



SUSTAINABILITY REPORT 2020

FROM OUR CEO

2020 was a tremendous year for DraftKings.

We transitioned from a venture-capital backed private company to a publicly traded company, strengthened core capabilities throughout our organization and progressed our integration of SB Tech. While quite a bit has changed since we founded DraftKings in 2011, our focus on creating unique and exciting experiences for our users has remained the same. Our mission is to make life more exciting by responsibly creating the world's favorite real-money gaming experiences. Our business decisions are guided by our unwavering commitment to corporate responsibility and ethics and serving the best interests of our stakeholders. In this inaugural report, we are proud to demonstrate this ongoing commitment and share our environmental, social and governance ("ESG") impact, activities and performance for calendar year 2020.

The purpose of this initial report is to identify the ESG factors that we believe are material to our business and to increase transparency into our decision-making frameworks. Our long-term business goals are closely tied to creating a positive impact for our stakeholders. Our Board of Directors (the "Board") and management team are committed to further integrating ESG considerations into how we set and obtain our goals. We believe in representing our stakeholder interests in the present while paving the way for a sustainable and resilient future.

ENVIRONMENTAL SUSTAINABILITY

At DraftKings, many of our revenue-generating activities are delivered via cloud computing. As our entertainment and gaming products are primarily on a mobile platform, the activities of our customers are less carbon-intense due to the ability to play whenever and wherever. Further, by leveraging a clean-tech data center supplier that is committed to achieving 100% renewable energy usage for its global infrastructure by 2030, we are ensuring that we contribute to the fight against climate change and its impacts. According to Amazon Web Services, our primary data center supplier, there is an 88% reduction in carbon emissions when customers move their data to the cloud, and the power mix from our cloud computing activities is 28% less carbon-intense than the global average.

STAKEHOLDER ENGAGEMENT

Our business success is powered by our highly skilled workforce, and we believe it is paramount to create and foster a culture of inclusion, equity and belonging ("IEB") that makes each of our employees feel engaged, empowered and safe. In 2019, we hired a Head of Inclusion, Equity and Belonging and have committed to allocating at least \$1 million annually to support DraftKings' IEB initiatives, for which we have provided an overview on page 12 of this report.



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OUR CEO

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We believe that the implementation of DraftKings' inclusive vision should start at the very top. During the third quarter of 2020, we welcomed Jocelyn Moore and Valerie Mosley as Board members and Michael Jordan as a special advisor to the Board. In addition, DraftKings partnered with a consultant in 2019 to launch our Inclusive Leadership Learning Series. Throughout the course of our partnership, our IEB team worked with this consultant to lead our executives in discussions on inclusion in the workplace. The aim of the sessions was to create a common language among executives, senior leaders and their teams around inclusion and to develop a personal connection between inclusion and our business.

By developing a productive and inclusive workforce and investing in the communities in which we live and work, we are protecting and enhancing value for our stakeholders. We are proud to collectively give back to our communities. The combined efforts of members of the DraftKings community have led to over \$2 million in donations to various initiatives such as our Tech for Heroes program for training veterans and military spouses, our Pink'Em Campaign for breast cancer support, our "DK Rally" initiative for COVID-19 relief, and most recently our efforts to help local businesses in Tennessee after the bombing on Christmas Day. Additionally, we donated 100% of the revenue generated from NBA and WNBA Daily Fantasy Sports contests on August 28, 2020 and August 29, 2020 to support organizations that promote racial and social justice.

DraftKings became a flagship brand among gaming and sports enthusiasts because we provide an engaging and responsible way for them to interact with sports. We have ushered in a new era of digital gaming by forming trustworthy and lasting relationships with users on our safe and secure platform. One of our highest priorities is to ensure that our customers play safely and responsibly, and we are committed to providing our customers with the tools and information necessary to engage in responsible gaming behavior. We have provided highlights of our Responsible Gaming efforts on page 9 of this report.

“ AS A LEADER IN THE DIGITAL SPORTS ENTERTAINMENT AND GAMING INDUSTRIES, OUR BUSINESS DECISIONS ARE GUIDED BY OUR UNWAVERING COMMITMENT TO CORPORATE RESPONSIBILITY AND ETHICS. ”

OUR RESPONSE TO COVID-19

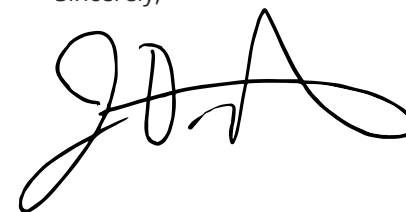
The COVID-19 global pandemic presented companies around the world with unprecedented challenges and provided a litmus test for the sustainability of current operations.

