

FAIR PLAY

RESPONSIBLE BUSINESS PRACTICE AT LADBROKES



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WE ARE COMMITTED TO BEING A LEADER OF OUR SECTOR IN RESPONSIBLE BUSINESS PRACTICE. MAINTAINING A REPUTATION FOR FAIRNESS AND INTEGRITY, STRENGTHENING OUR CUSTOMER FOCUS AND ACHIEVING HIGH LEVELS OF EMPLOYEE ENGAGEMENT ARE ALL VITAL TO GROWING OUR BUSINESS.

OUR CORPORATE RESPONSIBILITY REPORTING IS SPLIT INTO TWO PARTS:

PART A – RESPONSIBLE BUSINESS PRINCIPLES AND POLICIES

THIS DOCUMENT OUTLINES OUR OVERALL APPROACH TO CORPORATE RESPONSIBILITY.

PART B – PERFORMANCE UPDATE

THIS DOCUMENT CONTAINS KEY PERFORMANCE INDICATORS AND NARRATIVE UPDATES DEMONSTRATING OUR CORPORATE RESPONSIBILITY PERFORMANCE OVER THE PAST YEAR.

**ALL OUR CORPORATE RESPONSIBILITY REPORTING IS ONLINE:
WWW.LADBROKESPLC.COM**

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CHIEF EXECUTIVE'S INTRODUCTION

**RICHARD GLYNN EXPLAINS WHY
PUTTING RESPONSIBLE GAMBLING
AT THE HEART OF THE BUSINESS
IS KEY TO SECURING THE LONG-TERM
SUSTAINABILITY OF LADBROKES.**

LEADING THE WAY IN RESPONSIBLE BETTING AND GAMING

Behaving responsibly as a highly regulated international business is not an option, it is a necessity. It supports our vision, minimises risks throughout our operations and helps us to achieve our plans for future growth.

Increasingly, the role of business in society is the subject of public debate. At Ladbrokes, we recognise that we play a key role in society, not only by providing employment, exciting leisure activities and contributing to the economy, but also by enabling a better understanding of our industry. Ladbrokes is a major global brand and how we behave reflects not only on us, but on the sector as a whole. It is important to de-mystify betting and gaming within the public arena by being transparent about how we operate. All this helps to bring our products firmly into the mainstream leisure market.

At a local level, questions have been raised over the effect betting businesses can have on local communities. We actively join in that debate and believe that through our recruitment and training schemes, our support for local causes and our work in fighting crime, we contribute to social inclusion and support community cohesion.

At a global level, business behaviours are increasingly being scrutinised, with ongoing ethical and environmental crises hitting the media. We have always tried to take the lead within our sector on social responsibility. We help to define standards for the industry and will continue to do so.



CHIEF EXECUTIVE'S INTRODUCTION CONTINUED

HAVING A POSITIVE IMPACT ON OUR COMMUNITIES

Our success as a business relies on good relationships with all our stakeholders, whether that's our employees, customers, local communities or any of the governments and regulators that have an interest in what we do.

In particular, we develop meaningful partnerships with our regulators covering some of the key issues faced by our business, namely responsible gambling, fighting crime, operating safely and targeting fraud and money laundering.

Wherever we operate, Ladbrokes needs to be the trusted choice. Likewise, our employees must be known for their integrity. We are clear about the values that underpin our brand and have made them relevant to today's employees and consumers. Clearly defined ways of working help to embed our values into our day-to-day operations.

The betting and gaming industry is a major contributor to the UK economy. Ladbrokes alone contributes millions of pounds each year in taxes and levies.

OPERATING WITH INTEGRITY

We continually review wider societal and environmental issues to see how they may affect our business. We have always taken the lead in addressing safety, crime and public disorder issues, working in partnership with key agencies.

Cost effective use of resources is imperative for business success. Environmentally, Ladbrokes is a low impact business. We do, however, see the benefit of minimising our energy costs and are adopting more efficient technologies wherever we can.

