

## Corporate Responsibility Report

*Extracted from 2008 Annual Reports and Accounts*

William Hill recognises that its business has both social and environmental impacts and that it has a responsibility to manage these impacts effectively. In some areas we are in direct control of these impacts, while in others we can only attempt to influence the actions of others. The Group takes its responsibilities to stakeholders seriously and implements policies and procedures that meet the legitimate expectations of shareholders, staff and customers and the wider community.

### **Board commitment**

The Board is committed to taking steps to improve continuously its practices in the Corporate Responsibility (CR) area and to embedding CR issues into its corporate governance and operating framework. It achieves this aim by focusing on the following material issues:

- compliance with existing laws, regulations and codes of conduct relating to responsible gambling; underage gambling and protection of the vulnerable; prevention of crime and disorder related to gambling; and product integrity issues;
- the ongoing training, development and motivation of employees to retain the widest possible range of talented staff;
- provision of a safe and healthy workplace in accordance with relevant legislation; and
- providing a competition-beating level of customer service.

A non-executive director, David Edmonds, chairs the Corporate Responsibility and Regulated Issues (CRRI) Committee. Its other members are Charles Scott, Chairman of the Company, Ralph Topping, Chief Executive, Ashley Highfield, Non-Executive Director and Thomas Murphy, General Counsel & Company Secretary. This Committee monitors a range of CRRI issues throughout the year.

The CRRI Committee reports regularly to the Board and all Board members ensure that, through a process of presentation and discussion with staff, they have been properly briefed and have gained an appropriate understanding of the CRRI issues affecting the Group.

For part of the year, the committee was assisted by the CR Working Group. The CR Working Group was chaired by the Company Secretary and comprised the functional heads for corporate strategy and development, human resources, property, security, customer services and compliance, together with

representatives from the Retail and Remote businesses. An action plan detailing work carried out since 2004 and revised and updated on an ongoing basis was considered by this Group with progress on outstanding actions monitored. The Working Group acted as a forum for operational management to discuss CR issues and reports were provided by working group members on CR issues arising from their particular areas of responsibility. The Working Group has now been replaced by the Regulatory and Compliance Steering Group. The main aim of the Steering Group is to discuss, review and implement policies and procedures concerned with compliance and regulatory issues.

### **CR highlights 2008**

The year saw William Hill further enhance its procedures on core issues, including responsible gambling and staff training.

2008 highlights include:

- a good working relationship established with the Gambling Commission and overseas regulators;
- successful ongoing compliance with all relevant policies and procedures required under the Gambling Act 2005 (the Act);
- staff training refresher course programmes under which relevant staff were reminded of their specific responsibilities under the Act and Gambling Commission codes and conditions;
- an employee engagement survey, which received responses from almost 10,000 people (65% of total workforce);
- successful launch of a new corporate website; and
- the largest ever staff communications presentation held for employees of the Group at three top sporting venues in the UK.

### **Gambling Act 2005**

William Hill continues to work closely with the Gambling Commission in furthering of the three licensing objectives under the Act, namely:

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

During 2008, William Hill continued to be heavily involved in ongoing discussions and consultation with the Gambling Commission and its sponsoring government department, (the DCMS), both directly and via its trade associations the Association of British Bookmakers (ABB) and the Remote Gambling Association (RGA).

## Crime and disorder

William Hill is committed to compliance with regulation to prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime.

### Actions

- A designated Money Laundering Reporting Officer (MLRO) takes responsibility for suspicious activity reports made to the Serious Organised Crime Agency and its equivalent in offshore jurisdictions in respect of the prevention and detection of money laundering and our obligations under the Proceeds of Crime Act 2002 and for reports made under the Money Laundering Regulations 2007.
- All staff receive training detailing their obligations in respect of money laundering reporting. They are aware of the procedures in place for the escalation of any suspected incidents to the MLRO.
- We train our employees to adhere to procedures for the safe handling of cash and cash equivalents.
- The Group is a member of the Crimestoppers scheme. This, in conjunction with the Association of British Bookmakers reward scheme, enables us to encourage the public to provide information in relation to offences committed against both staff and property. Crimestoppers leaflets are available in every LBO.
- William Hill's Security Department undertakes an ongoing risk assessment process for all our LBOs, considering their potential vulnerability to robberies and violence in the workplace. Appropriate crime prevention measures are introduced to meet the perceived risk. Such measures include the fitting of security screens in vulnerable shops, installation of digital closed circuit television (CCTV) systems and fitting of electronic and magnetic door locks. In the event of an incident occurring, affected shops are reassessed by the Security Department and steps taken to minimise further risk, where appropriate. We liaise closely with a number of local authority environmental health departments, local authority licensing officers and police crime prevention officers.
- We provide the Gambling Commission with information we suspect may relate to the committing of an offence under the Gambling Act 2005 or a breach of the Commission's licence conditions and codes of practice and with any information we suspect may lead to the making by the Commission of an order to void a bet. The Group co-operates with the ABB on integrity issues and also provides information on any suspicious transactions directly to those sporting authorities named under Schedule 6 Part 3 of the Act. We have co-operated with the Commission this year in a number of investigations involving suspicious betting patterns, fraud and illegal betting activity.