I am proud to share that DraftKings acted proactively to protect our employees by quickly implementing

work-from-home policies and providing extra support and resources, including mental and physical wellness initiatives, support for caregivers, enhanced social connectivity and flexible time management techniques and strategies. We also initiated a Remote Work Effectiveness Reimbursement Program and distributed home office technology bundles designed to provide additional support to our workforce to optimize their work-from-home set-up. Throughout the pandemic, DraftKings prioritized job preservation as well as growth. We continued to hire new employees, did not reduce salaries and have not conducted layoffs. Considering the continuing spread of COVID-19, we have encouraged most of our employees to work from home through July 1, 2021. At that point, we plan to reassess the global health situation and make safe decisions about the timing of reopening our office locations.

I am excited and grateful to share our ESG progress and achievements in this inaugural ESG Report. Even as we position DraftKings for long-term success, we are committed to creating a more sustainable and equitable future for our stakeholders.

Sincerely,



Jason D. Robins
Chief Executive Officer & Chairman



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FROM OUR BOARD OF DIRECTORS

SUSTAINABLE GOVERNANCE

Thank you for entrusting us to oversee the long-term health and sustainability of DraftKings. Our goal is to help DraftKings achieve business success the right way, not the expedient way. As corporate responsibility promotes the long-term interests of our stakeholders, we recognize that we cannot fulfill our role of directly overseeing DraftKings' corporate strategy without the consideration of ESG factors. We believe that how responsibly we run our business is intrinsically tied to achieving operational excellence. Environmentally and socially responsible operating practices go hand in hand with generating value for our stakeholders, including sustaining strong relationships with our customers, being contributing members of the communities in which we operate and fostering a safe, respectful and inclusive environment for our employees.

We are focused on cultivating exemplary corporate governance through our commitment to ethics, integrity and corporate responsibility. In order to ensure that DraftKings' corporate strategy aligns with our culture and the values of our shareholders, we have created our shareholder outreach program to directly solicit valuable shareholder feedback.

To further our ESG initiatives, DraftKings also created a sustainability working group to consider ESG factors that are material to our business. Our sustainability working group evaluated potential ESG risks and opportunities based on the views held by our shareholders, leading ESG frameworks and ESG rating agencies. For the ESG framework, the working group utilized aspects of the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures, as our shareholders rely on these frameworks to assess ESG at their portfolio companies. Additionally, we decided to structurally align certain material ESG areas of DraftKings' focus with the U.N. Sustainable Development Goals, because we intend to make long-term contributions that are aligned with the UN's aims to overcome global sustainability challenges.

Thank you for reading this report, which highlights our dedication to our employees, the environment and the communities in which we operate and serve. We are only on the first step of our journey of corporate responsibility and look forward to working together to achieve meaningful ESG progress.

— *Board of Directors, DraftKings*



DRAFTKINGS' ESG FRAMEWORK

We believe good governance protects and enhances the long-term interests of our stakeholders.

In preparation for our first ESG report (the "Report"), we created a sustainability working group to assess ESG factors that are material to our business. As a result of this research, we were able to identify the ESG topics most relevant to ourselves and create an implementation plan. Our approach is outlined below:

1 DIAGNOSTIC

We performed a robust diagnostic to analyze and understand the perspectives of our shareholders, leading ESG frameworks and ESG rating agencies. In our evaluation of current practices, we utilized internal and external resources, including those of the Task Force on Climate-related Financial Disclosures ("TCFD"), the U.N. Sustainable Development Goals ("UN SDGs") and the materiality framework of the Sustainability Accounting Standard Board ("SASB").



2 ASSESSMENT

After we completed the diagnostic, we assessed which ESG topics are most important to our business and shareholders, along with other key metrics:

SHAREHOLDER ANALYSIS

Analyzed DraftKings' current shareholder base, as well as prospective investors, to identify key ESG issues prioritized by our investors in their ESG integration efforts.

ESG FRAMEWORK ANALYSIS

Identified, analyzed and summarized the key factors by the ESG frameworks most utilized by our stakeholders, including SASB, TCFD and UN SDGs.

BEST DISCLOSURE PRACTICES

Researched best practices utilized by other US-based Consumer Internet companies to determine how DraftKings can best disclose, share and communicate its ESG policies, principles and practices.

INTERNAL FEEDBACK

Considered feedback from employees to help determine which topics have the greatest impact on our business.

3 OUR ESG PRIORITIES

Based on Steps 1 and 2, we identified the below ESG topics as the key issues which impact our operations and stakeholders:

- Responsible Gaming
- People & Community
 - IEB
 - Employee Engagement, Wellness & Development
 - Community Involvement
- Cybersecurity
- Enterprise Risk Management & Compliance
- Energy and Waste Management



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DRAFTKINGS' ALIGNMENT WITH UN SUSTAINABILITY DEVELOPMENT GOALS

DESIGNING DRAFTKINGS' ESG FRAMEWORK TO SUPPORT UN SDGS

We believe that our business success is linked to how we impact our stakeholders – our customers, our employees, our communities and our shareholders. When designing the sustainability framework for DraftKings, our Board and management aligned our internal sustainability goals with the UN SDGs.