We monitor our performance through appropriate key performance indicators (KPIs), reflecting each priority of our CR strategy. Our progress is reported in our annual performance report which is available on our website.

There is always a lot more to do, but at Ladbrokes we are up for the challenge!

OUR STRATEGY

LADBROKES CAN TRACE ITS ROOTS BACK TO 1886. TODAY IT IS A LEADER IN THE BETTING AND GAMING SECTOR, EMPLOYING OVER 14,400 PEOPLE ACROSS 2,700 BETTING OUTLETS IN THE UK, IRELAND, BELGIUM AND SPAIN.

We serve millions of retail customers every year and have over 800,000 active online customers. We know that to stay in business for the next 100 years, we must continue to listen to our stakeholders, conduct our business in a responsible manner and promote higher standards for the sector as a whole. That is what we refer to as Fair Play.

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FTSE4Good



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OPERATING WITH INTEGRITY

LEADING THE WAY IN RESPONSIBLE BETTING AND GAMING

WE ARE WORKING WITH OUR PEERS TO PROMOTE RESPONSIBLE GAMBLING BEHAVIOURS ACROSS THE INDUSTRY AS A WHOLE. WE AIM TO PROVIDE AN EFFICIENT, SECURE, FAIR AND SOCIALLY RESPONSIBLE SERVICE FOR ALL OUR CUSTOMERS.



Our approach to responsible business ensures that we:

- Maintain best practice standards across the business and, where possible, the industry
- Provide inherent protection to minimise the chance of customers developing problems with their gambling
- Protect the young and vulnerable
- Develop responsible products and services

PROMOTING RESPONSIBLE GAMBLING BEHAVIOUR

It is important to us as a business and to our industry that we uphold responsible gambling behaviours. Ladbrokes works with its peers and national governments to promote responsible gambling across the industry. We use our leadership position in providing responsible products and services to drive positive change across the sector.

For many years we have supported the Association of British Bookmakers (ABB) and the Remote Gambling Association (RGA) in establishing industry-wide CR standards and promoting self-regulation. We are proud and active supporters of ABB's Code on responsible gambling and player protection, having been involved in all stages of its development. The Code is the first of its kind in the world. We continue to meet the regulatory requirements in all countries where we are licensed to operate. Furthermore, we continue to support the Gambling Commission's three key licensing objectives to:

- Prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensure that gambling is conducted in a fair and open way; and
- Protect children and other vulnerable persons from being harmed or exploited by gambling.

For most people, gambling is an enjoyable and harmless leisure pursuit. However, for a small number of people, gambling can become a behavioural problem. Ladbrokes recognises fully its responsibility to help tackle problem gambling, understand its causes and promote its treatment.

We support world-class research into responsible gambling through our backing of the Responsible Gambling Trust (RGT).

LEADING THE WAY IN RESPONSIBLE BETTING AND GAMING

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POLICIES AND STANDARDS

- Our internal codes of practice are based on the highest standards across the industry;
- As an industry first, we have committed to tying executive remuneration to responsible gambling performance measures;
- We have a dedicated Head of Responsible Gambling and a Social Responsibility Board committee whose remit includes overseeing our responsible gambling policies and performance;
- Our employees are trained to support our responsible gambling policies and to help our customers. We make them aware of behaviours that may indicate problem gambling and train them in how to respond; and
- We have a comprehensive compliance monitoring programme in place, headed by our Compliance Director and overseen by our Compliance Committee. Our Compliance Director reports to the Board on a quarterly basis. This programme is also subject to internal audit.

INHERENT PROTECTION SYSTEMS

We provide inherent protection to try to limit the possible financial impacts on our customers from excessive gambling, for example through:

- Daily and weekly limits on spend – this facility enables customers to limit the amount of money that they are able to deposit online into their account on either a daily or a weekly basis; and
- In some cases with our online customers we carry out detailed customer due diligence prior to accepting their account.