## Responsible and underage gambling

Gambling is an exciting form of entertainment that can be experienced in a range of environments with William Hill, namely our LBOs, on racetracks, through the Internet and by telephone. Whereas for most customers, gambling is an enjoyable leisure activity, for a very small number there can be problems and gambling can cease to be fun.

William Hill encourages a socially responsible attitude within the betting and gaming industry and within our own organisation. We are committed to protecting children and the vulnerable from being harmed or exploited by gambling.

We are working closely with the Gambling Commission in the UK and our offshore regulators in Gibraltar and Malta to ensure that we continue to adhere to the highest industry standards in responsible gambling. We are also committed to listening to the views of relevant stakeholder groups and have an active dialogue with GamCare, the national centre for information, advice and practical help for anyone with a gambling problem.

Our commitment to implementing appropriate procedures within our organisation to deal with problem gambling and to encourage responsible gambling is paramount.

### Actions

- We are a major contributor to the Responsibility in Gambling Trust (RIGT). RIGT aims to provide support to persons who experience problems with their gambling and their dependants, to educate vulnerable persons about the risk of gambling and to conduct research into the best ways of providing that support and education.
- Information on the tools available to customers to monitor or control their gambling is available through leaflets on display in our LBOs or at racetracks, via our operational websites and via our customer services department. We also provide information to customers' relatives and friends who may approach us asking for help.
- We use clear notices in our LBOs and on gambling websites stating that the minimum age to use the facilities is 18. In our LBOs and on racetracks we have adopted a 'Think 21' approach which requires our staff to seek proof of age from any customer who appears to them to be under 21. In the UK and, where publicly available, overseas, we use an external agency to verify the ages of customers opening new internet or telephone accounts using deposit methods that may be available to under-18s. All parts of the business have established procedures to be followed in the event that we believe that a customer may be under the age of 18.
- We provide a facility for individuals to self-exclude from identified licensed betting offices and telephone and internet accounts for a period of no fewer

than six months and up to five years. Customers who wish to resume business with us at the end of their chosen self-exclusion period are required to complete a further 24-hour 'cooling off' period before they will be permitted to resume use of our gambling facilities.

- During 2008 the number of customers who chose to self-exclude from the Group's services in Retail was 3,382 (2007 - 1,563) and in Remote was 3,163 (2007 - 1,826).
- We provide a facility for telephone and internet customers to limit the amounts they are able to deposit with us in any 24-hour period. Once set, a deposit limit can only be increased after a 24-hour 'cooling off' period.
- Although there is no one set of behaviours definitively identifying customers with gambling problems, William Hill encourages its employees to use their experience and to be aware of customers whose behavior may indicate problem gambling. We have procedures in place to escalate any concerns and to consider whether or not it is appropriate to initiate interaction with a customer. When interaction does take place the customer will be provided with contact details of a gambling charity and with detailed information on the tools available to control their gambling behaviour. William Hill provides customers with the information required to enable them to make informed decisions about their level of gambling but does not take those decisions on the customer's behalf.
- William Hill takes particular care not to target advertising at people under the age of 18. All our advertising is carefully considered in light of the Gambling Commission's licensing objectives, the specific requirements of the Gambling Commission's licence conditions and codes of practice and the Committee of Advertising Practice and Broadcast Committee of Advertising Practice codes. In addition, we adhere to an industry code of practice designed to promote socially responsible advertising and the RIGT's 'gamble aware' information website. The advertising agencies we use are fully briefed on our requirements concerning responsible gambling.
- William Hill does not enter into contracts of employment with any individual under the age of 18.
- All William Hill employees receive training giving them an overall awareness of our commitment to social responsibility and the detailed procedural knowledge appropriate to their specific business role. We will continue to monitor best practice in the area of responsible gambling as it develops and will review our policies and procedures on a regular basis in the light of guidance from regulators, gambling charities and our own practical experience.

