



DRAFT KINGS

▶▶▶ SUSTAINABILITY REPORT 2021 ▶▶▶



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FROM OUR CEO

FROM OUR CEO

The excitement and momentum from 2020, our first year as a public company, carried over into 2021 due to the efforts of our dedicated employees and the support of our loyal customers.

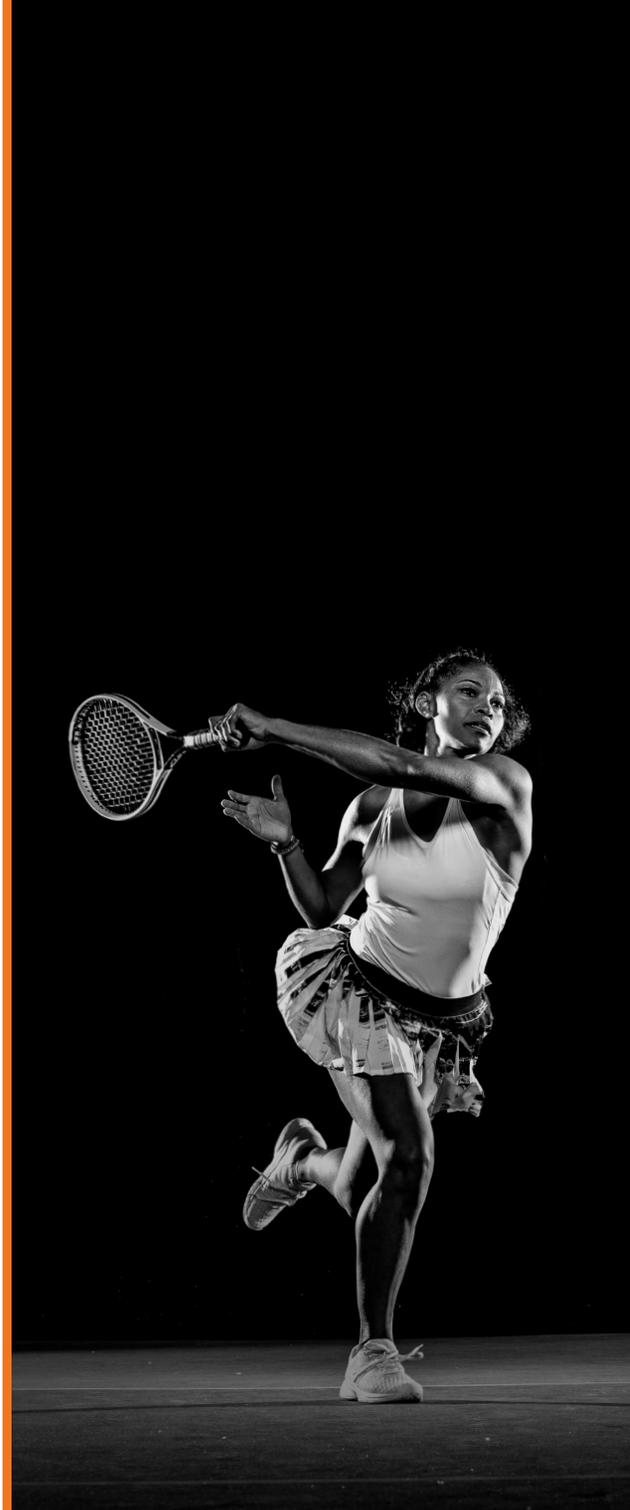
We expanded into new states for daily fantasy sports, sports betting and iGaming. We completed the migration to our in-house sports betting technology, allowing us to capture significant synergies and drive product differentiation. We launched DraftKings Marketplace, our NFT marketplace designed for mainstream accessibility, which positioned DraftKings at the intersection of Web3 and sports culture. We announced the acquisitions of Vegas Sports Information Network, Inc. ("VSiN"), Blue Ribbon Software Ltd. and Scarcity Labs Inc., as well as the proposed acquisition of Golden Nugget Online Gaming, Inc. Moreover, we delivered strong financial results with year-over-year revenue growing 101% on a pro forma basis, capping off a year in which 5 of our states achieved positive contribution profit.

Underpinning all of these accomplishments is our ongoing commitment to environmental, social, and governance ("ESG") issues, with support across our organization, from our Executive Leadership Team ("ELT") to our Board of Directors ("Board").

First and foremost, DraftKings Inc. (the "Company", "DraftKings", "we", "us" and "our") is committed to being a leader in responsible gaming. We are refining the customer experience by focusing on responsible gaming education and supporting research in this area for our customers and the industry at large. Through our employee training and education efforts, marketing and advertising practices, engagement with our partners and affiliations, development of robust in-product tools and resources, and detection and intervention protocols, we are building a responsible gaming approach that meets the needs of the moment for our customers and the industry at large.

Our top priority is to make sure our customers play safely and responsibly and to be customer-centric in everything we do. We are dedicated to listening to our customers, building high-quality products that are easy to use, providing excellent customer service, and continuously innovating as we work day in and day out to enhance our customers' experiences.

The well-being and vitality of our employees and the communities in which they work remained front and center for the Company. Our hearts, thoughts, and prayers are with the people impacted by the tragic events unfolding in Ukraine. DraftKings has provided relocation and financial support to our Ukraine-based employees and their families, and we have also made contributions to humanitarian organizations working in Ukraine. We will continue to look for ways to provide support for our Ukraine-based employees, their families, and all those impacted by the war in Ukraine.



FROM OUR CEO

The ongoing COVID-19 pandemic continued to have an adverse impact globally. Throughout 2021, DraftKings built upon the programs we established in 2020 to support our employees and their families. These included, among other things, programs aimed at mental and physical wellness initiatives, support for caregivers, and home office technology bundles.

Additionally, we continued to invest in our internal Inclusion, Equity, and Belonging (“IEB”) program. Through our inclusive leadership and team learning experiences, we provided employees with the opportunity to attend new trainings and speaker series on topics ranging from unconscious bias to inclusive engagement. We expanded our benefits programs, recognized International Women’s Day as an official Company-observed holiday for our global employees and Juneteenth in our North American offices, and continued to empower career development. Our Business Resource Groups were at the heart of so much of this work, with our employees stepping up and advocating for positive change both internally and externally.

It has been an honor to welcome Gisele Bündchen, environmental activist, philanthropist and former super model, as a Special Advisor for environmental and social issues to the Chief Executive Officer and the Board of Directors. In collaboration with Ms. Bündchen, we previously announced our commitment to fund the planting of 1 million trees by Earth Day 2022, a significant target that is demonstrative of our collective commitment to be a responsible global corporate citizen.



We believe our long-term success is sustained by our attentiveness to each and every one of our customers, employees, shareholders and communities (collectively, our “stakeholders”), and we recognize that our ESG journey is a constant evolution. In this, our second ESG Report, we are excited to share our most recent ESG progress and achievements with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDR', written over a white background.

Jason D. Robins
*Co-Founder, Chief Executive Officer &
Chairman of the Board*





FROM OUR BOARD

FROM OUR BOARD

It is our pleasure to present DraftKings' second ESG Report.

As members of the Board, we are entrusted with overseeing DraftKings' long-term health and sustainability, to promote the interests of our stakeholders, and to ensure that business success is achieved responsibly. This requires a company-wide comprehensive approach that is dedicated to building and sustaining relationships with DraftKings' employees, customers, and partners, and creating an environment that is safe, respectful, and inclusive.

Delivering on that overarching mission and our ESG initiatives is of paramount importance. We have maintained a focus on aligning DraftKings' business strategy with its ESG risks and opportunities. We continued to learn and reflect on ESG considerations presented to the Board and management through our shareholder outreach program, and we have evaluated our efforts in the context of ESG frameworks, such as the Value Reporting Initiative's SASB Standards, the Task Force on Climate-related Financial Disclosures, and ESG rating agency assessments.

We are pleased to announce that in the past year we added three exceptional individuals, who serve alongside Michael Jordan as Special Advisors to the Board - Cal Ripken, Gisele Bündchen and Richard Rosenblatt. Their backgrounds and expertise align with and will drive DraftKings' mission of creating responsible gaming experiences.

We thank you for reading this ESG Report and look forward to continuing to achieve meaningful ESG progress.

DraftKings
Board of Directors





ABOUT US

ABOUT US

We believe life's more fun with skin in the game. For that reason, we're committed to responsibly creating the world's favorite real-money games and betting experiences.

OUR PRODUCTS

Daily Fantasy Sports

Provides users a technology platform that establishes daily fantasy sports ("DFS") contests, scores those contests, distributes the prize money and performs other administrative activities to enable the "skin-in-the-game" sports fan experience. DFS mirrors season-long fantasy sports but condenses it into a shorter, immediate engagement format.

