

Section 172 statement

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006.

GBG's Board must consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and having regard (amongst other matters) to factors set out in (a) to (f) s172 Companies Act 2006 (s.172).

This section describes how the Directors had regard to the matters in Section 172(1) (a) to (f) of the Companies Act 2006 in Board discussions and actions, behaviours and decision-making. The Board and Executive Directors know that considering all our key stakeholder relationships, having proper regard to our stakeholders' interests and being aware of the external impact of our activities on the communities and environments in which we operate, will ultimately drive value to our shareholders and secure our long-term success.

Section 172 Considerations	Decision-making process	Where you can read more
<p>a The likely consequences of any decision in the long-term</p>	<p>The Directors are aware that the decisions they make today will affect the Group's long-term success. The Board continually monitors the Group's progress against strategy and makes decisions between short and long-term investments. Further detail on the types of decisions taken are covered in the CEO review and Financial review.</p>	<p>→ Strategy - page 14 → CEO review - pages 9 to 12 → KPIs and Financial review - pages 30 to 35</p>
<p>b The interests of the Company's employees</p>	<p>The Board understands the important role each and every one of our people play in the long-term success of the Group. The Board are committed to the people agenda and this year there has been a real focus on development of our key team members, this has included leadership programmes, succession planning and making sure effective reward packages are in place. The Group operates bi-annual engagement surveys, the results of which are shared with the Board along with other senior members of the business who regularly interact with team members at all levels.</p>	<p>↗ ESG Impact Report</p>
<p>c To foster the Company's business relationships with suppliers, customers and others</p>	<p>The Board understands the importance of fostering good relationships with its stakeholders. More detail about how it engages with its stakeholders is on page 16. Board members monitor the relationship with key customers and suppliers through the Executive Directors and members of senior management that own these relationships.</p>	<p>→ Strategy - page 14 → Stakeholders - page 16</p>
<p>d The impact the Company has on the community and the environment</p>	<p>The Board recognises the importance of its decisions on the community and the environment. Through the ESG Committee, the Board ensures that environmental policies and suitable governance structures are established to align with committed sustainability and diversity targets.</p>	<p>↗ ESG Impact Report</p>
<p>e For the Company to maintain a reputation for high standards of business conduct</p>	<p>The Board intends for GBG to maintain a reputation for high standards of business conduct. This is set out in the GBG's Code of Conduct which has been written to ensure all stakeholders that work with GBG know what's expected of them and the part they play in helping GBG maintain high ethical standards. GBG also has a robust, global whistleblowing facility, using an external specialist provider which enables team members to feel safe to raise concerns if they wish.</p>	<p>↗ ESG Impact Report</p>
<p>f The need to act fairly between members of the Company</p>	<p>The Board recognises that it has to balance competing interests in reaching its decisions. Where there are conflicting interests, the Board will act as equitably and fairly as it is able to and take into account the implications for each stakeholder group.</p>	<p>→ Financial review - pages 32 to 35</p>

Section 172 statement continued

Below are some examples of principal decisions taken by the Board during the year which focused on issues of importance to the Group's long-term success. They describe how the Board considered the relevant stakeholder group when making the decision and identifies the elements of Section 172(1) that were considered.

Principal decision taken by the Board	Decision-making process	Consequences of decisions in the long-term	Section 172 Considerations
Change in CEO	The role of CEO was recruited and offered to Dev Dhiman. The Board considered succession plans already in place and considered diversity of the Board.	The Board considered the different stakeholders when making the decision. What was key to the decision was to ensure as little disruption as possible in order to continue to successfully deliver the Group strategy in the short, medium and long-term.	b c e f
Payment of dividend	The Board considers its commitment to a progressive dividend policy which has seen a dividend paid every year since 2007. It considers maintaining a sufficient level of distributable reserves to ensure shareholders receive a dividend.	The Board aims to ensure that dividends are consistent with the Group's financial performance without detriment to the balance sheet and future sustainability. During the year the Board conducted a thorough assessment of its distributable reserves and, as a result, is making a recommendation to shareholders at the AGM this year to convert the existing share premium to distributable reserves so as to support the payment of dividends in the long-term.	b e f
Capital allocation	The budget, approved by the Board, sets the allocation of capital to deliver our growth strategy through investment in R&D, capital expenditure, talent and acquisitions. The weighting of each is determined by our strategic priorities over the short to medium term.	Balancing investment for future growth whilst supporting our people and customers in the short term as well as meeting shareholder expectations.	b e f
Improvements to Anti-Bribery and Corruption	Following an internal audit undertaken in respect of GBG's Anti-Bribery and Corruption Policy and following recommendations from the Audit & Risk Committee, the Board requested some improvements be made to GBG's anti-bribery and corruption arrangements. This focused on ensuring all team members were educated on the policy and that there was a thorough and transparent process for recording gifts and hospitality.	The main focus was to ensure high standards of business conduct were maintained. As we have grown as a business it was important to educate all team members globally on anti-bribery legislation and the process for accepting gifts so that they could be reassured that they were not doing anything that they shouldn't be. It also reaffirms to suppliers and customers that GBG is a business that wishes to operate with honesty, integrity and transparency.	b c e
Carbon emissions reduction targets	The Board receives regular updates on progress against our emissions reduction target and have this year approved the Group's approach to climate-related risks and opportunities. They further requested validation for a science-based emissions target (SBTi), signing a letter of commitment.	The Board considers the long-term impact that carbon (and other greenhouse gas) emissions have on the environment and the implications of our actions on all stakeholders. They are committed to reducing our impact where we can in this space.	d e