

WILLIAM HILL PLC
ANNUAL REPORT AND ACCOUNTS 2014

TOWARDS
A MORE
DIVERSIFIED
GAMBLING
BUSINESS

together.



WHEN
THE
FUN

STOPS



gambleaware.co.uk

**CORPORATE
RESPONSIBILITY**

LEADING THE INDUSTRY

RECENTLY, THE LEVEL OF ATTENTION ON OUR INDUSTRY HAS INCREASED SUBSTANTIALLY. THIS STARTED WITH CONCERNS ABOUT THE POSSIBLE EFFECTS OF THE RAPID GROWTH IN POPULARITY OF GAMING MACHINES OVER THE LAST DECADE AND HAS EXTENDED INTO OTHER AREAS SUCH AS ADVERTISING AND LOCALISED CONCERNS ABOUT THE NUMBER OF BETTING SHOPS ON THE HIGH STREET.

LEADING OPERATORS HAVE WORKED TOGETHER AND PROACTIVELY – BOTH AS AN INDUSTRY AND WITH THE GOVERNMENT, THE REGULATOR AND VARIOUS INDUSTRY BODIES – TO ADDRESS THESE CONCERNS AND TO FACILITATE FACT-BASED DECISION-MAKING.



RESPONSIBLE GAMBLING



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ADVERTISING



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THE HIGH STREET



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CORPORATE
RESPONSIBILITY

IN THIS YEAR'S CORPORATE RESPONSIBILITY REPORT, IN ADDITION TO OUR REGULAR UPDATES, WE PROVIDE AN OVERVIEW OF THE KEY ISSUES AND THE PROGRESS WE HAVE MADE IN ADDRESSING THEM.

RESPONSIBLE
GAMBLING**Gaming machines**

In a relatively short period of time, gaming machines have become a very popular part of the LBO experience, now generating around half of Retail's revenues. For the Government, the concern is whether such rapid growth of an entirely new product has an adverse effect on our licensing goals such as protecting the vulnerable.

Over the last two years, the industry has worked closely with the UK Government and the regulator to address this question through two means:

1. generating better understanding through more research on the use of gaming machines; and
2. implementing proactive measures aimed at encouraging customers to gamble responsibly and to reduce harm.

Problem gambling rates

Since 1999, Prevalence Surveys have tracked the prevalence of gambling in British society and levels of problem gambling. There are two internationally recognised screening instruments for assessing problem gambling in population-based surveys of gambling behaviour: the Diagnostic and Statistic Manual of Mental Disorders IV (DSM-IV) and the Problem Gambling Severity Index (PGSI). In both cases, the rates of problem gambling in the population have not changed significantly, in spite of the rapid growth of new categories such as online gambling and gaming machines.

The RGT research

In December 2014, the Responsible Gambling Trust (RGT) reported on the results of a ground-breaking, independent research programme into gaming machines in LBOs that showed it is possible to distinguish between problem and non-problem gambling behaviour.

The programme was commissioned by the RGT to build a knowledge base on harmful machine play and to understand what measures might limit harmful play without impacting on those who do not exhibit such behaviours. The research has the potential to inform the industry's approach to minimising gambling-related harm. William Hill, along with the other major LBO operators, provided extensive data to support the research.

These are the key findings of the RGT's research programme into gaming machines in LBOs:

- It is possible to identify harmful patterns of play
- An holistic approach to identifying harm is required through understanding behaviour and patterns of play
- Further work is required to lead to more targeted campaigns tackling harmful behaviour
- No single approach is the answer to harm minimisation measures
- Problem gambling is found at all staking levels and across all socio-economic groups
- Problem gamblers use multiple products

The ABB Code for Responsible Gambling

The Code for Responsible Gambling was produced by the Association of British Bookmakers (ABB), which represents operators of around 80% of LBOs in Britain, including William Hill, the other major three operators and around 100 independent bookmakers.

The Code was developed as a shared, voluntary code of practice within the ABB's harm minimisation strategy. It was originally implemented in March 2014, which is when the technical changes to gaming machines were made. By then, we had already trained all shop staff on responsible gambling interactions and strengthened our procedures to require more detailed reporting in this area.

In January 2015, we extended our 'Set Your Limits' tool to require all gaming machine customers to decide whether or not to set their own limits before the start of a session. Those who do not impose a limit are restricted by hard limits at the end of 30 minutes' play or spend of £250. When the voluntary or mandatory limits are reached, a pop-up window appears on the screen for 30 seconds containing responsible gambling messages. This is intended to break concentration and force an active decision from the customer on whether or not to continue playing.

