number of services they take from GBG. Examples include Flexi Group in Australia now taking all our Identity and Fraud services in Australia and Domestic and General taking our Location and Identity services in the UK.

## Team Members

Our global team now has over 1,000 people working in 16 countries. I want to thank each of them for their dedication and professionalism over the last 12 months and through the very recent period in particular. They have delivered against the key priorities we set and we have entered our new financial year in good shape as a result.

I was also very pleased that our employee engagement survey, completed in March 2020, recorded its best result. We saw an improvement on last year's high score and an even higher response rate. We continue to have more than 90% of the global team who would recommend GBG as a great place to work.

## Current Trading, Guidance and Outlook

Our operational performance in FY20, along with the recent actions we have taken to conserve cash, have helped place us in as optimal a position as we could hope, to withstand the impacts of the pandemic.

Given the global impact of Covid-19, we have been encouraged by some countercyclical opportunities. These have, to a certain extent, helped soften the impact of reduced underlying activity in some parts of our business in the first quarter of FY21 trading. Although it is still early in the pandemic, customer churn and levels of insolvency are at normal levels although we have started to see some customers taking more time to settle their invoices. There has been little impact on our suppliers. We have continued to win new business, although sales cycles are, understandably, lengthening.

It is not possible to predict how long the effects of the disruption caused by the pandemic will last. While the Group has a high level of annual recurring licence revenue, which provides good visibility, the full impact on volume-based sales are harder to predict. This means we do not yet have sufficient visibility to provide guidance for the year ending 31 March 2021.

Despite what is happening to global economies, our drivers for growth remain the same and in some cases are more important as businesses have needed to adapt to new norms. We have confidence that the Group is well-positioned to face what might be ahead of us, thanks to a combination of our market-leading solutions, a diversified customer base and revenues not being reliant on a single customer or sector. Fundamentally, I believe that our long-term prospects in a post-Covid-19 environment remain as attractive as before.

**Chris Clark**  
Chief Executive Officer

# FINANCE REVIEW

## Principal Activities and Business Review

The principal activity of GB Group plc ('GBG') and its subsidiaries (together 'the Group') is the provision of identity data intelligence services. GBG helps organisations simply, safely and securely transact with their customers. Through the application of our proprietary technology, our vision is to be the leader in identity data intelligence, informing business decisions between people and organisations globally.

The performance of the Group is reported by segment, reflecting how we run the business and the economic characteristics of each segment. In order to reflect how the Group is presenting its lines of business to its stakeholders going forward, the naming and structure of the operating segments were amended with effect from 1 April 2019. Going forward 'Fraud, Risk & Compliance' has been separated into two new segments – 'Identity' and 'Fraud'. The 'Location & Customer Intelligence' segment has been renamed as 'Location'.

The Group results are set out in the Consolidated Statement of Comprehensive Income and explained in this Finance Review. A review of the Group's business and future development is contained in the Chairman's Statement, the Chief Executive's Statement and this Finance Review.

## Covid-19

Management has taken decisive action to reduce discretionary costs and preserve liquidity during the uncertainty during this period. These actions included an immediate Group-wide pay freeze and a pausing of all non-essential recruitment. Project spend is being carefully assessed and restricted to those areas critical to the long-term success of GBG. Executive Directors' bonus payments accrued for the year to 31 March 2020 have been deferred and as stated below, there will be no final dividend for 2020. An optional £10.0 million loan repayment that was planned for March 2020 was not made until May 2020 to ensure that the directors had been able to better assess the impact Covid-19 was likely to have on future cashflows.

## Review of the Business

The Group uses adjusted figures as key performance indicators in addition to those reported under IFRS, as adopted by the European Union and IFRIC. Adjusted figures exclude certain non-operational or exceptional items, which is consistent with prior year treatments. Adjusted measures are marked as such when used and are explained in note 37.

	2020 £'000	2019 £'000	Change £'000	Change %
Revenue	199,101	143,504	55,597	38.7
Adjusted operating profit	47,945	32,031	15,914	49.7
Adjusted operating profit/revenue	24.1%	22.3%	1.8%	7.9
Share-based payments charge	(4,541)	(2,287)	(2,254)	98.6
Amortisation of acquired intangibles	(19,008)	(10,316)	(8,692)	84.3
Operating profit before exceptional items	24,396	19,428	4,968	25.6
Exceptional items	(1,552)	(4,003)	2,451	61.2
Operating profit	22,844	15,425	7,419	48.1
Net finance costs	(2,218)	(689)	(1,529)	221.9
Profit before tax	20,626	14,736	5,890	40.0
Total tax charge	(3,562)	(2,583)	(979)	37.9
Profit for the year	17,064	12,153	4,911	40.4
Dividend per share	Nil	2.99	n/a	n/a
Adjusted earnings	42,165	28,759	13,406	46.6
Basic weighted average number of shares ('000)	193,631	158,052	35,579	22.5
Basic earnings per share (pence)	8.8	7.7	1.1	14.3
Adjusted basic earnings per share (pence)	21.8	18.2	3.6	19.8

Following the significant acquisitions over the past couple of years, the focus during the current year was to ensure these acquisitions were successfully integrated into the Group, as well as continued investment in the existing businesses to drive sustainable organic growth. Both the newly acquired businesses delivered profitable growth during the year.

This period of integration has been successful and meant that when the Covid-19 outbreak occurred, the business as a whole was able to adapt quickly to minimise the impact on operations. The profitable growth and continued high cash generation during the year means that the Group's balance sheet and financing ability remain strong, underpinning the Group's ability to navigate successfully through the uncertainty caused by Covid-19.

# FINANCE REVIEW

Adjusted operating profit for the year increased by 49.7 per cent to £47.9 million, reflecting:

- Revenue growth of 38.7 per cent to £199.1 million. This increase included organic growth of 10.7 per cent on a constant currency basis (10.3 per cent on a reported basis).
- The adjusted operating profit margin increased from 22.3 per cent to 24.1 per cent, notwithstanding significant continued investment for growth made over the course of the year.

## Adjusted EBITDA

Adjusted EBITDA was £51.7 million (2019: £34.1 million), consisting of adjusted operating profit of £47.9 million (2019: £32.0 million), depreciation (including right-of-use assets) of £3.6 million (2019: £1.5 million) and amortisation of purchased software and internally developed software of £0.2 million (2019: £0.5 million). Adjusted EBITDA has increased by £2.1 million due to the adoption of IFRS 16 as rent expenses previously within operating costs are now split between depreciation and interest, and therefore not part of the EBITDA calculation.

## Amortisation of Acquired Intangibles

The charge for the year of £19.0 million (2019: £10.3 million) represents the non-cash cost of amortising separately identifiable intangible assets including technology-based assets and customer relationships that were acquired through business combinations. The increased charge in the year is due to the full year impact of the acquisitions of VIX Verify and IDology in the prior year. As IDology, which is the largest acquisition the Group has made, completed towards the end of the prior year, this accounted for £9.0 million of the current year increase.

## Exceptional Items

Exceptional costs of £1.6 million (2019: £4.0 million) were incurred by the Group in the year and have been detailed in note 7 to the accounts. The principal reason for the decrease compared to prior year is that £3.7 million was incurred on acquisition related costs last year, compared to less than £0.1 million in the current year. £0.9 million of the charge relates to an increase in contingent consideration in relation to IDology, as detailed in the tax section below.