Sportsbook

DraftKings Sportsbook is a leading online, mobile, and retail sportsbook in the emerging sports betting industry in the United States. The DraftKings Sportsbook product enhances the "skin-in-the-game" sports fan experience by enabling our platform to offer online sports betting that, similar to DFS, engages consumers in their sports viewing experience.

iGaming

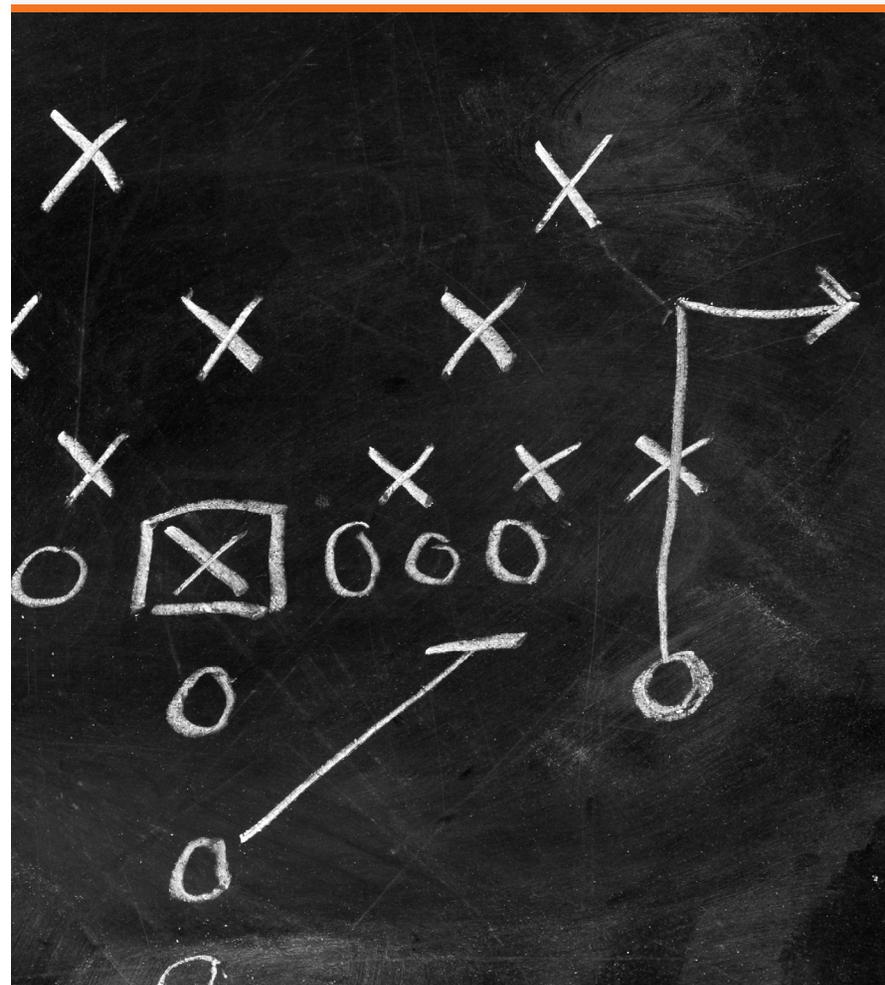
DraftKings is a leading iGaming operator bringing consumers innovative and often exclusive real money games like Blackjack, DraftKings Rocket, Roulette, Spanish 21, and Slots.

DraftKings Marketplace

Presents a digital collectibles ecosystem designed for mainstream accessibility that offers curated non-fungible token ("NFT") drops and supports secondary-market transactions.

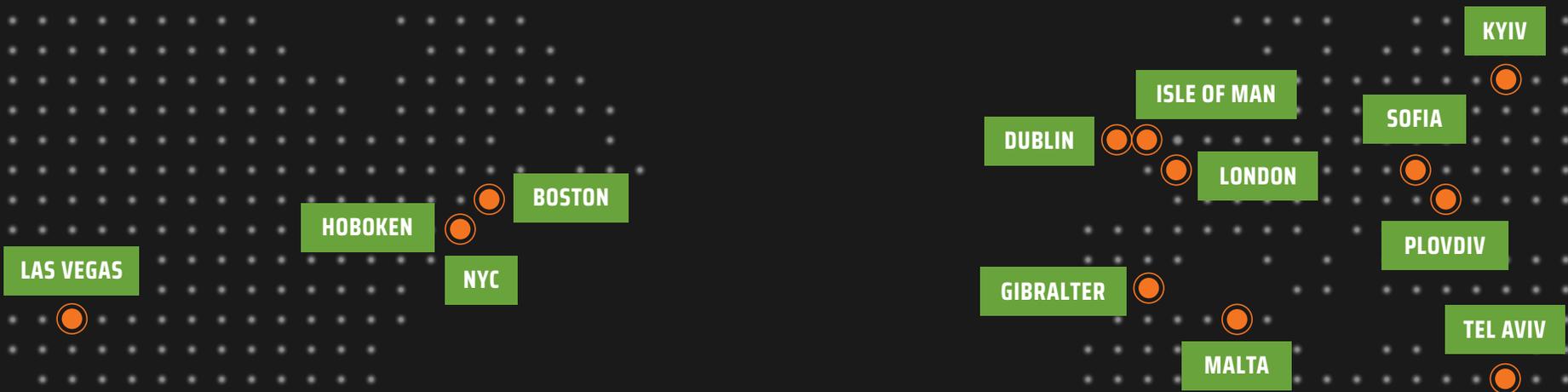
OUR VISION

- Build the best, most trusted, and most customer-centric destination for skin-in-the game fans.
- Develop the most innovative and entertaining real money products and offers.
- Forever transform the manner in which people experience sports.



OUR GLOBAL EMPLOYEE FOOTPRINT

3,400+ GLOBAL EMPLOYEES



DraftKings is a digital sports entertainment and gaming company created to fuel the competitive spirit of sports fans with products that range across daily fantasy, gaming and digital media.

Approximately **1.5 million unique paid users** engaged with DraftKings during each month of 2021.





OUR ESG FRAMEWORK

OUR ESG FRAMEWORK

Driven by our vision, we are focused on enhancing the long-term interests of our stakeholders. We sought insights from our shareholders, employees, and special advisors to our board and CEO, and considered assessments from ESG rating agencies and guidance from ESG frameworks, such as the Sustainable Accounting Standards Board (“SASB”) Standards and Task Force on Climate-related Financial Disclosures (“TCFD”).

OVER THE PAST TWO YEARS, WE HAVE REMAINED VIGILANT IN ADVANCING THE KEY ISSUES WHICH IMPACT OUR OPERATIONS & STAKEHOLDERS

RESPONSIBLE GAMING

PEOPLE & COMMUNITY

- Inclusion, Equity, and Belonging
- Employee Engagement, Wellness & Development
- Community Involvement and DK S.E.R.V.E.S

ENVIRONMENTAL STEWARDSHIP

CYBERSECURITY & DATA PRIVACY

ENTERPRISE RISK MANAGEMENT & COMPLIANCE

OUR PRIMARY ESG FOCUS ALIGNS WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGS”)



ESG GOVERNANCE

In 2020, we formed a sustainability working group comprised of key members of our management team to identify and execute on our ESG priorities. Our Board is updated by key executives on initiatives and progress.

DRIVERS OF SUSTAINABILITY GOVERNANCE

SPECIAL ADVISORS

MICHAEL JORDAN

Strategy, Product Development, Marketing, & IEB

GISELE BÜNDCHEN

Environmental & Social Initiatives

CAL RIPKEN

Strategy, Product Development, & Marketing Activities

RICHARD ROSENBLATT

Strategy, Product Development, & Marketing Activities

BOARD OF DIRECTORS

KEY EXECUTIVES

PRESIDENT, DRAFTKINGS NORTH AMERICA

PRESIDENT, GLOBAL TECHNOLOGY AND PRODUCT

CHIEF FINANCIAL OFFICER

CHIEF COMPLIANCE OFFICER

CHIEF LEGAL OFFICER

CHIEF PEOPLE OFFICER





SUPPORT AND OUTREACH

RESPONDING TO CRISES

UKRAINE

DraftKings has initiated a number of efforts in support of the tragic situation currently unfolding in Ukraine, including, among other things:

- Provided evacuation, relocation, and immigration support for Ukraine-based employees and their families.
- Updated our military leave policy for employees in Ukraine who were either called to military service or volunteered to serve. DraftKings granted a leave of absence and will pay salaries for these employees for the duration of their military service.
- Arranged a temporary crisis phone counseling hotline available to affected employees, which is staffed by professional counsellors who are available to provide support during difficult times. The hotline is confidential, free-of-charge and available 24/7.
- Made a donation to the Ukrainian Red Cross of \$500,000.
- DraftKings employees donated approximately \$69,000 to Ukrainian causes through March 31, 2022; the total amount raised, together with the DraftKings match amount, was approximately \$138,000.
- Additionally, DraftKings' three co-founders each matched the more than \$63,000 in donations made by our employees through March 11, 2022, raising over \$190,000 in additional funds for Ukraine relief efforts.



