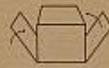
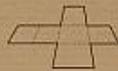
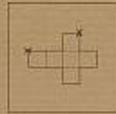


PEOPLE-PLANET-PLAY

CORPORATE RESPONSIBILITY

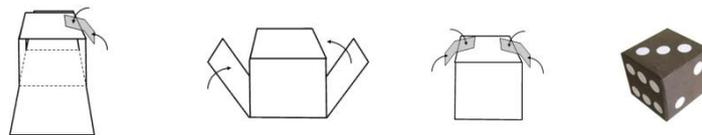
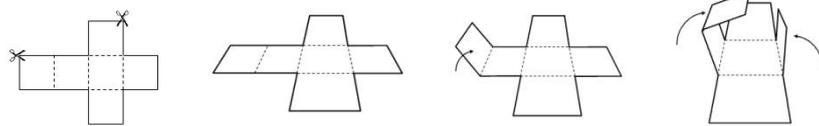
2008



888.com
—Enjoy the game—

“If there is one lesson that we must learn from the climate crisis and our great challenges, it is this: we share one planet, one small blue speck in space. As people, as nations, as a species: we sink or swim together.”

UN Secretary-General Ban Ki-moon, October 2009



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Note: Throughout this report, 888 Holdings plc is referred to as "888".

Message from the Chairman and the CEO

At 888 playing is not just a matter of entertainment. In fact, we take our play very seriously. For us at **888**, playing is our core business which has an impact on people and on our planet, and generates profits which make an economic contribution to the quality of life and environment around the globe. There are some people who ask: "**How can an on-line gaming business be responsible?**" We like to think that we have the answer to that question, and that we are on a journey to improve our economic, social and environmental impacts in a responsible way. Conducting our business responsibly is fundamental to our future success and the sustainability of our business. This includes managing social, environmental and economic risks and opportunities, and responding to external developments and stakeholder issues. In addition, our responsible approach enhances our credibility with stakeholders and supports our international business development.

With responsibility comes transparency, and in the name of transparency, we felt it is important that we share the way we conduct our business with you, all our stakeholders and with the general public, in this, our first Corporate Responsibility report. In doing so, we have followed the globally accepted best-practice guidelines, the Global Reporting Initiative, and are proud to present this report at Application Level A (to understand the significance of the A level, please see part 5, "About this report!").

In writing this report, we have considered the most important questions that a business such as ours needs to ask itself and its stakeholders and we have tried to reflect responses to these in our report. We present our materiality matrix which shows the way we have prioritized these issues. A core question is how we protect minors and other vulnerable groups from falling under the influence of a gaming culture – the section of this report dedicated to Responsible Gaming provides details on our intensive efforts to ensure safe, secure and responsible play. Equally, in these times of financial hardship around the world, we attempt to address the value of gaming and its place in providing a necessary leisure experience and a contribution to the quality of life of our clients with the convenience of an on-line activity for relaxation and enjoyment. The vast majority of our clients confirm they play for fun!

2008 was a financially difficult year for all businesses around the world and **888** was no exception. Notwithstanding, our business has continued to make considerable progress, building on strong foundations established in over a decade of trading. **Our financial results in 2008 were at record levels** demonstrating strong growth: Total

Operating Income increased 21% to US\$263 million (2007: US\$217 million) and EBITDA increased 23% to US\$56 million (2007: US\$46 million). For more details about our financial performance, please see our Annual Report 2008, available on our website: www.888holdings.com

2008 marked a milestone in the delivery of **888's** strategic goals in the transformation of our product offering and evolution of our strategic partnership programme into a significant B2B (business to business) operation. Capitalizing on the experiences gained in operating one of the world's most successful online B2C (business to customer) gaming businesses for the past decade, **888** has developed a new independent B2B division, Dragonfish, which is uniquely positioned to provide strategic partners with the infrastructure and operational expertise needed to succeed in online gaming. Dragonfish provides its partners with flexible online gaming solutions, marketing, operations and e-payments to help partners achieve their online goals. More details about Dragonfish can be found on its dedicated website <http://www.dragonfishtech.com>

Alongside business growth, we have invested in more robust risk management procedures, and we report these fully in our Annual Report. We approach risk management as a cornerstone of a responsible and sustainable business. It seems fitting to us now that, we should reinforce our commitment to responsible and sustainable business practices through a publicly disclosed report.

During this last year, we further embedded our commitment to globally accepted principles of responsible business and the creation of positive impacts through our participation in the United Nations Global Compact. We believe this is a worthy set of aspirational principles to which we commit ourselves to upholding in a transparent way.

We recognize that we still have much to achieve but we will try to present, in a fair and balanced way, our approach to people, planet and play so that you, our stakeholders, can make informed decisions about any aspect of our business and our relationship with you.

People | Planet | Play

We take this opportunity, with the publication of this first report, to thank the **888** team of employees around the world for their efforts in contributing to our business success and our positive social and environmental contribution. It is only with the continued commitment of all our people that we can continue to make progress.

We hope that you will consider reading this report and providing us with your feedback.

Thank you. Now let the play begin....



Gigi Levy
Chief Executive Officer



Message from the Director of CSR and Responsible Gaming

We want you to **enjoy the game!** Any activity designed for sport, relaxation or recreation should be enjoyable! This also applies to on-line gaming. Once it ceases to provide enjoyment, then the play should cease as well. This is key to the way we design our services at **888**. We design our games for enjoyment. We believe that **the gaming business has an important role to play in people's lives** and can generate significant positive social impact in the same way as any other business or entertainment platform. The key to positive impact is visionary, competent and caring leadership, committed and capable people, a solid business strategy and the application of the highest ethical principles and best practices of corporate responsibility. My role, which carries responsibility for the Company's responsible gaming policy, programme and performance, serves as one of the essential cornerstones on which the sustainability of **888** rests. I operate both as a driver of responsible practice and as a watchdog, and develop partnerships with other industry associations to ensure that we adhere to the strictest possible standards at all times. My responsibilities include broad overseeing of the Group's CSR program and especially responsible gaming, fair play, outreach programs with local charities and donations. This first Corporate Responsibility Report represents another step in our core approach of responsible and transparent behavior. We see it is a necessary platform to enable all our customers, and all stakeholders, to enjoy the game!

This report provides a detailed account of how we implement Social and Environmental Responsibility in our business and is structured in line with Global Reporting Initiative guidelines, the leading global reference for corporate responsibility reporting. The process of reporting and the report itself have the full support both of the Board of Directors and of the Management Team. Several of our team members at **888** have contributed to the development of this report, which represents them and all **888** employees. In addition, we are grateful to a number of external stakeholders who have commented on our practices in this report. This is a further example of our commitment to developing an open culture of feedback.

We hope that you will take an interest in this report and provide us with **your** feedback so that we can continue to learn and grow, and meet the needs of all our stakeholders. Please do write to me at ruth.tanami@888holdings.com.

Wishing you much enjoyment as you play with **888**

Ruth Tanami

Director of Corporate Social Responsibility & Responsible Gaming - **888**

Our Corporate Responsibility Policy

As global leaders of online gaming entertainment, we, at 888, are committed to a proactive policy of corporate and social responsibility that reflects the high professional and ethical standards we have set for ourselves.

Our philosophy of responsibility is comprehensive and diverse. We contribute resources to the global community in which we operate in order to benefit society and the environment:

- We sponsor and participate in community activities in the neighborhoods in which we live and work.
- We create a collaborative and rewarding work environment where new ideas can flourish and employees can grow.
- We encourage responsible gaming practices to avoid the dangers of problem gambling, and we have taken rigorous steps at all our online sites to prevent underage gambling.
- We acknowledge the fact that even our most minuscule actions may affect the environment and take proactive measures to protect the world we live in.
- We build on the success of our professional gaming core business to create positive economic outcomes for investors and all stakeholders.
- We comply with the strict regulatory requirements of our licensing authority, the Government of Gibraltar.



Our values place the community and the customer at the center of all our endeavors. We are constantly creating new and innovative ways to create a caring, responsible gaming environment and to ensure all those that visit our site can do so with confidence and safety, and that those for who our games are not intended, notably children and those vulnerable to addiction, will not be drawn into the gaming environment.

Our voluntary Corporate Responsibility Policy goes beyond the letter of the law and beyond compliance with the significant regulatory frameworks by which we are bound. These are covered in the Governance Section of this report. Our Corporate Responsibility drives actions and initiatives beyond these requirements.

Corporate Responsibility Key Indicators Overview

Subject	Key Indicator	Performance in 2008	Plan for 2009-2010
Leadership	Annual Board Review of CSR	Limited review	Comprehensive review
Ethics	Internal written Code of Ethics	None	2010
Stakeholder engagement	Client survey % overall satisfaction	70%	more than 70%
	Employee satisfaction level	7.88	8.5
	Supplier relationships survey	None	30% suppliers
Diversity	Women in business	47%	47%
	Women in management	22%	25%
	Disabled employees	4	6
Employee training	Total hours employee training per year per employee	25 hours	25 hours
	% of employees training in safety	80%	90%
	% of employees trained in Responsible Gaming	90%	95%
Employee evaluations	% of employees	91%	93%
Employee development	Internal promotions	10%	15%
Employee Safety	Accidents	6	0
Community Investment	\$	232	>250
Community volunteering	No of employees	200	250
	Volunteer hours	2,000	>3,000 per year
GHG emissions	Metric tons	5,000	5% reduction per yr
Waste volume	Metric tons	1,300	10% reduction
Paper consumption	Metric tons (printing paper only)	4.5	10% reduction
Transportation	Reduced business travel	Flying hours	10% total reduction
Suppliers	Supplier Code of Practice	None	Written code
Cause Marketing	Audits of responsible practices	2	Top 30% audited
	Client environment awareness campaign	None	One per year
Responsible Gaming	Improved self-exclusion provisions	Exclusion plan	Improvements by July 2010
Reporting	Annual Global Compact Communication	2008 report (2009)	Second communication 2010
	Bi annual CSR Report	First report covering 2008	Second report covering 2009/ 2010

In the future

888 is committed to developing our overall Corporate Responsibility programme and activities. The Key Performance Indicator table as shown above will serve as a compass in driving focused achievements. We are targeting to improve our performance in key areas relating to governance and ethics, employee engagement and development, our impact on climate change, our investment with local communities and, of course, awareness and positive actions to ensure responsible gaming on all our sites and in general. In addition, we will invest in developing research into playing habits and problem gambling in order to assess how we can best support our members and the public. Some of these actions require us to develop new ways of measuring our progress, as certain data have not been tracked to date on a regular basis. This program is supported by the Company's Executive Team and the Board of Directors.



Part 1 - About 888

888 at a glance

- 🍷 A leading online world Casino.
- 🍷 Provides quality entertainment to people who enjoy gambling by providing a safe, fun, fair, regulated and secure gaming environment.
- 🍷 Total Operating Income in 2008 : US\$263 million (US\$217 million in 2007)
- 🍷 Maintains over 20 million registered member accounts. **888** can be used in different languages in 176 countries worldwide.
- 🍷 A comprehensive provider of the four key online gaming segments: Casino, Poker, Sports betting and Bingo.
- 🍷 A significant B2B business provider of payment and CRM solutions and other marketing and software capabilities.
- 🍷 Operates as 888, under a license granted by the Government of Gibraltar as Cassava Enterprises (Gibraltar) Ltd., a registered company incorporated and located in Gibraltar (company registration number 83961)
- 🍷 Operates from offices in Gibraltar, Israel, London and Antigua, employing nearly 1,000 people.
- 🍷 Adopted the code of conduct of the Interactive Gaming Council (IGC), of which it is a member.
- 🍷 Founding member of eCOGRA, an independent standards authority for the industry committed to protecting online players around the world.
- 🍷 Acquired the bingo business and assets from Globalcom in 2008.
- 🍷 Partners with key brands to deliver specific propositions. e.g. 888 uses its online poker capabilities to power www.rileypoker.com in cooperation with Riley's snooker and pool clubs, Tower Torneos on-line poker site as well as mobile, in-flight, and in-hotel casino where customers can access their favourite games from their mobile phones and televisions.
- 🍷 Significant sports sponsor including main sponsorship of Seville FC and cricketer Shane Warne.

Key brands:

- 🍷 **Casino On Net:** one of the world's largest online casinos , launched in 1997
- 🍷 **Pacific Poker:** launched in 2002, more than 158,000 active customers per quarter
- 🍷 **888ladies:** launched in early 2008, one of the UK's leading online bingo rooms.
- 🍷 **888sport:** an international sports betting offering launched in March 2008
- 🍷 **888backgammon:** backgammon offering including tournaments, launched in 2007
- 🍷 **888mobile:** mobile phone Casino offering including blackjack, roulette and video slots on mobile phones, launched in 2006.

History of 888

<p>1997 :</p>	<ul style="list-style-type: none">  888 was founded in 1997.  Antiguan subsidiary obtains a gaming license in Antigua where it bases all of its management, gaming servers, member support functions and technical and payments staff.  888 's platform and first proprietary product, Casino-on-Net, launched (May).
<p>1998 :</p>	<ul style="list-style-type: none">  Random Logic Limited established in 1998 in Tel-Aviv, Israel to provide research, development and marketing services to 888.
<p>2002 :</p>	<ul style="list-style-type: none">  888 launch of second casino product, Reef Club Casino, in June.  888 Holdings launches 888 brand and multi-player online poker room, Pacific Poker.  888 Holdings establishes additional marketing office, Virtual Marketing Services (UK) Limited, in London to source offline advertising in the UK.
<p>2003 :</p>	<ul style="list-style-type: none">  Gaming license obtained in Gibraltar (July).  888's headquarters, management and operational centre, including all gaming and deposit servers and dedicated member support centre moves from Antigua to Gibraltar.  888 launches version seven of Casino-on-Net.com.
<p>2005 :</p>	<ul style="list-style-type: none">  Initial public offering 888 starts trading at the FTSE in London.
<p>2006 :</p>	<ul style="list-style-type: none">  Gigi Levy is appointed as CEO.  888 closes USA market following adoption of the Unlawful Internet Gaming Enforcement Act in the US.
<p>2007 :</p>	<ul style="list-style-type: none">  888 purchases Globalcom bingo business.  888responsible.com is launched.
<p>2008 :</p>	<ul style="list-style-type: none">  Continued development of B2B offering to become a leading provider of technology, operations and knowledge to business partners, using existing capabilities.  Launch of Bingo site - 888ladies (February).  Launch of Sports site - 888sports (July).

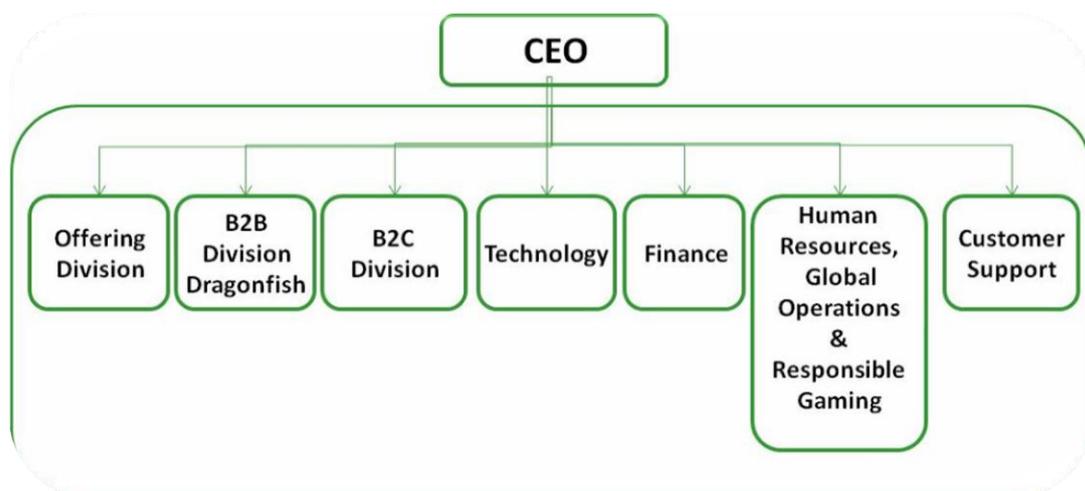
Vision, strategy, structure and operations

888 aims to create sustainable shareholder value by becoming the market leader in the global online gaming industry, providing our members with a comprehensive selection of gaming activities and offering a secure trustworthy entertainment experience. We intend to achieve our goals by focusing on the following strategies, through a systematic and evidenced based approach to our business:

- 🎮 investment in and leverage of our brands through organic growth and selective acquisitions;
- 🎮 expansion into new geographic markets;
- 🎮 development and expansion of our software platforms to provide a “one stop shop”;
- 🎮 leveraging our large member database to maximize cross selling and up selling opportunities;
- 🎮 Continued development of efficient payment processing options that suit new target markets and audiences.

Our Business Structure

888 is managed as a global business covering all geographies with all core functions reporting to the CEO.



In addition to our direct resources, **888** contracts with many affiliates who promote our products and services and generate their own income based on **888's** offerings and within **888's** policy guidelines.

Governance, compliance and risk management

Corporate Governance

888 believes that sustainable business requires strong accountable leadership and adherence to the most advanced standards of corporate governance.