During 2014, we undertook 4,100 responsible gambling interactions a month in the LBOs, an increase of 17% over 2013.

However, the number of self-exclusions increased at a slower rate, by only 14% to 7,736, which we believe indicates that the extensive efforts we had previously made to improve our self-exclusion systems were already working well.

The Government has encouraged the industry to find ways to extend self-exclusion. Currently, William Hill customers self-exclude for 12 months at a time and are required to provide an up-to-date photograph for each 12-month period to make the system effective. A self-excluded customer has a 24-hour cooling off period whenever they ask to return to the shop.

Alongside existing tools such as self-exclusion, the ABB Code for Responsible Gambling focuses on improving four key areas:

- Issuing clearer and more accessible information on how to gamble responsibly and highlighting the sources of help available.
- Providing customers with new tools such as time- and money-based reminders, the ability to set spend and time limits on gaming machines and to request machine session data.
- Training staff to detect the signs of potential problem gambling more quickly and how to interact more effectively with those identified.
- Undertaking more consistent central analysis of data to identify abnormal activity both in specific shops and, where possible, relating to individual customers.

Problem gambling rates in Great Britain

■ PGSI ■ DSM-IV



CORPORATE
RESPONSIBILITY

ADVERTISING

The industry has had its own Code for Socially Responsible Advertising since 2007, which supplements the rules produced and administered by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP). This requires, for instance, the inclusion of '18+' and 'gambleaware.co.uk' in all our adverts, not advertising products such as casino games before the commonly accepted watershed of 9.00 pm and avoiding magazines that have a significant under 18 readership.

At the Government's request, reviews of gambling advertising were conducted by the industry, the Advertising Standards Authority (ASA), CAP and BCAP.

The ASA commissioned an independent research agency to look into the public's views on gambling advertising. This research, published in October 2014, revealed that people are satisfied with the way gambling advertisements are regulated and approve of how the rules are applied.

This was reinforced in December when CAP and BCAP published a report on their review, concluding that gambling advertising has a limited effect on young people and problem gambling behaviour.

In March 2014, the main trade associations for five of the six sectors of the gambling industry (excluding lotteries) – LBOs, bingo, casino, online gambling and amusements – formally came together to establish the Industry Group for Responsible Gambling (IGRG) to provide a structure for promoting socially responsible gambling initiatives.

Having completed its own review, the IGRG voluntarily committed to extend the code as of 1 January 2015 to include a ban on sign-up offers for new customers on television before the evening watershed.

The ABB members have also voluntarily committed to a ban on all gaming machine advertising in shop windows and to give 20% of all window advertising space over to responsible gambling messages. During GambleAware Week, promotional displays in shop windows were entirely given over to promoting responsible gambling, replacing all product offerings.

The Senet Group

In September 2014, William Hill, Ladbrokes, Coral and Paddy Power came together to set up a new independent industry body, the Senet Group. Its remit is to promote responsible gambling standards and ensure that the marketing of gambling is socially responsible.

In January 2015 as part of GambleAware Week, the Senet Group launched a high impact TV and advertising campaign to educate people about the risks of gambling and how to stay in control, backed by the four founder members.

The Senet Group is chaired by an Independent Standards Commissioner, who monitors and enforces compliance with the commitments made by member companies on advertising and other measures aimed at protecting the vulnerable. Membership of the Senet Group is open to any gambling operator.



Find out more:
www.senetgroup.org.uk

GAMBLE AWARE WEEK

MONDAY 26TH JANUARY

- SUNDAY 1ST FEBRUARY 2015

GambleAware Week

Between 20 January and 1 February 2015, the industry held its first 'GambleAware Week' with the specific objectives of increasing the uptake and awareness of voluntary set limits and educating customers about the tools available from the industry to help them control their gambling.

Throughout the week, we ran responsible gambling posters in our shop windows, provided additional education and profile-raising material inside our shops, showed 'book end' banners on all our William Hill UK websites and included GambleAware banners on website landing pages.

Using our customer management capability and in-house developed algorithms, we identified and contacted our most at-risk Online customers with information on our support channels and tools. We also distributed a mass email to the wider Online customer base and ran social media and online marketing campaigns to promote GambleAware Week.

We worked with the ABB to run pilot schemes in Liverpool, Eastbourne and Brighton to highlight the free counselling services available in those areas. Throughout GambleAware Week, any customer who engaged with a shop team around responsible gambling concerns or who requested self-exclusion was referred to a number of drop-in counselling support sessions hosted in those three areas.