## Employees

The Group's success is dependent on its employees and it is committed to high standards of employment practice. The Group rewards individuals fairly and is committed to providing equality of opportunity, training and development and a safe workplace.

A comprehensive set of human resources policies is in place including documents covering health and safety (including specific policies on stress management and smoking), equal opportunities and harassment, disability, flexible working, training and development, the acceptance of gifts and hospitality, and whistle-blowing. These are communicated to employees as appropriate.

## Equal opportunities

The Group is committed to equal opportunities in the workplace. In all aspects of employment including recruitment, promotion, training and development and terms and conditions of employment, all employees and applicants for employment are given equal opportunities regardless of gender, marital or family status, race, nationality, ethnic origin, religion, age, disability and sexual orientation.

The Group endeavours to ensure that all employees are made aware of the provisions of the policy and of their responsibility to uphold and promote it. The Group will not tolerate harassment, discrimination or victimisation in the workplace in any form. The Human Resources Director has overall responsibility for ensuring the effective operation of the policy.

Relevant policies are communicated to Group employees and there are clear lines of responsibility regarding monitoring their effectiveness, implementation and communication to staff.

The Group's current workforce is 57% female (2007 – 57%) and 43% male (2007 – 43%).

## Training and development

The Group is committed to investing in the training and development of all employees.

Initial induction training is provided for all employees at the commencement of employment, supported if necessary by skills training relevant to their particular role. The Group undertakes to provide further training and development opportunities throughout individuals' careers to enable them to maintain and improve standards of performance, cope effectively with any changes to the work environment, develop their skills, and allow them to realise their full potential. Where opportunities arise, on-job development will also be provided where

appropriate through secondments to other positions, departments or membership of special project groups.

The Group is also committed to raising staff awareness of social responsibility and responsible gambling and providing the necessary training in these areas.

A management development policy is in place that focuses on identifying individuals within the organization that demonstrate the personal drive and ability to operate at a more senior level. The Group-wide performance management process identifies specific individual development needs and provides evidence of exceptional performance. For those who are seen as having the potential to succeed into senior management and leadership roles in the future, the performance management process forms the basis of the application to the Talent Board and entry into the Group-wide talent pool. Selection for further training and development is always based on individual needs and abilities and the needs of the business.

The average length of service across the Group is five years and nine months (2007 – five years and four months) whereas LBO manager s' average length of service is 13 years and five months (2007 – 13 years and one month).

## **Communication**

William Hill places considerable value on the involvement of its employees and is committed to providing effective communication on matters that may affect them and, more generally, regarding the development and performance of the Group. This is achieved through formal and informal meetings, and the Group produces an in-house magazine six times a year, which is circulated to all employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests and are encouraged to raise any issues or concerns.

The Group has established staff councils for retail staff in each of the Group's geographic regions, which are chaired by the relevant Regional Director, together with councils for the Group's major administrative centre. Each council meets four times a year, with the aim of providing an additional channel of consultation between directors, management and staff and to make the fullest use of employees' experience and ideas. Representatives from the retail staff councils attend the National Staff Conference held at least three times a year, which is chaired jointly by the Retail Operations Director and the Group Director, Human Resources.

## Sharesave

On an annual basis since the Group's flotation in 2002, employees with minimum service of one year have been able to participate in the William Hill Sharesave Scheme for a period of three, five or seven years. The 2008 scheme attracted 1,797 staff savers.

## Health and safety

A copy of the Group's health and safety policy is available at [www.williamhillplc.co.uk](http://www.williamhillplc.co.uk). A Health and Safety Steering Group meets regularly to review compliance with applicable health and safety legislation and regulation, to keep up to date with best practice and to review and maintain compliance with health and safety procedures. The Steering Group includes senior managers from the Group's human resources, security, property and LSR departments, together with representatives of operational management. An external health and safety consultant advises the Steering Group.

Staff are provided with information and training on health and safety issues as part of their induction and on an ongoing basis. Risk assessments are undertaken and the Group monitors the application and understanding of safety instructions through a system of safety audits, Health and Safety Co-ordinators and the Health and Safety Steering Group.

## Human rights policy

William Hill is committed to undertaking its operations in a way which respects individual's human rights and treats individuals' with dignity and respect.

We support the basic principles described in the UN Global Compact (derived from the principles in the Universal Declaration of Human Rights) and this policy sets out our approach as it relates to our workforce.