The UN adopted 17 SDGs to drive solutions for current global challenges, including, but not limited to, climate change, lack of diversity and equality, and suboptimal working conditions and job opportunities. As a leader in the digital sports entertainment and gaming industries, we believe that we have a responsibility to make substantial and lasting commitments to further the UN SDGs. Our ESG mission is to continue to serve our stakeholders responsibly while also contributing to fighting global sustainable development challenges.

We have outlined each of our ESG focus areas and the corresponding UN SDGs resulting from our 2020 sustainability assessment below:

ENVIRONMENT

DraftKings is headquartered in Boston, MA in a LEED Platinum-certified building, and we are continuously advancing our efforts to reduce the environmental footprint of our operations and computing infrastructure. By leveraging the cloud computing

capabilities of a supplier that is focused on sustainability and clean tech, we are ensuring that we play our part in combating climate change and its impacts.



SDG 13: CLIMATE ACTION Take Urgent Action to Combat Climate Change and Its Impacts

- DraftKings' headquarters in Boston is Energy Star-certified and is in the top 25% of comparably sized buildings in energy efficiency. In addition, there was a full retro-commissioning of automated HVAC systems to improve the efficiency of the building's equipment and systems, as well as an installation of water efficient restroom fixtures.
- As a mobile-first technology entertainment provider, the carbon impact of our customers is reduced due to the ability to play whenever and wherever.
- By utilizing Amazon Web Services ("AWS") and moving our data center services to the cloud, we have reduced the carbon

emissions associated with our data center activities by 88%.

- The power mix of our cloud provider is 28% less carbon-intensive than the global average. AWS has also committed to using 100% renewable energy by 2030.

SOCIETY & STAKEHOLDERS

Responsible Gaming

At DraftKings, we have an obligation to the well-being of our customers, employees and the communities in which we live and work. Responsible Gaming is one of our highest ESG priorities and we have leveraged our groundbreaking technology, resources, training and evidence-based research to implement a comprehensive Responsible Gaming program.

IEB in the Workplace

We have formalized employee development programs that support IEB and have designed various leadership and talent management programs to promote creativity and innovation. DraftKings is fully aligned with the UN's goal to reduce inequalities within our Company and the communities in which we operate.



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SDG 3: GOOD HEALTH & WELL-BEING

Ensure Healthy Lives and Promote Well-Being for All

- Our Responsible Gaming Code of Conduct was created to align with the recommendations of the National Center on Problem Gambling (“NCPG”) and the American Gaming Association (“AGA”).
 - We collaborate with external stakeholders to provide evidence-based tools and strategies to players who might struggle with their gaming behaviors.
 - We have created gaming limits and self-exclusionary options on all our products.
 - The goal of our Responsible Gaming program is to provide everyone who interacts with our products a fun, entertaining and safe environment.
 - All our employees must complete responsible gaming training as part of their onboarding, as well as participate in a mandatory annual refresher training overseen by our Compliance team.
- We offer a holistic total rewards package with industry-leading health, dental and vision care for employees and family members, which includes resources for mental health.
 - To further promote employee well-being, we provide meditations and podcasts and encourage employees to take a break and practice mindfulness.

- To ease the burden of working parents, we provide activities such as storytelling and virtual art classes in which children can partake.

- We raised \$113,000 through our DraftKings Pink ‘Em initiative to help fund breast cancer research in collaboration with the Larry Fitzgerald Foundation.

COVID-19 Response

- In response to the COVID-19 pandemic, DraftKings took swift action to protect our employees’ health including closing our offices in March 2020.
- We provided technical support and resources to assist in the transition to work from home for our employees.
- To support our communities and front-line workers during the COVID-19 pandemic, DraftKings donated \$500,000 to the United Way through our “#DKRally” initiative.



SDG 8: DECENT WORK & ECONOMIC GROWTH

Promote Sustained, Inclusive and Sustainable Economic growth, Full and Productive Employment and Decent Work for All

- We distribute Employee Surveys four times per year to assess our employees’ engagement and to give employees a venue to express feedback. We use the results of these surveys to improve our effectiveness and the employee experience at DraftKings.
- We provide increased career and internal mobility for our employees, identify

development opportunities and proactively discuss succession planning through our talent training and review programs.

- We offer continuous learning opportunities for our employees through Skillsoft and LinkedIn Learnings and plan to design more customized and targeted in-person learning experiences for our employees.
- As more states legalize mobile betting, we expect that the generation of additional tax revenues will create more employment opportunities statewide and support local economies and social programs.



SDG 10: REDUCED INEQUALITIES

Reduce Inequality Within and Among Countries

- DraftKings is focused on advancing racial and social justice efforts in America and has donated \$340,000 to the NAACP, Vera Institute of Justice and Color of Change.
- We have committed to invest \$1 million per year to maintaining parity in employment opportunity and continuously promote our culture of inclusiveness throughout DraftKings.
- DraftKings’ Tech for Heroes initiative provides military veterans and their spouses with free skills training to help them find meaningful employment. As part of Tech for Heroes, DraftKings’ employees serve as mentors for veterans to support their transition to civilian employment.