## Net Finance Costs

The Group has incurred net finance costs for the year of £2.2 million (2019: £0.7 million), the increase being interest on the new long-term loan which was taken out in February 2019. Also included within net finance costs is £0.2 million for interest on lease liabilities following the adoption of IFRS 16 in the year.

## Taxation

The total tax charge of £3.6 million (2019: £2.6 million) includes £4.8 million of current tax payable on the Group's profits in the year (2019: £4.6 million). Included within the total tax charge is a credit of £0.8 million related to the increase in the deferred tax asset for pre-acquisition losses within IDology. The benefit of this asset is payable to the former shareholders of IDology and so there is a corresponding cost within exceptional items to reflect the increase in the contingent consideration liability.

## Dividend

As communicated in the Pre-Close Trading Update on 22 April 2020, following the Covid-19 outbreak, the directors do not intend to declare a final dividend in respect of the 2020 financial year. This prudent step helps both preserve short term liquidity and also provides additional financial flexibility to support and invest in the business as we come out of the Covid-19 pandemic.

## Earnings Per Share

The earnings per share analysis in note 13 cover four measures:

- basic earnings per share (profit attributable to equity holders);
- diluted earnings per share (adjusting for the dilutive effect of share options);
- adjusted basic earnings per share (adjusted operating profit less net finance costs and tax); and
- adjusted diluted earnings per share (adjusted operating profit less net finance costs and tax adjusting for the dilutive effect of share options).

Basic earnings per share increased by 14.3 per cent from 7.7 pence to 8.8 pence reflecting the higher operating profit although offset by higher number of shares in issue. Adjusted earnings (adjusted operating profit less net finance costs and tax) was £42.2 million (2019: £28.8 million) resulting in a 19.8 per cent increase in adjusted basic earnings per share from 18.2 pence to 21.8 pence.

The basic weighted average number of shares at 31 March 2020 increased to 193.6 million (2019: 158.1 million), primarily due to the placing of 39.0 million shares to part fund the IDology acquisition in February 2019.

## Cash Flows

Group operating activities before tax payments and exceptional items generated £49.3 million of cash and cash equivalents (2019: £31.6 million) representing Adjusted EBITDA to cash conversion ratio of 95.2 per cent (2019: 92.7 per cent). Operating cash flows continued to be strong and the Group continually monitors its measures of cash generation and collection, especially during the Covid-19 outbreak to assess the recoverability of receivables.

The cash generated from operations enabled debt repayments of £24.9 million to be made during the year, with leverage reducing to 0.68 from 1.94 in 2019. Further detailed analysis of this movement is included in the Consolidated Cash Flow Statement.

Post year-end a further loan repayment of £10.0 million has been made.

## Acquisitions

As detailed in note 36, contingent consideration of £5.2 million in respect of the deferred tax losses in IDology was recognised as a measurement period adjustment. During the current year the liability increased by £0.8 million due to the CARES Act permitting the losses to be carried back to periods when the tax rate was higher. A further increase of £0.1 million to the liability was recognised due to movements in exchange rates.

A payment due in relation to the IDology acquisition, completed in February 2019, was made during the current financial year. This payment of £86,000 based on the final working capital position was included within the contingent consideration liability at 31 March 2019 at a value of £79,000. The variance was due to exchange rate fluctuations between the acquisition date and the final payment date.

## Deferred Income

Deferred income at the end of the year increased by 4.9 per cent to £38.4 million (2019: £36.6 million). This balance principally consists of contracted licence revenues and profits that are payable up front but recognised over time as the Group's revenue recognition criteria are met. The timing of invoicing for multi-year contracts within the Asia Pacific business meant that their deferred revenue balance decreased by 48%. Excluding Asia Pacific in both periods the deferred balance increased by 8.5 per cent.

The deferred income balance does not represent the total contract value of any future unbilled annual or multi-year, non-cancellable agreements as the Group more typically invoices customers in annual or quarterly instalments. Deferred income is determined by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing and new business linearity within a reporting period.

## Treasury Policy and Financial Risk

The Group's treasury operation is managed within formally defined policies and reviewed by the Board. The Treasury Policy was updated during the year and this review also led to the establishment of a Treasury Committee. The Treasury Committee meets on a regular basis to review cash flow forecasts, covenant compliance, exposure to interest rate and foreign currency movements and make recommendations to the Board based on these reviews.

The Group finances its activities principally with cash, short-term deposits and borrowings but has the ability to draw down up to £47.5 million of further funding from a revolving credit facility that is in place. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operating activities. Surplus funds of the Group are invested through the use of short-term deposits, with the objective of reasonable interest rate returns while still providing the flexibility to fund ongoing operations when required. It is not the Group's policy to engage in speculative activity or to use complex financial instruments.

The Group is exposed to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk which are described in note 27 to the accounts.

Approved by the Board on 30 June 2020.

**Dave Wilson**

**Chief Financial Officer & Chief Operating Officer**

# PRINCIPAL RISKS AND UNCERTAINTIES

## Risk Management – Identifying and Managing Risk

An essential element of how we run GBG is our approach to risk management. This helps us to deliver long-term stakeholder value whilst protecting our business, people, assets, capital and reputation. We consider risk assessment and control to be fundamental to achieving our strategic objectives.

We have established an ongoing process for identifying, evaluating and managing the significant risks that we face and the effectiveness of the related controls. This process is reviewed every six months by the Audit & Risk Committee, who report their findings to the Board. BDO LLP were appointed in November 2019 to provide GBG with an outsourced internal audit arrangement.

BDO's initial scope of work included conducting a strategic review of the Group's risk management and internal controls process and also the Group's cyber security controls. The work was conducted and completed during the final quarter of the financial year and the recommendations will be incorporated into our ongoing risk review process.

### Coronavirus (Covid-19)

We anticipate that the key risk themes of 2020, described in our risk profile, will continue to be a focus in 2021, but in addition would highlight that the financial and operational impacts of Covid-19 are moving at pace. GBG has strong business continuity plans to accommodate operational impacts and these have been invoked to address the needs of the business and also the requirements of the relative government guidance in the countries in which we operate.

We are taking special measures to support our people and their well-being during the pandemic. Almost all of our team members are now working from home – some of our colleagues in China and Malaysia have now returned to the office. We have also put a strong emphasis on communications to keep our team members connected and informed. This has included a weekly CEO webinar update, managers keeping in regular touch with their teams by video and conference calls together with using our Group intranet to provide support information and to share experiences between the regions. As has been the case in China and Malaysia, any return to our office locations will be carefully considered in respect of the best interests of our team members, risk assessments being conducted in line with local guidance and best practice and detailed briefings to team members on the return to office procedures.

GBG has conducted thorough assessments of the potential impact of Covid-19 on the Group's principal risks from a strategic, commercial and operational perspective. This has ensured that the business can provide the appropriate response in the short-term to our team members and customers in order to support our plans to position ourselves regarding our longer-term sustainability and viability.

At the start of the crisis we established a Covid Team, chaired by the CEO and supported by members of the Group's Executive Team. The Covid Team established a number of work streams, each headed by a team leader, to help us coordinate our response to the impact of Covid-19 across our business. These work streams covered are: Team Members, Customers, Financial Health, Operations, Governance and Opportunities.

The Covid Team has met regularly every week to discuss issues and concerns, to receive updates from the work stream team leaders and, where required, to quickly approve decisions. The Board receives weekly updates and briefings on our response to Covid-19 so that they can assess the business issues and make critical decisions quickly. In recent weeks, the scope of the Crisis Team's work has included planning for a wider relaxation of the lockdown restrictions around the world and to ensure the business is prepared, as fully as possible, to support our team members, customers and other stakeholders.