COVID-19 RESPONSE

The COVID-19 global pandemic has presented unprecedented challenges and tested the sustainability of operations for companies globally. DraftKings has continued to take action to protect our employees' health in response to the ongoing COVID-19 pandemic in, among other things, the following ways:

- Encouraged most of our employees to continue to work from home until we put in place our plans to more broadly reopen our offices.
- Provided extra support and resources for our employees, including mental, among other things, and physical wellness initiatives, support for caregivers, and flexible time management techniques and strategies.
- Distributed home office technology bundles designed to provide additional support to our workforce and optimize their work-from-home set-up.
- Monitoring and assessing the global health situation and making decisions about the timing of reopening our offices with the safety of our employees being our top priority.
- Continuing to have health and safety protocols in our offices to ensure that we are ready for the safe return of our employees to our offices when the time comes.

In order to ensure the continued success of our employees during the shift to remote work, we developed training resources for managers to ensure they had the proper skills to lead remote teams and delivered training to employees on how to be effective while working remotely. This includes shifts in our learning and development offerings to a fully virtual format to minimize disruptions to employee learning.



DRAFTKINGS S.E.R.V.E.S.

At DraftKings, we're committed to creating inclusive and responsible pathways for people to build, create, imagine, and innovate. DraftKings S.E.R.V.E.S. is our program dedicated to facilitating meaningful relationships between our employees and customers and the communities and causes they feel passionate about in order to create a better world.



SERVICE

We are honored to serve veterans through our Tech for Heroes program, to support important causes through our philanthropic partnerships, and for our player community to have the opportunity to engage with initiatives through our charity contests.

EQUITY

We are dedicated to fostering inclusion, equity, and belonging by having a culture that makes our employees feel safe, empowered, engaged, and championed.

RESPONSIBILITY

We are committed to our responsible gaming mission to help protect the vulnerable with groundbreaking technology, training, resources, and the support of evidence-based research.

VITALITY

We are energized to innovate as we strive to be the best, most-trusted sports entertainment operator and to meet the health, sustainability, and well-being of our employees and communities, who are the cornerstones of our success.

ENTREPRENEURSHIP

We are driven to expand opportunities for underrepresented groups, to grow diverse, innovative teams and support entrepreneurs in our industry and around the world.

SPORTS

We are active in sport-tech innovation partnerships with a purpose to entertain and inspire millions.



COMMUNITY SERVICE

We are committed to giving back to our communities and actively donating to organizations where we live and work.

In the past year, we have continued to support initiatives that align with our mission to create inclusive and responsible pathways for people to build, create, imagine, and innovate. To that end, we:

- Supported our vets and their spouses through our Tech For Heroes program by providing them the skills and guidance they need to begin a new career path in tech or advance their current career
- Donated to the Jackie Robinson Foundation in support of its efforts to narrow the achievement gap in higher education and the workplace
- Became a local corporate sponsor and equity champion of Boston While Black, the first membership network for Boston-based Black professionals, entrepreneurs, and students, to create opportunities for mentorship, shared joy, and connection with our BRG DK Shades.
- Worked with national and local Hispanic organizations, including Amplify Latinx, Association of Latino Professionals for America (“ALPFA”), and Support Latino Business, to host a free-to-play Hispanic Heritage Month Popularity Pool and internal “Buy Hispanic and Latinx Challenge.”
- Supported women entrepreneurs and small business owners during the month of March through targeted donations to leading women-serving charities, as well as through our free-to-play Women’s History Month Sports Popularity Pool and “Buy Women-Owned” initiative

In 2021, DraftKings also raised funds for breast cancer research through our third annual DraftKings Pink ‘Em Initiative in collaboration with the Larry Fitzgerald Foundation, and DraftKings S.E.R.V.E.S. otherwise donated nearly \$4 million to various local, national, and international charities and organizations, including Feeding America, Vets in Tech, Community Fund of Middle Tennessee, Association of Military Spouse Entrepreneurs, Ladies Who Launch, among many others.

DraftKings also supports military veterans by partnering with firms that provide access to our management team for institutional investors. These firms are compensated by the institutional investors and donate a portion of their revenues to veteran charities and support veterans through volunteerism.





SOCIAL INITIATIVES

RESponsible Gaming

At DraftKings, responsibility is our cultural GPS. We dutifully and soulfully invest in people, processes, and technology to promote responsible gaming (“RG”).

Our RG focus is built on the following: technology, a robust set of RG tools embedded in our products, staff training, consumer education, and support of evidence-based research.

OUR RG FOCUS AREAS



Prioritize our players' well-being



Problem gaming can happen to anyone; it affects families, friends, & colleagues



Meet legal, regulatory, & compliance obligations

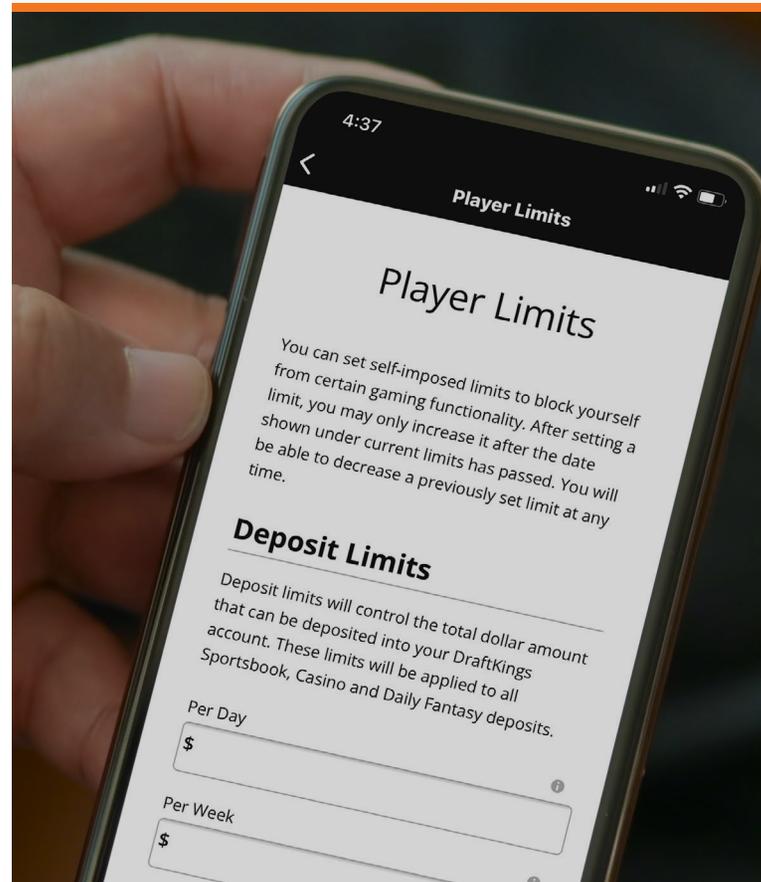


We want to be sustainable & best in class

OUR MISSION

DraftKings' responsible gaming mission is to help protect consumers through groundbreaking technology, staff training, resources for customers, and research.

We are committed to working toward reducing problem gaming by evaluating our products, educating our employees and players about RG, and responsibly creating the world's preferred games and betting experiences.



RESPONSIBLE GAMING AFFILIATES



AMERICAN GAMING ASSOCIATION (“AGA”)

The industry’s leading advocacy group and a prominent voice on a range of business, regulatory and legislative issues.



EPIC RISK MANAGEMENT

An organization committed to providing lived experience as a key driver of their RG trainings.



NATIONAL COUNCIL ON PROBLEM GAMBLING (“NCPG”)

The leading advocacy program for RG in the US – notable for relationships with State Councils, Operators, and other key stakeholders. The NCPG maintains the National Helpline and provides resources for people with gaming related problems.



CAMBRIDGE HEALTH ALLIANCE, DIVISION ON ADDICTION (“CHA”/”DOA”)

A preeminent academic and research organization, with affiliation to the Harvard Medical School, seeking to understand gaming related problems.



INTERNATIONAL CENTER FOR RESPONSIBLE GAMING (“ICRG”)

An organization focused on developing the finest research and educational programs aimed at reducing gaming-related harms worldwide.



RESPONSIBLE GAMING STANCE

OUR STANCE

To be the gold standard for RG amongst operators, we must take a stance.