PROTECTING THE YOUNG AND THE VULNERABLE

We protect children and vulnerable people through, for example:

- Our membership of the Senet Group – a new self-regulatory body dedicated to promoting responsible gambling standards and to ensure that the marketing of gambling is socially responsible;
- Strict age limits – we rigorously enforce the 18-year age limit through clear signage, age checks (both on and offline) and comprehensive employee training. Our marketing and advertising does not target people younger than 18 years of age. Furthermore, our UK Retail employees have adopted Think 21 and challenge anyone who appears to be under 21 years by asking for proof of age;
- Online age verification checks – we carry out electronic age verification checks on all customers in locations where such checks exist. Anyone who is under the age of 18 and found to be using the site may be reported to the police;
- Self-exclusion arrangements – to assist customers who face problems and wish to stop gambling with us, our customer-facing employees are all trained in administering self-exclusion. Once in place, self-exclusion lasts for a minimum of six months, during which time we take all reasonable steps to stop the customer placing a bet with us.
- Through our Positive Interaction programme we equip shop staff to deal with anti-social behaviour, to prevent under-age gambling and to identify and tackle problem gambling in a positive manner.

ENGAGING WITH OUR INVESTORS

We proactively engage with our larger shareholders and get regular feedback from them on our approach to CR. For many years we have been constituents of FTSE4Good and the Dow Jones Sustainability Indices (DJSI).

HAVING A POSITIVE IMPACT ON OUR COMMUNITIES

OUR CUSTOMERS COME FROM ALL ECONOMIC GROUPS AND ARE ALL OVER THE WORLD. WE ARE COMMITTED TO OFFERING THE BEST CUSTOMER EXPERIENCE AND WE PLACE A HIGH PRIORITY ON SERVICE.



CUSTOMERS

OUR RESPONSIBLE APPROACH TO CUSTOMER SERVICE IS CENTRED AROUND:

- Understanding our customers' needs so that we serve them better and offer products in which they are interested;
- Protecting our customers' interests so that they feel safe and secure in dealing with us;
- Ensuring that our customers have enough information to make informed choices; and
- Maintaining high levels of customer satisfaction so that they will remain loyal.

A better understanding of our customers helps deliver a better product range and an improved overall customer experience.

UNDERSTANDING OUR CUSTOMERS' NEEDS

- Ladbrokes is a trusted brand. To check our performance, we continually seek the views of our customers and encourage feedback on our employees and services; and
- We are developing a more bespoke and personalised service with the help of our customer relationship management systems and have rolled out our Odds On customer loyalty card.

CLEAR CUSTOMER INFORMATION

We ensure that our customers can make informed choices by providing clear information about:

- Our products – so that they know exactly how to get the most out of our offering;
- Problem gambling issues – so that they can identify issues when they arise and know where to get help should they need it; and
- Their own gambling history – our online and telephone betting customers have access to information about their account and their recent spending behaviours.

HAVING A POSITIVE IMPACT ON OUR COMMUNITIES CONTINUED



PROTECTING OUR CUSTOMERS' INTERESTS

- We seek to protect our customers through fair dealings, providing security of information, data protection, and offering the backup of the Independent Betting Adjudication Service; and
- We provide tools to help customers better control their gambling activity.

CUSTOMER SATISFACTION

In a very challenging economic environment, customer service remains one of the key differentiators against our competitors.

- We monitor customer satisfaction through feedback, complaints and independent audit as an integral part of our employee incentive and reward programmes. This has huge benefits for the business since we know that the higher scoring shops in terms of customer satisfaction also perform better in financial terms;
- Customer feedback is monitored on a continuous basis across all channels through our Voice of the Customer programme, customer service lines, customer comment cards and online feedback mechanisms; and
- We reward exceptional customer service through our internal WOW! I've Noticed scheme.