888 Holdings Public Limited Company and its subsidiaries was founded in 1997 and originally operated as a holding company domiciled in the British Virgin Islands. In 2000, the Company was continued in Antigua and Barbuda as a corporation under the International Business Corporation Act 1982 with registered number 12512. In 2003, the Company redomiciled in Gibraltar with the Company number 90099. In October 2005, the Company listed on the London Stock Exchange. The Group is the owner of innovative proprietary software solutions providing a range of virtual online gaming services over the internet including Casino, Poker, Bingo, Sport and Backgammon to end users and also provide these services through business partners. In addition, **888** provides payment services, customer support and online advertising. Cassava Enterprises (Gibraltar) Limited and Brigend Limited (both subsidiaries) carried out the operations of the Group during the year, principally under the name **www.888** under the terms of the gaming licences issued in Gibraltar. This report refers throughout to **888**, and by this we mean **888 Holdings plc** and all active subsidiaries. All subsidiaries can be found in the Annual Report on line http://miranda.hemscott.com/ir/888/pdf/2008_Annual_Report.pdf (page 53).



888 is listed on the London Stock Exchange, but it is not subject to the UK Combined Code on Corporate Governance issued in June 2006 because it is a Gibraltar incorporated company. However, **888** complies with the code as far as appropriate, consistent with other regulatory commitments.

The Board of Directors

The Board of Directors is the **888**'s most senior governance body and is composed of eight directors: three Independent Non-executive Directors, two non-independent Non-executive Directors, a Chairman, and two Executive Directors, (Chief Executive Officer and Chief Financial Officer). Whilst **888**'s Chairman was previously a woman, there are currently no women on the **888** Board of Directors. All Directors are subject to re-appointment by shareholders at the first Annual General Meeting after their appointment, and thereafter, in accordance with the Articles of Association of the Company, at intervals of no more than three years.

The Board acts to ensure delivery of the Group's long-term objectives, strategic and policy issues and management of key risks facing the Group. The Board is responsible for decisions relating to acquisitions, divestments, major capital expenditure, budgets and dividend policy and key appointments. The Board receives regular updates on shareholders' views and matters relating to responsible gaming. The responsibilities of the Chairman are clearly and formally defined, and include responsibility for the effective operation of the Board as a whole and support for key external relationships.

During 2008, the Board met six times. In addition, the Chairman meets separately with the Non-executive Directors to review and appraise business performance and that of the Executive Directors.

The Board of Directors maintains three key committees, each of which is composed of three Independent Non-executive Directors

-  **The Audit Committee** assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing annual financial statements, considering the scope of annual audit and non-audit work undertaken by external Auditors, approving **888**'s internal audit programme, advising on the appointment of external Auditors and reviewing the effectiveness of internal control systems.
-  **The Nominations Committee** assists the Board in discharging its responsibilities relating to the composition of the Board and reviewing, from time to time, the structure of the Board, determining succession plans for the Chairman and Chief Executive Officer, and identifying and recommending suitable candidates for appointment as Directors.

- **The Remuneration Committee** assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on **888's** policy on executive remuneration, determining individual remuneration and benefits for Executive Directors, and recommending and monitoring the remuneration of senior management below Board level. The Board intends that executive remuneration policies be both formal and transparent. The Remuneration Committee has taken advice from external independent advisors with respect to Executive Directors' remuneration and policies applied in 2008 remain consistent with that advice. At least half of the total potential remuneration of the Chief Executive Officer and the Chief Financial Officer is represented by a variable element, linked to the performance of the Company. The Chairman and the Non-executive Directors receive fees only, and are not eligible to participate in any bonus plan, pension plan, share plan, or long-term incentive plan of the Company. The Chairman and the Executive Directors determine the fees paid to the Non-executive Directors. Fees paid to the Non-executive Directors are set by reference to an assessment of the time commitment and responsibility associated with each role. The Chairman's fee is determined by the Remuneration Committee.

our lives; that, after the adventures, challenges and routine that occupies our time, everyone is entitled to some fun and excitement – entertainment is a cherry on the top of life. At 888, we believe that our first responsibility is to provide the best gaming experience to our players. This means the most entertaining, innovative and relevant games, the most exciting and rewarding opportunities to win; all underpinned by unparalleled customer service, wherever and whenever they want to play. We have to constantly rethink our offerings to ensure that we lead the industry. We are proud to both develop and acquire products to maintain our edge. In doing this, we have to be mindful of the complex regulatory environment that we operate in and the social responsibilities that come with our industry. We must invest time and resources in caring for our players and protecting the vulnerable employees at 888, we are responsible for our employees who work with us worldwide. We must provide an enjoyable environment where people are challenged and motivated to excel and where they are rewarded but mediocrity is not. Hard work is expected, always being mindful of our community responsibilities; and compensation must be fair. We are open to suggestions and complaints from all employees and will always acknowledge and credit individual contributions. Individual development is encouraged, advancement is based on merit and we must always invest in developing our employees so that they can achieve their personal aspirations. All employees should expect their managers to be capable, knowledgeable and motivating. We will never expose our employees

Compliance

888 aims to be continuously abreast of all developments and potential changes in regulation to ensure compliance at all times. The regulatory framework of online gaming in different countries around the world remains as dynamic and rapidly evolving as ever. While some jurisdictions have moved to curtail the activities of online gaming sites, many others are currently contemplating liberalisation and regulation of the industry, and some have already taken this route. Further details on the regulatory frameworks within which we operate can be found in our Annual Report.

Risk Management

888 operates in a new and dynamic business environment. In addition to commercial risks faced by most enterprises, the online gaming industry presents particular challenges in respect of Regulatory risk, Reputational risk, Information Technology risk and Taxation risk. Full details of **888** assessment and activities to mitigate these risks are contained in the Risk Report which is part of the Company's Annual Report available on the Company website.

The Board has delegated responsibility to the Audit Committee the review of adequacy of internal control systems and making of recommendations to the Board. The Company employs an Internal Auditor who reports to the Audit Committee, whose annual audit program for 2008 is reviewed and approved by the Audit Committee, including the 2008 program. The Board periodically reviews the effectiveness of the Group's internal control systems, considering individual risk control responsibilities, reporting lines and qualitative assessments of residual risks.

Managing Corporate Responsibility

The Group's Chief Executive Officer is the Director responsible for monitoring corporate responsibility activities and provides periodic reports to the Board. A dedicated full-time Director of CSR and Responsible Gaming manages the responsible gaming practices of **888** and all other strategy and plans related to Corporate Social and Environmental Responsibility, and oversees implementation company-wide. The Director of Responsible Gaming reports to the SVP for Human Resources and Operations, who is a member of the Senior Executive Management team. The Director of CSR and Responsible Gaming works with partners from all Company Divisions who have specific responsibility for different areas of Corporate Responsibility, for example, the Environment Manager, who reports into the Global Operations Group Head.

Full details about our governance structure can be found on our website:

http://www.888holdingsplc.com/investor_relations/corporate_governance.asp

and in our Annual Report 2008:

http://www.888holdingsplc.com/investor_relations/financial_performance/reports_presentations.asp

Values, ethics and human rights

Values at 888

At 888, we set high standards for ourselves. Our commitment to combine the best gaming experience with the most responsible gaming environment is seen in the respect with which we treat all our customers, employees, and colleagues. The following values guide us in every decision we make:

Our Values:

- 🎮 **Excellence:** We consistently challenge ourselves to reach the highest performance level in everything we do.
- 🎮 **Innovation:** We dare to question our own 'way of doing things', keeping an open mind, experimenting, and constantly creating new and surprising solutions.
- 🎮 **Caring:** At 888, we value every employee, colleague and customer. We show it by creating a nurturing environment of respect and sensitivity to the need of others. We do not forget our commitment to provide a responsible gaming environment to all.
- 🎮 **Customer centricity:** Keeping our customers (both internal and external) at the centre of all decision-making processes, we strive to exceed customer expectations and provide the best customer experience.
- 🎮 **Leading:** We strive to remain one step ahead of the competition. This means we are constantly on our toes, thinking ahead and keeping a close eye on industry developments.
- 🎮 **Collaboration:** Our success depends on our ability to work as a single unit while sharing our knowledge, capabilities and opinions in an open, respectful and trusting environment.



People | Planet | Play

These values underpin the Group's strategic goals, giving all employees a sense of identification and a defined way of behaving as well as ensuring alignment between the organisation's business objectives and those of individual employees. They serve as our guidelines and we strive to obtain a high level of integrity in the way we work, communicate and act.

In 2007, the Company embarked on a comprehensive plan to assimilate these values based on three clear stages:

- choosing, defining and getting to know the values
- understanding and internalization of the values
- value campaign and measurement of adherence to the values

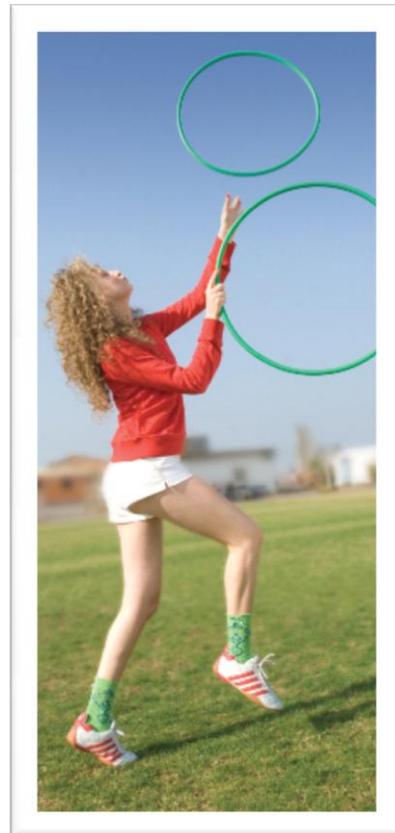
This program was rolled out during 2007 and 2008 and included a comprehensive values survey, training of company trainers for "Leading Values" workshops using the Competing Values Framework (Model by R.E. Quinn), and internal communications campaign with posters, process alignment of performance appraisals etc and publication of departmental practices relating to values. The values workshops included in-depth discussions on value-based dilemmas and conflicting situations between values with respect to different stakeholders such as customers, employees and suppliers. Each department considered all the Company values and determined the unique ways these relate to work-practices specific to the nature of their departmental work. During the implementation training in values, employees were introduced to key behaviours which demonstrate each value. These key behaviours were discussed in each department to improve understanding of the meaning of the values and ethical behaviour for each department.



Code of Ethics

Ethical behaviour in line with the highest standards of integrity and responsibility drives all we do. This is reflected in our values and our commitment to responsible gaming, of which much is written in this report. Significant efforts are expended on a regular and ongoing basis within **888** to ensure that each and every employee understands his or her commitments, rights and duties in this respect, and that absolute clarity regarding Company expectations is achieved at all levels. The Company adheres to external Codes of Practice related to responsible gaming as are detailed in Section 4 of this report.

To date, the Company has not experienced the need to write a specific Code of Ethics, given **888**'s significant emphasis on values and transparency for external stakeholders. We recognize that best practice now appears to be the adoption of such a written Code and this will be considered by the Company in the coming year.



Human Rights

888 supports the Universal Declaration of Human Rights, and all aspects of human rights related to our business activities. In order to reinforce our commitment to human rights and responsible business practices, **888** confirmed the Group's participation in the United Nations Global Compact, which promotes ten principles for businesses of which two relate directly to human rights, and three relate to labor standards upholding employee rights. The essence of our responsible gaming program which we review in Section 4, Play, of this report is very strongly oriented to protecting the rights of stakeholders especially minors. The core elements of human rights in a business context relate to the International Labor Organization conventions which forbid child labor, forced labor, and discrimination and promote freedom of association. In this respect, **888** confirms that no children are employed in any aspect of the Group's business, and that all employees are freely employed. New hire employees are offered a contract of employment which explains the proposed terms and conditions in detail, and they sign of their own free will. Whilst **888** employees are employed on a personal basis, and are not represented by external professional associations, the Company respects the right of employees to freely associate should they wish to do so. Additionally, 888's employee practices include a wide range of programs relating to employee rights, such as equal opportunity, health and safety and employee training and development, which are detailed in Section 2, People.

Please read more about the Global Compact and our adherence to the 10 principles in Section 5, About this report.



Our stakeholders

888 has developed a clear statement which supports all corporate communications and delineates corporate stakeholders and core focus.

-  **Life at 888** - At **888**, we take our social responsibility seriously. We invest time and creative energy ensuring that our customers have access to a friendly and caring gaming environment, our employees enjoy an ethical and rewarding workplace, and that the greater community as well as our shareholders benefit from our success.
-  **Entertainment@888** - We believe that entertainment completes our lives. After the challenges and routine that occupy most of our time, everyone is entitled to some fun and excitement. We aim to be the preferred online gaming platform by all.
-  **Customers@888** - We believe that it is our responsibility is to provide the best gaming experience to our customers and we are committed to provide a fair and responsible gaming environment and to guide our customers to play responsibly. This means offering the most entertaining, innovative, exciting and rewarding opportunities to win, combined with unparalleled member service available from any location at any time. We both develop and acquire new products to maintain our competitive edge. We are always mindful of the complex regulatory environment that we operate in and the social responsibility that comes with our industry. We invest time and resources in caring for our individual and corporate customers and protecting the vulnerable. We value our customers both individuals and corporate, we recognize the importance of high level of customer care and satisfaction.
-  **Employees@888** - We are responsible for our employees who work with us worldwide. We provide an enjoyable work environment where people are challenged and motivated to excel, where talent is rewarded, compensation is fair and the balance between work and family is respected. Individual development is encouraged and advancement is based on merit. We invest in developing our employees so that they can achieve their personal aspirations. All employees should expect their managers to be capable, knowledgeable and motivating. We will never expose our employees to regulatory risk and all employees should be comfortable that their actions are just and ethical.
-  **Partners@888** – We work with all business partners – suppliers, academic colleagues, researchers, practitioners, knowledge providers and experts that help us develop social responsibility policies and initiatives. Their input and feedback is important to us. In all our dealings, we target to develop long-term relationships based on trust and open dialogue, and maintain a fair and decent approach with all, taking into account their needs and concerns.

People | Planet | Play

- 🍷 **Community@888** - We use our financial success for the greater good. We are in a wonderful position to invest back in to the charities and organizations that are important to our employees and to our customers. We must especially encourage and support the social responsibility that accompanies our work.
- 🍷 **Investors@888** – We have a clear responsibility to our shareholders. We strive to operate as efficiently as possible, achieving profitable excellence always ensuring that we treat their capital as if it were our own. We must take risks that allow step-changes in performance whilst calculating the risk and measuring our results, retaining knowledge and learning from our experiences. By doing all of the above we will increase shareholder value.
- 🍷 **Environment@888** – We assume our responsibility for the protection and preservation of our planet and behave in a way which minimizes our negative impacts and encourages others to behave with care towards our planet.

Our primary stakeholders – employees, customers, suppliers and investors – are constantly in focus and determine our day-to-day decisions. In addition, we maintain acute awareness of the needs and expectations of all other stakeholders such as the broader investment community, governments and regulators, non-profit and industry watchdog groups who promote social and environmental causes, and our local communities in areas in which we operate. This report is designed to interest all stakeholders and contains a balance of information which is relevant to all.

Stakeholder Engagement

We have identified our primary stakeholders as those who have a direct impact on our business and who are directly impacted by our business. These include our shareholders, employees, suppliers, customers, consumers and governments. Other stakeholders include the communities around our operations, our competitors, non-governmental organisations and the media.

We engage with our stakeholders to understand their views, needs and concerns. We also convey our position, debate issues of mutual interest and use the outcome of engagement to inform our decision-making.



Understanding expectations of our employees

We maintain an ongoing open and consultative dialogue-based approach with our employees. Several elements of our communication programs are designed to gain feedback from employees regarding their expectations, personal aspirations and suggestions for improving the business. These include:

- 🗨️ **CEO Round Table:** held by the Company CEO every 2 months for different groups of employees, and designed to encourage free discussion of any aspect of **888** business, strategy, working culture and conditions and future plans. This is a unique opportunity for the CEO to hear all employees at first hand.
- 🗨️ **CEO Lunch :** a personal discussion over lunch with one employee, held by the CEO around three times each month. Employees are selected at random and provide the CEO with an opportunity to get to know the **888** team on a personal level as well as hearing their perspectives on the business.

In January 2008, we set ourselves an objective to enhance employee engagement levels and employee satisfaction. We conducted a global employee opinion survey to understand our employees' feedback on aspects of their daily work, atmosphere and culture. 89% of employees participated in the survey, from all departments and all geographies.

The survey results were positive in general, whilst highlighting areas for improvement. Overall satisfaction with the Company was rated at an average 7.88 out of a possible 10 points, and team satisfaction was rated on average at 7.68 and manager satisfaction was ranked at 7.58.

