

CEO's review



As the custodian of a national institution, Camelot is quite properly subject to intense scrutiny.

"We are accountable to national government, our regulator, 14 lottery distributors, a wide range of non-governmental organisations and pressure groups, more than 1,700 jackpot winners, 28,000 retailers, 600 suppliers, 900 employees, and, of course, to 30-40 million players who collectively spend between £85 and £90 million a week on lottery products.

Our aim is not just to meet the expectations of all these stakeholders, but to exceed them.

The National Lottery's 10th Birthday in November 2004 was a tremendous opportunity to say 'thank you' to the millions of people who play. Their support has enabled us to raise over £17 billion for Good Causes to date, bringing to life over 190,000 projects across the UK. These range from landmark projects such as the Eden Project in Cornwall and large-scale urban regeneration in the North East, to the establishment of 500 healthy living centres and the refurbishment of 350 village halls. It is becoming increasingly difficult to think of someone whose life has not been positively touched in some way by The National Lottery.

When the idea of a modern UK National Lottery was resurrected in the early 1990s, there were concerns that it would create a 'nation of gambling addicts' or act as a 'tax on the poor'. The fact that these fears have not been realised is, I believe, a testament to our responsible stewardship of one of the UK's most widely-recognised consumer products.

Our strategy is to grow sales in a socially responsible way. We have not increased the price of a Lotto ticket – still a pound to play more than 10 years after we launched. Nor have we resorted to harder forms of gambling like sports betting or video lotteries – which has happened overseas.

In fact, Camelot has incorporated responsibility into game conception and development, how and where we sell lottery products, and into the marketing and advertising of our games.

In spite of the many self-imposed checks and balances – all of which put a natural 'brake' on sales – we have still managed to buck the international trend of falling lottery sales and return The National

Lottery to growth.

In 2004/05, our sales were over £4.7 billion, up 3.3% on the previous year – more than three times the rate of growth we achieved in 2003/04.

The UK National Lottery is flourishing by encouraging large numbers of people to have just a small flutter - less than £3 a week on average. I am proud that despite being one of the top five lotteries in the world by total sales, we are ranked only 48 th in terms of per capita spend.

Each year, following consultation and dialogue, we make a number of commitments to each of our stakeholder groups. In 2004/05, we met or substantially met 42 of the 45 commitments that we published the previous year. These included:

- improving accessibility for our players by adding more terminals, launching play by text and through interactive digital TV
- achieving high standards of player protection with games available via mobile phones and the internet
- developing and implementing a new performance management process for Camelot employees
- increasing paper and plastic recycling in our offices
- introducing minimum criteria based on social, environmental and business risks for many of our suppliers
- supporting around 1,000 retail outlets which serve a community function but which do not meet our financial criteria.

We continue to work on three of last year's commitments: a public education initiative on responsible play, establishing a formal environmental management system, and reducing our electricity consumption.

The challenge we face is to continue to maximise returns to Good Causes at the same time as minimising the risk to more vulnerable groups. It is a call to remain vigilant to stakeholder concerns and to ensure continual monitoring of our impact.

That is why we have invested in developing a new structure and processes to improve our management of corporate responsibility.

In 2004/05, for example, we conducted a strategic review of our approach. As a result, we introduced a Corporate Responsibility Board – which I chair – to oversee and better direct our efforts within the company. We revised our approach to stakeholder groups and the ways in which we consult with them, and we integrated social and environmental risks into our corporate risk register.

For the first time we are reporting in accordance with the 2002 Global Reporting Initiative Guidelines – the world's leading authority on social reporting. We have again subjected it to rigorous independent assurance, ensuring that it represents a balanced and reasonable presentation of our economic, environmental, and social performance.

Our efforts have been met with a positive response outside the company. Camelot was ranked among the top 30 companies in Business in the Community's 2005 Corporate Responsibility Index becoming the leader in the leisure sector . In addition, for the first time, Camelot appeared in the Sunday Times 100 Best Companies to Work For – the definitive guide to the UK's best employers.

I am delighted that we have achieved this kind of independent recognition. It is the passion, creativity

and enthusiasm of those who work for and with Camelot which has contributed to the success of The National Lottery. I also particularly want to thank the members of our external Advisory Panel for Social Responsibility whose advice and input have again been invaluable.

In the year ahead we will continue to raise the bar, and will be setting ourselves even tougher targets. For 2005/06 we are making a further 49 commitments to our stakeholders, which you will find outlined in this report.

I look forward to your [feedback](#) and ideas on how we can do even better.

Dianne Thompson

**Dianne Thompson
Chief Executive**

Camelot Group plc