OUR PEOPLE ARE OUR GREATEST ASSET. WE AIM TO BE A DESTINATION EMPLOYER FOR TALENTED AND PASSIONATE PEOPLE. WE NEED A HIGH LEVEL OF COMPETENCE ACROSS THE BUSINESS TO MEET OUR OBJECTIVES AND RESPOND TO CHANGING MARKET NEEDS.

EMPLOYEES

As a major employer in the betting and gaming industry we aim to:

- Be a centre of excellence by attracting and retaining a talented workforce
- Ensure our employees receive training to build their competencies in a constantly developing market
- Provide competitive benefits, rewards and opportunities for career development
- Establish a fair and supportive working environment
- Understand the needs and expectations of our employees
- Maintain high levels of employee engagement
- Promote high ethical standards across the business

DEVELOPING OUR TALENT

Ladbrokes' continued success depends in part on our ability to recruit, motivate and retain highly experienced and qualified employees. There is intense competition in the betting and gaming industry for skilled personnel, in particular for qualified bet pricing and risk management personnel.

HAVING A POSITIVE IMPACT ON OUR COMMUNITIES CONTINUED



Over the past few years, our focus has been on developing high performing teams and rewarding them for great performance. Our performance management and development systems have been overhauled to a state-of-the-art condition and we have aligned our recognition and reward schemes to meet our core business objectives.

Our policies are consistent with the requirements of the Universal Declaration on Human Rights and maintain the spirit of the International Labour Organisation core labour standards.

WORKING ENVIRONMENT

We are creating a working environment across the business that encourages collaboration and facilitates dialogue. Ensuring employee wellbeing is a key aspect of our plans.

We have created several ways to promote communication across the business and have a robust framework for measuring employee engagement. We continue to monitor the composition and purpose of our employee forums so that they accurately reflect the needs and interests of employees across our business.

With our Females in Leadership programme we seek to increase the number of women in senior leadership positions through mentoring and increasing the visibility of female role models.

WELFARE AND SUPPORT

Ladbrokes also undertakes a wide range of welfare initiatives each year to ensure employees are supported at times of stress or difficulty, including providing a health insurance plan, financial information, stress management training and a post-incident support team.

WE CONTRIBUTE POSITIVELY TO THE SOCIETIES IN WHICH WE OPERATE THROUGH EMPLOYMENT, PAYMENT OF TAXES, CONTRIBUTIONS TO GROWTH IN THE ECONOMY AND BY SUPPORTING OUR LOCAL COMMUNITIES.

COMMUNITIES

We are committed to being a good corporate citizen and use our corporate resources in ways to benefit the social, economic and environmental conditions of the communities in which we operate.

We see community investment as an important element of managing good relations with our neighbours wherever we have business activities and also a vital resource for our colleagues to connect with good causes in an effective way.

CONTRIBUTING TO THE ECONOMY AND CREATING OPPORTUNITIES FOR EMPLOYMENT

Ladbrokes contributes millions of pounds to the UK Treasury in paying corporation, employment and other taxes. We contribute to sport through advertising, sponsorship, and media rights payments and also support the horse racing and greyhound industries through the Levy and voluntary funding.

We employ thousands of people globally, through our network of shops and offices, and contribute to the employment of further tens of thousands in the supply chain that serves the industry.

PROMOTING COMMUNITY SAFETY

Ladbrokes continues to work with key agencies to promote safer communities. We have been a close partner of Crimestoppers for several years, the organisation that encourages people to give anonymous information on crime to the police, and contribute to the future development of the charity.

HAVING A POSITIVE IMPACT ON OUR COMMUNITIES CONTINUED



RAISING FUNDS ACROSS THE BUSINESS

Ladbrokes Charitable Trust (LCT) was established in 2003 and is well supported by Ladbrokes' employees. So far it has raised millions for good causes across the UK and Ireland.

Our sponsorship and charity focus is on getting money and support to where it is really needed, in particular in these main areas:

HEALTHCARE

- Medical research/treatment;
- Hospice services;
- Disabled support/treatment; and
- Home support.