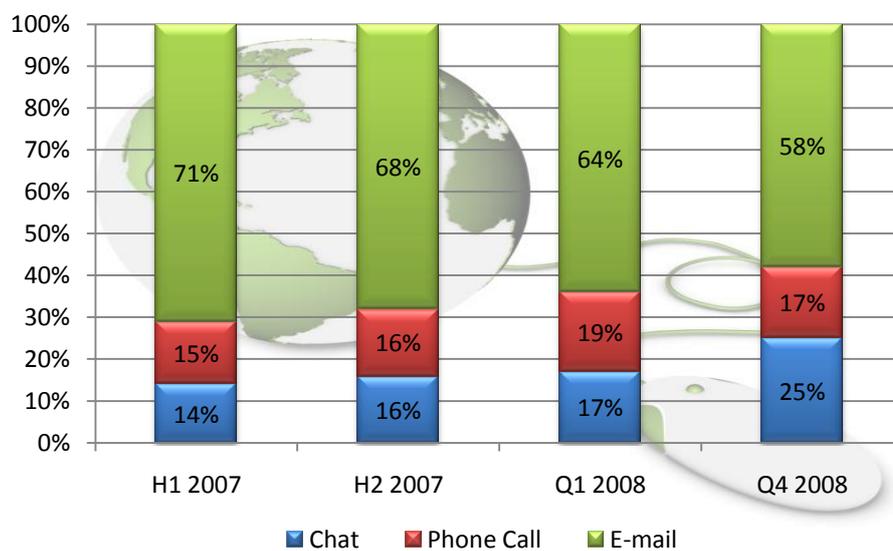
The survey's findings formed the basis for defining improvement objectives and several actions were initiated and continue to be progressed across the business as a direct result. Examples of such actions include:

- 🗨️ **employee communications:** CEO Round Tables, more frequent departmental meetings, post-project business updates for all team members, weekly news updates etc.
- 🗨️ **employee development :** introduction of new Team Leader development program.
- 🗨️ **improved recruitment and selection processes:** new procedures and training completed in 2008.
- 🗨️ **knowledge-sharing:** new format for inter-departmental meetings to discuss projects and plan collaboratively.

Understanding expectations of our customers

We continuously monitor customer satisfaction by requesting and analyzing real-time customer feedback and conduct comprehensive customer satisfaction survey to benchmark **888's** service level within our primary market bi-annually. **888** compiles a monthly member feedback report to identify trends, habits and expectations of customers. We use this information to highlight service bottlenecks and additional training needs.

Feedback is provided by on-line chat, phone or email. This is the breakdown of feedback channels during 2007-2008:



Feedback data from close to 2,000 customers in 2008 shows overall positive satisfaction levels of over 70% of customers that are satisfied or very satisfied. Whilst this is a respectable level of customer satisfaction in our industry, it is below our aspiration. We have therefore put in place specific plans to improve the gaming experience for our customers, including:

- establishing a strong QA team whilst ensuring customer support levels are maintained and improved;
- expanding the Self Help tool to more languages to provide immediate resolution of issues for the members;
- upgrading the E-mail/live chat version to provide an improved chat experience, and
- upgrading the customer service telephone system.

A monthly client feedback report is sent to **888** managers to make sure that all are updated regarding client responses. All comments and client e-mails are categorized by topic and each topic is reviewed by the relevant managers and appropriate action is taken.

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888 has other channels of maintaining close contact and dialogue with clients, such as:

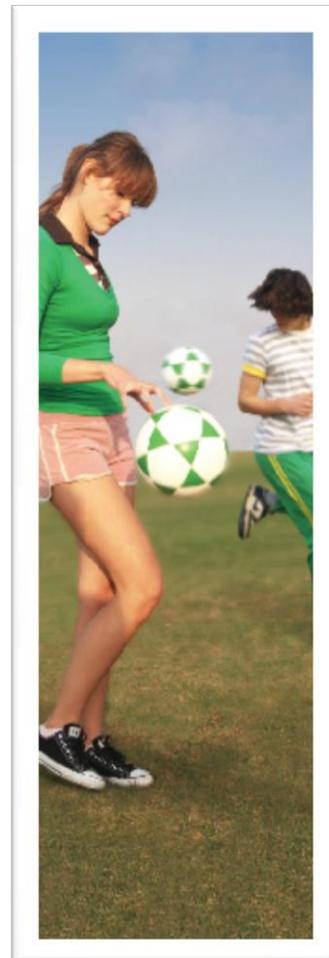
- **Call center** – clients contact **888** on a regular basis for assistance or to discuss aspects of service and products.
- **Focus groups** – such groups take place twice a year with the aim of learning more about the needs of clients and how to best provide service.
- **VIP meetings** – **888** holds several VIP meetings per year for regular clients to provide them with new information about **888's** offerings, and have the opportunity to meet them in an informal way. **888** senior management attends these events and interacts with clients.

Relations with Shareholders and Key Financial Audiences

888 maintains an active and regular dialogue with principal institutional shareholders and analysts through a planned programme of investor relations and financial PR activity. The programme includes formal presentations of full year and interim results, quarterly release of Interim Management Statements, analyst's conference calls and periodic road shows.

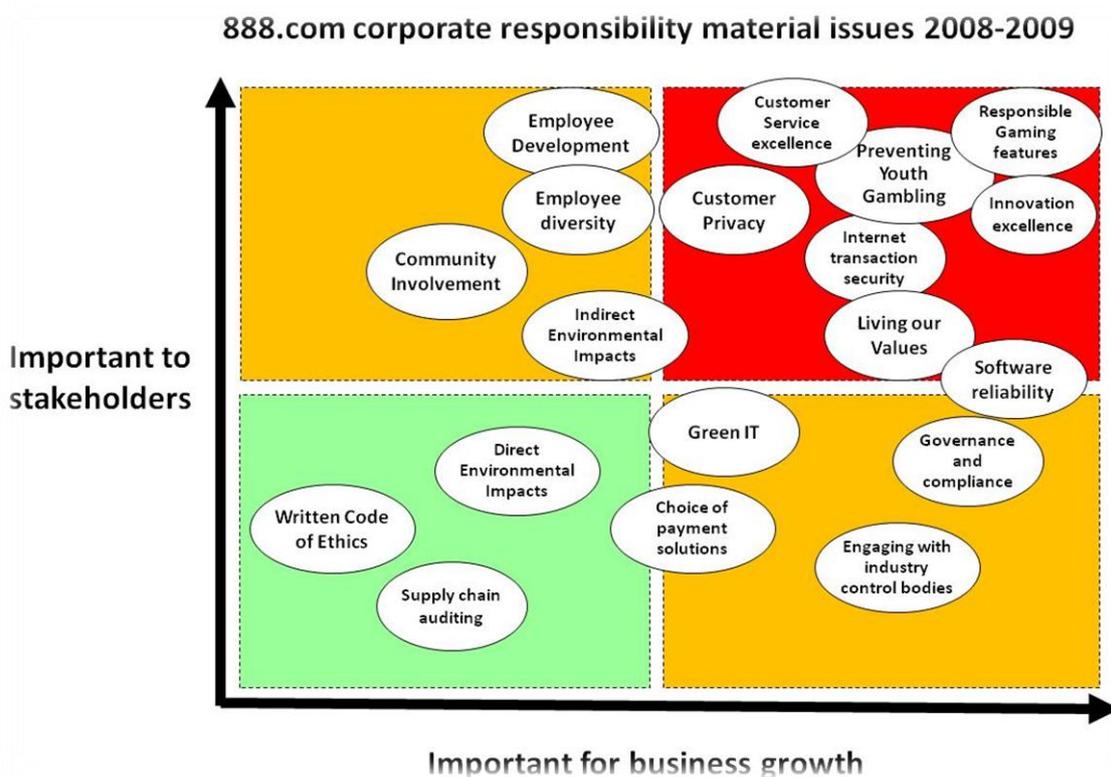
Brian Mattingley, the Senior Independent Director, is available to shareholders to address any issues where a contact alternative to the Chairman, Chief Executive Officer and Chief Financial Officer is preferred.

All shareholders are welcome to attend the Annual General Meeting and private investors are encouraged to take advantage of the opportunity to ask questions. The Chairmen and members of the Audit, Remuneration and Nominations Committees attend the meetings and are available to answer questions.



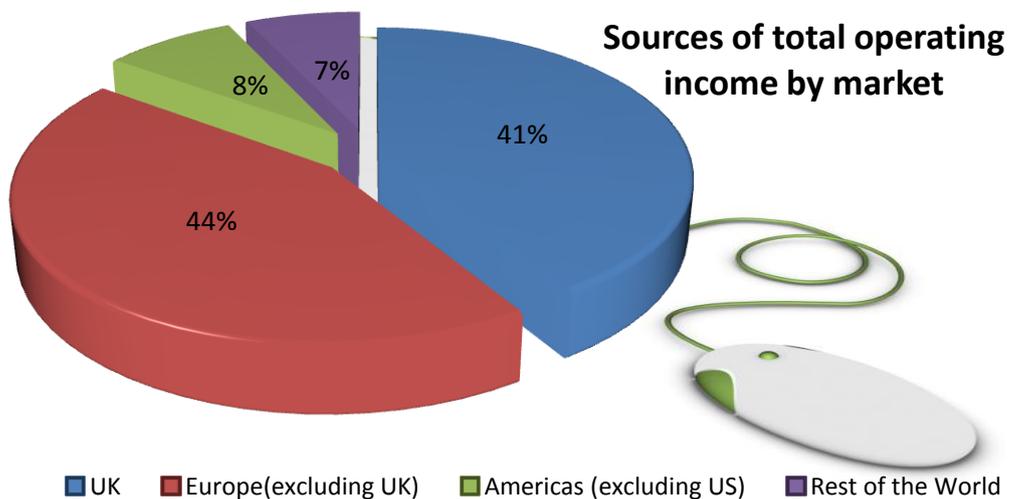
Materiality matrix

In reviewing our corporate social responsibility priorities, we have taken into account the expectations and aspirations of our stakeholders as expressed in our formal and inofmal interactions and dialogue with them, much of which is described in the different sections of this report. In preparing this report, we have prioritized these issues, and have selected to report on all the material issues identified as most important for our continued business development and growth as well as those which are of prime importance to our stakeholders. This materiality assessment was completed by the Director of CSR and Responsible Gaming with input from the Company's Executive Management.



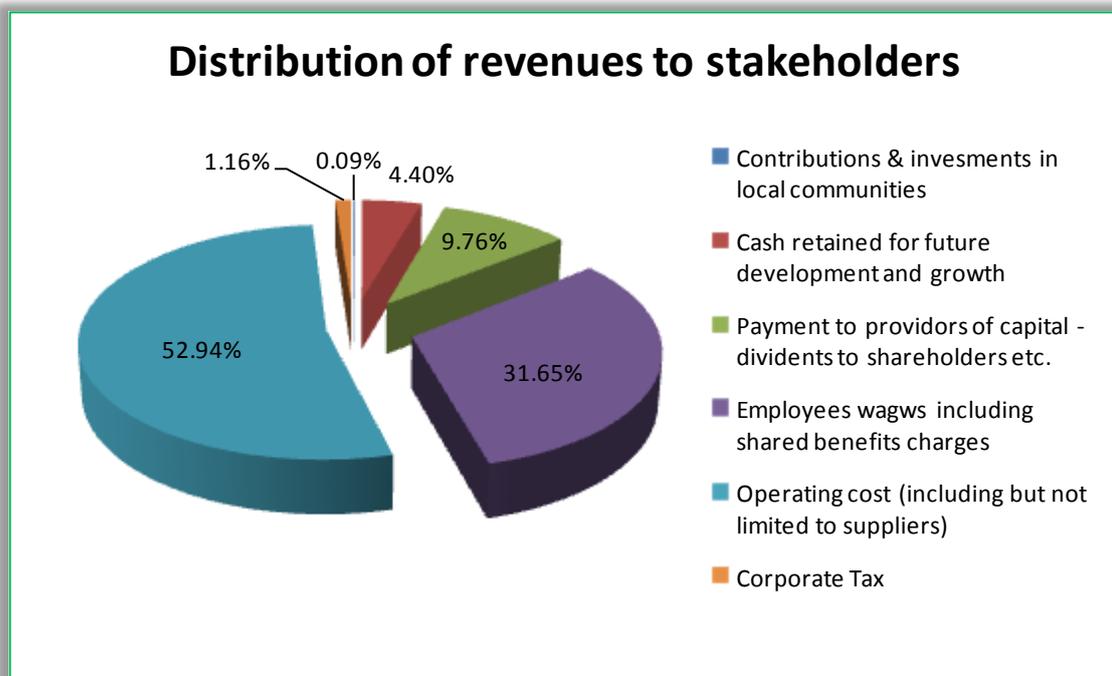
888 economic impacts on our stakeholders

We make a positive contribution to the economies in which we operate, and to the financial stability of those we employ and those we do business with. In these times of financial crisis and hardships of an unprecedented scale around the world, collapse of Companies, job losses, and the erosion of disposable income for many, our business has strengthened. In the year 2008, we experienced overall business growth of 21% (increase in our Total Operating Income). This is the result of careful planning and expansion of our product offerings to meet the aspirations of our gamers. We believe our growth confirms the need for people to take time for their own enjoyment and relaxation, away from the brutal realities of financial and other pressures. We are pleased that play at **888** offers this possibility to so many.



One measure of our economic impact is the way our revenues are distributed for the benefit of our stakeholders. This reflects the levels of taxes we pay to the governments, the salaries we pay as well as the funding of all employment benefits and welfare programs for our employees, the payments we make to our suppliers who support us in delivering our products and services, the interest we pay to the financial services who provide our financing, the dividends we pay to our shareholders, as well as the investment we make in our local communities. Our total group revenues in 2008 amounted to \$263 million. Each year, we retain a portion of our income to fund future growth through the research and development of new products and services, and the penetration of new markets.

The way our 2008 Total Operating Income was distributed amongst are stakeholders can be seen in the following pie-chart:



*Numbers extracted from the 2008 Annual report. Presentation of these figures does not comply with accounting standards.

A large portion of our expenses is devoted to Research and Development and the continuous improvement of the quality of our services. In 2008, this was largely to provide technological infrastructure for new business development in the B2B sector.

The percentage figure for charitable donations includes charitable cash donations as reported in our 2008 Annual Report (\$107,821) and a number of other charitable cash and in-kind contributions including employee volunteering time, totaling 232,485 \$.

888's stated policy of intent is the payment to shareholders of an annual dividend payment representing 50% of profits after tax. In October 2008, the Company paid an interim dividend of 2.5 cents per share totaling \$8.6 million. Given the strong financial performance in 2008, the Board recommended a final dividend of 2.9 cents per share to be paid in 2009.

During 2007-2008, our share price climbed steadily from 133.5p at the start of 2007, reaching a high of 163p in September 2008 (+22%). The final quarter of 2008 was dominated by the crash of world financial markets, with share price ending up at a

level of 99.5p. However, our underlying business growth and profitability means that we can maintain our positive payback to investors with ongoing annual dividends as demonstrated in this period.

In addition, **888** has been quoted on the FTSE4Good Stock Exchange since March 2008. This is an important index which recognizes Companies who have adopted social and environment responsible practices. For more details, please see www.ftse.com/ftse4good



Awards and recognition

888 likes to play to win! The competitive arena of on-line gaming is dynamic and **888** sets high standards for the industry as a whole. **888** has a long tradition of winning awards and industry accolades for innovation, range of products and services, and high standards of professionalism. 2008 was no exception, and **888** gained no less than 6 awards, including, for the third successive year, the eGaming Awards Casino" Operator of the Year" endorsing our global reach and market-leadership position in this category. eGaming Awards also awarded **888** the Bingo Operator of the Year award.



Nominated more than any other company in the egaming sector and winning 3 awards in one night, 888 earned the coveted "Casino Operator of the Year" title for the third successive year at the 2008 prestigious eGaming Awards.

<http://www.egrmagazine.com/events/awards>



The 888ladies did it for the girls this year, as they managed to scoop the respected eGaming award for "Bingo Operator of the Year", beating some of 888's most highly regarded and accomplished online bingo competitors.

<http://www.egrmagazine.com/events/awards>



Forming an alliance with Crown Casinos Melbourne Ltd, our winning team delivered a successful celebrity event, featuring 888 endorsed player Shane Warne. The event generated media interest for **888**, Warne and Crown, and brought Crown players to the Poker World Series in the 888 poker team.

<http://www.egrmagazine.com/events/awards>



Best Betting and Gaming Company

888 was crowned "Best Betting and Gaming Company" for the second successive year by Leisure Report. The esteemed Leisure Report Awards are given to companies whose vision, originality and overall performance demonstrate excellence and enrich the industry as a whole.

<http://www.leisurereportawards.co.uk/page/home.html>



Operator of the Year

888 is proud to have been voted Leisure Report's "Operator of the Year" 2008, prevailing over many outstanding gaming and leisure oriented brands. The award recognizes 888's long-term commitment to expand into the leisure sector. Leisure Report is the definitive news and intelligence service for the fast-moving leisure industry in the UK and Europe.

<http://www.leisurereportawards.co.uk/page/home.html>



Most Effective Membership

Agencies (APA) Effectiveness Awards 2008 in the UK. The award recognizes the best in editorial branded content, rewarding the publications that convey the most editorial creativity and that contain the most entertaining and effective content.