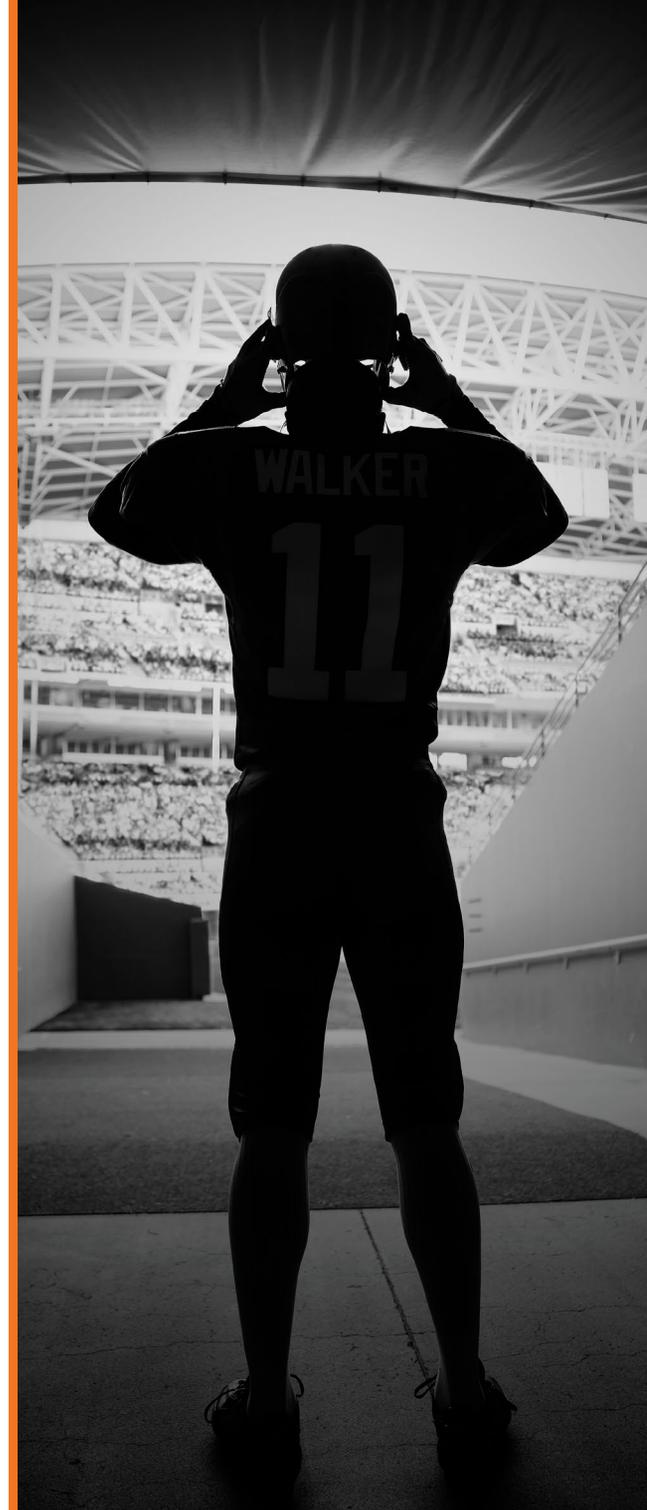
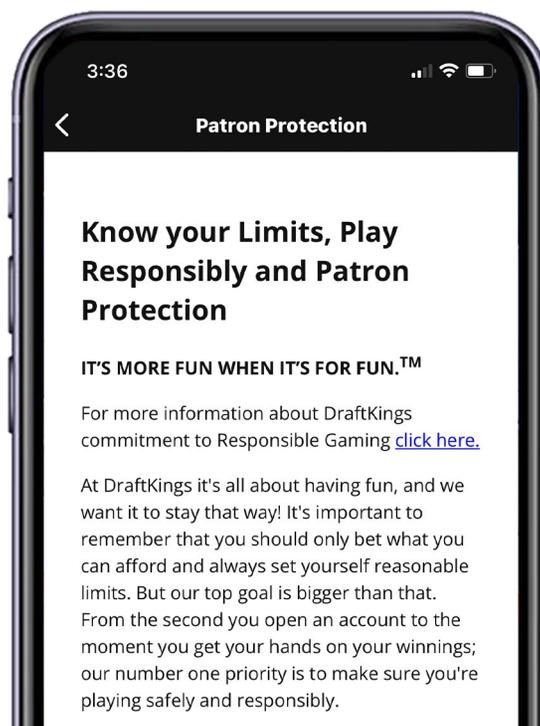
At DraftKings, our [stance](#) is underpinned by our commitments to:

- Promoting RG
- Preventing underage gaming
- Advertising responsibly
- Providing our players with the tools and resources for a customizable and safer play experience
- Offering our employees the most up-to-date education, training, and resources to improve player understanding of RG
- Funding evidence-based research

DraftKings' commitments align with our pledge to abide by the American Gaming Association's ("AGA") [Responsible Gaming Code of Conduct](#) and [Responsible Marketing Code for Sports Wagering](#). We rely on players to abide by the [DraftKings Community Guidelines](#).

MANAGING OUR RESPONSIBLE GAMING STRATEGY

- Senior Director, Responsible Gaming
- Senior Manager of Education and Training
- Manager of Responsible Gaming
- Responsible Gaming Specialist



OUR RESPONSIBLE GAMING STANCE IN ACTION

At DraftKings, we deliver on our commitment to RG through:

TRAINING & EDUCATION

Providing the highest quality, evidence-based RG educational programming for our workforce and player base.

2021 KEY HIGHLIGHTS

- Implemented interactive, live RG education for all U.S. employees as a part of their onboarding.
- Developed a complete training program logic model and curriculum in consultation with CHA and Harvard Medical School.
- Provided targeted trainings to all customer facing employees (CX, VIP, Player Protection, and Marketing, among others).
- Implemented lived experience trainings in partnership with EPIC Risk Management.

>1,640 CUSTOMER FACING EMPLOYEES TRAINED IN 2021

>99% RATED THE TRAINING AS "VERY GOOD" OR "EXCELLENT"

MARKETING & ADVERTISING

Taking the lead in marketing by advertising content that promotes informed play and adheres to the AGA's marketing standards and guidelines.

2021 KEY HIGHLIGHTS

- Launched DraftKings' new RG framework and tagline: "It's More Fun When It's for Fun."
- Supported and implemented the AGA's "Have a Game Plan. Bet Responsibly" campaign across all of our retail sportsbooks and owned channels, aimed at promoting the education and awareness of the basics of RG.
- Disseminated quarterly RG-specific content through our customer relationship management ("CRM") tool.

IT'S MORE FUN WHEN IT'S FOR FUN

- Know your limits
- Play responsibly
- Patron protection

EXTERNAL ENGAGEMENTS & RESEARCH

Leveraging affiliate relationships to advance the RG knowledge base through thought leadership and engagement, and funding evidence-based research.

2021 KEY HIGHLIGHTS

- Entered into a strategic consulting agreement with the CHA/DOA focused on creating a systems-based approach to employee training on RG.
- Announced a multi-year funding commitment to Kindbridge Research Institute's Veteran Research Program, which will advance evidence-based research on veterans and RG and contribute to the launch of the program.
- Donated to the ICRG's Fund to support research on Sports Wagering, a three-year study assessing incidence and risk of sports betting problem gaming.
- Sponsored and participated in speaking engagements in national and international conferences.



OUR RESPONSIBLE GAMING STANCE IN ACTION

PLATFORM TOOLS & RESOURCES

Going above and beyond regulatory standards by providing robust RG tools and resources across all gaming platforms.

2021 KEY HIGHLIGHTS

- Created a robust dashboard to provide accurate, real-time insights into players' RG tool usage trends.
- Built and implemented an RG-specific in-app notification for sportsbook and iGaming users outlining helpful tips for players to play within their means for fun and entertainment.
- Developed additional RG content covering DraftKings' platform patron protection, external advocacy organizations, and platform tutorials.

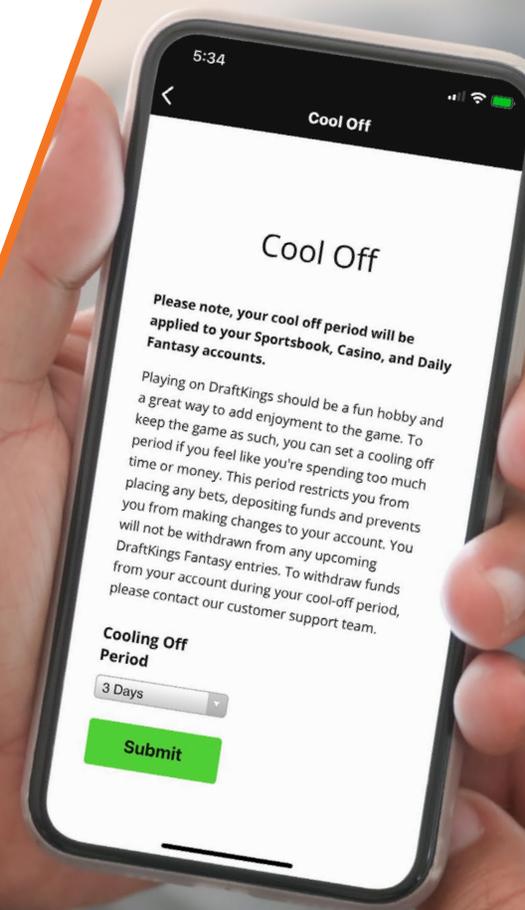
LAUNCHED IN Q3 2021, OUR RG IN-APP NOTIFICATION FEATURE HAD >280K IMPRESSIONS AND 21.6% CLICK-RATE TO OUR RG PAGE

DETECTION & INTERVENTION

Enhancing our processes to identify patterns of problematic play and engaging with players to educate them on a safer play experience.