- We will not employ individuals who are under 18 years of age.
- We will not use forced or compulsory labour.
- Working hours will comply with relevant laws and regulations.
- We will offer wages and benefits which are consistent with relevant laws and industry standards.
- We will respect the right of individuals to freedom of association and collective bargaining.
- We are committed to safe and healthy working conditions for our employees.
- We are committed to diversity in the working environment and will not tolerate harassment, discrimination or victimisation in the workplace.

## Environment

A copy of the Group's environmental policy is available at [www.williamhillplc.co.uk](http://www.williamhillplc.co.uk). As a retail and service organisation, the Group's main impact on the environment is through the buildings in which William Hill operates and the resources used by staff in their day-to-day work. The Group's environmental practices reflect William Hill's business operations and its main risks and interactions with the environment, and are largely focused on:

- compliance with environmental laws and regulations;
- minimising waste by the promotion of recycling practices and re-use of materials as opposed to disposal, where this is practicable;
- efficient use of energy and water and investigating ways of reducing consumption in this area; and
- raising awareness of environmental issues within the Group.

The Group is delighted to be part of the FTSE4Good Index.

### Actions

The Group's property department takes primary responsibility for identifying issues and opportunities within the Group's LBO estate and Head Office. The following actions have been taken:

- high-frequency light fittings are specified in all new development and refurbishment projects thereby reducing the number of lamps requiring disposal;
- the Group is fully compliant with all current legislative guidelines regarding the disposal of hazardous waste and complies with the Waste, Electrical and Electronic Equipment Directive, which was introduced in 2007;
- air-conditioning and fascia lighting are controlled by time clocks to ensure efficient use of energy;
- PIR's have been installed on a trial basis at Head Office to reduce electricity consumption;
- new-style fascias continue to be rolled out as LBOs are upgraded, which will further reduce electricity consumption;
- more energy-efficient (inverter) air conditioning units continue to be installed on new projects and when replacements are required; and
- water management systems for toilet facilities are used to reduce water consumption and an increasing proportion of the LBO estate is fitted with water meters.

Facilities for recycling paper and toner cartridges are in place at the Group's Head Office and regional office buildings. The Group has been unable to establish an energy and cost-efficient method of recycling from its retail establishments. Possible solutions have been considered during the year and the Group is keen to progress in this area.

The Group continues to work with the Carbon Trust in an effort to further reduce carbon emissions. Historically, the Group has found it difficult to establish accurate utility consumption data covering all its 2,300 premises. An exercise by which quarterly meter readings were taken at a sample of representative Group premises throughout the UK has been carried out and this type of base line data is used to determine future policy.

### **Access to services**

Customers with disabilities have a rights' of access to the Group's services. Accessibility issues are taken into account in accordance with appropriate codes of practice when opening and refitting the Group's LBOs, and a combination of ramps, stair lifts, disabled toilets and induction loops for the hard of hearing are fitted, where appropriate. In addition, services offered in the LBOs can be accessed on the internet or via the telephone. Details of all of these services can be obtained from the William Hill Customer Helpline.

The Group has implemented a new platform for its online services. Care has been taken to ensure that this application reaches 'single A' compliance status with the Disability Discrimination Act as a minimum.

### **Suppliers**

The Group recognises that it has a responsibility to ensure its purchasing practices are conducted in a manner that ensures compliance with good labour and environmental standards within its supply chain.

Major suppliers have been asked to agree to commit to continuous improvement towards the following specified standards, both within their own companies and those of their suppliers, including:

- to support and act in a manner consistent with the principles in the Universal Declaration of Human Rights;
- ensure that all employment laws within the country of operation are adhered to;
- no children are employed within the supply chain who are below the local legal minimum age;
- employees wages and benefits meet local industry benchmarks and national minimum requirements;
- operate a comprehensive policy of equal opportunity in employment;
- ensure compliance with all national and local health and safety regulations and procedures in the countries of operation;
- ensure compliance with environmental laws and regulations; and
- encourage the development of environmentally friendly working practices.

## Customers and communities

### Customer service

A commitment to high standards of customer service and to the fair and open conduct of its gambling operations is key to William Hill. The Group's continued success depends on its customers. Dedicated customer service departments are in place for both the retail and the remote channels. Service complaints are considered seriously and consistent, monitored procedures are in place across the Group.

During 2008, the retail business continued with its Competition Beating Service (CBS) programme, the aim of which is to ensure a positive in-shop experience for customers. CBS has quickly been established as an essential element of the retail business and the Group believes that it will play a vital part in the business's future success. District Operations Managers review performance against CBS standards on a regular basis and agree action plans to tackle any issues. For an external viewpoint on the levels of customer service experienced in LBOs, the Group uses a mystery shopper programme provided by Retail Eyes, an international company specializing in customer service. A scoring system that measures the effectiveness of CBS is in place and top performers are identified and rewarded.