THE HIGH STREET

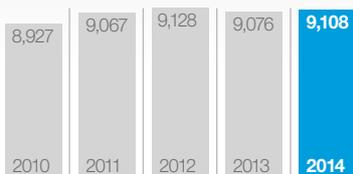
In recent years, there has been concern that betting shops are 'proliferating' and 'clustering' in certain areas. In fact, the number of LBOs has been relatively stable over the last five years at c9,000, more than 40% lower than its peak at 16,000 in the 1970s. LBOs have become more prominent as banks have closed high street branches, giving us opportunities to move from secondary and tertiary locations onto the high street. LBOs are also an anchor for additional footfall for other retailers.

In England and Wales, the Government aims to give greater control to local councils by putting betting shops into a single use class. Currently, we share Class A2 with financial services businesses, including banks, and moving into a single use class would require us to apply for planning approval to change the use class of a unit to open a new LBO.

In Scotland, as part of the process to devolve powers it has been proposed that Scottish Ministers will have the power to vary the number of gaming machines in new LBO licences.

The number of LBOs in Britain:

+0%



Source: Gambling Commission



RESPONSIBILITY AND SUSTAINABILITY

AS WELL AS ENSURING OUR CUSTOMERS GAMBLE RESPONSIBLY, WE STRIVE TO PROVIDE THEM WITH THE BEST POSSIBLE EXPERIENCE.

IN ADDITION, OUR COLLEAGUES AND OUR WORK IN THE COMMUNITY CONTINUE TO PLAY A VITAL ROLE TOWARDS ENSURING A SUSTAINABLE FUTURE.

CUSTOMERS



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COLLEAGUES



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CORPORATE
RESPONSIBILITY

CUSTOMERS

Our principles:

Keeping crime out of gambling

Treating customers fairly and openly

Protecting the vulnerable

For the vast majority of customers, gambling is a safe and pleasurable pastime. For a small number, however, we recognise that gambling can become a problem.

The standards, policies and procedures by which we operate our business are defined by the Gambling Commission's licensing objectives, and these are embedded throughout our organisation.

Objective 1: to prevent gambling from being a source of crime and disorder, being associated with crime or disorder or being used to support crime.

Objective 2: to ensure that gambling is conducted in a fair and open way.

Objective 3: to protect children or other vulnerable persons from being harmed or exploited by gambling.

Addressing problem gambling

As described above, the levels of problem gambling across the UK are stable or may even be slightly declining. These levels are also low by international standards. However, we are not complacent and, as outlined above, have undertaken a number of important changes to help customers gamble responsibly.

For many years we have provided self-exclusion systems in the betting shops and for Online and Telephone customers. We have continually improved these measures, including requiring Retail customers to self-exclude for 12 months at a time, with the ability to renew for a further year by phone, and to provide a recent photograph when they renew so that we can more effectively recognise them when they come into our shops. Now, we are working closely with the rest of the industry to identify ways to increase the effectiveness of self-exclusion even further.

Preventing underage gambling

We also focus heavily on ensuring that under 18s do not gamble with William Hill.

In Retail, we apply a 'Think 21' approach and use an independent third party to test the effectiveness of our approach.

Having changed our testing methodology in 2012, we have been measuring colleagues' challenging of customers at different stages of their customer journey, from entering the door to approaching the counter or attempting to use a gaming machine. We delivered another year of very strong results in 2014, with successful challenges occurring in 85% of cases and 71% of challenges occurring upon entry. This places us among the very highest performing age verification industries, including those selling alcohol on the high street.

When a new Online or Telephone customer opens and deposits into an account, we go through a series of age verification procedures, including using external agencies.

Treating customers fairly and openly

We strive to ensure our rules and terms and conditions are easily available and understandable to customers, and we look to resolve all betting disputes in a fair and consistent manner. In 2014, the number of disputes escalated to the Independent Betting Adjudication Service (IBAS) increased slightly to 494, with 99% of these being found in our favour.

We monitor and regularly measure our customer service levels to ensure that we are delivering a good quality service to customers. In 2014, Retail's Net Promoter Score (NPS) improved again to 53% (2013: 47%). Online introduced an NPS monitoring system during the year and identified key customer journeys on which to focus to deliver further improvements.

Health and safety

We continue to cement a strong Primary Authority partnership for Health and Safety with Westminster City Council, which will include the receipt in 2015 of assured policy and process advice in all key areas. From this, a national inspection plan will be developed

which will mean local authority inspections will concentrate on agreed key risk areas.