Prior to the pandemic taking effect, our business model already featured: the ability of all of our teams to work remotely and securely; a diverse portfolio so that we were not overly reliant on a particular customer, market or geography; and market leading products and services that support organisations during upturns and downturns. Having these features in place, in addition to taking immediate and appropriate steps to preserve GBG's cash position, has meant that we have been able to respond positively to the early challenges presented by the pandemic although the full effect on the business is still uncertain. However, we will not be complacent and are monitoring the situation and potential exposures as matters develop and in turn have a range of further plans to put into action should this be required.

## Framework – Risk and Control Structure

### The Board

GBG's Board has overall responsibility for the Group's risk management framework. The framework is not designed to eliminate risk but define and manage the type of risk and level of exposure we are prepared to take in pursuit of our strategic objectives to ensure decisions taken align with the Group's risk appetite. The Board reviews the recommendations made to it by the Audit & Risk Committee.

### Audit & Risk Committee

The Committee regularly monitors the principal risks and uncertainties identified by our risk assessment processes, along with the strategies developed and the actions we have taken, wherever possible, to mitigate them. Our risk identification, assessment and reporting is supported by GBG's Executive Management, through the Executive Team, who continually review the effectiveness of our system of risk management and internal controls.

### Internal Controls Team

The Group's Internal Controls Team assesses current risks, reviews and monitors the controls that mitigate those risks; and identifies potential new risks to the Group. It reports to the Chief Executive Officer and the Chair of the Audit & Risk Committee on matters of internal control and risk assessment.

### The Executive Team

Each member of our Executive Team is responsible for the management of the specific risks within their own business unit. They also report into the Internal Controls Team where they collectively review and monitor specific risks, agree mitigation actions and update risk scores.

### Internal and External Auditors

The Group's internal and external auditors have responsibility to review and assess the Group's risk management and internal controls process and to report their findings and recommendations to the Audit & Risk Committee.

## Key Elements of the Control Framework

The Board is responsible for maintaining and reviewing the effectiveness of our risk management activities, from a strategic, financial and operational perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business strategy.

Risks are owned and managed within the business, and reviewed formally by our first line business and second line Internal Controls Team at least every six months. They review risks and controls, including those relating to information security, regulatory compliance and business continuity. The results of these reviews feed into our reporting cycle. Our key element of the risk control framework are as follows:

### Internal Controls

Our internal controls system facilitates the management of risks that could impact upon our ability to meet our objectives. We acknowledge that the system is simply a means to mitigate, rather than eliminate risk. In addition to the Internal Controls Coordinator having periodic 1:1 meetings during the year with risks owners to review their risk portfolio and actions taken, the Internal Controls Team meets formally twice a year to carry out an in-depth risk review. In this review, Executives from across the business are required to collectively identify and assess risks specific to the business and review and monitor controls. The team scores risks based on qualitative and quantitative information including an assessment of impact. The meetings are chaired by the Internal Controls Coordinator who collates the results and manages the risk register, which holds all of the risk scores.

### Risk Management

The Internal Controls Coordinator presents the results of the Group's risk reviews and the risk register to the Audit & Risk Committee. They are responsible for regularly monitoring and assessing our risk management functions and reports directly to the CEO on all matters of internal control and risk assessment. The Audit & Risk Committee of the Board monitors and provides robust challenge on, through the reports provided by the Internal Controls Team, the controls which are in force and any perceived gaps in the control environment. The Audit & Risk Committee also considers and determines relevant action in respect of any control issues raised by the Internal Controls Coordinator or the external auditor or the internal auditor. The Committee also sets the review programme for the internal auditor.

# PRINCIPAL RISKS AND UNCERTAINTIES

## **Financial Reporting Process**

GBG's management team and the specialists within our Finance Team are responsible for ensuring the appropriate maintenance of financial records and processes to ensure that all information is relevant, reliable and compliant with the applicable laws and regulations. They are also responsible for ensuring that the Board and GBG's advisers receive such information in a timely manner. The financial statements are reviewed by our management team to ensure that the Group's results and financial position is appropriately reflected. Our Audit & Risk Committee challenges, reviews and approves the release of all financial information published.

## **Strategic & Financial Planning**

We have an established budgeting and strategic planning process, whereby we assess our competitive position and goals, taking account of the strategic risks faced. This strategy is translated into financial plans with clear milestones and performance indicators and these are regularly reviewed and assessed by the Board.

## **Performance Management**

Our performance against the strategic plan is closely monitored by a formal monthly reporting process and by the attendance of the relevant Executive Directors at monthly Executive Team meetings and, when required, at bi-monthly Board meetings.

## **Capital Investment**

We have in place a clear process for the approval of capital expenditure, which includes a detailed appraisal of the benefits of the proposed investment and any associated key risks. Board approval is required on material capital expenditure matters and the process is detailed in a formal set of matters reserved for the Board approval.

## **Health & Safety**

We have established health and safety standards and benchmarks, our performance meeting these standards is closely monitored. In light of the evolving requirements flowing from the Covid-19 pandemic, the focus of our activities in this area will be in relation to creating and maintaining safe working environments for all our team members.

## Our Risk Profile

Our risk identification processes has two main strands:

- A bottom-up approach at a business unit and central services unit level. This identifies the risks that threaten a unit or units which the business manages. To give us visibility of issues across the business, we consolidate these risks at the regional and global level, and escalate to the Risk Management Committees.
- A top-down approach at a Group level. This identifies the principal risks that threaten the delivery of our strategy.

The diagram below summarises our principal risk profile and trends in the threat levels.

## Principal Risk Profile



### Key



Inability to Meet New Product Development and Scalability Challenges



Ineffective Succession Planning and Skills Retention



Non-supply by Major Supplier



Loss of Intellectual Property



Covid-19



Cyber Attack



Failure to Comply with Regulations and Laws and/or Changes in Regulatory Environment & Enforcement



Loss of Data and Systems through Ineffective Disaster Recovery & Business Continuity Plans



Increasing Competition and Global Reach

# PRINCIPAL RISKS AND UNCERTAINTIES

## Risk Appetite and Principal Risks

The Board is responsible for setting the level of risk and our associated risk appetite to ensure we focus appropriately on the risks we face. We identify and assess the impact of risks to the business under four key headings – financial, strategic, operational and knowledge. For each risk, the likelihood is identified and the impact is assessed using quantitative and qualitative information.

The significant risks and uncertainties we face are set out below together with a summary of the control measures and mitigations employed. Notwithstanding these actions, due to the pace and nature at which risks evolve, we remain vigilant in addressing these areas of concern and developing our control measures. In addition, we have also included detail in the table to show specific Covid-19 mitigations and actions that have been taking place.

The Board is very much aware that as a public company, reputational damage is a risk and as such is a key concern. The potential effects to our reputation are not under-estimated by the Board and whilst the following commentary is not specific in detailing reputational damage as an identified risk, its impact is a major, over-arching consideration across our risk portfolio.