<http://www.apa.co.uk/services/apa-events/apa-awards/past-awards/apa-effectiveness-awards-2008>



Top Casino of the Year Award

888 was triumphant for the second consecutive year at the 2008 Gambling Online Magazine Awards. At the online equivalent to the Oscars, **888** was named as "Top Casino of the Year" by Gambling Online magazine readers. Readers were voting for the best overall casino offering and highest service levels in the industry.

<http://www.gamblingonlinemagazine.com/gambling-readers-poll.php>

Part 2 - People

Employees and responsible workplace

888 believes a responsible workplace is the cornerstone of a responsible business - there is no **play** without a responsible approach to managing employees and a human resources function with a strong partnership connection to the business strategy. **888** takes responsibility for the working environment it creates for its employees and endeavors to provide a positive, safe, ethical, open and supportive workplace in which all employees can contribute fully and achieve personal aspirations. **Employees@888** are core stakeholders at **888** and receive our deepest respect.

The custodians of our organization culture are our Human Resources professionals, headed by a member of the Senior Executive Team. During the past 5 years, this team has led an evolution of the **888** culture from a Company characterized by start-up and localized practices to a global organization which is able to leverage all its core strengths. The strategic approach taken by the Company's Human Resources team is based on 6 core elements:

- 🚗 Think Global Act Local
- 🚗 Think out of the box
- 🚗 Support Information Systems
- 🚗 Collaboration between Head Offices and field operations
- 🚗 Working within a global budget framework
- 🚗 Adhering to global policies and guidelines

The **888** culture is on a transformation journey which is characterized in the following chart.



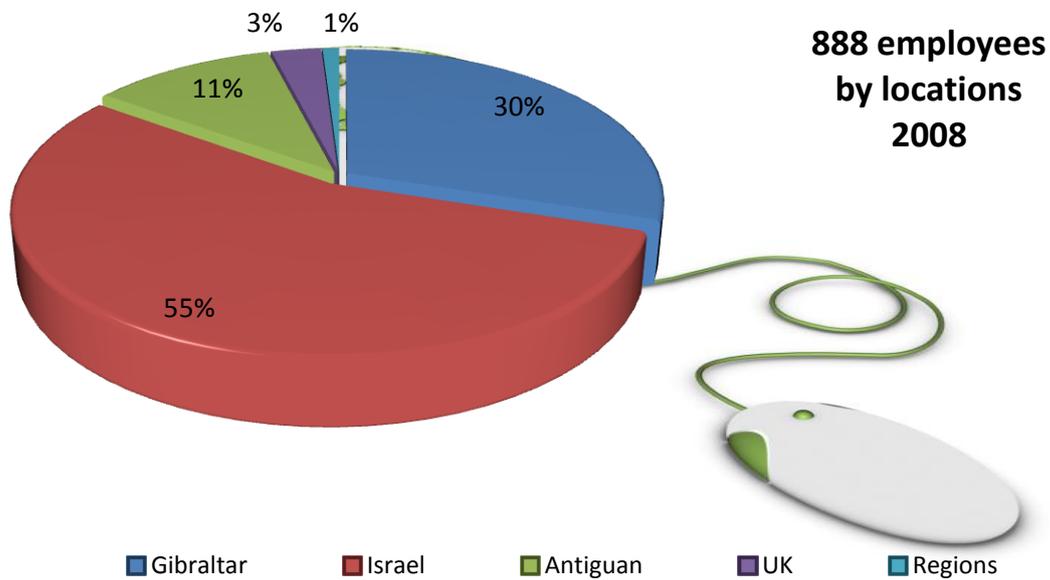
Working at 888

A key challenge of **888** during this organizational transformation has been to maintain our dynamic, fast-paced, innovative, hi-tech culture drive whilst ensuring a considered, planned and collaborative way of working. Our business naturally attracts a high level of younger employees, and we try to balance this with an open and inclusive approach to recruitment and opportunity in the business for all. In order to reinforce this global transformation and provide a strong leadership cadre within the business, in 2007, we created the Business Leaders Forum with around 70 senior managers. The Forum meets for 3 days each year, to review strategic plans, determine action plans and opportunities for collaboration, whilst also reinforcing values and responsible business practices. In the first meetings, much emphasis was placed on getting to know each other and managing interfaces effectively, as we believe that positive personal relationships and caring about each other is the basis for a successful business.

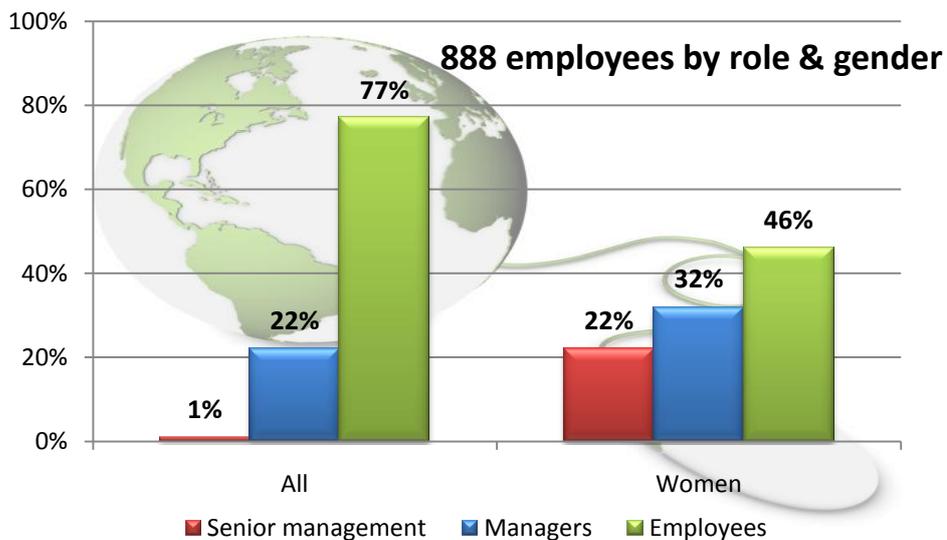


Employee demographics

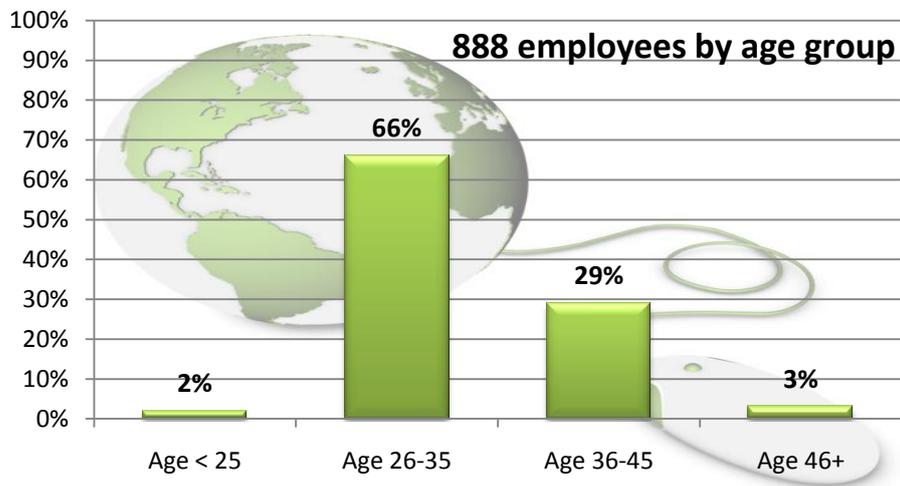
At the end of 2008, **888** employed 931 people (an increase of 16% versus 2007).



Managers at **888** make up 23% of the total workforce. Women are an important and valued part of our Management and employee teams making up 47% of our total workforce.



95% of our employees fall between the age of 26 and 45. The average age is 34. This tends to be due to the appeal to this age group of a dynamic high tech environment for which modern programming skills are required.



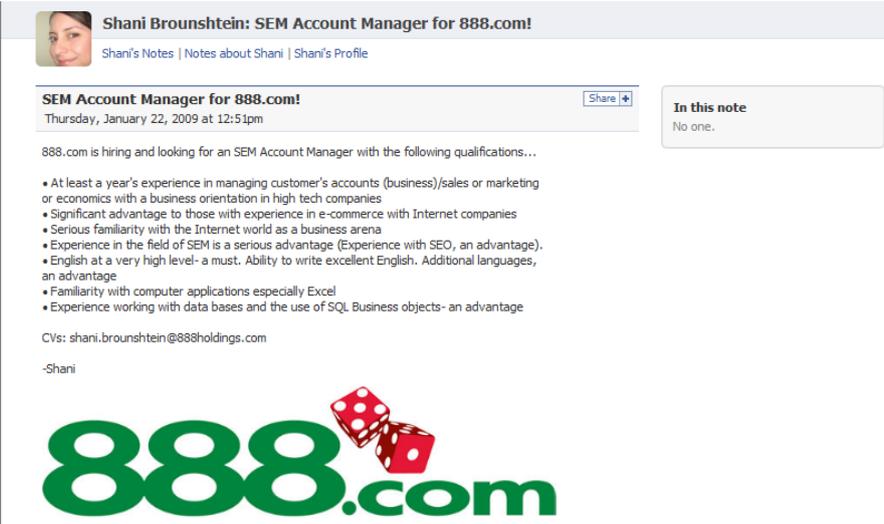
The average seniority of all employees at the end of 2008 was 2.4 years. This is typical of businesses that have a high call-center staff who join the business for work experience in transitional phases before settling down to a longer term career. At **888**, nearly 40% of employees work in the Company's call center. In addition, the rapid Company growth rate has added over 20% to the Company headcount in the past three years alone (from 736 in 2006 to 931 in 2008).

Employee Recruitment and Turnover

As a result of **888**'s continuing growth, and replacement of employees who leave the business, recruitment is an ongoing and important activity at **888**. In 2008, 304 new employees (including 27 Managers) joined the business, representing 32% of the total workforce at end 2008. Of this number, 51% were recruited in Israel, and the remainder in our global locations. Company managers are recruited from the local communities in the locations **888** operates in.

63% of all recruits are from referrals by **888** employees or friends and acquaintances. Our employees are enthusiastic about recommending **888** to friends and families due to their high levels of satisfaction and loyalty. This is a credit to our exciting working environment, and our strong reputation as a fair and responsible employer offering good working conditions and opportunities to progress, and of course, it makes our recruitment processes more efficient and reduces recruitment costs. Other recruits in 2008 were hired with the help of recruitment agencies (29%), via applications to our Internet website (7%), or via newspaper ads (1%).

As **888** is an on-line business, it is only natural that much of our recruiting is done on-line using popular social networking platforms such as Facebook. Our Hiring Manager regularly posts to this site – not only does this generate a pool of potential recruits, it also serves to generate dialogue about **888** with our stakeholders. During 2008, we developed this as a strategic recruitment tool and provided training and guidelines for use for our recruitment professionals.



Shani Brounshtein: SEM Account Manager for 888.com!
Shani's Notes | Notes about Shani | Shani's Profile

SEM Account Manager for 888.com! Share
Thursday, January 22, 2009 at 12:51pm

888.com is hiring and looking for an SEM Account Manager with the following qualifications...

- At least a year's experience in managing customer's accounts (business)/sales or marketing or economics with a business orientation in high tech companies
- Significant advantage to those with experience in e-commerce with Internet companies
- Serious familiarity with the Internet world as a business arena
- Experience in the field of SEM is a serious advantage (Experience with SEO, an advantage).
- English at a very high level- a must. Ability to write excellent English. Additional languages, an advantage
- Familiarity with computer applications especially Excel
- Experience working with data bases and the use of SQL Business objects- an advantage

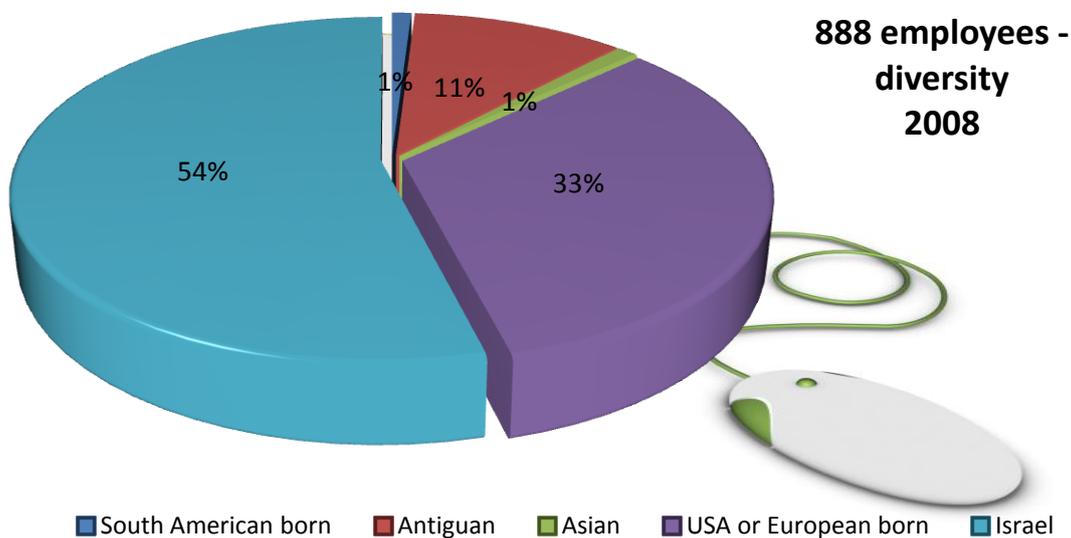
CVs: shani.brounshtein@888holdings.com

-Shani



Diversity and equal opportunity

888 is an equal opportunity employer and believes that the diversity that each and every one of our employees brings to the business is an advantage which contributes to our business success. Our client base is global and diverse and we can serve them best if our employee team is a reflection of this diversity, to as great an extent as possible. Our recruitment procedures are open to all, and all are considered based on merit. We do not track parameters of diversity amongst our employees for reasons of privacy. However, in reviewing the birth origins of our employees, we note that **888** employees are a global group though 87% are of Israeli, American or European origin.



888 makes every effort to support those with disabilities and currently employs a small number of individuals whose working environment has been adapted as required to enable them to perform their duties in a comfortable way.

Employee performance evaluation

We believe that personal development is important for the personal fulfillment of all employees and that structured review of performance can help achieve this with benefit for individuals and for the Company. All employees at **888** participate in our annual global appraisal system called “talking@888” which uses a web-based platform. The appraisal and target-setting process is constructed around an open dialogue between employees and their managers, and is a review of achievement of performance objectives throughout the past year with goal-setting for the upcoming year. A discussion on expression of company values in the employees' everyday work is a key part of the process. 100% of employees participated in this process in 2008.

Employee training and development

Training is an essential element for building employee skills and ensuring we retain our competitive edge. **888** invests on average around \$300,000 per year in skills and competency training, and offers over 250 different training options to meet different skill development needs at different levels. On average, each **888** employee participates in between 15 and 25 hours of training each year (this excludes health and safety training, discussed separately). In 2008, 90% of Managers and 78% of employees attended a training program to support the achievement of their personal and professional performance objectives. This data is tracked on a monthly basis by the Human Resources Department.

A number of specialized training programs were completed:

- 🍷 Six Managers attended an Executive Development Programme for Companies competing in global markets delivered by TIM, one of the leading management development institutions in Israel.
- 🍷 A series of workshops were held to enhance the skills of Team Leaders using the Ken Blanchard methodology
- 🍷 Management skills such as holding effective appraisals were delivered in a series of training events using the Myers Briggs methodology.
- 🍷 Where relevant, the Company provides personal coaching programs for employees using external professional coaches.
- 🍷 In 2008, we launched an internal “Train the Trainer” program which focuses on assisting expert employees to improve their presentation skills and professionalism for internal training needs. 30 employees have been qualified as Internal Trainers.
- 🍷 Additional training includes:
 - 🍷 Computer language courses
 - 🍷 Project management
 - 🍷 Team leaders course
 - 🍷 Spoken and written language causes
 - 🍷 Office computer skills
 - 🍷 Call center services and marketing
 - 🍷 Management coaching

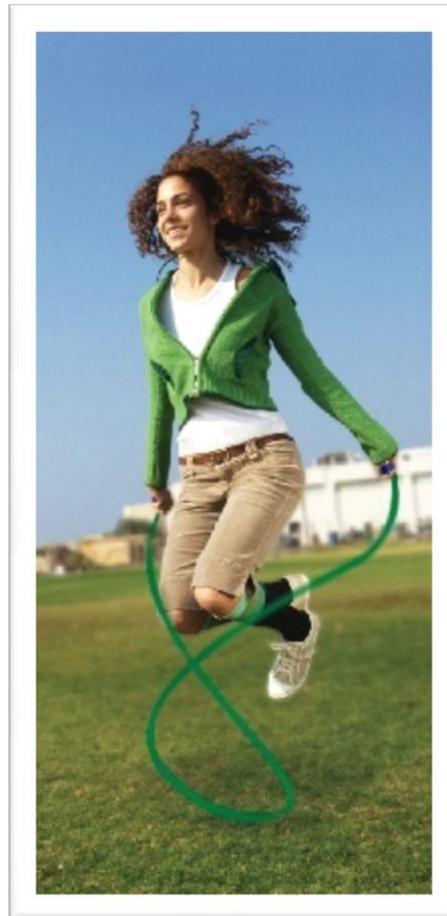
A fun aspect of training includes generating familiarity with our offerings in order to understand the customer experience. We regularly run competitions with our staff

as we develop or launch new products so that they can gain expertise in the technical aspects of our products and also have fun!