In January 2013, Jacob Marx, a New Zealand lawyer, lost his life following the fall of a sign outside our shop in Camden Road, London. In January 2015 an inquest jury returned a 'narrative verdict'. Prior to the inquest, the Metropolitan Police announced that there was insufficient evidence to proceed with gross negligence or corporate manslaughter charges against any individual or corporation and the inquest verdict does not alter this situation. Amongst other matters, the jury found that William Hill systems were above standard, but that there was a lack of regulation in this area (sign fixing).

We have extended our sympathies to Jacob Marx's family and we continue to fully co-operate with Camden Council on their continuing investigation into the role of relevant contractors and the Group.

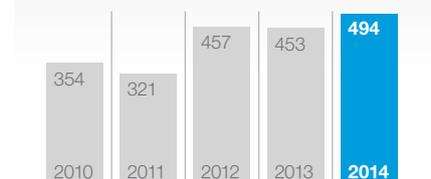
Keeping crime out of gambling

Over the last several years, William Hill's comprehensive approach to security has led us consistently to reduce the level of crime in our business, giving us an industry-leading track record. We have a dedicated Security function and have continuously invested in our systems and training to instil the right security-conscious culture in our shops, to protect both our staff and our customers. We continue to share best practices across the industry through organisations such as the Safe Bet Alliance and co-operate with crime-prevention bodies, including Crimestoppers. Our efforts have also been recognised with Group and individual awards from the security industry's Security Excellence Awards.

We recognise the threat posed by cyber crime and will continue to focus on this area of potential risk.

Customer complaints referred to IBAS:

+9%



Continuing to reduce crime

Through initiatives such as Counter Plan, investment in safe havens for staff and CCTV, and use of systems such as StaffSafe, in the last seven years we have seen a 63% fall in robberies, an 81% fall in burglaries and a 35% fall in cash-in-transit incidents.

In addition, the proportion of these classed as attempts (i.e., the criminals were unsuccessful, usually as a result of our prevention measures) has increased to 37% for robberies, 29% for burglaries and 41% for cash-in-transit. The cost to the business of these crimes has reduced by 82% from £662,000 in 2008 to £120,000 in 2014.

During 2014, we continued to rollout StaffSafe, a two-way audio communication system connecting shop teams to a 24-hour monitoring station. This system is highly effective at combating anti-social behaviour as the incident is managed over the audio system by the remote team, taking the focus away from the shop team. In total, 1,340 systems have now been installed and by the end of 2015 we aim to have covered three-quarters of our LBO estate. The Control Room will also be linked into our CCTV systems.

Anti-money laundering

During the last year there has been significant attention focused on money laundering as the EU has progressed its 4th Money Laundering Directive, which may bring retail bookmakers under its auspices for the first time. The number of suspicious incidents reported to the National Crime Agency (NCA) in the UK involving proceeds of crime or money laundering in betting shops remains very low, at less than 1% of reported NCA cases, the majority of which come from the banking sector.

We have dedicated risk management teams that monitor and investigate suspicious activities in Online and Retail. Over 100 dedicated staff work around the clock to conduct real-time transactional monitoring of Online deposits and withdrawals, and game play. Our teams are regularly trained on what we need to identify and report.

As a cash business in Retail, there will always be a risk but we take that very seriously and have a dedicated Money Laundering

Reporting Officer, comprehensive training, clear systems for escalation and fraud alert software on the gaming machines.

The anti-money laundering risk matrix used in Retail was extended in 2014 to encompass the gaming machine reward card. Specific gameplay monitoring was also introduced in relation to self-service betting terminals.

In Online, we monitor customer accounts for fraud management and anti-money laundering purposes. We conduct 'Know Your Customer' checks against customers depositing more than €2,000 in a 24-hour period and run checks to validate their identity. Enhanced due diligence processes, including customer profile checks, were further enhanced in 2014 across both Retail and Online and a consistent approach to monitoring and reporting once suspicious activity has been detected is in operation.

In 2014, we submitted 325 Suspicious Activity Reports (SARs) to either the NCA or the Gibraltar Financial Intelligence Unit (2013: 154 cases). Ten of the SARs were consent-related and all ten were granted by the NCA. There were 411 law enforcement or financial institution enquiries were received that required investigation. As a result of encouraging improved internal reporting and adopting a more comprehensive approach across Retail and Online, we saw a 125% increase in the number of internal reports made, with the high quality of this reporting demonstrated by 75% of these resulting in an external disclosure.