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ENVIRONMENTAL STEWARDSHIP

DraftKings has developed an industry-leading technological platform that offers the world's favorite games and entertaining real money gaming products. We are transforming how people experience sports and gaming, but we are doing so with a focus on both responsible gaming and its environmental impact. By moving our computing activities to the cloud, DraftKings has begun reducing its environmental footprint and remains committed to further reduction. Our third-party cloud service provider, AWS, plans to transition to 100% renewable energy by 2030. According to AWS's research, by leveraging a cloud computing platform DraftKings is reducing its carbon footprint related to consumed electricity by 88%.

In addition, DraftKings has evaluated the carbon emissions impact of its mobile application and estimates that there is an approximately 91% reduction of carbon emissions from unique visitors using the DraftKings mobile application compared to the potential impact from physically traveling to local amenities. This potential impact is equivalent to the estimated reduction of over 11 million gallons of gasoline or taking 22,000 cars off the road annually.¹

CLIMATE RESILIENCY & TCFD

DraftKings has not conducted a scenario-based climate impact analysis for this initial report. However, the Board and management evaluate all ESG risks and opportunities, including those related to climate change, utilizing the framework that the TCFD recommends: Governance, Strategy and Risk Management. As we grow and further develop our ESG program, we intend to evaluate the relevance of disclosure related to the quantifiable financial impact under various global warming scenarios.

¹ Calculation based on comparing the estimated carbon emissions impact of visitors' time on the DraftKings app (actual and estimated 2020 data) to the estimated carbon emissions impact from taking an average social or recreational trip. Data sources used in this calculation include the U.S. Department of Transportation's [Summary of Travel Trends 2017 National Household Survey](#), average app data usage rates from selected apps, estimated gasoline fuel economy for mid-sized vehicles, average smartphone energy use and average US electric grid carbon emissions. For carbon equivalencies, DraftKings used the [EPA Greenhouse Gas Equivalencies Calculator](#). Estimated carbon emissions impacts and equivalencies are preliminary, unaudited and subject to revision.



SPOTLIGHT: 222 BERKELEY

- LEED Platinum and Energy Star-certified DraftKings Headquarters
- Approximately 10,000 sq. ft. of green roof material made of native, drought-resistant plants
- Fully retro-commissioned automated energy management system
- Water efficient restroom fixtures that use around 25% less water than national standards
- Green-cleaning and integrated pest management program utilizing environmentally friendly products
- Indoor air quality audits and installation of high efficiency filters



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SOCIAL INITIATIVES

RESPONSIBLE GAMING AT DRAFTKINGS

At DraftKings, we are committed to industry-leading responsible gaming practices and seek to provide our customers with the resources and services they need to play responsibly. With our focus on fair and responsible gaming along with user protection and data security, our users have come to know and trust our gaming platform. In building our Daily Fantasy Sports (“DFS”), online sports betting and iGaming products, we have invested in processes and technology to ensure our customers can enjoy online gaming as a fun and responsible form of entertainment. In practice, this investment translates into providing resources and tools that help prevent and minimize harm for customers who are problem gamblers and create a safe environment for them to seek help.

The mission of our Responsible Gaming program is to protect customers through groundbreaking technology, training and resources. We are committed to reducing problem gaming by supporting evidence-based research, educating our employees and customers about Responsible Gaming and evaluating our products through the lens of Responsible Gaming. DraftKings’ [Responsible Gaming Code of Conduct](#) codifies our focused approach on responsible gaming and syncs with recommendations from organizations such as the NCPG and AGA.

DraftKings’ Responsible Gaming is focused on:

- 1 Educating all employees on Responsible Gaming utilizing internal and external educational resources
- 2 Providing regular targeted training to customer-facing employees;
- 3 Maintaining and updating Responsible Gaming resources on all platforms;
- 4 Providing customers with Responsible Gaming tools;
- 5 Creating Responsible Gaming-specific messaging and advertising;
- 6 Working with external stakeholders; regulators, legislators, advocacy groups and research and academic organizations; and
- 7 Funding evidence-based research.



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EDUCATING AND TRAINING OUR EMPLOYEES: FIRST STEP IN HELPING CUSTOMERS PLAY SAFELY

All employees at DraftKings are required to complete Responsible Gaming training at the start of their employment and participate in refresher courses annually. The Cambridge Health Alliance, Division on Addiction (“CHA/DOA”), which is affiliated with Harvard Medical School, assists us with enhancing and evaluating our Responsible Gaming trainings. Additionally, we leverage multiple training resources such as the International Center on Responsible Gaming (ICRG), EMERGE: Executive, Management and Employee Responsible Education program to train our employees and continually identify new educational resources to enhance our employees’ knowledge base.

Customer-facing employees are required to complete additional targeted training focused on creating internal controls to identify, escalate and provide assistance for suspected problem gamblers. These internal trainings help prepare employees to detect early signs of potential gambling problems where interventions with information, resources or suggestions of limit setting, cool-off periods or self-exclusion may be provided when necessary.