2021 KEY HIGHLIGHTS

- Improved systems for manual escalation and account reviews in collaboration with our Player Protection team.
- Established an RG Technology team tasked with identifying enhancements for our detection and intervention project.
- Established working groups to execute on the design and implementation of our detection and intervention program.



RESPONSIBLE GAMING

FUTURE INITIATIVES

In 2021, we implemented RG programs, initiatives, and activities across our organization. As we look at 2022, we remain committed to RG. We plan to continue to expand our training and education programs, increase the customizability for safer play experiences, enhance and promote RG messaging, and fund on-going research.

Moreover, we are proud to have recently announced our State Council Funding Program, a \$1.5 million+ multi-year financial commitment to assist the 35 state problem gaming councils (the “state councils”). As part of the foregoing initiative, state councils may receive \$15,000 per year for three years to spend on RG services and programs.



Launch our State Council Fund



Expand training & education program



Increase the customizability of safer play experience



Enhance and promote RG messaging



INCLUSION, EQUITY, & BELONGING

We work to foster a culture of IEB that makes our employees feel safe, empowered, engaged, and championed.

As a technology company at our core, we believe that the best innovation comes from diverse perspectives, thoughts, beliefs, ideas, and experiences. We consistently push boundaries and challenge convention to ensure our culture and products reflect the expectations of our employees and the customers we serve. We believe in promoting diversity and providing opportunities for everyone to explore identities, cultures, and communities through stories, discussions, traditions, and languages outside of their own. We believe this focus is key to our competitive advantage and is a differentiating characteristic that helps us attract the best talent.

DRAFTKINGS' IEB PHILOSOPHY

To maintain parity in opportunity across the employee lifecycle, from hiring through career progress.

OUR IEB STRATEGY

Our success begins and ends with each and every one of us at DraftKings. We understand that creating a workplace that fosters inclusion and welcomes diversity is an ever-evolving process. We maintain parity in opportunity across the organization and a true open and inclusive culture.

We are committed to taking action and are proud to invest more than \$1 million annually to accelerate our IEB philosophy through our four pillar approach:

HIRE

Expand relationships and efforts to increase representation.

WIRE

Leverage our platform to align with DraftKings' values.

EMPOWER

Invest in systems and processes to increase internal career mobility.

SUSTAIN

Enhance infrastructure and data systems for progress tracking.

EXECUTING OUR IEB STRATEGY

Led by our Chief People Officer, our IEB team expanded to include:

- Director of IEB
- IEB Project Manager
- IEB Specialist

Their efforts are supported by our President of North America, who serves as the Executive sponsor for all Business Resources Groups ("BRGs") and IEB-related initiatives.



2021 IEB HIGHLIGHTS

2021 IEB HIGHLIGHTS

Inclusive Leadership & Team Learning Experiences

Over the past two years, we have provided inclusivity-based learning experiences through learning circles and interactive workshops exploring topics such as unconscious bias, micro-aggressions and micro-signals, cross-cultural effectiveness, systemic bias and disruption, and dominant majority ally role. Our focus on continued evolution has led us to provide training on topics such as inclusive interviewing, hiring management, mitigating bias, and managing talent.

We have also launched our career role-modeling and speaker series. We believe the experiences that were shared provided our employees visible paths for career success, tangible advice on self-advocacy and career progression, and deeper understanding of how everyone can act as inclusive allies based on first-hand experiences. The program highlighted diverse leaders at DraftKings and across industries, with speakers including internal senior leaders, members of, and advisors to, our Board, as well as leading subject matter experts on differences in the workplace.

Benefits Expansion

As a continuation of our commitment to better serve our ever growing and diverse employee base, DraftKings proudly expanded family planning and fertility benefits for all North American employees, which will aim to ensure that those employees hoping to plan a family are offered similar opportunities as other employees regardless of gender, marital status, or sexual orientation. Our expanded benefits remove the requirement for formal diagnosis of infertility for coverage and creates a stipend for costs related to adoption and surrogacy, which have historically been barriers for many individuals.

In 2021, we recognized and celebrated International Women's Day as an official Company-observed holiday for our global employees and Juneteenth in our North American offices. Events included an internal seminar with a guest speaker to commemorate Juneteenth. We also made targeted donations to several U.S. and global nonprofit organizations focused on empowering and aiding women entrepreneurs and women-founded small businesses in honor of International Women's Day.



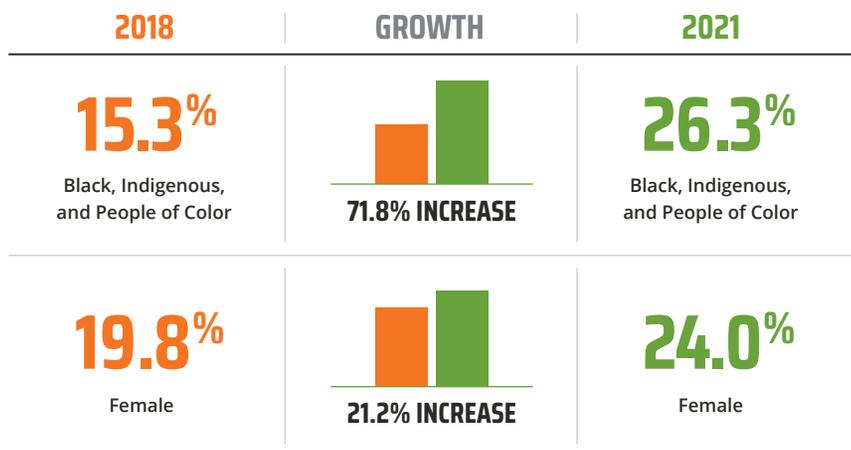
2021 IEB HIGHLIGHTS

Commitment to Transparency & Accountability

We enhanced our candidate and employee facing voluntary self-ID forms to increase inclusion through the introduction of LGBT+ identifications, pronoun designations, gender identities, and preferred name options to be used across DraftKings communications and tools. These enhancements are intended to give candidates and employees a more inclusive experience within our system, while enabling deeper understanding of our growth.

Our work continues in this area and will remain a priority. We are proud of the strides we continue to make. By creating a culture of belonging, and employing people of all ethnicities, abilities, genders, and orientations, we believe a diverse set of ideas and perspectives are brought to the table every day.

SELF-IDENTIFICATION STATISTICS*



* Data reflective of DraftKings North America only and reflects voluntary Self-ID for the 2018 and 2021 fiscal year ends. The data contained is based solely on information that has been voluntarily self-reported by DraftKings employees. As a result, the data may not reflect a complete representation of our employee population and has not been independently verified for accuracy by any other means.

ACCESSIBILITY IN OUR DIGITAL APPLICATIONS

We are committed to ensuring digital accessibility for our users by increasing the usability of our websites and application for individuals with visual disabilities and those using assistive technologies.

VISION

Our goal is to meet or exceed the Web Content Accessibility Guidelines (WCAG) 2.0. As an example, we are working to ensure that the way we use color and contrast in our products is distinguishable to all of our users.

HEARING

We are working to provide text alternatives, such as voiceover, or text-to-speech.

AS A TESTAMENT TO OUR ONGOING EFFORTS, WE ARE PROUD TO HAVE BEEN RECOGNIZED AS A:

2021 TOP PLACE TO WORK FOR CULTURAL AND DE&I PRACTICES (NATIONAL)



DRAFTKINGS' BUSINESS RESOURCE GROUPS

Initiated in 2019, our Business Resource Groups (“BRGs”) are dedicated to supporting and stewarding leadership and action across our organization. Their overarching mission is to increase the visibility and representation of DraftKings’ diverse workforce and to increase cultural dexterity, awareness, and inclusion for all employees Company-wide.



»»» DRAFTKINGS WOMEN

DK Women fosters a community of learning, knowledge sharing, and networking surrounding the challenges unique to women in business and aims to empower growth for all DraftKings employees through programs and events that are inclusive and accessible.

»»» DRAFTKINGS SHADES

DK Shades provides opportunities for everyone at DK to explore the racially and ethnically diverse cultures of our Black, Indigenous, and people of color employees and allies through storytelling, tradition and language sharing, and community-based events, and works to increase the visibility and representation of a more diverse workforce while increasing cultural dexterity among employees.

»»» DRAFTKINGS PRIDE

DK Pride celebrates and nurtures a community of LGBTQ+ employees and allies through a community of support and knowledge, experience, network and resource sharing, and fosters communication through programs and events driven by its three pillars of education, commitment, and community.



NEW IEB PARTNERSHIPS

BLACK COLLEGIATE GAMING ASSOCIATION (“BCGA”)

BCGA's purpose is to pivot Black and women of color college students into the overall gaming industry, not only as consumers, but as contributors.

BOSTON WHILE BLACK (“BWB”)

BWB is a membership network for Black professionals, entrepreneurs, and students who are seeking connection and community.