Risks	Description	Mitigation
<p><b>Failure to Comply with Regulations and Laws and/or Changes in Regulatory Environment &amp; Enforcement</b></p> 	<ul style="list-style-type: none"> <li>– Within the markets we operate, legislation changes on a regular basis and the interpretation of existing laws can also change, creating ever-tightening standards. This will often require additional human and financial resources and the provision of new assets and systems.</li> <li>– We are committed to responding positively to regulatory change to ensure compliance could affect the pricing for, or adversely affect the revenue from, the services the Group offers.</li> <li>– We also acknowledge that we are required to maintain a number of accreditations and registrations to meet a number of contractual and statutory obligations.</li> <li>– We are aware of increasing international regulation in respect of data handling and privacy in the geographies in which we operate.</li> </ul>	<ul style="list-style-type: none"> <li>– We have a dedicated Legal, Governance, Health and Safety, Privacy &amp; Information Security Teams who are collectively responsible for monitoring changes to legislation and ensuring compliance in each area. Indeed, we continue to invest and have increased the number and skills levels of the respective teams in the past year.</li> <li>– We have established procedures which we invoke when presented by material issues and changes (such as Covid-19, Brexit and regulatory challenge) involving: bringing together a senior team; assessing the issue and scoping a plan of action; assigning activities; and monitoring progress and developments. There is also a process for keeping the Board informed and seeking its advice and feedback and for escalating matters.</li> <li>– We have access to a range of external legal advisors, globally.</li> <li>– We have a global intranet through which we advise, train and provide ongoing development to all of our team members globally about our policies which provides us with the means to ensure ongoing compliance with regulatory obligations including those required by data protection and privacy laws. Our processes allow monitoring to ensure that all team members undertake the necessary training which can be evidenced to regulators and customers where needed.</li> <li>– We will continue to invest in training of team members in data handling and privacy best practices.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>– During this pandemic our priorities have been to protect our team members and to support their health and well-being, to look after our customers and to secure our business both financially and operationally.</li> <li>– In addressing these priorities, Covid-19 has led to additional legislation in the jurisdictions in which we operate covering health and safety, finance and governance. There are various work streams with our Covid Team to consider changes in legislation and guidance and, in conjunction with our professional advisers, ensure that we have assimilated the various information to understand and comply with the requirements. This focus will be maintained as lockdown restrictions are eased globally and governments implement further initiatives to support their citizens and economies.</li> <li>– As indicated elsewhere in this report, in November 2018 The Information Commissioner's Office, the data industry regulator in the UK, announced that it was conducting audits on a number of companies to understand the use of data in their services. GBG was included in this review and continues to engage with the Commissioner as part of that review. We will keep the market informed of any material developments.</li> </ul>

Risks	Description	Mitigation
<p><b>Increasing Competition and Global Reach</b></p> 	<ul style="list-style-type: none"> <li>- We operate within increasingly competitive markets and intensified competition could lead to pricing pressures.</li> <li>- A reduction in the rate at which we add new customers may decrease the size of our market share if clients choose to receive services from other providers.</li> </ul>	<ul style="list-style-type: none"> <li>- Our business development and product functions track the activities of our competitors and this insight is used by management to quickly adapt our go-to-market strategy.</li> <li>- We always seek to differentiate ourselves from the competition and have increased our focus on product marketing, pricing and packaging to support this.</li> <li>- We continue to enhance our product portfolio through a mix of internal development, partnering and acquisition.</li> <li>- We maintain a strong focus on our core target markets within Europe, North America and APAC and work with partners to extend our reach in our chosen verticals.</li> <li>- Our acquisition strategy has opened up new markets and territories enabling cross sale as well as leveraging opportunities to increase the size of our customer base within established markets. We remain vigilant to further acquisition opportunities to develop further our strategic aims.</li> </ul> <p><i>In progress</i></p> <ul style="list-style-type: none"> <li>- We have maintained our activities in relation to our product development roadmap and have also set up teams to review potential new developments to support our existing and potential customers as they respond to the pandemic.</li> <li>- We have taken some immediate action to preserve our short-term liquidity and to provide additional financial flexibility to support and invest as GBG comes out of the Covid-19 pandemic. We have also conducted extensive stress testing of our balance sheet, cash and access to draw down facilities to support the Board assessment of ongoing liquidity requirements to support its operations and potential investments.</li> <li>- Also, our Covid Team has workstreams covering the assessment of threats and opportunities of competitor activity in our markets.</li> </ul>
<p><b>Non-supply by Major Supplier</b></p> 	<ul style="list-style-type: none"> <li>- Some of our data and infrastructure is sourced from third party suppliers and partners. The removal from the market by one or more of these third party suppliers or interruption in supply could quickly and adversely affect our operations and result in the loss of revenue or additional expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>- Our Product, Data and Technology Teams work strategically to prevent over reliance on any one key supplier, having multiple suppliers and other such mitigations where required.</li> <li>- Suppliers are carefully selected to minimise risk of supplier failure or insolvency.</li> <li>- We ensure our team members are aware of supplier requirements or restrictions to minimise the risk of loss of a supplier due to a breach of contractual obligations.</li> </ul> <p><i>In progress</i></p> <ul style="list-style-type: none"> <li>- In support of our work taken prior to the pandemic, as part of our Covid-19 business continuity plan ("BCP") process, we have conducted further and more immediate risk assessments and checks of our key suppliers BCPs to assess their preparedness and ability to meet GBG's ongoing requirements during the pandemic. The list was prioritised to deal with our most critical suppliers initially and work has continued in assessing those suppliers further down the priority.</li> </ul>

# PRINCIPAL RISKS AND UNCERTAINTIES

Risks	Description	Mitigation
<b>Cyber Attack</b> 	<ul style="list-style-type: none"> <li>Given the nature of our business, the threat of unauthorised or malicious attacks on our IT systems is an ongoing risk. The risk of a cyber attack such as denial of service attacks, phishing, data theft and disruptive software campaigns is constantly evolving and becoming increasingly sophisticated.</li> </ul>	<ul style="list-style-type: none"> <li>We have cyber insurance in place and have established policies to protect the Group against a cyber attack and any security breaches, which is headed up by our Chief Information Security Officer.</li> <li>The Group's Information Security capability has been strengthened during the year to provide additional support and expertise.</li> <li>Cyber risk continues to be an ever increasing threat and the Group's strategy ensures continuing improvements in developing, maturing and testing our defences.</li> <li>We will continue to develop our InfoSec awareness programme with all of our team members to raise the knowledge of cyber risk and information security and use our global intranet training programme to ensure that all team members undergo training and development on cyber threats and good IT business practices.</li> <li>Penetration testing is conducted via an approved third-party specialist.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>GBG has been diligent in maintaining the scope of review and monitoring of cyber threats. We are keenly aware of the increase in Covid-19 relating phishing and fraud attempts and have dealt with these issues proactively including an awareness campaign to update all of our team members to supplement prior training given.</li> </ul>
<b>Loss of Data and Systems Despite Disaster Recovery &amp; Business Continuity Plans</b> 	<ul style="list-style-type: none"> <li>We have an understandable reliance on our IT systems and people. In the event of an incident affecting business continuity, we would initiate our business continuity plans; however, the loss of key components as a result of the incident could affect the Group's operations and result in additional expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Our global business continuity programme covers policies and procedures for the key components of each of the businesses' operating units. During the latter part of the 2020 financial year, the Group instigated a comprehensive review of our business continuity programme to ensure that the programme continues to meet the needs of the Group as we continue to grow in size, diversity and complexity.</li> <li>Disaster recovery requirements and network security are regularly reviewed, back-ups are maintained in databases and data centres including off-site provisions. These policies and programmes are subject to annual review and audit.</li> <li>We engage and undertake due diligence with our data partners and suppliers to ensure vulnerabilities are identified and mitigated against.</li> <li>Risk analysis and mitigation processes relating to products and services that we either provide or consume. These are fed into a risk matrix where we track treatment plans against each risk.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>As part of our increased monitoring of this risk area, the Covid Team receives daily reports on usage volumes of all of our services together with network service availability updates. This data has been provided throughout the period to identify trends and to support our activities.</li> </ul>
<b>Inability to Meet New Product Development and Scalability Challenges</b> 	<ul style="list-style-type: none"> <li>In order to maintain a competitive advantage, we invest significant amounts of resource into our product development.</li> <li>The development of all new technologies and products involves risk, including the product being more expensive, or taking longer to develop than originally planned; the market for the product being smaller than originally envisaged or that the product fails to reach the production stage.</li> <li>It is also imperative that our developments have the ability to scale as the business grows both in size and complexity.</li> </ul>	<ul style="list-style-type: none"> <li>We carry out extensive research and market analysis around the viability of a product before the development phase is initiated and have increased the involvement of customers throughout the process.</li> <li>We have increased the investment in our product development teams, ensuring that development meets both tactical and strategic business objectives. We continuously improve our development skills, processes and platforms to ensure that GBG adopts best practice and can address at pace potential challenges and opportunities.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>A work stream of the Covid Team is to assess potential opportunities and developments to support our customers to address new challenges and working practices as a result of Covid-19.</li> </ul>