PROVIDING RESPONSIBLE GAMING TOOLS & RESPONSIBLE ADVERTISING

DraftKings has developed a robust set of tools to ensure that our customers are playing safely and responsibly. For those customers for whom gambling can become a problem, DraftKings posts information and continually updates our Responsible Gaming resources with the most current and efficacious tools

available, including self-screening assessment tools, self-help toolkits and links to literature and self-help organizations. On our website, we provide transparent information on how to play our games, set limits, effectively utilize cool-off periods and self-exclude.

Several of our resources are linked below:

[Fair Play \(DFS\)](#)

[DFS How to Play](#)

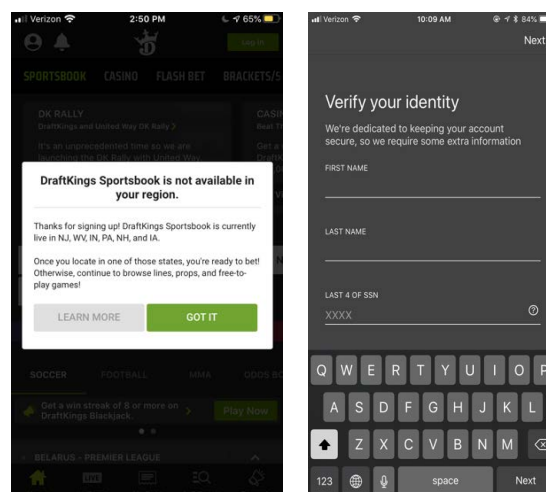
[DFS Limit Setting](#)

[Know Your Limits \(Sports Book and Casino\)](#)

[DraftKings Casino 101](#)

[How to Bet 101 \(Sports Book\)](#)

We believe in promoting our products in a socially responsible way. We produced a Public Service Announcement (“PSA”) which embeds important information on utilizing our limit-setting tools as well as the link to our Code of Conduct page where additional resources can be accessed via our CRM messaging system.



COLLABORATING WITH EXTERNAL STAKEHOLDERS ON RESPONSIBLE GAMING

In 2016, DraftKings began an innovative research collaboration with CHA/DOA designed to better understand risky and unhealthy play among our DFS players. To help DraftKings provide evidence-based tools and strategies to players who might struggle with its games or products, CHA/DOA analyzed the DFS data we provided and worked with us to provide training, training reviews, data science consultation and safer play recommendations. CHA/DOA has presented findings from the collaboration at multiple international conferences, such as the International Center for Responsible Gaming Annual Conference and the UNLV Gambling & Risk-Taking tri-annual conference.

We believe expanding the knowledge base about Responsible Gaming will help ensure that academic, public, regulatory and industry discussions about DFS, sports wagering and iGaming will remain accurate, unbiased and objective. Ultimately, this knowledge will lead to DraftKings providing its customers with the most effective and useful Responsible Gaming tools.

We are committed to continually improving and evolving how we can best support our customers. We are active members of two influential gaming organizations in the U.S. – AGA and NCPG – with our Chief Legal Officer serving on the Board of AGA. DraftKings also actively participates on committees, trainings, and educational programs to keep informed and aware of the ever-changing landscape of responsible gambling.



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HUMAN CAPITAL MANAGEMENT AT DRAFTKINGS

EMPLOYEE ENGAGEMENT

At DraftKings, we rely on attracting, developing and retaining talent to remain a leader in today's fast-growing global entertainment and gaming industries. We recognize that engaging and developing our employees is key to our success and are focused on actively nourishing and supporting our inclusive culture. We gauge our employees' level of engagement and satisfaction through quarterly employee engagement surveys in order to hear directly from our valuable employees on how we can better focus on the following areas:

- 1 Understanding of DraftKings' Mission/Vision
- 2 Role Clarity and Engagement
- 3 Employee Development
- 4 Inclusion and Empowerment

To improve our effectiveness and our employees' experience working at DraftKings, the results of these surveys are shared directly with senior management. In 2020, the overall survey engagement level was very positive, with 87% of DraftKings' employees participating.

Our employees articulated Company Direction and Role Clarity as clear strengths at DraftKings:



91% of survey respondents had strong confidence in the Company's overall direction and agreed that mission, vision and values drive DraftKings' success



94% of employees agreed that they understand the responsibilities of their roles and how their work contributes to the success of the Company

Our employees also highlighted the importance of the continued inclusion of diverse voices and perspectives into the decision-making process, and the creation of new initiatives to encourage a wide range of opinions. In response to this feedback, DraftKings will continue to focus on our commitment to IEB throughout this year.



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INCLUSION, EQUITY & BELONGING AT DRAFTKINGS

DraftKings views IEB as a long-term priority, a key competitive advantage and a differentiating characteristic that helps us attract the best talent. Our Board and management have announced an annual investment of \$1 million to accelerate and implement our IEB philosophy.