Our efforts in employee training and development pay off both for us and our employees, as we are able to promote employees within the business as opportunities arise. For example, in 2008, 47 of Israel-based employees were promoted, 9% of the total workforce in Israel.

Training in efficient working practices

In 2008, following feedback from employees, a global e-learning program was rolled out to all employees to assist them in managing the two major time-guzzlers of the working day – meetings and emails. Meetings and e-mails place a strain on employees and create pressures for managing performance effectively, which also has implications for effective management of personal work-life balance. In order to take the stress out of these two features of our working life at **888**, we developed two training modules and all employees were allocated personal time slots to complete the training. Each module presented 6 Golden Rules for effective email use and efficient meeting management, including scheduling meetings only when absolutely necessary, and only between the hours of 0900 and 1700, and avoiding broad-scale copies to email recipients for no good reason.



Employee reward

Our employees are key partners in our business success and that they deserve to be rewarded well for their efforts and commitment, in the context of general market conditions. All employees earn a competitive remuneration package which is always more generous than the minimum levels required by law, however this differs by location in line with local employment markets. In addition to base salary, which is determined based on employee contribution and performance, in line with competitive reward packages in local markets, employees are offered health insurance, pension plans benefit, bonus plans, subsidized meals, eligibility for cellular phone and car leasing at preferential rates, and are eligible to take part in the Company's welfare plans. Reward packages including some or all of the above elements are designed with local remunerations norms in mind for our employees in different locations. Salary levels are reviewed and updated annually. A significant feature of **888's** reward package is the All-Employee Share Plan in which all employees globally are eligible to participate. In 2008, all Company employees received Share Options.

All employees are rewarded in line with our policy which is based on equality and merit, and does not discriminate in terms of gender or background. There is no significant difference between actual remuneration levels of men and women in **888**.

Welfare programmes for employees and their families

At **888**, we show concern for employees beyond our immediate work environment and provide opportunities for employees to relax, have fun, socialize and get to know other team members, and involve their families. Here are examples of programmes which take place in Israel, where the majority of our employees are based.



The Movie Club: Twice a year, employees are offered subsidized first showings of leading movies for themselves and their spouses.



Lectures of interest: every quarter, employees are invited to enrich their knowledge and awareness of new interesting topics at lectures by leading personalities and experts.



Sport: 888 encourages sporting activity and sponsors weekly running and basketball teams.

Finally, all employees receive gifts on their birthdays and other important events, and can enjoy offers for discount-price vacations and trips provided through the Company's welfare department.



Health, safety and employee wellbeing

At **888**, we act to promote health, safety and well-being awareness and provide tools to enhance healthy living for all our employees, because we care about their well-being and because we believe that safe and healthy employees contribute to building a safe and healthy business.

Our health and well-being activities include:

- **Awareness campaigns** for healthy living including lectures on health related topics such as cancer awareness, smoking prevention, early detection of illnesses and healthy diets
- **Facilities for healthy practices** at work and at home, for example, subsidized use of a fitness gym in Israel HQ. 164 employees are registered and receive regular professional fitness training.
- **Private health insurance** (offered in Israel only at this time)
- **Subsidy towards purchase of employee spectacles** if required (Gibraltar only)
- **Counselling for call-centre staff** is provided if required or requested for various reasons including, at times, for personal reasons.

Employee Safety

The safety of our employees is of paramount importance at **888** and all possible measures are taken to ensure a safe working environment and safe working practices. **888** adheres uncompromisingly to all laws regarding workplace safety in all Company locations. **888** Safety Manager is supported by a network of company Safety Officers, who ensure the Company Safety policies are duly implemented. The Safety team maintains an annual workplan of internal and external audits, training, updates and reports. In 2008, several separate audits were carried out and all relevant follow-up actions addressed in a timely way.

Safety training is a key feature of our activities and over 80% of employees received safety training during 2008.

- 450 employees participated in an Emergency Drill in Israel
- 180 employees participated in Fire Safety training in Gibraltar
- 15 employees participated in First Aid training in Israel

Regrettably, even with the strictest of procedures, accidents occur and in 2008, six employees were involved in minor accidents. All incidents were investigated and corrective measures implemented to prevent recurrence.

Internal communications

At **888** we believe that communications are critical to effective performance and to an open, innovative and optimistic workplace. We foster a culture of free communication and provide several platforms for our employees to be updated about Company events and initiatives provide updates about their work, make suggestions, share concerns and expectations. The key channels of communication include:



- **Internal "Communicator"** – all employees can use the communicator direct messaging system on their computer to facilitate free and fast internal communication with colleagues around the globe.
- **888 Live Meeting** - is a web sharing information tool which allows all 888 employees to communicate globally, instead of having a personal meeting. The initiator of the meeting decides which files will be shared with the participants .The files are then displayed to all participants PC's screens at the same time. The participants are able to remotely audit and change the displayed information, with on-line approval of the meeting organizer.
- **Intranet portal** – this is a global platform which contains information about all Company departments, news and events
- **"Behind the Eight" newspaper** - this is issued bi-annually and is produced by employees to reflect content about the Company, brands, products and employees.
- **Annual business leadership convention** - to inform senior managers about strategy and business performance, followed by an information cascade to all employees.

Community investment and involvement

888 is committed to supporting the local communities in which the Company operates and the broader global communities through its major reach to millions of consumers worldwide. We believe this is not only a responsibility but a way of developing trust and confidence in our business as a positive corporate member of our society.

Our Community Investment program is based on three core types of activity, in addition to the support provided for the development of responsible gaming regulations and tools, and takes place around the **888** globe:

- Cash donations
- International projects in support of the community
- Employee volunteering activity

888 currently supports community aid projects in our various operating locations. We target to develop long-term relationships with our community partners. Our employees volunteer their time in community activities, and **888** matches the employee time contribution.

An example of the potential of an international on-line business such as **888** to create global collaboration for community advancement was demonstrated with our first ever Charity Day held in late 2007.



The Charity Day was a fundraising campaign to support global humanitarian and environmental projects alongside a global employee volunteering campaign. During the day, **888** customers joined us by playing on our Casino, Poker and Bingo sites and for each player, **888** made a donation to one of two global charities, selected by clients. The total sum donated was \$100,000. The two beneficiaries were:

- **Earth Action** - the world's largest network of organizations, policymakers, journalists and citizens who work together for peace, justice and the

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environment. The Earth Action network includes more than 2,600 member organizations from 165 countries. <http://www.earthaction.org>

- **World for world** (WFWO) was established in 2002 and focuses on improving the nutrition and living standards of some of the world's most disadvantaged communities. <http://www.worldforworld.org>

During the Charity Day, **888** employees volunteered at their chosen local charity.

- 🍷 In the UK, a poker tournament was organized and proceeds were contributed to the Macmillan Cancer Support.
- 🍷 The employees of Gibraltar worked hard to create a garden and maintain the miniature zoo at the St Martin's school.
- 🍷 The Adele school in Antigua now enjoys a new vegetable garden thanks to our staff and the older students of the school.
- 🍷 In Israel the "Derech Haetgar's" building received a face lift. Both employees and children worked together to paint the building, and erect new goals posts and lights in the playground.

During 2008, our work with these charitable community causes continued and in December, a second charity event was held, generating \$50,000 in donations. A number of **888** affiliates also participated and contributed from their December income as well for the benefit of World for World. As before employees volunteered at their chosen local charities which included:

- 🍷 In Gibraltar, donations to Research into Childhood Cancer and setting up a Christmas tree at St Martin's school.
- 🍷 In Antigua, employees contributed to Christmas Lunch, and donations of supplies such as varnish, yarn, crochets thread, glue etc to the National Vocational and Rehabilitation Center for the Disabled.
- 🍷 In Israel, employees arranged a Hanukah party was arranged for the children of "Derech Haetgar", **888** employees donated games prizes and holiday treats.

A regular group of over 200 **888** employees in our different locations are engaged in regular community volunteering and take part in a wide range of activities throughout the year. We have not tracked the number of employee volunteer hours to date, but plan to start doing this in the future. Some of the community projects supported by **888** employees around the world are:

Gibraltar

One key focus for Gibraltar employee activities is St. Martin's School which was founded in 1076 and caters to the needs of special education students aged 5-16. In 2007, **888** became active with St. Martins in various activities, including a gardening project and a miniature zoo. Currently, **888** is helping to build a school website that will accommodate all the needs of the school's diverse population.

In addition, several cash donations are made to charitable causes including sporting causes such as Gibraltar Tenpin Bowling Association, Gibraltar Sandpits Tennis Club and children's charities such as Kith & Kids and Treasure Hunt for Childline Gibraltar.

Israel

A key focus for Israel employee volunteering activities is the Netanya-based charity "Derech Ha'Etgar ("Up To The Challenge") where **888** employees began volunteering in 2007. The charity aims to help disadvantaged teenagers advance their education and skills by providing personal tutors, computer training, and additional support for special needs. In June we held a cycle outing and in December we held a Hanukah party for the children and donated games, prizes and holiday treats. We have also helped to renovate the centre. **888** employees tutor the youngsters from the charity on a weekly basis and have started to assist in building a website in order to enhance the exposure of the charity in the long term. **888** also provided an opportunity for the disadvantaged children of Derech Ha'Etgar to help others through a project to pack over 100 gifts to donate to disadvantaged families and children. The packages, food and candy were collected at the **888** offices and both employees and the children distributed them together to needy people.

Israel **888** employees donate food for needy people during the holidays of Passover and New Year. **888** arranges packages for disadvantaged people in collaboration with a charity who distributes food and clothing, "Pitchon-Lev", www.pitchonlev.org.il.

Also in Israel, for the second year running, 45 employees joined the Ruach Hatova ("The Good Wind") national volunteering organisation for a day of goodwill comprising an outing for 33 refugees from Sudan and Darfur.

Antigua

The key focus for Antigua employee activities is Adele School, which is a government subsidized school for children with learning disabilities. In 2007, **888** employees and the school's students started work together on the school's vocational program to educate the older students in life skills, including building a vegetable garden as part of the school's vocational program, to give the children an opportunity to enjoy nature and acquire a practical skill. The school also hopes to grow enough produce to sell from time to time to help fund minor school projects. **888** employees continue to work regularly on various projects with the school such as a poster competition in June 2008 and more.

In addition, our employees in Antigua also support the **National Vocational and Rehabilitation Center for the Disabled** with donations of supplies. The Center plays an important role in equipping young people to live full and independent lives by providing vocational skills such as weaving, light carpentry and handicraft. Their work is sold at the local craft market generating a small income that helps towards living expenses and gives them a rewarding sense of independence.

Australia

In October 2008, Crown Entertainment Complex in Melbourne hosted the annual "Shane Warne and Joe Hachem Charity Poker Event to raise money for The Shane Warne Foundation. The event raised almost \$200,000. **888** was a major sponsor donating AU\$10,888 in addition to sponsoring numerous celebrities for the event. The Shane Warne Foundation is committed to raising funds for the seriously ill and underprivileged children of Australia.

Since January 2008, when Shane was announced as the **888** Australian team captain, **888** has been actively supporting his charity with events and donations.

For more details about the Shane Warne Foundation, please see their website:

www.tswf.com.au

Sports Sponsorships

Sports are important for community development and play a significant part in our branding and image. We have always shown strong support for international sport by actively sponsoring teams and events. Whilst sponsorships are recorded as marketing expenses because they also create awareness for our brand, they contribute significantly to the development of sports and the capability of sports clubs to maintain their activities, so we also consider these sponsorships as having a positive impact in the community. However, we do not calculate sponsorship costs within our community investment costs. In 2008, we sponsored sporting activities to the amount of several million dollars.

We are proud to be the main sponsor of the Seville Football Club. In 2008, **888** became the official partner of the World's greatest snooker player and current World Champion, Ronnie O'Sullivan. 888 also sponsored former World Champion snooker champion John Higgins who played in a number of online Poker tournaments and attended media interviews, the former star football player Thomas Brodrick and the world famous former boxer and trainer Jeff Fenech.

Our other past and present sponsorships include:

- Sponsor of World Snooker (2006 – 2008)
- Shirt sponsorship of Middlesbrough Football Club (2004-2007)
- Title sponsor of the Premier League Darts (2005)
- Sponsorship of 12-times World Darts Champion, Phil Taylor (since 2003)
- Associate sponsor of the British Superbikes Championship (2005)
- Sponsorship of the World 8-Ball Pool Championships, 8-Ball International Pool Masters, 9-Ball World Pool League and 9-Ball World Pool Masters.



Part 3 - Planet

Our environmental policy

As an online company, **888** leaves a small environmental footprint relative to industrial or manufacturing businesses. Our offline operations are primarily office-based, and our main environmental impact comes from transportation and the use of paper, lighting, heating, air-conditioning and IT. We acknowledge that all our activities have some form of environmental impact, and are committed to understanding and managing these responsibly.

Our Environmental Policy is based on positive action to reduce our impacts on the environment and promote a friendly approach to the environment. We abide by all the laws and regulations relating to protection of the environment and there has never been any legal action or complaint against us in respect of violation of such laws or regulations.

We seek opportunities to raise the awareness of our stakeholders in relation to the environment, and develop our business in line with good environmental practices.

Environmental Management

The Director of Global Purchasing and Operations is responsible for leading the Company's efforts to improve environmental impacts, and has established a committee to address environmental impacts related to energy and water consumption, transportation, office paper and materials usage, waste, recycling and more. The committee, which is now called "Bee Green" has 18 members representing all Company sites and divisions, and is responsible for overseeing new procedures, their practical implementation within the **888**, and the identification of new ways to address reduction of our environmental impact. The committee meets monthly to discuss and implement environmental policies and initiatives throughout the Group's operating sites. One of the first of these initiatives was an awareness campaign to encourage employees to take responsibility for reducing the impacts of their actions in the workplace including switching off machinery and lights, recycling and reducing usage of materials. The Bee Green team produced a Bee logo for the campaign with posters and signs displaying environmental information.



Environmental Targets

Our environmental objectives include:

- reducing overall carbon emissions through reducing consumption both indirectly and influencing our clients and suppliers to adopt environmentally friendly practices
- reducing overall waste and recycled content
- development of a global environmental policy with standard targets and measures for all our operations
- reviewing all our computers and server installations for more efficient usage
- engaging in environmental projects in the community
- dismantling and recycling of our old computers

These targets are currently under review and will be formulated more explicitly in the near future.

Recycling

As an office based business, one of the main contributions we can make is through reduced use of office materials and recycling of materials to the greatest possible extent. At **888**, we recycle all possible office materials. Our key initiatives are as follows:

- **Paper:** We recycle an average of 360kg per month of paper. This is equivalent to over 4,300 kg per year, and represents 86.4% of our total paper consumption.
- **Batteries:** We have placed recycling boxes for used batteries in areas easily accessible to our employees.
- **Printer Ink Cartridges:** All our printers have ink cartridges which are all recyclable ink jets. We are currently in the process of distributing duplex printers throughout the company.
- **Computers:** All used computers are sold for recycling or donated to charities.

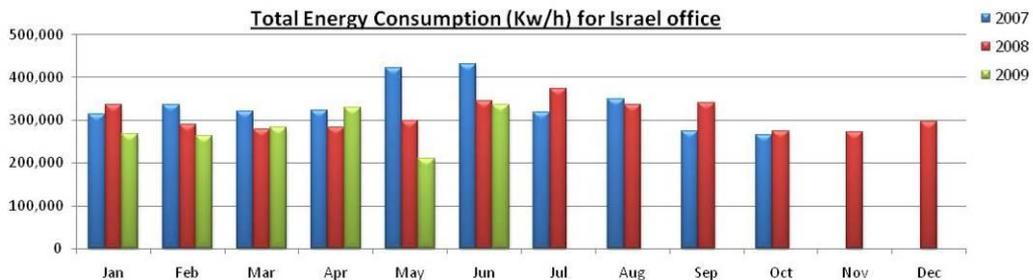
Paper consumption

In 2008, we commenced a concentrated effort to reduce our paper consumption. One approach was the introduction of Smart Printing Solutions, which provides for printing on centrally located machines only and the elimination of personal printers in offices. Due to this change, as well as the standard setting of dual sided printing on all central printers, we have managed to reduce printing paper consumption by 30%.

Energy consumption

During the past two years, we have started to measure our electricity consumption and take measures to reduce our electricity usage.

The following chart shows electricity consumption reduction in our Israel office since 2007:



The following chart shows total Company reduction of absolute Kw consumption in 2008 and first half 2009.

Year	Total (KW)	Decrease
2007	1,940,954	
2008	1,828,160	5.8%
2009	1,688,480	7.6%

In 2008, this corresponds to a 13 % reduction in electricity consumption per square meter of office space, given the growth in our business during 2008. These figures are based on actual figures supplied by energy suppliers. This reduction was achieved through a number of measures to use resources more efficiently, including:

- Replacement of all standard light bulbs by PL lighting technology. This is equal to 80% light energy savings.