HISTORICALLY BLACK COLLEGES & UNIVERSITIES (“HBCU”)

HBCUs serve the alumni, students, faculty, staff, and friends of HBCUs.

OUT FOR UNDERGRAD’S (“O4U’S”)

O4U's mission is to help high-achieving LGBTQ+ undergraduates reach their full potential.

OUT IN TECH

Out in Tech unites the LGBTQ+ tech community by creating opportunities for members to advance their careers, grow their networks, and leverage tech for social change.

RESILIENT CODERS

Resilient Coders trains people of color for high growth careers as software engineers, and connecting them with jobs.

WOMEN IN SPORTS & EVENTS (“WISE”)

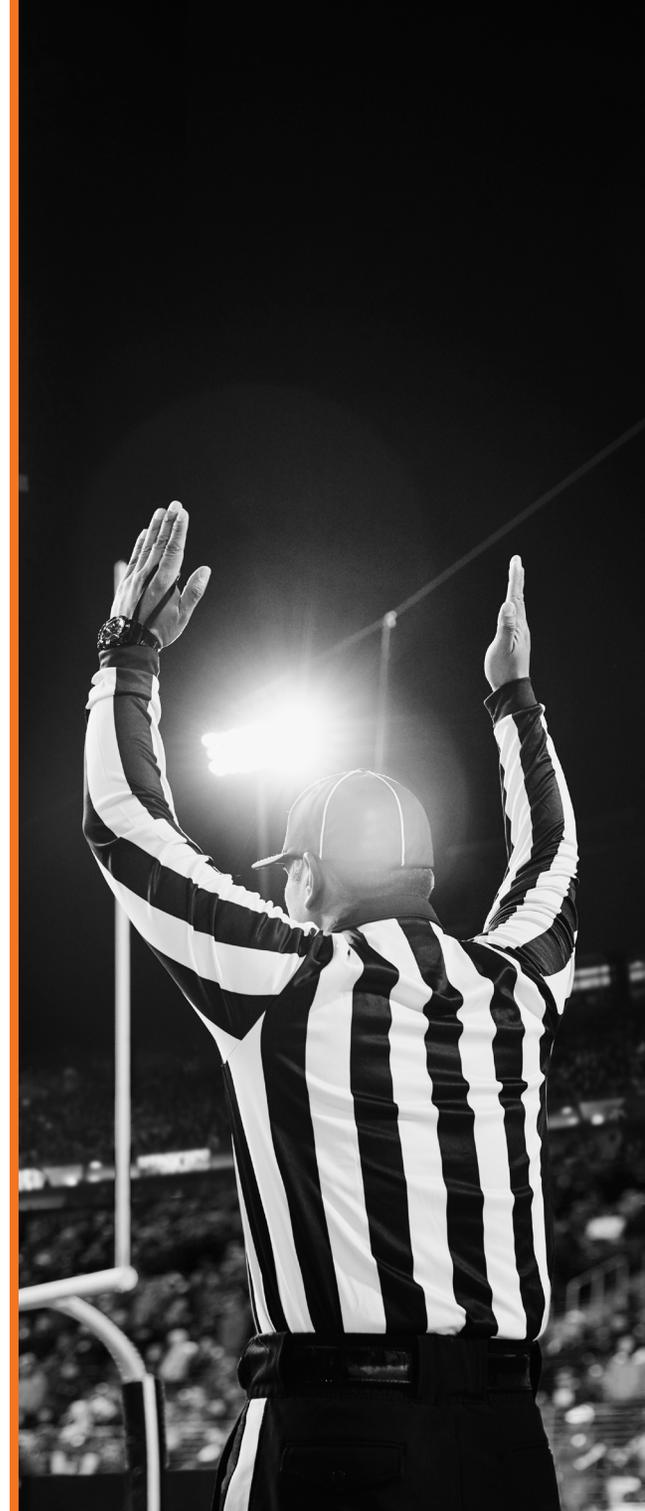
WISE is the leading voice and resource for women in the business of sport, working to assist women in navigating and accelerating careers, understand their collective value, foster peer connections, and champion the hiring and advancement of women in the industry.

WOMEN/HACK

Women/Hack promotes gender equality in tech and helps people get hired at companies committed to diversity in the workplace.

WORK IT OUT

Work it Out promotes the business and economic case for equality of opportunity for every employee in Bulgaria and internationally.



EMPLOYEE DEVELOPMENT AND EXPERIENCE

We believe helping talented people do what they love makes us a better company.

By investing in the development of our employees, we can ensure that we are building a world-class team that can disrupt the status quo. We aspire to foster our culture by executing on our learning and development vision, which aims to:

- Democratize learning and empower our people to grow.
- Develop individuals and teams to maximize impact.
- Design learning experiences that drive material change.

We do this by putting our people in the driver's seat with learning that can occur anytime, from anywhere, for anyone; by designing "learning by doing" experiences that are aligned with our behaviors (e.g. coaching); and by creating meaningful hands-on moments that foster the transferring of concepts into practice (e.g. targeted in-person learning).

We prioritize a continuous development cycle focused on enabling high performance at every stage of our employees' careers to ensure we drive results and grow careers.



EMPLOYEE DEVELOPMENT AND EXPERIENCE

In 2021, we sought to empower career advancement for all employees at DraftKings, including by taking the following actions:

- Enhanced our on-boarding training for the first week and month with an emphasis on the learning journey and culture
- Launched a new program for mid-level talent focused on formal talent advocacy and opportunities to generate business plans across our verticals
- Expanded our leadership readiness relationship with The Leadership Consortium, doubling our cohort size from the previous year
- Integrated an 8-week group coaching element to our Manager Development Program advancing core skills related to goal setting, feedback and coaching, trust building, and engagement and inclusion
- Designed and launched our “Manager Ready” program with an emphasis on building self-awareness and effectiveness for individuals who are not yet “people leaders”
- Offered 4-6+ month stand-alone coaching engagements for leaders ranging from new managers to the Executive level



EMPLOYEE DEVELOPMENT AND EXPERIENCE

In addition to Learning and Development initiatives, we encourage a collaborative and inclusive work environment where employees are provided additional perks and benefits:

COMPREHENSIVE HEALTH & WELLNESS PROGRAM

We believe 'happy' and 'healthy' go hand-in-hand

PARENTAL LEAVE

We provide paid leave for when an employee's family is growing

FLEXIBLE WORK SCHEDULES

Personalized work arrangements and vacation time to fit employees' lifestyles

MANAGER RECOGNITION

Gift cards, virtual team building activities, and care packages

CONTINUOUS FEEDBACK

Recommended regular check-ins to build the manager & employee relationship



EMPLOYEE ENGAGEMENT

At DraftKings, our executive team, Board and 'people leaders' are committed to listening, learning, and reflecting to ensure we are meeting the needs of our employees and today's fast-growing global entertainment and gaming industry. We recognize that engaging and supporting our employees is key to our success in attracting, developing, and retaining our global talent. We gauge our employees' level of engagement and satisfaction through quarterly pulse surveys, which are designed to encourage completeness and garner honest responses. We conduct comprehensive annual engagement surveys and quarterly pulse surveys to understand employee sentiment, feedback, and trending.

Our current employee engagement surveys combine external models with internal needs focused on eight key focus areas:

- General Engagement
- Intent to Stay
- Leadership
- Manager Effectiveness
- Growth Opportunities
- Enablement
- IEB
- Rewards and Recognition

To improve our effectiveness and our employee experience, the employee engagement survey results are shared directly with senior management. Formal action plans are primarily developed at the Company and department levels with oversight and accountability at the Executive Leadership level, while execution of the plans is managed by our senior leadership teams in a committee-based model.

In 2021, the overall survey engagement level was very positive, with on average 75% of DraftKings' employees participating in our quarterly pulse surveys. Our employees expressed that Role Clarity and Alignment to Company Goals, Psychological Safety, and Belonging were our top strengths.



**89% OF OUR Q3 SURVEY RESPONDENTS
AGREED THAT THEY FELT COMFORTABLE
BEING THEIR AUTHENTIC SELF AT WORK**



DraftKings' 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 primary focus areas.

Our Security team is committed to a continuous process of improvement through evaluating and refining our cyber solutions to ensure that we are protecting our customers' data, our systems, and our employees. We have implemented a certified information security ("InfoSec") management system that leverages the International Organization for Standardization ("ISO") ISO27001:2013 and National Institute of Standards and Technology ("NIST") 800 frameworks and complies with all federal, state, and international regulatory standards. We follow these industry best practices and build our own defenses to protect against potential threats.

We engage in third-party "Red Team" assessments and vulnerability assessments and leverage services, such as a fully integrated Multifactor authentication platform. We implemented a 24/7/365 Security Operation Center solution for real time security monitoring of all our business systems, engaged and completed our initial SOC 2 audit with anticipated final report in the spring of 2022, and participated in bug bounty programs.