EDUCATION/SPORT

- Educational development;
- Research/support of services to those with learning difficulties;
- Specialist support in deprived areas;
- Sports facilities for the disabled; and
- Sports regeneration projects.

COMMUNITY

- Support projects for the homeless and aged;
- Crime reduction programmes; and
- Social activity projects for those at risk.

CHARITY PARTNERSHIPS

Over and above the work of LCT, Ladbrokes has a number of ongoing relationships with large healthcare charities. Whenever we partner with a charity, we do our best to create a holistic programme of events, not only to raise funds, but also to raise awareness of major health and community issues and to educate our employees and our customers.

For a number of years, we have been an official partner of Race for Life, organised by Cancer Research UK and the Bobby Moore Fund, which is dedicated to fighting bowel cancer in memory of the legendary football World Cup winning captain.

OPERATING WITH INTEGRITY

WE ARE COMMITTED TO IMPROVING OUR ENVIRONMENTAL PERFORMANCE.



ENVIRONMENT

Moving towards being a greener company is something that we recognise as being important from an environmental and reputational perspective, as well as being a more efficient way to operate.

There is a growing interest in global environmental issues and our challenges are to meet the expectations of our stakeholders, especially the UK government targets to reduce carbon emissions.

ENVIRONMENTAL COMMITMENT

We are aware of the environmental impacts of our behaviour and are committed to minimising these impacts by improving our environmental efficiency.

We aim to:

- Regularly review our environmental impacts;
- Monitor our consumption of resources and our production of waste;
- Set ourselves improvement targets;
- Encourage good environmental behaviour among our shareholders, customers, employees, suppliers and partners;
- Include environmental requirements in our procurement of goods and services; and
- Disclose information concerning our environmental performance on at least an annual basis.

ENERGY AND CLIMATE CHANGE

The majority of our CO₂ emissions are generated by the electricity we use in our head offices and retail shops. We have identified and implemented a number of energy efficiency initiatives, including installing smart meters enabling us to keep track of exactly where energy is being consumed and where it can be reduced.

We have developed a new shop-fitting specification incorporating many carbon reduction technologies, including LED lights. We have also been working hard to green our UK car fleet by offering lower emission cars.

WASTE AND RECYCLING

We work with our national waste management provider in the UK to manage our retail shop waste and ensure that as much of it as possible is sent for recycling.

We engage our employees in helping to save energy and change their behaviours to eliminate wastage.

OPERATING WITH INTEGRITY CONTINUED



SUPPLY CHAIN

We apply high ethical principles to all our business relationships and we promote good ethical, environmental and social standards within our supply chain.

WE AIM TO PARTNER WITH ORGANISATIONS THAT DEMONSTRATE A SHARED COMMITMENT TO OUR BUSINESS GOALS

In particular, we want all of our product development and delivery partners to be the best-of-breed, qualified in the development and delivery of specific services across all our global outlets and channels.

We work to maintain the highest business ethics in all our dealings with current or potential suppliers and partners and promote responsible financial, social, ethical and environmental behaviour throughout our supply chain.

REDUCING RISKS

We are heavily dependent on a number of third parties. It is important to minimise the risks from our third party relationships, including business partnerships, joint ventures and within our supply chain. Our key challenge is to avoid the withdrawal or removal from the market of one or more of these major third party suppliers, or failure of third party suppliers to comply with contractual obligations.

SUPPLIER STANDARDS

We aim to ensure that both Ladbrokes and those who supply us with goods and services are working in accordance with stringent standards on safety, employment, staff welfare, human rights and the environment, wherever in the world they might be based or operate.

All suppliers wishing to engage with Ladbrokes must first register via the Ladbrokes Supplier Registration Portal. We have fully integrated our Environmental, Socially Responsible and Ethical Purchasing Policy into this registration process. The policy sets minimum standards across three areas: social and employment conditions, environmental impacts, and the Ladbrokes' purchasing process.