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- Placement of sunshields on all windows in order to reduce air conditioning energy. This cut average energy air conditioner electricity consumption by around 5%.
- Reduced electricity for printing.
- Shutting off lights, air conditioning units and power saving settings for computers and shutting down all electrical appliances when not in use.
- Signs were hung next to all room exits to remind employees to turn the lights and air conditioning off.

Water consumption

We are not able to calculate water consumption separately as our offices are part of rented space for which water provision is a supplied service and not metered independently. However, we have taken measures to reduce our water consumption where possible by using low-flush toilets and placing metering devices on all taps. Signs were hung next to all taps in the building to remind employees not to waste water.

Greenhouse gas emissions

For the past two years, we have submitted our data to the Carbon Disclosure Project. The Carbon Disclosure Project (CDP) is an independent not-for-profit organization which holds the largest database of corporate climate change information in the world. The data is obtained from responses to CDP's annual Information Requests, issued on behalf of institutional investors, purchasing organizations and government bodies. Since its formation in 2000, CDP has become the gold standard for carbon disclosure methodology and process, providing primary climate change data to the global market place. For more information on CDP, please visit their website: <http://www.cdproject.net>

We calculated our carbon footprint in 2008 using an online format which is a free service provided by Carbon Footprint UK Ltd. To view this calculator, see: [www. Carbonfootprint.com/ calculator](http://www.carbonfootprint.com/calculator)

The first full year of data input was 2008, and includes carbon emissions from business flights, electricity consumption and land travel using Company vehicles. These are commonly referred to as Scope 1 emissions. We have not yet progressed to measuring additional indirect emissions, and are currently working on a plan to do this.

Country	Scope 1 Emissions (metric tons CO ₂ -e)
Israel	2,200
Antigua and Barbuda	400
United Kingdom	400
Other Locations	2,000
Total Emissions	5,000

Travel

As a global business with offices worldwide, extensive employee traveling is another environmental challenge with which we are faced. In order to tackle this problem, we have invested in the best multi-media technology and encourage our employees to use teleconferencing facilities.

In cities, we provide around 40 employees with daily company bus transportation to minimize the use of private vehicles. We have also provided bicycle locking stations in the parking lots and other bicycle facilities in order to encourage employees to ride to work.

During 2009 we were the first company in the IT sector to offer our employees the option of leasing scooters as opposed to cars, to reduce employee travel emissions.

Employee environment awareness practices

Awareness of environmental practices is important in order that each and every **888** employee can play their part. In addition to the Bee Green launch campaign, employees are provided with regular updates relating to environmental practices via the Company intranet portal, notice boards and other forms of internal communication.

A short environmental movie was prepared to familiarize employees with environmental issues and was shown at communications meetings, and in all new-hire orientation days.

Customer environmental awareness programs

We recognize that millions of customers visiting our gaming sites represent a significant opportunity for **888** to drive environmental thinking amongst a very large population, thereby enhancing our indirect influence in support of solutions to address climate change.

We plan to develop an environmental marketing campaign which will make contributions to environmental causes linked to customer use of our gaming sites. During 2009, we are considering additional strategies to involve our customers in environmentally supportive activity.



Part 4 - Play!

We believe we make a positive contribution to the quality and enjoyment of life for the millions of people who play with 888 on a regular or occasional basis. We believe that, in a world where we are all subject to the many different kinds of social, financial, family, work, health and other pressures, it is important to have a space away from all these pressures to wind down, switch off for a while, distance yourself and, simply, enjoy the play. Research shows that most online players derive enjoyment and relaxation from their time on our gaming sites. We believe this helps them maintain an overall positive quality of life.

Of course, any form of play has the potential to reach destructive levels or generate undesirable impacts. Any form of entertainment, when taken to extremes or exploited without due care can be damaging. On-line gambling, just as any form of entertainment, also has this potential. At **888** we have spent many hours at all levels considering both the very positive effects of our services on our customers and the general public, and the potential for negative effects. In order to safeguard users, potential users and the general public from these risks, we have adopted a comprehensive responsible gaming policy and a safe and secure gaming environment, which are the backbone of the way we do business and the manifestation of our commitment to being a responsible corporate citizen. We make continuous efforts to increase awareness of all aspects of responsible gaming for all stakeholders.

888 clients

888 has millions of registered clients around the world. The profile of **888** clients is varied and includes gamers of all ages (above age 18), both men and women, though the majority of Casino and Poker players tend to be male whilst Bingo players tend to be women. Our members tend to be busy people and many cite the convenience of an on-line gaming as a positive factor for them in making leisure time choices. Only a small percentage (35% or below) of clients we have surveyed state they play to win money, most say they play for fun!

We attempt to understand the gaming patterns of our customers in order to understand their needs more closely, and we continually seek to improve our offering and our service.

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In 2008, for the first time ever, we conducted an in-depth responsible gaming survey amongst our customers, and achieved participation of 1,050 individuals who have used our gaming sites in English and in Spanish. The purpose of survey was to improve our knowledge of clients' understanding of responsible gaming and their related needs, and awareness of **888's** responsible gaming tools.

The results of the survey showed that:

- **45%** believe that gambling companies should do more to prevent compulsive gambling
- **81%** believe that gambling companies should provide a responsible gaming environment
- **45%** consider the site's responsible gambling policy when they decided to play, and **17%** stated it was a major part of their decision
- **55% think that 888 handles responsible gaming issues better than other gambling websites**

The survey provided us with important insights relating to our customer's levels of enjoyment, vulnerabilities and expectations of a responsible gaming Company. One important insight was that tools providing information such as financial information are very appealing. As a result, in order to make responsible gaming information more accessible and attractive to all users, **888** targeted to translate **888responsible.com** website into three additional languages Spanish, French and German. This was completed and published in June 2009.

Customer Service

888 is committed to its goal of leading the global online gaming market in customer service and customer satisfaction. We target to provide outstanding customer service to enable our clients to play without wasting time on service issues and simply enjoy the game.

Our customer service operation is staffed by dedicated teams of highly trained in-house customer support representatives providing the highest levels of service and support to customers via email and telephone, 24 hours a day, 7 days a week, to customers around the world in 14 different languages. Our Live Chat service is now offered in four languages. The ongoing dialogue with clients is maintained by Customer Relationship Management teams in two dedicated contact centres, located in Gibraltar and Antigua.

888 teams aim to resolve most issues during the first contact. Some figures from our customer performance results in 2008 are:

Casino in English

- 97.6% of all phone calls are answered within, on average, 25 seconds.
- 99.0% of all emails are replied to within 24 hours.
- 96.5% of all chats are answered within, on average, 30 seconds.

Poker in English

- 97.7% of all calls are answered within, on average, 25 seconds.
- 98.5% of all e-mails are replied to within 24 hours.
- 95.2% of all chats are answered within, on average 35 seconds.

Bingo in English

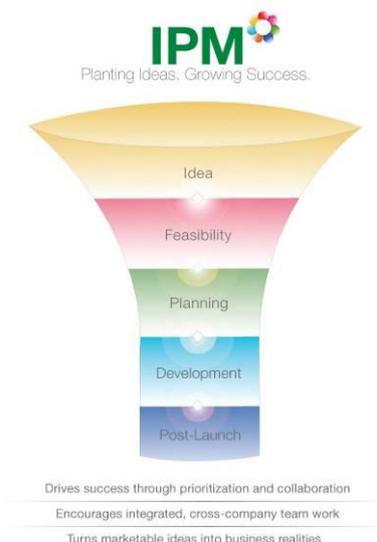
- 94.8% of all calls are answered within, on average, 25 seconds.
- 90.5% of all e-mails are replied to within 24 hours.

Our Casino and Poker customers regularly rate the level of professionalism of our representatives at 4.10 - 4.20 (out of 5).

888 product development

We believe that enjoying the game and use of our websites requires the inclusion of safe, non-intrusive and user-friendly design features.

All new product and website development includes considerations of responsible gaming practices from the earliest stage of the development process. All product development is completed using our IPM (Integrated Process Management) process:



IPM can be seen as a funnel whose main function is to capture, evaluate and progress major product development ideas. This creates a managed portfolio of programs that will meet **888's** current business objectives while enhancing our ability to carry out future programs. IPM is based on the TRACK principles:

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- **Transparency** - Frequent reviews and reports by all teams to operational management
- **Results** - Decision making gates and consistent, standardized, repeatable processes across the company to streamline and validate program execution
- **Accountability** - Clearly defined process owners and stakeholders with end to end accountability for program execution across the entire life cycle
- **Collaboration** – Cross organizational teams made up of stakeholders from all divisions with responsibility for the program from idea stage through post-launch review. Team inputs include all aspects of responsible gaming and ethical delivery of new offerings.
- **Knowledge** - Track key lessons learned with the purpose of analyzing the implementation process so that we constantly learn from our experience



At the heart of our IPM process are the business management teams that we call “Flower Teams”. These teams consist of representatives from all of **888's** divisions, totaling 80 managers. Additionally there are Country Spotlights to ensure that we remain focused on acting locally.

Engaging our middle managements in our product development process (IPM)

One of the goals of the IPM process was to involve managers in the decision making process work with them to improve company and divisional collaboration. One year after launching the new process, we conducted a survey to evaluate IPM efficiency of the process and the views of the participants. The results of the survey responses showed that:

- 82% acknowledged the fact that groups meet regularly as scheduled.
- 75% confirmed that meeting attendance is complete.
- 94% felt meetings were appropriately structured.
- 98% confirmed meetings ran according to an agreed agenda.
- 80% felt that the process strongly contributes to organizational transparency.
- 71% felt that the process aided collaboration between divisions.
- 88% felt that IPM has improved accountability within the organization.
- 70% felt their understanding of 888 products has improved.

Areas for further attention were highlighted by this survey with 55% of respondents of the view that decision-making and action-orientation could be improved. These issues will be addressed with a new post-launch review process starting in 2009 to ensure all leanings and opportunities for process improvements are gained.

Responsible Gaming

888's activities for raising awareness and providing tools for a responsible approach to gaming include all internal and external stakeholders in a holistic way:



There are many different ways in which 888 provides mechanisms to ensure increased awareness and high standards of responsible gaming. These can be grouped in to 6 broad categories:

1. **Creating a safe gaming environment**
2. **Raising awareness**
3. **Player Protection**
4. **Protection of Minors and other Vulnerable Groups**
5. **Internal training and procedures**
6. **Transparency and Reporting**

Overall, during 2007 and 2008, 888 invested time, Resources and significant cost to provide technology and fund all activities designed to enhance our responsible, safe gaming environment.

Creating a safe, secure and fair gaming environment

Adoption of globally accepted codes of responsible gaming practice.

We believe that an essential ingredient in enjoying the game is a safe and secure gaming environment. 888 is committed to providing responsible gaming products which comply with the highest standards of gaming safety, security and fair practice that exist around the world.

Voluntary compliance with industry standards

We regularly collaborate with external and regulatory bodies who guide us on all aspects of responsible gaming. The development of our technology and agreements with third party financing bodies is governed by our uncompromising approach to these requirements.

For more details, see our website: <http://safe.888/FairGame/random.htm>

The following is a partial list of organizations with whom we maintain regular dialogue.

- **eCOGRA:** We observe the eCOGRA "generally accepted practices" (eGAP code) which include Fair Gaming, Player Protection and Responsible Conduct. eCOGRA (e-Commerce Online Gambling Regulation and Assurance) is a non-profit organisation which monitors more than 100 casino and poker sites including all 888's websites, ensuring that we maintain complete legal compliance and integrity, at all times. All 888 sites contain a "Safe and Fair" logo indicating certification by eCOGRA. This not only keeps our site safe but also provides players with an independent regulatory body for resolution of any disputes. For more information, please see: eCOGRA at: www.ecogra.org
- **GAMCARE** is a UK-based registered charity which provides advice for anyone suffering from a gambling problem. **Gamcare Trade Services Ltd**, a Gamcare-owned company offering compliance, training and consultancy services to the gambling industry, conducted a Gamcare audit of 888 in 2007 covering issues such as staff training, underage verification, self deposit limits, self exclusion and referrals to helping agencies. Gamcare confirmed that 888 maintains excellent standards of practice in all these areas and certified 888 in December 2007. For more information about Gamcare, see the websites : <http://www.gamcare.org.uk>

- **The RGA (REMOTE GAMBLING ASSOCIATION)** is a voice for some of the world's largest and most prestigious remote gambling companies, and aims to encourage high standards of integrity within the betting and gaming industry, both for the benefit of its members and the general public. RGA represents remote gambling company core issues to regulators, legislators and major decision makers worldwide. RGA also endorses social responsibility within the betting and gaming industry. **888** has worked closely for many years with the RGA. For more information, please see: <http://www.rga.eu.com>
- **The IGC (INTERACTIVE GAMING COUNCIL)** was established in 1996 to address issues and advance common interests in the global interactive gaming industry, to establish fair and responsible trade guidelines and practices that enhance consumer confidence in interactive gaming products and services, and to serve as the industry's public policy advocate and information clearinghouse. The IGC endorsement on our website confirms that you can have full confidence in **888**'s contribution to supporting a fair and responsible gaming industry. For more information, please see: <http://www.igcouncil.org>

For more details, see our website: <http://safe.888.com/FairGame/random.htm>

Fair Gaming Environment

888.com's customers are guaranteed a protected, fair gaming environment. In order to ensure that game results are truly random, we use a Random Number Generator (RNG) to act as our "dealer". We use the trusted MD5 RNG to provide consistently random results.

Our RNG results and monthly payout percentage are reviewed every month by **ITECH LABS AUSTRALIA**, which is an ISO 17025 certified testing laboratory specializing in all forms of on-line gaming for the purpose of protecting on-line gamers worldwide. iTech Labs monitor our sites and perform our monthly Random Number Generator (RNG) checks. **888** has a Standard of Approval for compliance with online gaming standards. Reviews of each Casino-on-Net and Pacific Poker game are made publically available on the **888** website. For more information, please see: www.itechlabs.com.au

Secure transactions

888 processes thousands of secure transactions every day. We offer over 20 different deposit methods including the most trusted names in the industry such as Visa, NETELLER and others. The Group's credit card processing is handled by its subsidiary Intersafe Global Limited, a leading online transaction provider. Intersafe Global uses the most advanced SSL and PGP protocols, as well as public/private key encryption to guarantee data transfer security. All credit card details are stored on servers protected by the latest firewall security to prevent unauthorized access.



Identity verification and money laundering prevention

We believe that a safe gaming environment must be used legally and with identity verification procedures, so that all users can have the confidence to enjoy the game. A core element of **888's** safe gaming environment is the Know Your Customer (KYC) procedures which prevent fraudulent use of our site and ensure that money changes accounts in a legal way, via accounts whose owners are bona fide, known to **888** and capable of verification. Some of the measures we have in place include:

- External checks are carried out by third parties on transactions at certain milestones throughout the member's lifetime with us, to verify that details provided by the member are correct.
- Members are asked to verify their identity at certain Cash Out stages for collection of winnings.
- IP checks are used to identify discrepancies or changes in members' location and query or suspend the members account in case of need.
- Checks at game stage are carried out to locate any improper game play especially in the case of Poker.
- In the event of discrepancies or suspicions found during any of our checks carried out, an account may be blocked and the member asked to verify their identity.

Account blocking

As a responsible gaming protective measure, **888** occasionally blocks player accounts. This could be due to one of three reasons: addictive playing patterns (including self exclusion); evident financial difficulties or underage status. In 2007, 3,741 accounts were protected by the blocking mechanism. This does not include self exclusion. In 2008, self-exclusion was tracked, given the growing awareness and use of this facility by players, and a total of 5,079 accounts were blocked, of which includes 36% self-exclusions. This is testimony to the value of responsible gaming tools and the maturity of players who know when it is right not to play!

Customer data protection

We believe it is our responsibility to uphold our customer's right to privacy of all personal information and gaming history with 888. 888 is committed to maintaining airtight compliance with international data protection and privacy laws including the stringent provisions of the UK Data Protection act of 1998. **888's** Customer Support Department is responsible for managing all customer data. A Privacy Policy is publicly available on our website. There were no leaks, thefts, or losses of customer data during 2008.

To support our performance in this area, **888** has adopted a No Spyware-No Adware - No Malware policy to enable customers to enjoy the play on our sites with no intrusive advertizing or privacy risk.

888 also ensures all customer personal information is kept safe by using encryption technology.



Online privacy



888 is the first online gaming company to have been audited by Trust-e which is dedicated to providing industry-leading privacy services that protect online privacy and enables trust between Web sites and consumers.

"888 meets TRUSTe's widely recognized industry best practices for consumer privacy and trusted downloadable software. 888 has consistently shown its progress and interest in bringing a better consumer privacy experience to its customers."

Bo Wilson - Director of Operations Engineering at TRUSTe

Secure credit card payments

Intersafe Global, which provides credit card processing services for **888**, is a leading transaction provider, with millions of online transactions processed annually.

Intersafe Global uses sophisticated encryption technology to ensure the secure transfer of sensitive data over the Internet. All credit card details are stored on a secure server, which is protected by the most advanced firewall system available.