Risks	Description	Mitigation
<p><b>Loss of Intellectual Property</b></p> 	<ul style="list-style-type: none"> <li>We generally protect our proprietary application software products and services by licensing rights to use the applications rather than selling or licensing the computer source code.</li> <li>In addition to checking and auditing our customers' use of GBG's intellectual property, we also rely on trademark, copyright, patent and other intellectual property laws to establish and protect our proprietary rights in these products and services. However, there is a risk that our proprietary rights could be challenged, limited, invalidated or circumvented.</li> </ul>	<ul style="list-style-type: none"> <li>All of our contracts include provisions to protect the proprietary rights of the Group. GBG's legal function also ensures that such rights are protected during any negotiation with customers or suppliers.</li> <li>Where appropriate, we register trademarks globally and work closely with external advisors to ensure that the businesses' rights are safeguarded in all territories in which we operate.</li> <li>GBG has also invested increasing resource to improve proactivity in conducting audits on customer compliance with licensing obligations.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>Where appropriate, we have allowed some flexibility in our terms when dealing with our customers as we look to support them during this time. However, this amenability in terms has not extended to any compromise in the protection of intellectual property rights of GBG and our third party data suppliers.</li> </ul>
<p><b>Ineffective Succession Planning and Skills Retention</b></p> 	<ul style="list-style-type: none"> <li>Our people are key to our success. We acknowledge that we operate in very competitive markets and that the skills that our people possess are attractive to other employers. Not having the right people and skills could impact negatively on our ability to service our customers and grow the business.</li> <li>It is important that we maintain high levels of employee engagement to ensure that we are able to retain and attract the best talent.</li> </ul>	<ul style="list-style-type: none"> <li>We invest in developing the skills and abilities our people across of our locations and geographies.</li> <li>We offer competitive total benefits packages (compensation and benefits) and these are reviewed and benchmarked regularly.</li> <li>Employee engagement is monitored formally every six months through a Group-wide survey and the results are used to focus on improvement activities.</li> <li>We monitor attrition rates by business function and location in order to identify issues and, where necessary, take restorative action.</li> </ul> <p><b>In progress</b></p> <ul style="list-style-type: none"> <li>We acknowledge that we operate in a highly competitive talent market and as a result we have ensured that during the pandemic that we have continued to provide high levels of support and consideration to our team members' well-being and ongoing development. In light of Covid-19, the Board and the Remuneration Committee have discussed a range of proposals and potential actions to support these initiatives in order to maintain our ability to retain and attract talent needed by the business.</li> </ul>

## Emerging Risks

As indicated at the start of this report, GBG's risks are continually reviewed and reassessed with escalation and reporting to the Board. The process considers all relevant internal and external factors, and is designed to capture those risks which are current but have not yet fully crystallised, as well as those which are expected to crystallise in future periods.

As a result of Covid-19, a further key and emerging risk to the Group's strategy is the impact of the pandemic on the geo-political and macro-economic environment. We already had risk review processes in place to address matters relating to downturn in economies and political change in the jurisdiction in which we operate (including Brexit). The precise duration and depth of the downturn is uncertain, but our focus is, and will continue to be, in managing emerging risks associated to the disruption to our business by Covid-19.

# PRINCIPAL RISKS AND UNCERTAINTIES

## Viability Statement

Our business model and strategic priorities are key to the Board's assessment of the Group's prospects. We continuously review these alongside forecasts and budgets in order to have a clear view, so far as is possible, on the viability of the Group over the medium term. The Board's assessment of viability is influenced by the businesses' current and projected performance against financial and non-financial KPIs and an analysis of principal risks within the Group's risk assessment framework. In the current year this assessment has included detailed consideration of the potential impact of Covid-19 on viability.

There are a variety of different time horizons relevant to assessing our prospects. Management currently forecasts as part of the business planning process and capital investment cycle over a varying period. A detailed bottom-up model is used to budget the business for a period of one-year in advance and a top down model for a period of five years.

We have continued to use a three-year timeline when considering viability because we believe to forecast across the entire group for a period longer than this with any significant level of certainty is difficult. Current market volatility and uncertainty in light of the Covid-19 outbreak only serves to reinforce this view.

In assessing the viability, the Board has considered the following:

- GBG operates across diverse sectors and has an extensive global presence which provides mitigation from over-reliance on key geographic markets;
- GBG products support businesses operating in an online world;
- GBG has strong cost control mechanisms; and
- There is considerable headroom available to us in our cash reserves and revolving credit facility agreement. This has been tested through stress testing, reverse stress testing and sensitivity analysis as part of the Going Concern review detailed in note 2.2.

Having considered all of the above factors, we have a reasonable expectation that the Group will continue in operation and meet our liabilities as they fall due over the next three-year period.

We acknowledge that this assessment is subject to uncertainties outside of our control and accordingly, the viability of the Group cannot be guaranteed.

# CORPORATE RESPONSIBILITY STATEMENT

## Introduction

I am pleased to introduce this report, which provides an overview of our approach to corporate responsibility ("CR"), by discussing the governance, social and environmental issues we believe to be most relevant to our business and stakeholders, as well as providing a comprehensive update on activity throughout the year. Whilst current terminology usually refers to environmental, social and governance ("ESG"), we have purposefully reordered these indicators on the basis of their relative materiality to our business. At GBG, our Board has overall responsibility of CR, with developments and initiatives being led by myself, supported by the Executive Team. CR practices are deeply embedded in our day-to-day activities and are integral to our business model and strategy.

We passionately believe in the fundamental importance of effectively managing governance, social and environmental risks and harnessing opportunities and are committed to continuous improvement of CR practices. In order to provide our stakeholders with sufficient levels of transparency on these topics, we are always looking at ways of optimising our reporting and I am pleased to provide a higher level of detail in this report. We are, however, mindful of the fact that this is an ongoing process. We are cognisant of the benefits of using measurable indicators and targets in reporting on our CR activities and are carefully considering the most appropriate metrics in the context of our strategy, business model and most material issues.