The EU's 4th Money Laundering Directive is (as at February 2015) still to be finalised. It is possible that exemptions can be given by member states for areas deemed low risk through the UK National Risk Assessment, though official clarification has yet to be published. We participated in those assessments related to gambling with HM Treasury and the Home Office during 2014. We consider the betting shop industry to be low risk given the low level of SARs that originate from gambling. However, should betting shops be included following the National Risk Assessment, additional controls would need to be implemented in relation to customers spending or transacting the equivalent of €2,000.

COLLEAGUES

Engagement

We continue to build on the success of our Colleague Forums, which operate in each of our locations and from which a group of colleagues are drawn as our International Colleague Forum to share practices and raise ideas and issues.

Colleagues are also encouraged to make their voices heard through the annual engagement survey, HOME Truths, which we have held each year since 2010. This year, over 10,000 colleagues participated worldwide. The highest scores related to customer focus, relationships with managers, effective training and teamwork. We saw significant improvement around communication by senior management of its vision of the future and making changes to be competitive. Areas that colleagues highlighted to be addressed included pay, actions in response to concerns and ideas, two-way communication and work-life balance.

Development

Our approach to talent management and succession has become increasingly important as we have become a larger and more international organisation. Talent recognition and development run throughout William Hill. We have mentoring schemes, talent development for high potential people, executive coaching and study sponsorships to support people's individual development needs, as well as organised programmes such as the Retail Academy.



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RESPONSIBILITY

We continue to review our talent pool, which is critical to our succession planning process, identifying the development needs and potential of our top 300 managers.

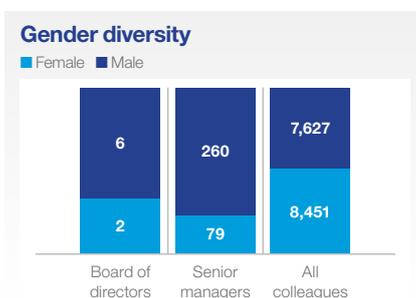
We pride ourselves on the opportunities we give our colleagues to develop their careers within William Hill and that three of our last four CEOs have all come from within the business, including James Henderson who started as a trainee manager in Retail 30 years ago.

The Retail Academy, established in 2012, continues to flourish. Around 2,500 colleagues undertook the first stage of the programme – The William Hill Way – in 2014. A further 950 undertook the ‘Stepping Up’ programme to prepare Customer Service Assistants who want to go on to become Deputy Managers and 140 LBO managers went through ‘Taking the Lead’ to prepare them for becoming a multi-site manager. Our District Operations Managers have now completed the ‘Maximising Performance’ programme.

We are also strong supporters of developing women at all levels of our business. We have developed bespoke courses for women in administrative and frontline jobs, and created a programme for women managers focused on developing their skills and confidence. Our Springboard programme brings up to 50 women a year through into junior management roles.

Gender diversity

Having diversity across the Group remains a key focus for both the Board and the executive team, and the development team continues to focus on bringing through women as leaders through programmes such as ‘Springboard’. The gender diversity across different levels of the Group is shown below.



Legislation requires that we define ‘senior managers’ as the directors of our subsidiary companies. However, the Board believes this information does not provide a meaningful analysis of how the Group operates so the data shown reflect the proportion of senior managers by our own internal grading system. For reporting purposes, there are 48 directors of subsidiary companies, comprising 39 men and nine women.

Rewarding and celebrating our colleagues

Our colleagues are critical to our success and we want William Hill people to be engaged, excited and energised by our business.

Salary levels are dictated by market conditions so we personalise what we offer colleagues through our benefits, our bonus plans and the ways in which we reward and recognise people’s efforts. Our range of benefits is, we believe, the best in the industry.

In many cases, people can choose the benefits that fit their lifestyle, reflecting the fact we have a very diverse colleague population.

Every colleague is eligible to earn a bonus and we encourage them to benefit from our business success by investing in our share save schemes, which are offered each year at a 20% discount to the share price. We also support travel, partnering with Transport for London to provide subsidised travelcards for London-based staff and with Halfords to support ‘cycle to work’ schemes.

We celebrate success in numerous ways, including two major Group-wide events each year. In May, 250 people gathered at The Grand Hotel in Brighton from across the William Hill world to recognise the winners and runners-up in the HOME Awards. These are awarded in 12 different categories, from National Shop Team of the Year to Outstanding Contribution to Innovation, to Community Champion.

**Bringing our leadership ‘Together’**

In December 2014, James Henderson held his first leadership conference as CEO, bringing together the top 50 leaders to debate and develop our strategy. Branded ‘Together’ as the event that broke down geographic and channel boundaries, this was the first time this leadership team had come together since the acquisitions of the US and Australian businesses were completed.