Raising awareness

We are committed to raising awareness for players and the community, as well as support and guidance to those at risk. This is so that all players can continue to derive enjoyment from playing at 888, and avoid or manage the pitfalls that could arise.

Responsible Gaming Website

In November 2007, 888 launched an extensive Responsible Gambling website, so as to provide a full guide to responsible practices and a source of practical support for all those involved in gaming or those who seek to understand the gaming environment. In this way, we provide much needed information for players and non-players to be in a better position to help themselves, friends, family or colleagues who they may feel are at risk.



The site offers comprehensive and easily accessible information about responsible gaming practices, including problem gambling, underage gambling, charity activity and more. Parents can learn how to identify if their teenage son or daughter might have a problem related to gambling, while players can take the self-assessment test to determine their gambling habits, learn how to keep out of debt and how to exclude themselves from playing at online casinos.

The site was an immediate success with over 4,000 visits within 3 months of launch. Thousands of surfers visit regularly and in 2008, we received over 37,000 page views on the site from more than 150 countries around the globe. All visitors have the opportunity to route reactions, queries and suggestions to the Director of Responsible Gaming at 888

Visit 888's Responsible Gaming website: www.888responsible.com

Advertising

Advertising is used by **888** to generate awareness for our product offerings in line with all regulated and responsible standards relating to the gaming industry. We try to present our site as an attractive place for enjoyment and play, whilst doing our utmost to ensure that advertising is in good taste, in line with our corporate values, and not designed in a way which attracts those for whom our products are not suited. In particular we do not advertize on sites which target youth under the age of 18. All advertising in the UK includes referral to www.gambleaware.co.uk, a responsible gaming support site.

The key channels for our advertizing are of course on-line, and selected TV advertizing. TV advertizing is only shown after 9 o' clock in the evening and corresponds to the strictest regulations. We also sponsor a range of events, sporting events in particular, and tournaments, some of which support charitable causes. In July 2008, for example, we produced a Charity Poker event with celebrities who donated their winnings to the charity of their choice. We promoted the event together with Das Vierte, a German TV Station and in the German TV Guide. One lucky winner had the opportunity to play with the celebrities. As it turned out, this winner was deaf and donated his winnings \$20,000 to the School where he learned how to deal with his handicap.

Around 35% of our advertising is delivered by our many affiliates who promote our offering through their own channels. Affiliates are subject to background checks prior to engaging with **888**, and periodic checks of their advertising are made by **888**. All affiliate advertizing must conform to the same strict standards observed by **888**.

Much of our advertizing comes in the form of community building. Our Bingo site, for example, www.888ladies.com, is as much as a friendship club as a gaming site, and supports activities for the membership community such as chat rooms, competitions, an active blog, trips and tours etc. In this way, membership of **888** Ladies contributes to the quality of life as well as providing an on-line enjoyment opportunity to play Bingo!

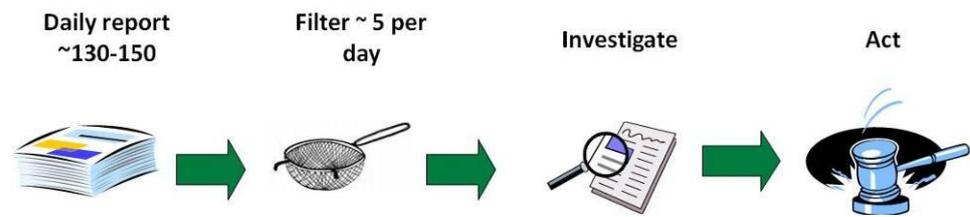
Player protection

We want to ensure that the decision to play is a conscious and deliberate decision to enjoy the game. We provide a range of supportive measures for those for whom playing could present some difficulties. On all our site there is a dedicated direct link to responsible gaming pages which supply information and access to tools.

Support for players who have or may have a gambling problem

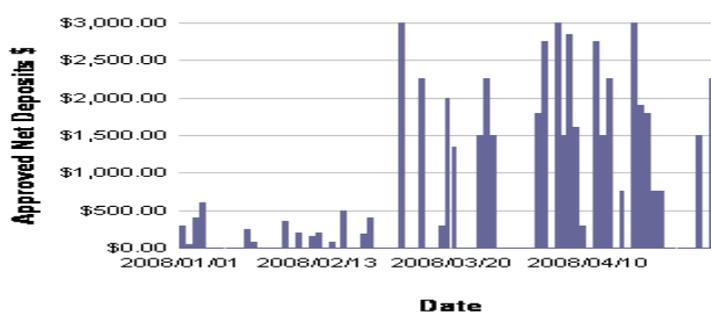
In 2008, 888 introduced a data mining system called "The Observer" in order to support clients who might have a problem related to playing on 888 or the level of their gambling. "The Observer" is a unique device that actively flags up clients such as these.

The Observer process



This data mining system was developed following consultation with Prof. Mark Griffiths of Nottingham Trent University, a renowned expert in on-line gaming and author of many papers and articles on this subject. The system identifies over 40 parameters, including financial and behavioral data, which are used to provide early identification of any client who might be at risk of becoming a problem gambler. The system is monitored and moderated on a regular basis.

The results of the monitored gaming practices are represented in a graph which portrays the gaming history of the client over a selected period.



Following the development of “The Observer”, **888** has developed policies for communicating and following up issues identified with clients.

In the last quarter of 2008, for example, around 150 accounts were identified via the daily report, and 32 approaches were made to clients after investigation. Of these accounts, 8 were blocked, 6 were maintained under review and 3 clients asked for self-exclusion.

Clients are appreciative of our concerned approach and regularly thank us for helping them remain within the limits they set for themselves. The following is an example of one of the many letters we receive from clients who have been identified by the Observer.

"I thank you for your words of advice. I would appreciate it if you could place a \$100 per month limit on the deposit I put into my account. This will hopefully enable me to monitor my spending and stop myself being so compulsive. "

Self-assessment test: For gamblers who are worried about their gambling habits and want to know more about the signs of compulsive gambling, our Responsible Gaming page and our 888responsible.com site provides a Gamblers Anonymous self-assessment test. The 20 questions are designed to help the individual decide if he or she might have a problematic related to gambling.

Controlling deposit limits: Client deposit limits are authorized at minimum level when they first join our site. This is automatically increased after the client has been active for a certain period of time, and further increased over time as levels of familiarity with the client and trust develops. Clients can raise their deposit limits at their own request, on provision of required documentation.

Personal gaming limits: These are in place online and are available to all clients. Clients can choose to set their deposit either per allocated period (daily, weekly and monthly) or to set limits on all of three periods. Lowering of limits is enforced immediately whereas requested increase of previously decreased limits is actioned after a period of 48 hours.

Restrict My Deposit Limits

We encourage responsible gaming by enabling you to adjust your deposit limits in the table below. Every deposit method has its own minimum deposit limit. Click to view the [Minimum Deposit Limit For Each Method](#).

Period	My Limits	Restrict Limits To
1 day limit	Open	US\$ <input style="width: 50px;" type="text"/>
7 day limit	Open	US\$ <input style="width: 50px;" type="text"/>
30 day limit	Open	US\$ <input style="width: 50px;" type="text"/>

[Set To Minimum](#)

Restricting your deposit limits will take effect immediately. Click on **Submit** to continue.

Note: Your bankroll is processed in US\$. If you use another currency, click on the [Currency Calculator](#) to view any sum in US\$.

[Submit](#)
[Cancel](#)

Our clients find this tool to be a valuable source of assistance to help them stay within their self-determined limits.

"..... thank you for your responsible goal with me. With a limit of 150 \$ by week I am ok with the idea to play. I understand very well what you are talking about. "

Self exclusion: A client can request to be self excluded for a chosen period, due to any reason including concerns about loss of personal control in the gaming environment. During this period, **888** blocks the account. Any new accounts the client might attempt to open during the exclusion period are blocked as soon as detected. In addition, **888** takes reasonable measures to ensure the member does not receive any promotional material during the period of self-exclusion. Clients can choose from three options of exclusion period – 7 days, 30 days and 180 days. All members who reactivate their account following a self-exclusion period are offered to reset their personal gaming limits. During 2008, a total of 5,079 clients used the self-exclusion facility (1,837 clients via the online option and 3,242 clients via a request to **888** call-centers). In 2007, 3,741 clients self-excluded via the call center (as the on-line option was not available).

Set Self-Exclusion Period

We encourage responsible gaming by giving you the option to exclude yourself from our games for a fixed period of time:

7 day self-exclusion
 30 day self-exclusion
 180 day self-exclusion

Important: During your self-exclusion period you will not be able to access the Cashier at all. We suggest that you cash out before continuing the self-exclusion process.

If you require further assistance, please contact our Member Support service, available 24 hours a day, 7 days a week at +350-40617.

We regularly receive feedback and comments from players who have self-excluded.

"I am VERY happy to see that you take this very seriously. The reason that I excluded myself was that I simply had no time to play poker as much as I used to have, to protect myself from playing more poker than I could actually afford myself I closed ALL accounts. In the meantime things changed and I found a healthy balance between work/family and poker. So for that reason I would like to see my account reinstated. "

Assistance for Problem Gamblers

Our responsible gaming page offers many links to helping agencies. To search for appropriate sources of assistance or professional, independent help, clients are encouraged to click the Gambling Therapy icon on **888** home page which links them to a free online service for those who may have problem gambling or may just want to talk about responsible gaming. The **888's** responsible gaming page offers our clients a self assessment test and links over 30 different agencies and support organizations around the world such as Gamblers Anonymous, National Council on Problem Gambling, Gamcare and IGC's helping hand.



Our www.888responsible.com website offers a list of sources of practical aid to all those who may be at risk. Read more at:

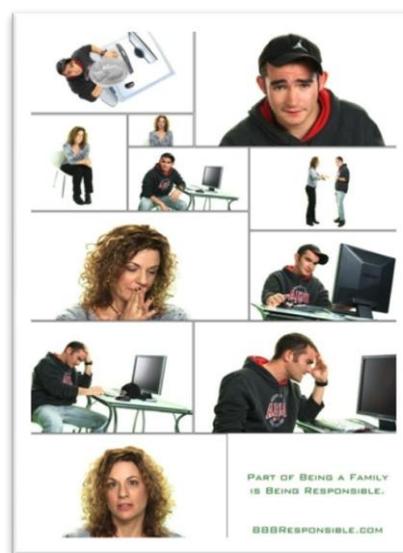
<http://www.888responsible.com/article.aspx?MID=1000&CID=8031>

Protection of minors and other vulnerable groups

We believe it is our responsibility to help ensure that children do not gamble.

We provide a range of tools to raise awareness and identify the issue of underage gambling, which is not very well understood by the general public, and to show ways of addressing this problem. During the past year **888** has increased its efforts to protect minors and to detect underage attempting to play on our sites. Additional deliberate attention is paid to the careful design and imagery used in our websites so as not to be appealing to young persons. Consultation with the Director of Responsible Gaming is always conducted in cases of doubt. Identity verification is performed on all credit-card holders and no player under the age of 18 is accepted to our gaming rooms.

In July 2008, **888** launched a new campaign aimed at raising parental awareness of underage gambling. The campaign includes a movie recounting the story of a mother who takes control of her underage gambling son and prevents development of a serious problem. The clip can be viewed at www.888responsible.com. Additional guidelines for parents are provided on the website. As mentioned above, since June 2009, the site is also available in French, German and Spanish.



888 ensures that a “No 18” sign is on all our game home pages. Clicking on this logo links to an advisory page about underage gambling. Playing at **888** requires all customers to confirm that they are over 18. ‘DOB’ (date of birth) has been added as a mandatory field instead of ‘Age’ in the games registration pages to enable more effective underage checks. All new deposits from payment methods that are available to under-age persons are sent immediately to a third party company for Age Verification. In the event of an unverifiable or a negative result, the member’s account may be suspended.

There is much in *888’s Corporate Responsibility 2008 Report* to commend. The fact that the report has been commissioned and written in the first place along with the introduction of a dedicated Director of Responsible Gaming demonstrates the commitment to ongoing social responsibility in gambling at 888. There is clear evidence of high stakeholder involvement, and a genuine desire to educate, help and inform the small minority of problem gamblers (and 888 clientele more generally) through the use of a wide range of social responsibility initiatives (e.g., a responsible

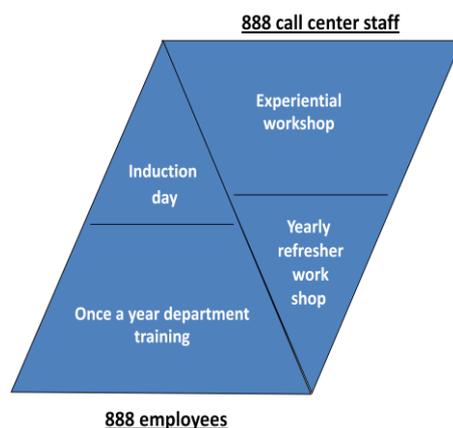
gambling website, self-assessment tests, deposit limits, personal gaming limit, self-exclusion programme, *Observer* system for detecting problem gamblers, 24/7 customer service desk, problem gambling referral system, transparent and fair gaming environments, compliance with industry standards, ongoing staff training concerning social responsibility issues, etc.). I was also impressed that 888 call centre staff on the 'frontline' that deal with problem gamblers are given counselling should they need it.

The report also provides clear evidence of how 888 responds to customer and employer feedback and the various 'feedback' loops that strengthen the ongoing relationship 888 has with its players and employees. The report also provides detailed statistics from various 888 social responsibility initiatives such as the number of self-exclusions, the number of times 888 have intervened in the suspected case of problem gambling, etc. Overall, the Report is an excellent first step into putting social responsibility at the heart of 888's core business.

Dr Mark Griffiths, Professor of Gambling Studies, Director, International Gaming Research Unit, Nottingham Trent University

Internal training and procedures

At 888, responsible gaming starts with a staff trained in responsible gaming. 888's training program incorporates methods and techniques that assist our employees in recognizing and taking appropriate action when they identify compulsive or underage gambling.



There are several programs for awareness building and training of staff in Responsible Gaming. These include:

- a full day orientation in which new hires are taught the about values, ethics and responsible behaviour of **888**
- annual refresher training on the subject of responsible gaming and relevant topical information for all employees, on a department basis

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- case study work- shops
- half day specialized advanced level Gamcare training
- regular reports to the CEO and Senior Management
- quarterly reports covering all aspects of responsible gaming to all middle Managers

Staff in **888's** call centre are the first direct point of contact with all our members, and undertake longer and more intensive training which includes a case study workshop lasting 2 hours and an annual refresher workshop.

During 2008 a new responsible gaming e-learning course was adapted for **888** The aim is to enhance Responsible Gaming understanding - all new employees now take e-learning course, to get in initial understanding of the issues involved. At a later stage they undertake longer and more intensive training which includes an experiential workshop lasting 4 hours and an annual refresher workshop. Experienced call center staff who attend to problem gaming issues on a regular basis also undergo a second level training which is a full day, dynamic work-shop facilitated by Gamcare.

Data for 2008 shows:

New hires trained in Responsible Gaming during Induction Day (Israel)	132 new hires (80%)
Employees including call center employees attending a Responsible Gaming training workshop	98 % of total employees
No. of call center staff attending the 2nd Level Gamcare training	20
Percentage of call center employees attending a Responsible Gaming workshop	100%
Total training hours dedicated to Responsible Gaming and ethical practices in 2008	3,720

Transparency and reporting

At 888 we believe in transparency and reporting of our activities so that customers can make informed choices, and that all stakeholders can evaluate all aspects of our performance. This includes understanding the process by which **888** ensures a fair and secure gaming environment. **888's** website <http://safe.888.com/> provides a "look behind the scenes" at the technology, people and processes which ensure that our gaming software and practices are fair, how Safe Deposits and Data Security systems support **888** payments and accounts and provide customers with the confidence that their payments are handled in a safe and secure manner. The site includes a video presented personally by the Company CEO Mr. Gigi Levy.

All our policies, practices, procedures, fees and everything we anticipate that the **888** customer should know are freely available on our websites. We believe in ensuring the maximum possible level of transparency so that customers can make informed choices at each interaction with **888**. We have no desire to take unfair advantage from any misunderstanding of the commitments and costs of customers as they enjoy our games.

In line with our objective to run our business in a transparent way, we have voluntarily elected to produce this Corporate Responsibility report for the first time, compliant with the highest global reporting standards.

Working with suppliers

At **888**, we rely on a wide range of suppliers who provide services and products which support our business and our infrastructure. We consider our suppliers, around 900 local and global organizations, as our partners in running a responsible business. We aim to work with suppliers who demonstrate shared commitment to our corporate social responsibility practices. All our suppliers are reviewed for standards of staff welfare, human rights and environmental issues prior to entering into a commercial relationship.

888's suppliers are primarily vendors of software development services, computer hardware, marketing gifts, office supplies, transportation, marketing and consulting services. Given the nature of the work, most of **888** suppliers are locally based.

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888 maintains dialogue with suppliers in order to understand their capabilities and ensure development and product needs are understood. Annual review meetings are held with key suppliers.