Recognising the importance of CR to our business, we have created a global set of key principles and policies that act as a framework to enable a consistent approach for GBG to fulfil our purpose to: establish trust between businesses and their customers; to work and act responsibly; empower, prioritise and protect our people; create broader societal value and protect the environment. We are acutely aware of the different markets and contexts in which we operate and, therefore, have taken the decision to decentralise some elements of CR decision making to local teams to enable maximum impact and to facilitate greater agility against the backdrop of shifting requirements in global and local markets. This enables us to act nimbly and adjust to changing policies, laws and practices, whilst maintaining a resilience at Group-level which is underpinned by our overarching approach.

The policies relating to our framework have been updated and expanded during the year to keep pace with changing developments and initiatives. Revisions to the policies also take into account feedback received from our team members, investors, regulators and our customers.

As detailed elsewhere in this Annual Report, our primary focus during the Covid-19 pandemic has been on the health and well-being of our team, who look after our customers who in turn support our business. At an early stage during the pandemic we made a range of decisions to protect our people and to look after our customers and other stakeholders in order to secure the long-term prospects and value of the business. GBG has been quick to adapt to the changing working environment with our team members working effectively remotely and with a strong focus on employee engagement. Managers have been encouraged to keep in regular touch with their teams by video and conference calls, together with using our Group intranet to provide support information and to share experiences between the regions.

A key factor in our ability to operate our Group business continuity plan effectively has been our team members' ability to work remotely and flexibly as well as the cohesiveness of our global teams – these have been areas of specific focus and development by GBG prior to the pandemic. Our continued strong engagement with customers, suppliers and investors has also led to increased levels of confidence amongst our stakeholders, reinforcing their belief in GBG's ability to operate with strength and integrity during the pandemic and to emerge from this crisis with the ability to continue to execute on our long-term growth strategy.

## Governance

As a Group, and more specifically a Board, we believe that good corporate governance is essential for building a successful and sustainable business in the long-term interests of all GBG stakeholders. It is our view that trust, responsibility and ethics are the cornerstones of an effective organisation and we actively promote a culture of honesty, integrity, trust, and respect across the business. We look to uphold human rights, encourage diversity and equality, and promote good governance. All of GBG's team members are expected to operate in a responsible manner and key elements of the procedures we have in place to engender trust and facilitate ethical practices are covered in this statement. These are all underpinned by our Code of Conduct, which is publicised and promoted to all team members, with access and training provided on the Group intranet, Be/developed.

### Corporate Governance

The Board ensures that the highest standards of corporate governance are practiced throughout the Group and that it conducts itself in the best interests of the Group's many stakeholders. In September 2018, we adopted the 2018 Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') as the basis of our governance framework and we have complied in full with the QCA Code. A comprehensive account of our compliance and corporate governance activities is detailed in our Corporate Governance Statement on pages 43 to 47.

# CORPORATE RESPONSIBILITY STATEMENT

## **Ethical Practices**

The Board takes ultimate responsibility for ethical issues throughout the Group and seeks to lead by example. As a Group, we are committed to continuously improving our practices to ensure that slavery and human trafficking are not taking place in any part of our business or supply chain. We expect the same commitment from our suppliers, contractors and business partners and have adopted a policy on Modern Slavery, setting out the standards we expect from our stakeholders, that is reviewed each year. A copy of our Modern Slavery Statement is regularly shared with our team members and is available at [www.gbgrp.com](http://www.gbgrp.com). All new starters are required to review and confirm their understanding of our Modern Slavery statement as part of their online induction process.

It is our policy to conduct business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery. Through our Anti Corruption and Bribery Policy we provide guidance on acceptable behaviour, give team members examples of what would constitute bribery and encourage the reporting of any suspected bribery activities through our independent whistleblowing channel.

As a public company, with shares traded on the London Stock Exchange, a diverse range of institutions and individuals choose to invest in GBG and they expect to do so with the confidence that others are not trading in our shares with inside information that is not yet publicly available, otherwise known as insider trading. The Group operates a 'Dealing Code' to ensure that Directors and team members do not abuse and do not place themselves under suspicion of abusing inside information and that they comply with their obligations under the Market Abuse Regulations.

We have adopted a policy to uphold all laws relevant to countering tax evasion and prevent persons associated with GBG and its subsidiary companies from engaging in the criminal facilitation of tax evasion in the UK or in a foreign country. The policy outlines the procedure that must be followed should a team member suspect a breach of the policy.

We do not tolerate behaviour which contravenes our Code of Conduct, or which could result in reputational damage to the business. We encourage team members to raise concerns without fear of reprisals and provide clear reporting lines for instances of fraud, bribery, bullying, unfair or unethical treatment and unsafe working practices. We have an externally-provided, 24/7 whistleblowing hotline to enable team members to report in complete confidence from anywhere in the world any unethical practices or concerns. The hotline provides access to local operators who provide a wider scope of support in local languages of those countries in which our teams operate. The whistleblowing procedure, which is communicated to all team members via the intranet to ensure that it is widely available and properly communicated, contains a clear structure to process any reported incidents and is overseen by the Audit Committee, with the Chair holding ultimate responsibility. No issues were reported during the year.

## **Data Privacy & IT Security**

Our business model is built upon our ability to engender trust with our data partners, the businesses using our products and end consumers, therefore we consider our duty to be a responsible data custodian as one of our most material issues and central to our CR strategy. As our highest governing body, the Board has oversight of this responsibility.

We recognise our responsibility to think carefully about how data is processed and used in order to uphold a high standard of data ethics within the business and to enable the same amongst our customers. We prioritise ethical data practices and have several controls, systems and approaches to ensure confidence in our business, including:

- Evidence of provenance when data sourcing
- Ability to demonstrate how and where data is being processed and that this is conducted on a lawful basis
- Fair and transparent approach to all algorithms and technology

In our view, privacy is a fundamental human right and, therefore, we acknowledge our responsibility to safeguard data security at every step of the supply chain – from our data providers to our customers and their end-consumers. Our overarching aim is to protect both information and systems from malicious or accidental data loss, damage or abuse.

Acting as a custodian of customer identity data for some of the largest organisations in the world, GBG aims to set the highest standards of information security and in so doing has developed an Information Security Management System ('ISMS') to meet the requirements of the ISO27001 standard. The ISMS aims to safeguard our systems and networks from unauthorised access, compromise and or/disclosure of data to protect the confidentiality, integrity and availability of information resources and assets held by GBG and its customers.

A number of penetration tests are conducted across GBG products, including the completion of a Global Threat Assessment (RedTeam) exercise across the entire business. Vulnerability scanning takes place at least monthly with all cloud environments, in addition to being subjected to a continuous security test ('CST') service. GBG has invested in and implemented technologies such as DarkTrace and Exabeam – both of which use machine learning and user behaviour analytics to identify any abnormal behaviour on our networks.

Internal and external audits and risk assessments are conducted as part of GBG's policy of continuous improvement and also to providing assurance of the currency and effectiveness of its information security policies, processes, systems and networks.

We are committed to collecting, processing and analysing data compliantly, in line with data privacy legislation and, as a global company, this covers many jurisdictions and laws, such as the General Data Protection Regulation ('GDPR') in the EU and California Consumer Privacy Act ('CCPA') in North America. We work closely with our data partners to ensure that the data we source is compliant with applicable legislation. We have an extensive framework of policies and procedures to follow, which are all available to GBG team members through our intranet, to ensure we always do the right thing for our customers and individuals. These include our Data Protection Policy, which is designed to ensure that we address the broad range of risks to our corporate, supplier and customer information. All such procedures are housed within an overarching framework called 'be/compliant', with four key principles, which are continuously promoted to ensure we interact with data appropriately:

- "We will ensure we know what we can do with data and if unsure, we will ask"
- "We will be clear about how we are going to use data"
- "We will ensure we protect the data we hold/process"
- "We will ensure compliance both individually and as a team"

GBG is committed to ensuring that all team members are fully aware of their responsibilities in relation to data protection and security. Mandatory training modules are in place and all team members can access these via be/developed. These modules are reviewed in line with any legislative changes or on an annual basis (whichever is soonest).