Below, we have outlined the 4 pillars of DraftKings' IEB approach:

HIRE

Talent acquisition market ramp-up

- Proactive club engagement with women, LGBTQ+ and other diverse student groups
- Relationships with Resilient Coders and industry associations
- Candidate relationship management and top of recruitment funnel focus

WIRE

Value Alignment

- Expanded benefits and policies for transgender confirmation and family planning
- Charitable contributions for social justice efforts
- Increased diverse representation on DraftKings products

EMPOWER

Career & Internal Mobility

- Succession planning for executives
- Leadership readiness relationships with The Leadership Consortium and Harvard Business School

SUSTAIN

Continuous Efforts

- Enhance evaluation capabilities through Workday and Tableau
- Regular progress tracking across hiring and career progression
- Social accountability through regular and ongoing commitments to action planning

System & Process Enhancements

The core tenet of our IEB philosophy is the promotion of parity in opportunity across the employee lifecycle, from the moment of hire through an employee's career progression at DraftKings. We believe this is truly a multi-year commitment we make to our employees to ensure the company maintains parity in opportunity for all candidates. We recently announced that Jennifer Aguiar has been named our Chief Compliance Officer, an executive level position that reports directly to our CEO. Ms. Aguiar joined DraftKings in 2016 as Head of Compliance and Risk and led the development of the internal DraftKings compliance program from the ground up. To monitor and ensure parity in opportunity, DraftKings focused on three main priority areas in 2020, including:

- Campus Hiring
- Promotions
- Performance Reviews

At DraftKings, we believe that there should be equal opportunities and parity regardless of gender, race, nationality, religion, sexual orientation, disability or age, both during recruitment and hiring, and throughout the entire journey of each employee.

Benefits & Policy Expansions

In order to better serve our ever growing and diverse employee base, DraftKings has enhanced our Gender Affirmation accommodations to include considerations such as facial feminization surgeries, hypochondroplastic, augmentations and electrolysis.

Additionally, in response to conversations with employees, DraftKings has updated our Holiday policy to include the observation of election days, International Women's Day and Juneteenth (North American offices only). We believe that this is a necessary step to continue the conversation about inclusion and expand our celebrations to include the milestones and achievements of diverse groups.

Inclusive Leadership & Team Learning Experience

In 2019, DraftKings began a long-term relationship with an external consultant to develop an ongoing Inclusive Leadership & Inclusive Teaming learning experience for our management team and at all other levels of the organization. To date, this engagement has included learning circles and interactive workshops to explore topics such as:

- Unconscious Bias, Micro-Aggressions & Micro-Signals
- Cross-Cultural Effectiveness
- Systemic Bias & Disruption
- Dominant Majority Ally Roles

This work continued through 2020 and is slated for expansion in 2021.



Diversity & Inclusion on DraftKings' Board

In searching for new candidates, our Board and the Nominating and Governance Committee are committed to actively seek qualified women and individuals from under-represented groups to enhance the diversity of thought, perspectives and experience on our Board. This year, we appointed Jocelyn Moore and Valerie Mosley to our Board, and now have three female directors. We believe that companies perform better with Boards that are diverse in composition and leadership.

Through our concerted IEB efforts, DraftKings is committed to creating an inclusive workforce comprised of talent from different backgrounds, cultures and viewpoints. In 2020, we welcomed Michael Jordan as a special advisor to the Board to provide guidance on IEB, among other key initiatives.

EMPLOYEE DEVELOPMENT & EXPERIENCE

At DraftKings, we invest in the development of our employees to ensure that we are building a world class team that can disrupt the status quo. In addition to our new hire programs, we hope to foster a culture of continuous learning by providing development courses through LinkedIn Learning and coaching. We are focused on consciously evolving our Learning & Development programs to best meet the needs of our global organization through the following initiatives, among others:

- Small set of targeted in-person learning experiences
- “Netflix-like” model to deliver customized learning content anywhere, any time
- Larger offering of “learning through doing” experiences (e.g., coaching)

In addition to our Learning & Development programs, we provide these following programs designed to enhance our employees' experience working at DraftKings:



ENABLEMENT

Self Serve Learning

Course offerings via Skillssoft and LinkedIn Learning for employees to upskill in different areas and continue learning.

Continuous Feedback

Recommended regular check ins for managers & employees to exchange feedback.



EXPERIENCE

Fitness

Weekly work from home workouts to promote employee well being.

Self Care

Meditations & podcasts to allow employees to take a break, breathe and practice mindfulness.

Parental Support

Activities to support working parents — storytelling, virtual art classes, etc.



ENGAGEMENT

Local Perks

Local perks and entertainment for different regions.

Manager Recognition

Gift cards, virtual team building activities, care packages



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CYBERSECURITY: PROTECTING VITAL INFORMATION

DraftKings’ entertainment products are offered via state-of-the-art technology which allows us the flexibility and scalability to continue to grow. Given the scope and quantity of transactions we handle, cybersecurity is one of our top focus areas. Our Security team is committed to implementing a certified information security (“InfoSec”) management system that meets the International Organization for Standardization (“ISO”) ISO27001:2013 & 27002 frameworks and complies with all federal, state and international regulatory standards. We chose the ISO security frameworks to build our InfoSec program because it is the only internationally recognized InfoSec framework available today.