We proactively strengthen our InfoSec defenses by, among other things, adhering to the following best practices:

- Identify IT and InfoSec risks and put controls in place to reduce or mitigate them.
- Ensure compliance with relevant laws, regulations and contractual agreements.
- Reduce potential vulnerabilities to the organization and lower the probability of a successful breach.
- Maintain a proper data classification program.
- Improve InfoSec awareness.
- Enhance culture of security within our organization.
- Foster the secure exchange of information.
- Verify annual compliance via 3rd party audit.

In addition to compliance with ISO frameworks, the DraftKings Security team abides by PCI DSS 3.2 level 1 – which is the credit card industry's highest level of payment card InfoSec – and has layered the InfoSec best practices into our cybersecurity program, which are as follows:

- Secure all payment card data and private information by Secure Socket Layer ("SSL")
- Implement full Software Development Lifecycle ("SDLC") program
- Provide full transparency and reviews for software code changes
- Ensure full logging of systems
- Verify penetration and vulnerability testing is being completed regularly
- Define protections for PII data

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

MANAGING OUR INFORMATION SECURITY STRATEGY

- President, Global Technology and Product
- Chief Information Security Officer and VP of Technical Operations
- Chief Technology Officer
- Executive Security Committee

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.

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 on an annual basis. Conduct random audits and test to ensure compliance with the program. Require developers to take additional OWASP top ten secure development training annually.

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 audit all material vendors.

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.



ALL DRAFTKINGS EMPLOYEES
AGREE TO OUR WRITTEN
INFOSEC POLICY



ENVIRONMENTAL INITIATIVES

ENVIRONMENTAL STEWARDSHIP

DraftKings continues to assess its environmental footprint.

Relative to the impact from physically traveling to local amenities, DraftKings estimates its mobile application results in a reduction of approximately 91% in carbon emissions. This is the estimated equivalent of eliminating over 11 million gallons of gasoline or taking 22,000 cars off the road annually.* When it comes to our own operational sustainability, many of DraftKings' offices and facilities are designed to integrate energy efficiency with costs savings while reducing energy usage and waste.

By leveraging AWS' cloud-computing platform, which has committed to transition to 100% renewable energy by 2025,** we are advancing emissions reductions that our platform generates as compared to traditional data centers. According to AWS' research, DraftKings' cloud-computing platform is reducing its carbon footprint from consumed electricity by 88%.

In addition, our partnership with the Arbor Day Foundation contributes to global environmental efforts by planting 1 million trees. In October of 2021, we continued to lay the groundwork for our vision for DraftKings Marketplace by announcing an agreement

with Polygon, which provides us a scalable, eco-friendly blockchain solution that enables added throughput and expanded capabilities.

SPOTLIGHT: DRAFTKINGS 2022 LAS VEGAS OFFICE

DraftKings is expanding with the addition of its second-largest office to be built in Las Vegas. The plans for our new, state-of-the-art 90,000-square-foot Las Vegas office and technology hub will occupy much of UnCommons, Matter Real Estate Group's 40-acre modern workplace and stylized mixed-use community in 2022.

This expansion further exemplifies DraftKings' investment in its employees and the future of the Company, as well as its impact on the environment and local community. This world-class office is designed to meet Green Globe and WELL certifications and reimagine the workplace experience with market-leading and environmentally-friendly design and technology.



CLIMATE RESILIENCY & TCFD

Our Board and management continuously evaluate our ESG risks and opportunities, including those related to climate change, utilizing the framework that TCFD recommends: Governance, Strategy and Risk Management. As of the date of this ESG Report, DraftKings has not conducted a scenario-based climate impact analysis. As our ESG program continues to evolve, we intend to explore the relevance of evaluating disclosures related to the quantifiable financial impact under various global warming scenarios.

*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 emission impacts and equivalencies are preliminary, unaudited and subject to revision.

**Amazon (2021). "Sustainability in the Cloud." <https://sustainability.aboutamazon.com/environment/the-cloud?energyType=true>



OUR COMMITMENT 1 MILLION TREES PLANTED

DraftKings is committed to addressing global sustainable development challenges, including climate change, and strives to make an impact on our communities locally and around the world. To further our progress in aligning with the UN SDGs, our Special Advisor to the CEO and Board, Ms. Bündchen, was instrumental in DraftKings' partnership with the Arbor Day Foundation, an NGO for environmental and social issues that is dedicated to planting, nurturing, and celebrating trees across the globe.

By Earth Day 2022, we will have achieved our goal of funding the planting of 1 million trees.

DraftKings' donation will help support key forestry initiatives and drive greater awareness of the extensive environmental issues facing our planet. Timed alongside the 150th anniversary celebration of Arbor Day, DraftKings' mission is to raise awareness of the need and impact that planting trees can have for the greater good. The tree plantings supported by DraftKings will help reduce air pollution, improve green infrastructure, improve water quality, and enhance biodiversity, among other benefits.

DraftKings launched several opportunities for customers to directly support its tree-planting goal through its products, including charity DFS contests and free-to-play pools. Our support is contributing to the planting of trees across 18 projects in 14 U.S. states and eight countries. In the U.S. alone, these projects are estimated to contribute to more than 667,000 metric tons of carbon avoided and sequestered, 2,800 tons of air pollution avoided and removed, and 699 million gallons of runoff avoided.

EGLIN AIR FORCE BASE

Florida, USA

100,000 TREES

Impacted by the encroachment of the short-needled sand pine and plantations of slash pine, the project will restore longleaf canopy coverage in the world's largest remaining contiguous population of old-growth pine.

Ecosystem Benefits

- Native longleaf pine reforestation
- Canopy restoration
- Critical wildlife habitat

Tree Planting Impact*

- 128K+ metric tons of net carbon dioxide sequestered
- 580 tons of air pollution removed
- ~199 million gallons of rainfall intercepted

COLUMBIA RIVER BASIN

Oregon, USA

10,000 TREES

Impacted by deforestation and industrialization on the Columbia and Willamette Rivers, the project will restore the riparian ecosystem to support the salmon run of the Pacific Northwest.

Ecosystem Benefits

- Water quality
- Wildlife habitat restoration
- Watershed health
- Recreation

Tree Planting Impact*

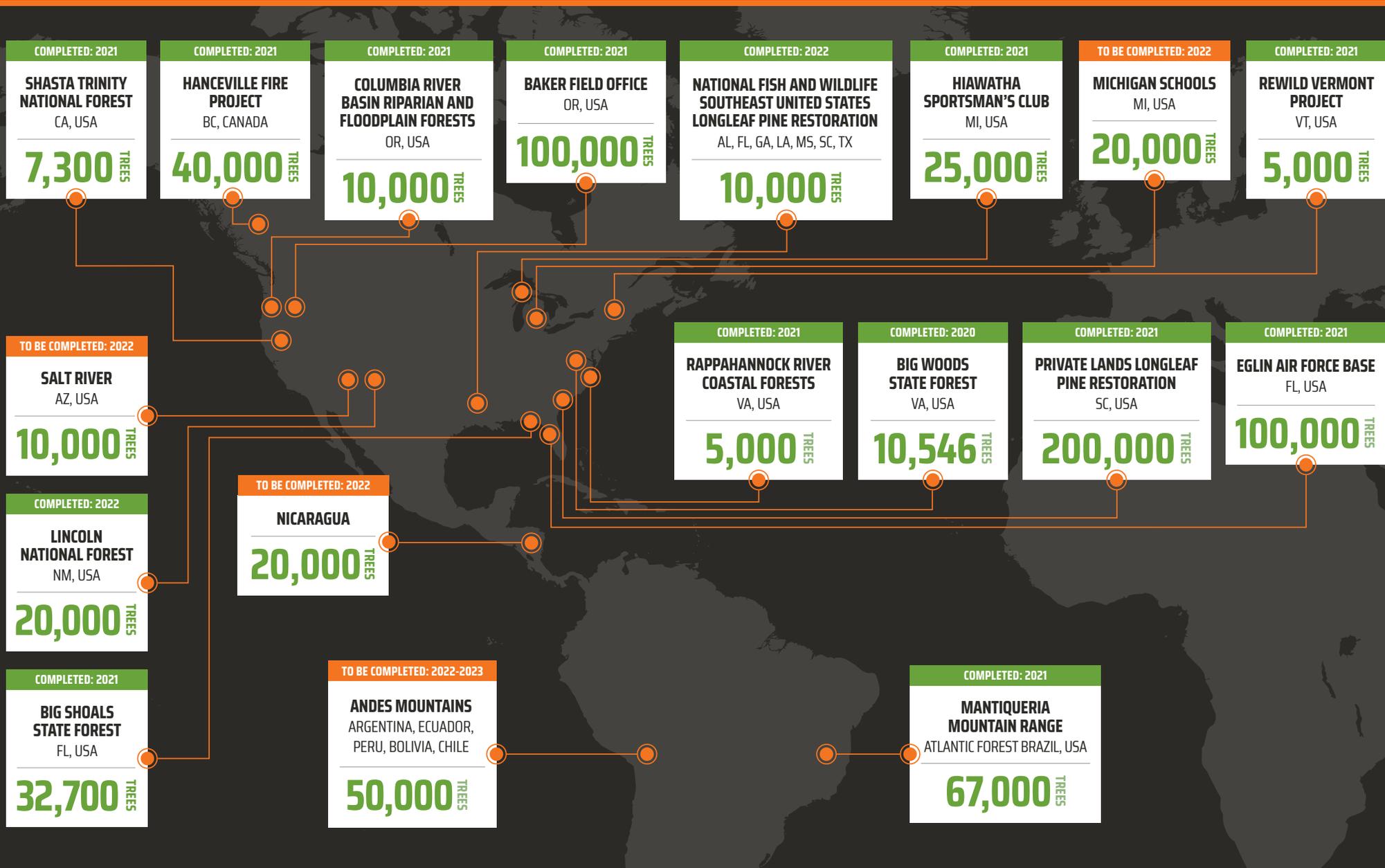
- 4K+ metric tons of net carbon dioxide sequestered
- 25.5 tons of air pollution removed
- 36.7 million gallons of rainfall intercepted

*Projected 40-year estimates based on a small representative species in project areas, configured using i-Tree Tools.