With a data network spanning over 150 partners worldwide, we are acutely aware of the onus on us to source data in a responsible manner and through our data sourcing and privacy teams endeavour to ensure that we can maintain our high credentials in this area through:

- carrying out supplier due diligence before data is used and on-boarded
- ongoing monitoring of supplier credentials to ensure continued compliance with relevant laws and regulations
- maintaining effective account management with suppliers and reviews of the currency and accuracy of data sources

In support of these security and data activities, GBG is a member of the International Association of Privacy Professionals ('IAPP') and we have implemented the One Trust Privacy Management Software to further support our global privacy management obligations.

Further details relating to assessment and mitigation actions for the risks associated with data privacy and information security are detailed in the Principal Risks and Uncertainties Report on pages 24 to 32.

## Social

Our team members are central to the long-term success of GBG and we look to attract and retain 'the best and most engaged people'. We prioritise effective employee engagement as well as investing in the development of our people, and we aim to cultivate a strong, committed, and innovative culture within a diverse and inclusive workforce. We are also continually considering ways of maximising positive societal contributions of both our own business and that of our customers.

## Equality & Diversity

We strongly believe that diversity throughout the Group is a driver of success and recognise it has significant benefits. By focussing on diversity, we believe GBG can be a more effective, successful and profitable company as well as continuing to be considered a great place to work by our team members.

Diversity provides us access to a greater range of talent, not just the talent that belongs to a particular world-view or ethnicity or some other restricting definition. Our employment, training and career development policies and practices promote equality of opportunity regardless of gender, sexual orientation, age, marital status, education, disability, race, religion or other beliefs and ethnic or national origin. We aim to encourage a culture in which all team members have the opportunity to develop as fully as possible in accordance with their individual abilities and the needs of the Group and continue to look at ways that we broaden diversity throughout the Group.

# CORPORATE RESPONSIBILITY STATEMENT

We have taken a number of proactive steps to promote diversity and equality within GBG under our Group-wide initiative, *be/yourself*. Launched two years ago this initiative supports a range of activities in our focus areas of:

- Nationality, race, religion and location
- Sexual identities, inclusive of LGBT+ definitions and gender fluidity
- Experience and age
- Gender and addressing imbalances in our business, our industry and our communities

We have a dedicated manager appointed as Head of Diversity & Inclusion who is supported by a team of volunteers (*be/yourself* champions) from around the business to support every team member to feel comfortable in being themselves - meaning that everyone is treated as equal and with respect. Through *be/yourself*, it is our objective to support and promote an inclusive and diverse culture at GBG through a range of activities to seek views, raise awareness and provide opportunities for learning and sharing knowledge. Activities during the year have included promoting and celebrating: International Women's Day, various International Pride events, and diversity/women in tech.

In line with the UK Government requirement, in March 2020 we published our third Gender Pay Gap Report, available on our website at [www.gbgplc.com/about-us/gender-pay-report](http://www.gbgplc.com/about-us/gender-pay-report). Since sharing the reports with our team and reflecting our data in previous years, we have seen an increase in interest and conversations around gender, remuneration, opportunity and what actions we are undertaking to address these areas. We actively encourage engagement on these topics to ensure we understand our team member's sentiments, gain insight into areas they believe we should concentrate on and share our plans and activities.

Whilst we have adopted a more targeted focus on this issue, we have yet to see a significant improvement in our overall statistics. This reinforces our initial views that this process represents a continual journey of improvements and that we must consistently work to bring about the reforms we seek, whilst recognising this is not achievable instantaneously. Presently women comprise 36% of our total workforce and 43% of our Board of Directors (37% and 33% respectively for 2019).

As a global business we aim to continue to focus on identifying candidates who can support our ambition to improve the overall diversity of the GBG team.

## **Communications with team members**

With over 1,050 team members (2019: 985) in 16 countries around the world (the vast majority of whom are in permanent positions), we believe in the importance of successful internal communications and strongly feel that all our team members should have a voice within the Group. By focusing on and listening to employee feedback, facilitated by twice yearly employee engagement surveys, we aim to be able to respond to any issues which might impact engagement and/or employee satisfaction before any problems emerge and have found this to be a very successful programme to date. This year, our employee engagement survey recorded its best level of team member engagement, improving on last year's high score and with a higher response rate. We continue to have over 90% of the global team who would recommend GBG as a great place to work.

We communicate with our team members on a regular basis, keeping them informed of business performance, initiatives, and developments. This is achieved through annual workshop-style events at our key locations and live monthly CEO webinars which due to Covid-19, are now held on a weekly basis. In addition to this, our business units provide high-level updates, briefings and webinars.

We utilise an intranet platform called 'be/connected' which has been active since August 2017 and is now the central hub for Group and customer news, as well as for internal social networking. On average, it is visited by 50% of team members daily and 90% of the business monthly. We have been increasing the focus on live, in-person panels and events, including CEO roundtables across multiple locations, special Q&A panels to mark specific occasions (such as International Women's Day and Pride), thereby providing team members with the chance to engage with senior management and thought leaders in a more intimate setting.

Demonstrating its significance to the Group, successful employee engagement is used as a metric to reward senior management within the business.

### Engagement with team members and Covid-19

We recognise the importance for our team members to feel that they work at a business which really values them. By maintaining integrity with a strong culture, we believe we have been able to demonstrate to our team members how much GBG genuinely cares for them and is dedicated to investing in them. With the onset of the Covid-19 pandemic and with our entire global team working from home, we quickly implemented a number of changes that have been incredibly valuable in ensuring that we can continue to communicate effectively with our team members and maintain our culture of inclusivity and engagement.

We recognise that in times like this, there is no such thing as superfluous internal communications, particularly as each engagement initiative is unlikely to receive full take up. By maintaining regular, transparent communications with our team members we have sought to ensure strong engagement throughout the crisis. Initiatives and actions during this time have included:

- a weekly CEO webinar update to all team members with a live Q&A session to respond to questions and issues in real-time;
- managers have been proactive in keeping in regular touch with their teams and team members by video and telephone calls; establishing an area on our Group intranet to provide specific Covid-19 related support information and guidance documents and to enable our team members to share experiences between the regions; and
- We have taken steps to highlight access to what resources are available to support our team members who may be struggling.

### Team member training and development

Working in a highly regulated sector, training and development is of vital importance to the successful running of our business. We also consider it an important way of delivering value to and inspiring our team members, advancing our strategy and maintaining a great place to work. We prioritise employee training and ensure that all our people have the support required to not only maintain compliance but also achieve best practice wherever possible.

GBG has an internal training platform, 'be/developed', which provides all our team members around the world with a large variety of learning content ranging from data privacy and information security training, employee development and management best practice. This year over 19,873 hours has been spent learning by our team members through 'be/developed' (2019: 17,498 hours).

GBG also supports professional development of team members to achieve recognised and accredited qualifications in areas across the business including information technology, marketing, legal and finance – helping to develop the careers and prospects of our current and future specialists.