SECURITY

We work with our peers and regulators to keep crime out of gambling.

The Ladbrokes Anti-Money Laundering department (AML), which sits within our Compliance team, ensures compliance with anti-money laundering and anti-terrorism financing legislation wherever Ladbrokes operates. The AML continues to work with the inter-governmental Financial Action Task Force (FATF), the UK National Crime Agency (NCA), HM Treasury (HMT), HM Revenue & Customs (HMRC), Association of Chief Police Officers (ACPO) and various law enforcement agencies in the countries in which we operate.

IN COMMON WITH THE INDUSTRY AS A WHOLE, WE WORK TO:

- Prevent crime and violence in our betting shops;
- Combat betting shop robberies. Acts of violence in our shops can harass or injure our employees;
- Minimise criminal damage to property and machines; and
- Avoid debit or credit card fraud and money laundering.

MINIMISING RISKS

We identify and report all suspicious activities in order to minimise risks. Like all high street businesses, one of the important risks to the health of our employees and our customers are breaches of security on our premises, such as robbery and theft. This has been an area of focus for us in the past few years. We have introduced a number of safety features throughout the retail estate including a 24/7 security control room, panic buttons, burglar alarms, CCTV, safes and magnetic door locks, staff awareness training and a night time call out procedure.

OPERATING WITH INTEGRITY CONTINUED



WORKING IN PARTNERSHIP

We work in partnership with the Association of Business Crime Partnerships (ABCP) to reduce crime and anti-social behaviour which affects businesses, their staff, customers and the community. Our Head of Anti-Money Laundering and Counter Terrorism Financing sits on the board of ABCP. We continue to work with the Safe Bet Alliance to improve security across the industry. This is a collaborative initiative which includes the ABB, Metropolitan Police, Local Government Regulation (LGR) and Community Union. Jointly we developed a Voluntary Code of Safety & Security for UK Bookmakers, which sets out a national standard for betting shop safety and security.

We are also working hard to keep the internet side of our business free from crime, partnering with the RGA and the Gibraltar Betting and Gaming Association.

DATA PROTECTION

We have advanced systems in place to protect all our personal, financial and transactional data. We use the UK Government's '10 Steps to Cyber Security' framework to manage cyber risks, now and in the future.

HEALTH AND SAFETY

We are committed to providing a healthy and safe environment for our employees, customers and for all visitors to our premises.

WE AIM FOR BEST PRACTICE IN HEALTH, SAFETY AND SECURITY THROUGHOUT ALL OUR OPERATIONS

We were the first betting company to establish a Primary Authority relationship in the UK under the better regulation agenda. Our partnership with Liverpool City Council covers all health and safety (H&S) issues which relate to Ladbrokes shops in the UK. We also have a pioneering Primary Authority partnership in place with Milton Keynes City Council, covering all age-related products.

We monitor our performance and place great importance on protecting our employees, customers and visitors.

We operate a company-wide H&S committee where all issues are discussed and proactively dealt with. These meetings are often attended by our Primary Authority regulatory representative.

TRAINING OUR EMPLOYEES

All of our employees receive training on health, safety and security and, where appropriate, violence in the workplace and safe driving. Employees are trained at induction and periodic refreshers throughout the year. Ladbrokes was the first bookmaker to have an Institute of Occupational Safety and Health (IOSH) accredited training course. The IOSH course has been tailored to the needs of the industry with IOSH certificates issued on successful completion of an examination.

REDUCING INCIDENTS

We support a proactive culture of risk management to ensure H&S problems are avoided and incidents remain low. We regularly monitor our performance and benchmark ourselves against national statistics. In addition, we carefully monitor and seek to minimise the financial impacts of Health & Safety related claims from across our business. These statistics have been kept for some considerable time and enable management to understand the trends and to deal effectively with any problems.