OUR COMMITMENT

1 MILLION TREES PLANTED





GOVERNANCE INITIATIVES

CORPORATE GOVERNANCE HIGHLIGHTS

As a company conducting business in a highly regulated industry, we are committed to upholding the best practices, laws, and policies of our regulators and affiliates such as the AGA. In 2021, we devoted significant time and attention to our compliance and risk management programs to enhance our approaches to RG, anti-money laundering, anti-corruption and vendor management. With direct oversight from our Board, our goal is to be the best, most trusted, and most customer-centric destination for skin-in-the game fans.

OUR BOARD OF DIRECTORS

Our Board sets high standards for our employees, officers, and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the Board to oversee the management of the Company's business. To fulfill its responsibilities, the Board, among other things, follows the procedures and standards set out in our [Code of Business Ethics](#).

Through regular communication with our ELT, the Board and its committees stay apprised of our business activities and progress on our ESG strategy. In addition to management updates, the Board has four Special Board Advisors – Gisele Bündchen, Michael Jordan, Cal Ripken, and Richard Rosenblatt - who advise on strategy, product development, marketing, IEB and ESG. In 2021, DraftKings appointed Gisele Bündchen as Special Advisor for environmental and social issues to the Chief Executive Officer and Board of Directors and Cal Ripken as Special Advisor to the Board. Richard Rosenblatt has also served as Board Advisor since 2021.

BOARD COMMITTEES

The Board is served by five standing committees with the following oversight responsibilities:

Audit

Oversight of (i) the integrity of the financial statements of the Company, (ii) the independent auditor's qualifications and independence, (iii) the performance of the Company's internal audit function and independent auditors, and (iv) the compliance by the Company with legal and regulatory requirements not specifically delegated to the Compliance Committee or the Nominating and Corporate Governance Committee

Compensation

Discharge certain of the Board's responsibilities relating to compensation of the Company's executive officers

Compliance

Assist the Board with respect to (i) compliance with the laws and regulations applicable to the Company's business, including gaming laws and regulations, and (ii) the Company's implementation of compliance programs, policies and procedures that are designed to respond to various compliance, legal and regulatory risks facing the Company

Nominating & Corporate Governance

Responsible for (i) making recommendations to the Board regarding candidates for directorships and the size and composition of the Board and (ii) overseeing the Company's corporate governance policies and reporting and making recommendations to the Board concerning governance matters. In carrying out its purpose, the Nominating and Corporate Governance Committee also oversees the Company's ESG programs, public disclosures and reporting with respect to ESG matters, including environmental and sustainability, social responsibility to its communities, governance, the Company's culture, talent strategy, and inclusion, equity and belonging.

Transaction Committee

Responsible for considering, evaluating and making recommendations to the Board regarding potential mergers and acquisitions and commercial transactions, as well as authorizing non-binding proposals with respect thereto and performing other functions reasonably related thereto.

In its entirety, our Board is committed to maintaining a strong focus on ESG and accountability.

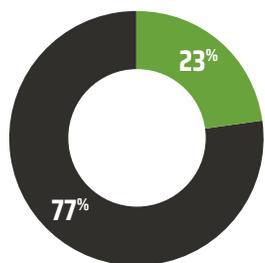


BOARD COMPOSITION

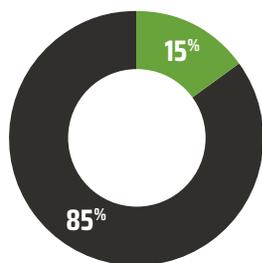
In searching for new candidates, our Board and the Nominating and Governance Committee actively seek qualified diverse candidates to enhance the diversity of thought, perspectives, and experience on our Board. We believe that companies perform better with Boards that are diverse in composition and leadership.

As of December 31, 2021, our Board was comprised of 13 members with diverse backgrounds, skills, and experience. Nine of the directors were deemed “Independent” pursuant to the Nasdaq Stock Market’s (“NASDAQ”) listing standards. Although we qualify as a “controlled company” that is not required to have a majority independent Board, our current Board composition is, in fact, comprised of a majority of independent directors. As of the end of fiscal year 2021, following the appointment of directors Mses. Moore and Mosley in 2020 and the departures of Messrs. Issacs and Rosenblatt in 2021, 15 percent of our board is BIPOC and 23 percent is female.

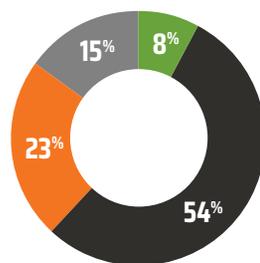
BOARD DIVERSITY



● Female ● Male



● BIPOC ● Non-BIPOC



● <40 Yrs ● 40-49 Yrs
● 50-59 Yrs ● >60 Yrs





ENTERPRISE RISK MANAGEMENT

CONDUCTING BUSINESS RESPONSIBLY

At DraftKings, risk management, governance, and business ethics underpin our ability to build a more successful future. Our 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 and compliance.

In 2021, our internal compliance team rebranded as the Global Compliance and Risk team. Additionally, we made significant technology solution investments to scale our capabilities related to licensing, privacy compliance and global data protection, conflicts of interest, insider trading, and regulatory change management.

As part of our commitment to offering play that is safe, secure, and responsible, our Global Compliance and Risk team attends to the safeguards needed to protect the integrity of our games and their money flows. Our [Fair Play](#) standards detail the rules of play and appropriate behaviors. Our dedicated teams proactively monitor our games and player accounts to ensure compliance.

2021 CHIEF COMPLIANCE OFFICER OF THE YEAR AWARD

Jennifer Aguiar, who was hired in 2016 and appointed to Chief Compliance Officer in February 2021, received the award from VIXO, the leading provider of regulatory intelligence to the gambling and payments industries.



This process involves a collaborative effort across our organization through the following teams:

- **Fraud Control Team** – Leverage machine learning and rules-based logic
- **Game Integrity Team** – Actively monitor and investigate player behavior that may impact the integrity of our fantasy sports contests
- **Compliance Team** – Implement best practices and successfully obtain necessary licenses and permits required for our offerings

In addition, we work at the state level, alongside other leading online sport betting operators, to support well-regulated, safe, responsible, and legal online betting markets, to safeguard money flows, and to protect users via anti-money laundering and know your customer policies.

Our established compliance and risk management programs cover the below areas, among others:

- Code of Business Ethics
- Licensing and Registration
- Anti-Money Laundering & Know-Your-Customer
- Whistleblower & Ethics Policy
- Insider Trading
- Privacy & GDPR Compliance

- Responsible Gaming
- Game and Sports Integrity
- Payments Risk Management
- Complaint Management
- Regulatory Change Management
- Vendor Management
- Compliance Assurance, Testing and Monitoring



WHISTLEBLOWER POLICY

Our Global Whistleblower Policy and Reporting Hotline was created as a platform for employees to anonymously report concerns related to our Code of Business Ethics Policy, or any other Compliance Policies. One of the key components of a powerful program is for everyone at the Company to hold each other accountable to a high standard of compliance. We have made it clear that the right approach is to provide an avenue to say something if you see something.

VENDOR MANAGEMENT

At DraftKings, we believe that the performance of our suppliers has a direct impact on the quality of our products and services. We aim to identify responsible suppliers and treat them fairly utilizing documented criteria that will ensure the delivery of high standards of performance and value. Working with internal business partners, our Vendor Management team assists with identifying, selecting, managing, and developing our supply base to ensure that the current and future vendor needs of DraftKings are delivered. Integral to this approach are attention to supplier diversity, risk management, and regulatory compliance.



FORWARD-LOOKING STATEMENTS

Certain statements made in this ESG Report are “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. When used in this ESG Report, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside DraftKings’ control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see DraftKings’ filings with the Securities and Exchange Commission. DraftKings does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.