We proactively strengthen our InfoSec defenses by rigorously adhering to the below best practices:

- 1 Identify IT and InfoSec risks and put controls in place to reduce or mitigate them
- 2 Ensure compliance with relevant laws, regulations and contractual agreements
- 3 Reduce potential vulnerabilities to the organization and lower the probability of a successful breach
- 4 Maintain a proper data classification program
- 5 Improve InfoSec awareness
- 6 Build a culture of security within our organization
- 7 Allow for the secure exchange of information
- 8 Annual compliance verified via 3rd party audit

In addition to compliance with ISO frameworks, the DraftKings Security team abides by PCI DSS 3.2 level 1, the credit card industry’s highest level of payment card InfoSec and has layered the InfoSec best practices into our cybersecurity program.

These InfoSec best practices are outlined below:

- Properly secure all payment card data
- Implement full SDLC (Software Development Lifecycle) program
- Provide full transparency and reviews for software code changes
- Ensure full logging of systems
- Verify penetration and vulnerability testing is being completed regularly
- Help define protections for PII data



FROM
OUR CEO

FROM
OUR BOARD

ESG
FRAMEWORK

ALIGNMENT WITH UN SUSTAINABILITY
DEVELOPMENT GOALS

ENVIRONMENTAL
INITIATIVES

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Further, DraftKings takes the additional security measures outlined below to protect our servers, network, front-end systems and our physical well-being.



ADDITIONAL SECURITY MEASURES – SERVERS

Industry Leading External Protections

Leverage best-of-breed solutions from companies including, Palo Alto Networks, Carbon Black, Microsoft, Amazon Web Services and Akamai to protect our infrastructure.

Industry Leading Internal InfoSec Protection

Leverage best-in-class infrastructure monitoring, log parsing, random internal auditing and intrusion prevention systems.



ADDITIONAL SECURITY MEASURES – NETWORK

Quarterly Penetration and Vulnerability Testing

Employ 3rd parties to routinely run automated penetration and vulnerability testing to ensure all our systems are patched appropriately and protected from the outside world.

Proven Security Awareness Training Program

Require all employees to go through an InfoSec training program and agree to a written InfoSec policy. Conduct random audits and test to ensure compliance with the program. Require developers to take additional OWASP top ten secure development training annually.



ADDITIONAL SECURITY MEASURES – FRONT END SYSTEMS

White Hat, Deep Dive Web Vulnerability Testing

Employ 3rd parties to attempt to manually hack our systems. In addition to annual tests, run a constant program leveraging BugCrowd to continuously identify and test any DraftKings vulnerabilities through white hat hacking.

3rd Party Vendor / Partner Security Auditing

Require 3rd party data security compliance and audits all of its vendors.



ADDITIONAL SECURITY MEASURES – PHYSICAL

Remote 3rd Party Monitoring of All Physical Security

Leverage on-premise security guards as well as best-in-class electronic security and counter measures. Employ internal resources and 3rd party vendors to remotely store and monitor our CCTV and Access control systems.

GOVERNANCE INITIATIVES

CORPORATE GOVERNANCE HIGHLIGHTS

As a company that conducts business in a highly regulated industry, DraftKings is committed to upholding the best practices, laws and policies of our regulatory agencies. With a prioritized focus on compliance and enterprise risk management, such as anti-money laundering, anti-corruption and other compliance programs, our Board directly oversees the responsible growth of our business.

OUR BOARD OF DIRECTORS

Our Board is currently comprised of 15 members, 11 of whom are independent directors unaffiliated with the Company (the “Independent Directors”). The Board has made an affirmative determination that each of the Independent Directors satisfies the requirements for independence prescribed by the NASDAQ Stock Market.

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BOARD
MEMBERS

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INDEPENDENT
DIRECTORS

BOARD COMMITTEES

The Board is served by four standing committees: Audit, Compensation, Compliance and Nominating and Corporate Governance. Our Board in its entirety is committed to maintaining a strong focus on ESG and accountability. Each committee’s charter is available on our Governance website along with our Code of Business Ethics, which codifies our corporate governance and responsibility. The Compliance Committee directly oversees DraftKings’ compliance with laws and regulations, as well as the implementation of compliance programs, policies and procedures as described in the following section.

ENTERPRISE RISK MANAGEMENT AT DRAFTKINGS: CONDUCTING BUSINESS RESPONSIBLY

At DraftKings, we proactively focus on enterprise risk management to drive the success of our business. Risk management, governance and business ethics underpin our ability to build a more successful future and enable us to deliver on the promises we make to our customers and employees. The Board evaluates DraftKings’ enterprise-wide risks and works closely with the management team to instill a culture where every employee takes responsibility for risk management.