Held in Shoreditch, London, where the Online business has established a technology excellence centre, the event included presentations by members of the executive management team and interactive sessions, including ‘future gazing’ on trends and technologies that could have a significant impact on our business. A series of ‘Innovation Hubs’ showcased some of the best examples of innovations from across the Group, from mobile apps to data management to the changing face of media.

In September, colleagues who recorded 25 or 40 years' service attended our annual Long Service Awards, celebrating with their partners with a weekend at the Ayr Gold Cup.

Health and safety

The health and safety of our colleagues and customers and those who come into contact with our business are of paramount importance to us.

We continue to strive for incremental improvement in Retail.

During the year we have reviewed our property processes, assessed the policies and processes of all our international locations and improved the standard of the LBO health, safety and fire risk assessments. Violence in the workplace is a key focus for us in 2015, together with Westminster City Council as our Primary Authority.

In April 2014, we changed our approach to lone working in the betting shops. Having previously required all shops to be dual-manned from lunchtime onwards, we allowed certain shops to operate single-manning as service levels demand.

Before we implemented this, we undertook a pilot trial involving 400 shops. This involved a risk assessment taking account of the Health & Safety Executive's lone working detailed guidance and implementation of security changes prior to the pilot, briefings on best practice guidance for LBO teams and a shop buddy system. Following successful implementation of the trial, evening lone work was extended to around two-thirds of the estate, again on a risk-assessed basis.

We have assessed the impact of our changed approach in a number of areas, including colleague welfare and security and are satisfied that this revised staffing model has been successfully implemented without significantly impacting our colleagues, customer service or compliance obligations.

Tackling anti-social behaviour

We treat anti-social behaviour in our shops extremely seriously. In 2014, 40 anti-social behaviour workshops were held, bringing together our shop staff, the Security and Operations teams, and external agencies such as local police to address the issue. These allowed staff to share experiences and best practice, and to highlight problems to police, with a subsequent increase in police visibility in affected shops. This partnership approach helps to reduce anti-social behaviour and increase staff morale.

Human rights

The Board considers that it is not necessary for the Group to operate a specific human rights policy at present. Our policies already operate within a framework to comply with relevant laws, to behave in an ethical manner and to respect the human rights of our employees and other stakeholders in the business.

The Corporate Responsibility Committee, on behalf of the Board, is satisfied that William Hill's policies operate in a way that is consistent with the UN's Global Compact, covering areas of human rights, labour, the environment and anti-corruption.

COMMUNITY

Employing 16,000 people in nine countries, William Hill is now an international business but we are also a very local one, making an active contribution to the local communities in which we operate.

We make a positive contribution to local economies by offering flexible employment, contributing a substantial amount a year in taxes, in providing a meeting place for members of local communities to take part in an enjoyable pastime, in contributing to and sponsoring a wide range of sports and in supporting our colleagues' efforts to raise funds for charities.

Our community activities are carefully selected for a number of reasons, including giving back to the industry and communities in which we operate, and also to help those in hardship. At the same time, our approach promotes the very best development in our colleagues and encourages them to be generous with their time and efforts for worthwhile causes.

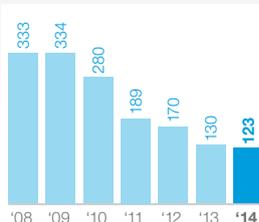
The William Hill Foundation

The William Hill Foundation was created in 2011 as a hardship fund to support colleagues during these economically challenging times. In 2012, we achieved charitable status for the Foundation and it became the umbrella organisation for Project Africa as well. Four directors – all William Hill leaders – administer the £100,000 hardship fund and the donations received from colleagues for Project Africa. Robbie Savage is Patron of the Foundation.



Long-term reduction in crime

Robberies



Burglaries



Cash-in-transit incidents



CORPORATE
RESPONSIBILITY

Our colleagues continued to be active participants in fundraising events and the Foundation matched over £41,000 in funds raised. The number of colleagues applying for grants was 25% lower than in 2013.

We made charitable donations of £1.2m in total, the largest of which was £940,000 to the Responsible Gambling Trust to support its independent work in problem gambling-related research, education and treatment.

The main work on Project Africa has now been completed. In 2014, the final project team travelled to Ol Maisor in Kenya to help build a medical facility at the school. This follows the library, teachers' accommodation and water facilities we established in previous years. The Foundation directors have created a plan to support the community over a further three years, enabling our investment and colleagues' generous donations to be fully utilised and to ensure our commitment to sustainability is fulfilled. Colleagues have raised £225,000 to support the project.