Our comprehensive betting rules, which detail the terms and conditions under which all transactions placed with William Hill are accepted, were reviewed during 2008 with an amended version scheduled to be introduced in February 2009. The Group endeavours to resolve all betting disputes in a fair, consistent and equitable manner. However, if these are unable to be resolved to the customer's satisfaction the customer is entitled to refer the matter to the Independent Betting Adjudication Service (IBAS). William Hill has agreed to abide by any ruling they make. During 2008, 306 (2007 - 274) disputes were referred to IBAS. In 5% (2007 - 4%) of cases IBAS found in favour of the customer.

Although gambling transactions became legally enforceable contracts in September 2007 and are subject to relevant consumer contract legislation, the majority of disputes continue to be adjudicated on by IBAS, the acknowledged industry expert.

### Product integrity

William Hill has a number of products where the outcome of an event is determined by a random number generator (RNG). RNGs are administered either by external third parties or by the Group itself. The Group has introduced rigorous internal/third-party procedures to ensure that the randomness of its own RNGs is certified, game outcomes are fair and payouts correct, games are free from defects and function to specifications, and that the games are secure and do not

compromise either the player or William Hill. The Group continues to work with suppliers with the objective of ensuring they adopt a high level of fairness testing.

### **Privacy**

The Group has systems in place to protect the privacy of information provided by customers. William Hill complies with the Data Protection Act 1998 and the Data Protection Principles set out in that Act in the collection and processing of personal information. A copy of the Group's privacy policy is available at [www.williamhill.com](http://www.williamhill.com).

### **Supporting sports-related and other bodies**

William Hill is committed to being a responsible corporate citizen and recognises its wider social responsibility by seeking to support the communities in which the Group operates through charitable donations and other relevant payments.

### **Levies**

The Group supports horse racing via the statutory levy and greyhound racing via the voluntary donation to the British Greyhound Racing Fund (BGRF). The sums payable for 2008 were £23.9m and £2.9m respectively. These funds are used by the respective bodies for a wide variety of purposes, including animal welfare issues. A budget has been independently established for the greyhound stadia to be used to assist with greyhound welfare issues. The Group funds an establishment which will enable up to 24 dogs to be housed for up to six months with the intention of permanently re-homing them. During 2008, 130 greyhounds were successfully re-homed by this facility and the benefits of retired greyhounds as pets are actively promoted at the stadia.

The Group recognises the depth of public concern surrounding press coverage regarding the fate of greyhounds no longer required for racing. Every trainer affiliated to a William Hill track is required to complete a weekly return listing dogs available for racing, injured dogs and those dogs who have left the trainer's kennels. Trainers must provide full details of any individual to whom care of a dog has been passed.

### **Charitable donations**

The Group's charitable donations are mainly focused on organizations involved in areas of greatest relevance to the William Hill business. The Board has adopted a charitable donations policy stating that the major focus of the Group's efforts will be in supporting bodies involved in:

- promoting a responsible approach to gambling; undertaking research into problem gambling; and providing information, advice and help to those who are at risk or are experiencing difficulties with their gambling;
- greyhound and racehorse welfare; and
- supporting disadvantaged individuals in horse and greyhound racing.

The Group is also committed to providing support, wherever possible, to its employees in their own fundraising efforts. The Group allocates a proportion of its annual charitable donations budget to match funds (up to a specified limit) raised by employees on local charitable projects. During 2008, the nominated charities of staff members benefited by £29,030 from the matching scheme, with staff endeavours, including marathon running and parachute jumps. On occasion, the Group also supports organisations with whom it does business in their fundraising efforts, and in such cases donations may not fall within the donations policy referred to above.

During 2008, the Group made charitable donations of £772,733, the largest proportion of which, was paid to the Responsibility in Gambling Trust.

The Group has established a Charitable Donations Committee, which reviews on a quarterly basis requests for charitable donations against the Board's agreed policy.

William Hill does not make donations to political parties.

### **CR actions for 2009**

In 2009, the Group intends to continue to progress those initiatives that are already ongoing and will concentrate on the following:

- enhancing recycling possibilities;
- reducing the use of water and electricity;
- maintaining the current position of fleet cars with low CO2 emissions;
- providing a competition-beating service to our customers; and
- continuing to work closely with the Gambling Commission and overseas regulators to ensure we continue to operate to the highest standard on social responsibility and integrity issues.