We have established compliance and risk management programs to cover the below areas:

- 1 Code of Business Ethics
- 2 Licensing and Registration
- 3 Anti-Money Laundering & Know-Your-Customer
- 4 Whistleblower & Ethics Policy
- 5 Insider Trading
- 6 Privacy & GDPR Compliance
- 7 Responsible Gaming
- 8 Game and Sports Integrity
- 9 Payments Risk Management
- 10 Complaint Management
- 11 Regulatory Change Management
- 12 Vendor Management
- 13 Compliance Assurance, Testing and Monitoring



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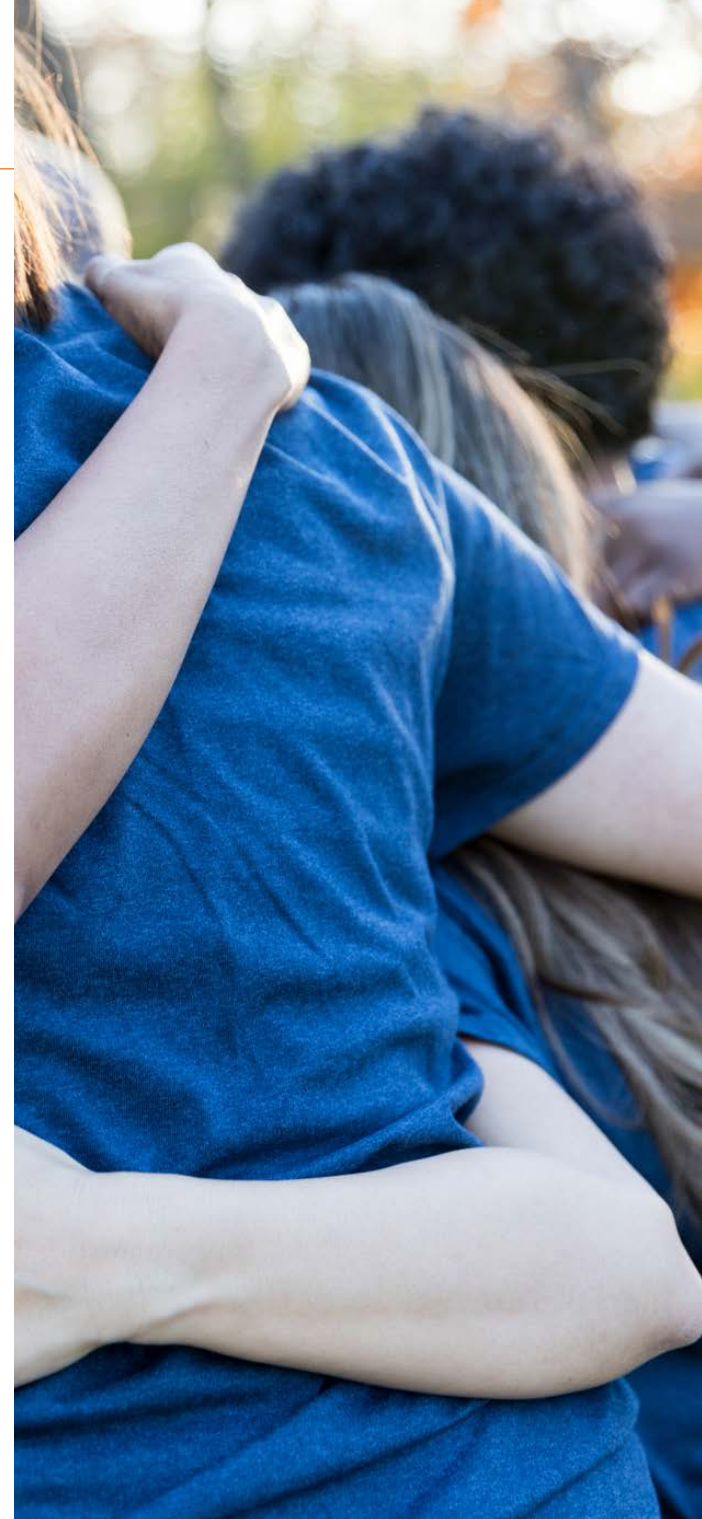
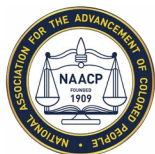
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CONTRIBUTING TO OUR COMMUNITIES

DraftKings is committed to giving back to our communities and actively donates to organizations where we live and work.

In 2020, we donated approximately **\$1.6 MILLION** to these important initiatives, among others:

- Donated to United Way through our #DKRally initiative to support workers on the front lines of the COVID-19 pandemic.
- Partnered with VetsinTech and American Corporate Partners through our Tech for Heroes program and donated to provide military veterans and their spouses with skills and guidance to begin a career path in tech.
- Raised funds for breast cancer research through our second annual DraftKings Pink' Em Initiative in collaboration with the Larry Fitzgerald Foundation.
- Donated to NAACP, Vera Institute of Justice, and Color of Change to advance racial and social justice efforts in the U.S.
- Donated 1 million meals to Feeding America as part of the company's collaboration with The Match: Champions for Change.
- Donated to various charities as determined by the celebrity winner of weekly NFL contests.



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