Supporting sport

Betting and sport have a long joint heritage. Since the 1960s, the UK bookmaking industry has supported the racing industry with a payment levied on our revenues from UK horseracing.

Today, we pay up to 10.75% of UK horseracing revenues from our shops together with significant sponsorship investments and, more importantly, very substantial payments for TV pictures from the race tracks that are broadcast in our shops. Our UK horseracing sponsorships include the Ayr Gold Cup and the Kempton Winter Festival.

In addition, we pay a voluntary donation to the British Greyhound Racing Fund to help sustain that industry. Through our two greyhound stadia we assist with greyhound welfare, including funding an establishment that houses up to 25 dogs for up to three months with the intention of permanently re-homing them. We sponsor some of the leading greyhound racing events, including the Greyhound Derby and the All England Festival.

We are now the sponsor of a number of major sporting events and teams in the UK and Australia. We have a ground-breaking sponsorship deal with The Football Association as an 'Official Supporter' of the England football team, and 'Official Supporter' and 'Official Betting Partner' of the FA Cup. In Scotland, we are the 'Official Betting Partner' of the Scottish national football team, sponsor of the William Hill Scottish Cup and 'Official Betting Partner of the Scottish Premier League'.

We also sponsor the PDC's World Darts Championship. In Australia, our sponsorships include the Brisbane Broncos rugby league football club and a number of racetracks, and in the US we sponsor the Haskell Invitational Stakes at Monmouth Park racetrack in New Jersey.

Environment

We first reported an emissions figure (tonnes of CO₂ equivalent (tCO₂e)) for the Group in 2012. This includes Scope 1 and Scope 2 emissions, including natural gas consumption, electricity consumption, refrigerant emissions and fuel from company cars.

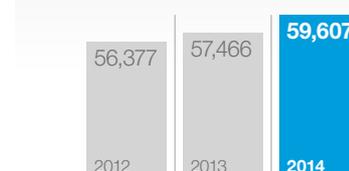
In 2014, we included our operations in Manila and Australia (Australia electricity consumption was included in 2013). We saw a 4% increase to 59,606.5 tCO₂e. Within this, Scope 1 emissions were 3,591.7 tCO₂e and Scope 2 emissions were 56,014.9 tCO₂e (2013: Scope 1 3,390.0 and Scope 2 54,014.9). However, our overall electricity consumption in kilowatt hours was actually 7% lower in 2014. The difference, therefore, principally relates to an increase in DEFRA greenhouse gas conversion factors from 0.44548 in 2013 to 0.49426 in 2014 for electricity across all regions. Electricity and the UK both account for 95% of our consumption, given the Retail business and the location of our corporate offices.

In 2013, we identified an intensity measure – tonnes of CO₂ equivalent per £1m of net revenue – to track our performance. In 2014, in spite of the change in conversion rates we saw a year-on-year reduction of 9% from 38.67 tCO₂e in 2013 to 35.04 tCO₂e in 2014, with 8% growth in Group net revenue in the period offsetting the tCO₂e increase. These data were calculated using DEFRA guidelines and conversion rates.

In 2014, we established our Energy Management Forum, bringing together functions from across the business on a quarterly basis to analyse our data, investigate ways in which future greenhouse gas measures can be introduced and identify potential energy saving initiatives around the Group. We reduce waste through recycling and re-use of materials. We also recycle paper, cans and plastic in our offices.

