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Ladbrokes<sup>PLC</sup>

**Corporate responsibility  
report**

**Part A - Responsible business  
principles and policies**



**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.**

This document (Part A) outlines Ladbrokes' overall approach to Corporate Responsibility (CR), whilst the companion document (Part B) provides our annual performance update for each of our CR priorities.

Both parts are available on our website:  
[www.ladbrokesplc.com](http://www.ladbrokesplc.com)

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# Chief Executive's Introduction



**Richard Glynn**  
Chief Executive



**Richard Glynn explains why responsible behaviours have an integral role to play in achieving the Ladbrokes vision of becoming “an e-enabled international betting and gaming business”.**

## **Responsible betting and gaming business**

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 and defining standards for the industry and will continue to do so.

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.

## **Responsible relationships**

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.

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.

## **Responsible operations**

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 and this is increasingly the case as we move more heavily into digital markets. 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 always up for the challenge!

# Our strategy

Our fair play diagram illustrates our strategic approach



# Our approach to corporate responsibility

We recognise that our success, now and in the future, depends on our ability to think and act with integrity. To this end, our core CR objective is to be a responsible betting and gaming business. We achieve our objective by maintaining responsible relationships with our customers, employees, communities and regulators. Supporting this we focus on running responsible operations, by keeping our house in order in the areas of health and safety, security, our supply chain and the environment.



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Upholding responsible business practice.

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Putting customers at the heart of everything we do.

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Becoming an employer of choice.

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# Responsible betting & gaming business



**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 improve responsible gambling across the industry.

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 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:

- Keep crime out of gambling;
- Ensure gambling is conducted fairly and openly;
- Protect children and vulnerable people 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 fully recognises its responsibility to help tackle problem gambling, understand its causes and promote its treatment.

## **Policies and standards**

- Our internal codes of practice are based on the highest standards across the industry;
- 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;
- 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;
- 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:

- Clear marketing standards – we helped to develop and uphold an industry-led voluntary code on responsible advertising;
- 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 challenge anyone who appears to be under 21 years and ask for proof of age – Think 21!;
- 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.

## **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, the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP).

# Customers

Responsible  
relationships

**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.**

## **Our responsible approach to customer service is centred around:**

- Understanding our customers' needs so that we serve them better and offer products that they are interested in;
- 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;
- 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 that will really stand out. Our management structure is focussed on delivering to the customer, regardless of the channel.

## **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;
- 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;
- Their own gambling history – our online and telephone betting customers have access to information about their account and their recent spending behaviours.

## **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.

## **Customer satisfaction**

- We are committed to offering the best customer experience and we place a high priority on service. We monitor customer satisfaction through feedback, complaints and independent audits 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 through our customer service lines, our customer comment cards and the feedback mechanism on our websites;
- We reward exceptional customer service through our internal WOW! I've Noticed scheme.

In a very challenging economic environment, where customer service remains one of the key differentiators against our competitors, we really believe that we have driven customer service across our estate to a new and exciting level.

# Employees

Responsible  
relationships

**Our people are our greatest asset. We aim to be an employer of choice 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.**

**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;
- 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.

## **Leading through the Ladbrokes values**

Our ambitious Vision & Values programme seeks to develop and embed the Ladbrokes Values across the business. We regularly engage with our colleagues to distil the soul of Ladbrokes and set out the path towards our Vision of being an e-enabled international betting and gaming 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.

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 forums and Staff Council so that they accurately reflect the needs and interests of employees across our business.

## **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 hospital savings scheme, financial information, stress management training and a post-incident support team.

# Communities

Responsible relationships

**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.**

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 impactful 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 also support the sporting, horseracing and greyhound racing industries through further taxes and levies.

Through our network of shops and offices, we employ thousands of people globally, not only in betting and gaming, but also contributing to 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.

## **Raising funds across the business**

Ladbrokes in the Community Charitable Trust (LICCT) 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;
- 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;
- Sports regeneration projects.

### **Community**

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

## **Charity partnerships**

Over and above the work of LICCT, 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.

# Regulators

Responsible relationships

**We engage proactively with our regulators and stay compliant wherever we operate.**

## **Maintaining good relationships with our regulators is in our business interest.**

We develop meaningful partnerships with our regulators covering some of the key issues faced by our business, namely fighting crime, safety, fraud and money laundering and responsible gambling. Two examples are given below.

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 issues which relate to Ladbrokes shops in the UK.

The Ladbrokes Anti-Money Laundering department (AML) 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 Serious Organised Crime Agency (SOCA), 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.

# Security



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

**In common with the industry as a whole, our key issues are:**

- Preventing crime and violence in our betting shops;
- Betting shop robberies - these remain a key issue across the industry. Acts of violence in our shops can harass or injure our employees;
- Criminal damage to property and machines;
- Avoiding debit or credit card fraud and money laundering.

### Minimising risks

We identify and report all suspicious activities in order to minimise risks.

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.

### 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 Money Laundering Reporting Officer sits on the board of ABCP. We continue to work with the Safe Bet Alliance to address security issues for the industry. This is a collaborative initiative which includes the ABB, Metropolitan Police, Local Authority Coordinators of Regulatory Services 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 also take the security of our finances and our confidential information very seriously.

# Health & 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 monitor our performance and place great importance on protecting our employees, customers and visitors.

We operate a company-wide Health and Safety (H&S) committee where H&S issues are discussed and proactively dealt with. These meetings are often attended by our Primary Authority 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 health and safety 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 and 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.

# Environment



**We are committed to improving our environmental performance.**

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

### 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;
- Disclose information concerning our environmental performance on at least an annual basis.

### Green task force

We have set up a green task force to minimise the impact of increasing environmental costs on our operations with representatives from across the business. Our main environmental focus is on energy efficiency, resource usage and waste management.

# Supply chain



## Energy and climate change

The majority of our CO<sup>2</sup> 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 also developed a new shop-fitting specification incorporating many of the new carbon reduction technologies.

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, to manage our retail shop waste and ensure that as much of it as possible is sent for recycling.

**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 who demonstrate a shared commitment to our CR 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 actively 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. Our partners and suppliers are predominantly UK or EU based, providing goods and services across our business.

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.

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