The purchasing process takes into account elements of responsible and sustainable purchasing practices, though these have not yet been adopted entirely for all purchases. This is an area in which **888** will review and develop a more formal framework for supplier engagement in matters of corporate responsibility.



Part 5 - About this report

Our approach to reporting

This first Corporate Responsibility Report for **888** describes the Group's approach to corporate responsibility and the key actions we have progressed during 2008 to advance responsible practices in our business. In developing this report we have considered input from our primary stakeholders – employees, customers, suppliers – and additional stakeholders including experts and opinion-leaders who represent different aspects of the way we impact communities and the environment. The report follows the Global Reporting Initiative (GRI) G3 Guidelines (meeting an application level A). These Guidelines provide a globally recognized framework for sustainability reporting and are adopted by more than 1,500 companies around the world. The table later in this section outlines the GRI Indicators covered and their location within the report. In addition, we also list the ways in which we uphold the principles of the United Nations Global Compact, later in this section.

Our intention is to report bi-annually. In recent years, we have adopted the practice of including a section on Corporate Social Responsibility in our Annual Report. However, we felt that this does not do justice to the range of issues arising under within the scope of Corporate Responsibility and felt a dedicated report was merited. Unless otherwise stated, the data and information in this report are for the calendar year 2008 and cover our entire operations globally.

Detailed financial information is not included in this report as our Annual Reports are available for view and download from our website.

http://www.888holdingsplc.com/investor_relations/financial_performance/reports_presentations.asp



Consultant statement

In producing this first report, **888** hired an external specialist consulting firm to provide guidance and support the development of the report concept, content and delivery. We disclosed all our raw data and enabled unrestricted access to all reporting materials and Company staff. Herewith a statement from Beyond Business Ltd:

"I have worked with **888** during the past year to assist in the development of this first Corporate Responsibility Report. The scope of my work included reviewing, assessing, gathering, and consolidating all relevant corporate information in line with the GRI reporting framework, and guiding the company in the formulation of a report in line with the principles of materiality, responsiveness to stakeholder aspirations and completeness in reporting of material issues. During my work I was able to meet with all relevant staff and investigate or challenge all data provided for accuracy and consistency. It is my view that the Company has responded positively to this challenge, included reference to all material issues, and developed a report which can be regarded as a fair, balanced and accurate representation of the Company's areas of impact and management of these.

888 is a fast growing business whose core is indisputably based on a responsible approach to gaming. This report is a significant step forward in disclosure of responsible practices in all areas of the business, and establishes a platform for consolidation and development of these practices to deliver strategic value for the business and all its stakeholders. I view **888** as a company whose spirit is based on accountability and integrity. All my interactions with the Company during this reporting assignment have served to reinforce this view. "

Beyond Business Ltd | Elaine Cohen | September 2009

United Nations Global Compact (UNGC) Communication on Progress



During 2009, we took the decision to participate in the United Nations Global Compact. The UN Global Compact is the largest global initiative to promote social responsibility of businesses. It is a voluntary initiative, which brings together thousands of businesses in more than 100 countries all over the world. In order to maintain the initiative, representatives of all sectors confirm their commitment to the Compact - governments, corporations, social organizations and civil

society groups – in order to promote ten universally accepted principles in the field of human rights, workplace standards and anti-corruption. More details can be found on the Global Compact website: www.unglobalcompact.org

We believe that the activities of **888** are in line with the principles of the Global Compact, and it therefore seemed appropriate that we should publicly declare our support and ensure greater exposure to a wider public. In line with a commitment to the Global Compact, we undertake to make an annual public statement (called a Communication on Progress, or COP) of the ways in which we support the UNGC principles. This report serves as our first COP, and is posted on the UNGC website. The following table shows the way we support the Global Compact Principles and how this aligns with the reporting framework and performance indicators of the GRI against which we have disclosed in this report. Our entry on the Global Compact website is under our group name 888Holdings plc based in Gibraltar.

Principle	Relevant GRI index clauses	Reporting
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	HR4-7	We confirm our support and commitment to human rights and to promoting socially responsibly business practises based on respect, caring and equality. This is evidenced in our approach to responsible gaming, especially protection of minors, with regard to equal opportunity and employee support in our working environment, and in our community outreach programs, all of which are discussed in this report.
Principle 2: Businesses should make sure they are not complicit in human rights abuses	HR4-7	We invest in training for our staff on all aspects of dealing with clients, and in the adherence of our values.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to	HR5, LA4-5	There has been no request for employee association or for collective bargaining.

collective bargaining.		
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR 7	We do not condone forced labour. All employees have open channels of communication relating to their work with the company, receive comprehensive information about their terms of employment and make the choice to work for 888 of their own free will. Our practices are detailed in the employee section of this report.
Principle 5: Businesses should uphold the effective abolition of child labor.	HR6	We do not employ children in our business.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	HR4, LA13	We maintain a policy of openness and respect for all people. We insist on fair and equal opportunity for all in all our operations and maintain open communication channels to promote diversity and inclusion in our business. Our practices are detailed in the employee section of this report.
Principle 7: Businesses should support a precautionary approach to environmental challenges.	4.11	We consider our impacts on the environment in all our activities, though, as our business is on-line, our impact on the environment is low compared to industrial businesses. We calculate our carbon footprint and report to the Carbon Disclosure Project. We have taken several measures to reduce our environmental impacts. Our practices are detailed in the environment section of this report.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	EN1-4, EN8, EN16, EN20-23, EN26, EN28	We have implemented several initiatives within our business to promote greater environmental responsibility. We are considering how to do this with regard to clients and suppliers. Our practices are detailed in the environment section of this report.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies .	EN2-3, EN8, EN16, EN19-23	We are considering how to leverage our IT platforms to encourage increase environmental benefit through on-line activities.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	SO3-4	We do not comply with corruption in any way and expressly forbid any form of bribery, corruption or misdealing in any of our operations. Our staff is trained in dealing with fraudulent practices and ensuring appropriate preventive action is taken as required.

GRI Index

GRI is the global non-profit international organization which acts to increase the level of social and environmental reporting amongst Companies throughout the world. The main way of assimilating this process is the use of the reporting framework which contains detailed guidelines for reporting on impacts and provides a consistent structure which thousands of Companies around the world now use for sustainability reporting. Over 3,000 reports were published in 2008 around the world. We believe that we are the first on-line gaming company to produce a Corporate Responsibility Report. For more information, please see:

www.globalreporting.org .

This report complies with Application Level A of the GRI Framework. This has been confirmed by experts at the Global Reporting Initiative who checked our report in draft form and found it to be compliant with this reporting level. The GRI confirmed their permission for us to use their stamp of confirmation of this level:



The different levels of the GRI framework relate to the level of transparency and disclosure in the report. Below is the table of the Application Levels of the GRI:

Reporting Level	C	C+	B	B+	A	A+
G3 Profile Disclosures	Report on: 1.12.1 - 2.103.1 - 3.8, 3.10 - 3.124.1 - 4.4 , 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus:1.23.9, 3.134.5 - 4.13, 4.16 - 4.17	Report Externally Assured	4.17Same as requirement for Level B	Report Externally Assured
G 3 Management Approach Disclosures	Not required at this level		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
G 3 Performance Indicators &Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either-a)reporting on the indicator or b) explaining the reason for its omission.	

G3 indicator	Description	Page No.	Comment
1.1	Statement from the most senior decision-maker	3-5	
1.2	Key impacts, risks, and opportunities.	3-5,12	
2.1	Name of the organization.	13	
2.2	Primary brands, products, and/or services.	10-12	
2.3	Operational structure of the organization	8-10	
2.4	Location of organization's headquarters.	13	
2.5	Number of countries where the organization operates	10-13	
2.6	Nature of ownership and legal form.	13	
2.7	Markets served	10-13	
2.8	Scale of the reporting organization	10-13	
2.9	Significant changes during the reporting period	-	See pages 6-11 of the Annual Report http://bit.ly/go3hu for a detailed review of changes in the business during 2008
2.10	Awards received in the reporting period.	30-31	
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	78	
3.2	Date of most recent previous report.	N/A	This is 888's first report
3.3	Reporting cycle (annual, biennial, etc.)	78	
3.4	Contact point for questions regarding the report or its contents.	88	
3.5	Process for defining report content	26	
3.6	Boundary of the report	78	
3.7	State any specific limitations on the scope or boundary of the report	N/A	There are no limitations – all 888's businesses are covered by this report
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	13	All the Company's subsidiaries are listed in the Annual Report which can be found here: http://bit.ly/go3hu page 53
3.9	Data measurement techniques	23,24,28, 39,52,53	23 employees, 24 customer satisfaction, 39 training, 28 community ,52 energy sources, 53 carbon footprint
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	N/A	This is 888's first report
3.11	Significant changes from previous reporting periods	N/A	This is 888's first report
3.12	Table identifying the location of the Standard Disclosures in the report	78	
3.13	External assurance for the report.	79	
4.1	Governance structure of the organization,	12	

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4.2	Indicate whether the Chair of the highest governance body is also an executive officer	13-16	
4.3	Members of the highest governance body that are independent and/or non-executive members.	13-16	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	13-16	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	13-16	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	13-16	
4.7	Qualifications of the members of the highest governance body in economic, environmental, and social topics.	13-16	
4.8	Mission or values, codes of conduct.	6,7,17-18	
4.9	Highest governance body for management of economic, environmental, and social performance.	13-16	
4.10	Processes for evaluating the highest governance body's own performance.	14	
4.11	Precautionary approach or principle is addressed by the organization.	16	
4.12	Externally developed economic, environmental, and social charters, principles.	62-63,80	
4.13	Memberships in associations	62-63	
4.14	Stakeholder groups engaged by the organization.	21	
4.15	Basis for identification and selection of stakeholders with whom to engage.	21	
4.16	Approaches to stakeholder engagement	22	
4.17	Key topics and concerns that have been raised through stakeholder engagement	23-26	
ECDMA	Goals, policy, plans, procedures.	27	
EC1	Economic value	27	
EC2	Risks and opportunities due to climate change	N/A	888's business is an on-line business and this was not assessed as a key risk in the risk assessment process. If this changes, 888 will disclose details.
EC3	Coverage of the organization's defined benefit plan obligations.	41	
EC4	Financial assistance received from government.	N/A	None received

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EC5	Range of ratios of standard entry level wage.	41	
EC6	Spending on locally-based suppliers at significant locations of operation	76	
EC7	Procedures for local hiring	36	Employee Recruitment and Turnover section
EC8	Development and impact of infrastructure investments	N/A	No infrastructure investments
EC9	Indirect economic impacts	27	
ENDMA	Goals, policy, plans, procedures.	50	
EN1	Materials used by weight or volume	-	Total calculation of materials not completed. Will be undertaken during coming 2 years.
EN2	Recycled input materials	51	
EN3	Direct energy consumption	52	
EN4	Indirect energy consumption	-	There is no indirect energy consumption
EN5	Energy saved due and efficiency improvements	51-53	
EN6	Energy-efficient or renewable energy based products and services	-	Not material for an on-line business
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	-	Not material for an on-line business
EN8	Total water withdrawal by source	-	Not possible to calculate due to rented services at company locations
EN9	Water sources significantly affected by withdrawal of water	-	Not material for an on-line business
EN10	Percentage and total volume of water recycled and reused.	-	Not possible to calculate due to rented services at company locations
EN11	Land owned, leased, managed in, or adjacent to, protected areas	-	Only office premises
EN12	Impacts of activities, products, and services on biodiversity	-	888 has no known/measurable impact on biodiversity
EN13	Habitats protected or restored.	-	888 has no known/measurable impact on natural habitats
EN14	Managing impacts on biodiversity.	-	888 has no known/measurable impact on biodiversity
EN15	Species with habitats in areas affected by operations	-	888 has no known/measurable impact on biodiversity
EN16	Total direct and indirect greenhouse gas emissions by weight	51-53	
EN17	Other relevant indirect greenhouse gas emissions by weight	-	888 has no known/measurable indirect ghg emissions
EN18	Initiatives to reduce greenhouse gas emissions	51-53	
EN19	Emissions of ozone-depleting substances by weight.	-	888 has no known/measurable emissions other than those reported in indicator EN16
EN20	NOx, SOx, and other significant air emissions by type and weight. (Core)	-	888 has no known/measurable emissions other than those reported in indicator EN16
EN21	Total water discharge by quality and destination	-	888 business is an on-line business and creates no measurable water discharge
EN22	Total weight of waste by type and disposal method	51-53	
EN23	Total number and volume of significant spills.	-	There have been no spills
EN24	Waste deemed hazardous	-	There is no hazardous waste

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EN25	Biodiversity value of water bodies	-	888 has no known/measurable impact on biodiversity
EN26	Environmental impacts of products and services	-	888 has no known/measurable direct product or services impacts as 888 is an online business
EN27	Products sold and packaging materials that are reclaimed by category	-	There are no packaging materials involved in this business
EN28	Fines for non-compliance with environmental laws	-	There have been no fines
EN29	Significant environmental impacts of transporting	-	No significant transportation is involved in an on line business
EN30	Total environmental protection expenditures and investments by type.	-	Not calculated in full for this report – will be tracked and monitored for future reporting
LADMA	Goals, policy, plans, procedures.	32	
LA1	Total workforce.	34	
LA2	Employee turnover.	36	This is not recorded in detail by age group and gender as this data has not yet been collated. It will be reported in the next report.
LA3	Benefits for full-time employees.	41	
LA4	Collective bargaining agreements.	20	
LA5	Minimum notice period.	-	This is in line with the labour laws in each operating country and ranges between 1 and 6 months
LA6	Management-worker health and safety committees.	-	There are no such health committees – this is not material for an on-line business
LA7	Rates of injury, occupational diseases, lost days, and absenteeism.	43	
LA8	Serious diseases training for employees.	-	This has not been conducted as 888 employees are not exposed to serious diseases in the course of their work.
LA9	Health and safety topics covered in formal agreements with trade unions.	-	There are no formal agreements with trade unions
LA10	Average hours of training per year per employee by employee category.	39	
LA11	Programs for skills management and lifelong learning.	39	
LA12	Performance and career reviews.	38	
LA13	Composition of governance bodies and breakdown of employees.	13	
LA14	Ratio of basic salary of men to women by employee category.	41	Actual salary figure comparisons are not reported as these were not available at the time of reporting. They will be reported in the next report.
HRDMA	Goals, policy, plans, procedures.	20	
HR1	Significant investment agreements that include human rights clauses.	-	There are no significant investment agreements which merit human rights screening
HR2	Suppliers and contractors that have undergone screening on human rights.	-	This has not been fully implemented in 888. Low risk for online business.
HR3	Total hours of employee training human rights.	-	There has been no specific training on human rights, though all employees are trained in 888's values

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HR4	Total number of incidents of discrimination and actions taken.	-	There have been no incidents relating to discrimination at 888
HR5	Collective bargaining - significant risk.	-	This is not assessed as a risk as there are no employee associations in force at 888
HR6	Significant risk for incidents of child labor.	-	This is not assessed as a risk as there are no children employed or capable of doing technical work at 888
HR7	Significant risk for incidents of forced or compulsory labor.	-	This is not assessed as a risk as all employees direct employees sign voluntary contracts
HR8	Security personnel trained in human rights.	-	This has not been conducted as it is not assessed as a serious risk for the small number of security personnel employed in 888 offices
HR9	Violations involving rights of indigenous people.	-	No incidents
SODMA	Goals, policy, plans, procedures.	45	
SO1	Impacts of operations on communities.	45	Total investment in the community is referred to on page 28
SO2	Risks related to corruption.	18	
SO3	Employees trained in organization's anti-corruption	65.75	
SO4	Actions taken in response to incidents of corruption.	-	No incidents
SO5	Public policy positions and lobbying.	62-63	Involvement in industry associations for responsible gaming
SO6	Contributions to political parties.	-	None
SO7	Legal actions for anti-competitive behavior.	-	None
SO8	Fines for non-compliance with laws and regulations	-	None
PRDM A	Goals, policy, plans, procedures.	58	
PR1	Life cycle stages.	-	On line produced cannot be measured for LCA therefore this is not reported
PR2	Non-compliance with regulations on health and safety impacts of products.	-	888's on line products do not have health and safety impacts
PR3	Product and service information required.	-	This is not deemed relevant as 888 does not sell physical products. However all services information is provided on the company's websites and described in the fair gaming section starting on page 62
PR4	Incidents of non-compliance with regulations.	-	No incidents
PR5	Customer satisfaction.	24	
PR6	Marketing communications.	67-68	
PR7	Non-compliance with regulations concerning marketing communications.	-	No incidents
PR8	Complaints regarding breaches of customer privacy	-	No incidents
PR9	Fines for non-compliance with regulations on provision of products and services.	-	No fines

Credits

This report has been compiled with the support and assistance of:

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This report is primarily designed for on-line viewing. We have printed a very limited number of hard copies for focused distribution. All printed copies are printed using locally produced 100% post-consumer recycled waste paper.

Contact

We welcome your queries, suggestions, comments and all forms of feedback. Please do contact our Director of CSR and Responsible Gaming:

Mrs. Ruth Tanami

ruth.tanami@888holdings.com

Tel: + 972 (0)732 888 019

Fax: + 972 (0)732 888906



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