Sponsorships and levies**Global tonnes of CO₂e (tCO₂e)**

+7%



PERFORMANCE		2014	2013	Comments
Customers				
Customer protection	Number of self-exclusions – Retail	7,736	6,767	We have substantially increased the number of responsible gambling interactions in our LBOs to around 4,100 a month. The number of customers making use of our self-exclusion systems continues to grow, though at a slower rate than the interactions, suggesting the system was already working relatively successfully.
	Number of self-exclusions – Online and Telephone	20,666	17,915	
	RIDDOR reportable accidents – customers	12	232	
Customer satisfaction	Retail Net Promoter Score	53%	47%	Mystery shopper scores in Retail have continued to improve since a new customer service programme was implemented in 2013 and 2014.
	Disputes referred to IBAS IBAS disputes found in customers' favour	494 0.6%	453 1.1%	Our customers can rely on an independent arbitrator to resolve customer disputes. In around 99% cases, our original decisions are upheld.
Colleagues				
Protection	RIDDOR reportable accidents – colleagues	11	37	RIDDOR reporting changed in 2014 to require accidents to be reported when they resulted in absence from work for over seven days instead of over three days. Like-for-like comparisons are not possible.
	Incidents of violence in the workplace	313	375	The number of physical attacks on LBO staff fell in 2014 by 17%. During the year, 40 anti-social behaviour workshops were held to address violence in the workplace.
	Number of robberies	123	130	The number of actual robberies at 78 (excluding attempts) continued to decrease through our ongoing security plan, down another 9% in 2014.
	Number of burglaries	35	51	The proportion of burglaries classed as attempts in 2014 was 29%. A number of burglaries were combated with the use of StaffSafe.
	Number of cash-in-transit incidents	17	20	41% of all cash-in-transit incidents were attempts. Awareness training and CounterPlan have reduced incidents.
	Average cash loss from OTC robberies (£)	401	390	Average cash loss, though higher than in 2013, is still showing a significant decline compared to a high of £493 in 2008.
Training and development	Total number of training days	21,931	28,145	Our business is sustainable as we attract and retain engaged employees. We offer clear career progression and development opportunities.
	Value of training investment (£'000)	826.9	785.4	
Engagement	Employee Engagement Index – participation	66%	51%	We continued to make good progress in encouraging greater participation rates in our annual colleague engagement survey.
Support	William Hill Foundation grants (£)	32,951	42,406	The Foundation supported colleagues from across the business, making 23 grants at an average of c£1,400.
Community				
Environment	Total CO ₂ equivalent (tonnes)	59,607	57,466	Although our tonnes of CO ₂ e increased, our consumption of electricity – which represents our main environmental impact – reduced by 7%.
Industry relationships	UK horseracing levy (£m)	16.5	17.5	We continue to support sports through sponsorship and the horseracing and greyhound racing levies.
	Sports sponsorship (£m)	3.8	6.4	
Community engagement	Employee charity matching scheme (£'000)	40.3	56.9	Our colleagues participated in 114 charity events that we matched in 2014.
	Responsible Gambling Trust donation (£'000)	940.3	863.3	William Hill is the biggest single contributor to the Responsible Gambling Trust. This is a key part of our commitment to supporting problem gambling research, education and treatment.

REPORT OF THE CORPORATE RESPONSIBILITY COMMITTEE



THE CORPORATE RESPONSIBILITY (CR) COMMITTEE SETS THE GROUP'S CR POLICIES, ENSURES THE BUSINESS OPERATES IN A SUSTAINABLE WAY AND ADVISES THE BOARD ON ENVIRONMENTAL, SOCIAL AND ETHICAL MATTERS.

Membership and meetings

The following is the current membership of the CR Committee together with the year in which membership commenced. James Henderson is the executive director responsible for CR.

Director	Year of appointment
Ashley Highfield, Chairman	2008
Gareth Davis	2010
Sir Roy Gardner	2014
Georgina Harvey	2011
James Henderson	2014
Imelda Walsh	2011

The Company Secretary acts as secretary to the Committee. The CR Committee meetings are regularly attended by relevant members of the executive committee and management team, so that informed presentations are made by individuals responsible for key areas such as human resources, health and safety, security and regulation. The Committee also receives a briefing, at least annually, from an external specialist consultant in respect of health and safety arrangements. The Committee met on three occasions during 2014 and details of attendance at Committee meetings is set out on page 56.

Role of the CR Committee

A full copy of the terms of reference for the Committee can be obtained via the website at www.williamhillplc.com or by request to the Company Secretary.

The Committee's principal responsibilities are to:

- review CR policies and practices for the Group and set new CR policies as appropriate;
- review CR performance across a range of performance metrics;
- ensure the business operates in a sustainable way;
- advise the Board on environmental, social and ethical matters;
- monitor CR risks as part of the Group's overall risk management framework; and
- review and approve the annual CR report within this document.

The Chairman of the CR Committee reports to the Board on the outcome of meetings.

Main activities during 2014

CR remains an important matter for William Hill. Further details of key issues and progress on CR matters during 2014 are provided in a CR report on pages 30 to 41 of this Annual Report.

During the year the CR Committee reviewed a number of reports on CR-related matters, in particular on health and safety, charitable donations and related activity, and on interactions with regulatory authorities. CR performance and issues in relation to employees, community engagement and customers were reviewed regularly and are captured in a 'dashboard' which facilitates discussion and an assessment on potential trends and other changes. Following the introduction of new statutory environmental reporting obligations in 2013, the Committee also received updates on the approach to environmental performance during 2014.

Ashley Highfield
 Chairman, Corporate Responsibility Committee

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