### Recognition and incentives

We have continued to promote the Group Vision Objectives and Strategies ('VOS') Awards throughout the year. The awards not only link to the Group values of Quality, Innovation, Excellence, Trust and Respect but are also attributed to the five key segments of the Group's VOS – People, Products, Customer, Technology and Brand. The VOS Awards encourage individuals within the business to nominate their fellow team members deserving recognition, with the winners announced every quarter. Quarterly winners are then further recognised annually when a financial award is made to the overall winner for the year.

In addition, we operate an annual sales incentive initiative to recognise members of our sales teams who have performed exceptionally throughout the financial year, along with other supporting, non-sales members of our team. Other areas of the business have developed their own systems of recognition, including the 'Customer Star' and 'Technology Star' awards and smaller scale regional or business unit specific sales initiatives.

Everyone at GBG is also given the opportunity to share in the Group's performance through GBG's Save-As-You-Earn ('SAYE') Share Option Scheme (the 'Scheme'). The scheme is open to all team members (except for China where there are challenges in respect of personal share ownership) which gives team members the option to apply to save up to £250 (or foreign currency equivalent) per month for a period of three or five years and to purchase shares in GBG at a discounted rate (except in territories where offering shares at discount is prohibited).

We had a fantastic response to the Scheme launched in 2019 with nearly half of team members globally taking up the offer. During the year, the Remuneration Committee of the Board agreed that GBG would launch an international SAYE annually, instead of every two years as currently operated, and we are pleased to report that, despite the Covid-19 pandemic, we will still be launching the 2020 SAYE scheme later this year alongside the maturity of two running Schemes that were launched in 2015 and 2017.

# CORPORATE RESPONSIBILITY STATEMENT

## **Health & safety and well-being**

We are committed to the effective management of health and safety and to protecting the well-being of our team members. We have a Health and Safety Policy, which details key standards, systems and procedures and we provide training and guidance to all employees and especially those with specific duties and responsibilities such as fire wardens and first aiders. We also supplement our activities with sharing best practice and guidance updates with team members.

All accidents and near misses, whether they result in absence from work or not, are reported with remedial action identified and implemented to prevent reoccurrence. There have been no reportable accidents within the last year, only minor incidents. Our external health and safety consultants provide GBG with annual audits and guides us on all health and safety matters.

We also provide an Employee Assistance Programme ("EAP") for all team members, irrespective of location. The EAP grants team members access to confidential help with issues such as health, financial support, family matters or other problems which may lead to worry and anxiety. This is available to everyone in the business via a support line which is open 24 hours a day, 7 days a week, 365 days a year.

Across GBG, we have 'Pulse Teams' which promote and support any local initiatives and events that are designed to improve the employee experience at GBG. This includes health and well-being events to promote healthier lifestyles and practices and mental health awareness.

As detailed above, we acted decisively in response to the outbreak of Covid-19 to prioritise our team members' safety and well-being. As has been the case in China and Malaysia, any return to our office locations is carefully considered in respect of the best interests of our team members. Risks are assessed in line with local guidance and best practice together with ensuring that team members receive detailed information and briefings before they return to the office so they are aware of the processes and procedures.

## **Working environments**

We continue to invest in improving the working environment for our teams, creating innovative spaces which inspire our people to collaborate more readily and increase personal efficiency. We listen to our people and endeavour to incorporate their needs wherever practical. The Group has a flexible working policy to facilitate an optimal work/life balance and support those with families and other needs or commitments outside of work; we also encourage working from home where possible. In the past year we have moved to new workspaces in Canberra and New York and we continue to invest in technologies which ensure that our team members can work just as productively regardless of where they are.

## **Society**

We believe it is our ability to establish trust between businesses and their customers that places us at the heart of the global digital economy.

Our customers need innovative digital solutions to grow, reduce online fraud and meet increasingly stringent compliance regulations. GBG offers practical solutions and tools to enable organisations to engender trust with their customers, help them to mitigate ethical risk within their own business and keep principled practices at the heart of their business models. We take our responsibilities seriously in terms of sourcing, securing and protecting data as well as ensuring its ethical usage. Beyond the clear ethical benefits to our customers of using our products and services, many have very specific, inherent societal benefits including providing criminal records checks to organisations who need to vet those working with vulnerable people, ensuring that age restricted products and services are not offered to children and providing data tools to police forces to assist in the prevention and detection of crime.

## **Community support**

As a worldwide business, we apply a global and strategic approach to community support and look to ensure a consistent and meaningful contribution to a specific societal issue on an annual basis; in 2020, we chose children. Employee contribution is central to our community support programmes and we encourage volunteering and personal involvement in causes that matter to our workforce. This not only advances our sustainability goals but also contributes to our wider strategic objectives as we believe that volunteering has the capacity to engender cooperation and engagement, as well as encouraging a different way of thinking and working together.

In addition to this, we have invested time in looking at longer-term schemes to help support communities around the world. Some examples include science, technology, engineering and mathematics ('STEM') in the UK, beach cleaning and soup kitchen volunteering in the United States, volunteering at shelters and youth support centres in Singapore and Malaysia.

## Environment

We are conscious of our duty to use resources responsibly and to minimise any environmental impacts of our business activities. This is not only the right thing to do but has also been identified as an issue that our employees care about.

As an office-based operator using leased facilities, our environmental impact is relatively low compared with other sectors. However, we believe that it is our ability to enable our customers to make improvements to their services that have an environmentally advantageous impact (as well as operational and financial benefits) which arguably represents our capacity to make the most impact on a global scale.

We comply with all relevant environmental legislation and have clear objectives to reduce energy consumption and waste production within our office environments. In the UK, an assessment (carried out by an external consultant) was submitted by the Company to the Environment Agency under the Energy Savings Opportunity Scheme ('ESOS'), which confirmed that GBG is compliant with the standard in the UK, with only four minor recommendations (all of which have been addressed).

The scope of the ESOS assessment was designed to ensure GBG's compliance with the legislation by:

- calculating and presenting GBG's energy consumption in the UK for the period 1 June 2018 to 31 May 2019;
- identifying the building energy consumption and grey fleet use in the areas of significant consumption;
- considering available routes to ESOS compliance; and
- presenting the results of ESOS compliant energy audits for the areas of significant energy consumption.

Our ESOS report calculated that emissions of 494 tonnes of CO<sub>2</sub> (2,006,498 kWh) were in respect of direct emissions from combustion of fuel (diesel and petrol) and operations of facilities. The external consultants calculated the levels using billing information for our properties and details of expenses from team members claiming mileage for business travel. The exercise identified a small number of energy savings opportunities. We adhere to the recommendations of this scheme and continue to drive further improvements in all of our locations, where possible. Further details of this assessment are included on our website.

As a global business, travel is required for certain team members, however, we will continue to actively promote video conferencing as an alternative and aim to reduce unnecessary travel wherever possible. In order to conserve energy, we have installed light sensors as well as air conditioning and heating timers in our offices. We currently have centralised printing in each office and encourage minimal printing with a recommendation to move to paperless wherever possible.

We take our responsibility to use resources in a responsible manner seriously and have a 'reduce, reuse and recycle' policy. We actively promote recycling of technology and office consumables by providing recycling points in each of our offices. Although we do not use a materially large amount of water, given the office-based nature of our business, we look to limit its usage through the use of electrical sensors.

The full extent of changes to office working and business travel that will arise as a result of the Covid-19 are not yet certain. We will seek to review and update our initiatives and plans relating to our environmental impact when there is more clarity and visibility on how these can be implemented and measured effectively.

**Chris Clark**  
Chief Executive Officer