



# SUSTAINABILITY REPORT

2022-2023

August 2023



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# A LETTER FROM OUR CEO



2022 was a tremendous year for DraftKings Inc. We continued to drive outstanding revenue growth through highly effective customer acquisition and engagement, while also accelerating our path to profitability. We launched our product offerings in several new U.S. states and Ontario, Canada. We also added more unique features and functionality to our product offerings that differentiate DraftKings from other operators. In 2023, we have continued to enhance our product offerings and launched mobile sports betting in additional U.S. states.

In addition, we have continued to prioritize 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”) to our 4,000+ global employees. In particular, we advanced our responsible gaming, corporate social responsibility, and diversity, equity and inclusion initiatives.

At DraftKings, we believe that life is more fun with skin in the game, and we want it to stay fun. As such, we place responsible gaming at the top of our priority list. Our responsible gaming mission is to foster safe play through groundbreaking technology, employee training, robust resources, and supporting evidence-based research. Our responsible gaming program takes a systems-based public health approach, which collaborates with a wide net of stakeholders. We make information available promoting responsible gaming, comply with industry standard best practices for responsible gaming and applicable state and federal advertising standards, and take proactive steps to prevent underage gaming. Our program continues to grow and advance towards our goal of being at the forefront of responsible gaming on an industry-wide basis.

In addition, our employees’ well-being and the health and vitality of the communities in which they work has remained a focus area for the Company. We strive to create a comprehensive and competitive benefits package, including by enhancing our family planning, mental health and wellness and office accommodation efforts, that meets our employees’ needs. We have also continued to support a number of corporate and social responsibility initiatives. For example, DraftKings’ Tech for Heroes program allows employees to work directly with veterans to grow their understanding of opportunities at high-tech companies, such as DraftKings, and to further support veteran and military spouses pursuing careers in technology.

DraftKings is also committed to addressing global sustainable development challenges, including climate change. Many of our offices and facilities are designed in an energy efficient manner that reduces energy usage and waste. In addition, our partnership with the Arbor Day Foundation included funding for the planting of 1 million trees that will help reduce air pollution, improve green infrastructure, improve water quality, and enhance biodiversity, among other benefits.

We also continued to prioritize our internal Inclusion, Equity and Belonging (“IEB”) program, as well as invest resources to make continued progress in diversity across the Company, including our ELT and our vendors. Our employee-led Business Resource Groups continue to be critical to our IEB program and Company culture, as they facilitate the impact our employees can have in advocating for positive change both internally and externally.

We are excited to share with you the ESG progress that we have made since our last sustainability report. Our ESG journey is a constant evolution, and we will continue to be attentive to our customers, employees, shareholders and communities.

Sincerely,

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

**Jason D. Robins**

*Co-founder and Chief Executive Officer*

# A LETTER FROM OUR BOARD OF DIRECTORS

**We are pleased to present DraftKings' 2022-2023 Sustainability Report.**

As members of the Board of Directors, we are entrusted with overseeing, among other things, DraftKings' long-term sustainability. This oversight responsibility includes taking into account the interests of all stakeholders and ensuring that our business success is achieved in a responsible manner. We will continue to foster a comprehensive approach dedicated to building and sustaining relationships with DraftKings' employees, customers and partners, all while creating a safe, respectful, and inclusive environment.

Given the importance of our ESG initiatives, we have continued to focus on aligning DraftKings' business strategy with its ESG opportunities. We have continued to evaluate 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 thank you for reading our third Sustainability Report and look forward to continuing to update you on our ESG progress.

Sincerely,

**DraftKings' Board of Directors**

# OUR ESG FRAMEWORK

## Our ESG Framework Includes Input From a Number of Constituencies

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”).

## WE HAVE CONTINUED TO ADVANCE THE KEY ISSUES WHICH IMPACT OUR OPERATIONS & STAKEHOLDERS

CORPORATE SOCIAL RESPONSIBILITY

DIVERSITY, EQUITY AND INCLUSION

RESPONSIBLE GAMING

ENTERPRISE RISK MANAGEMENT

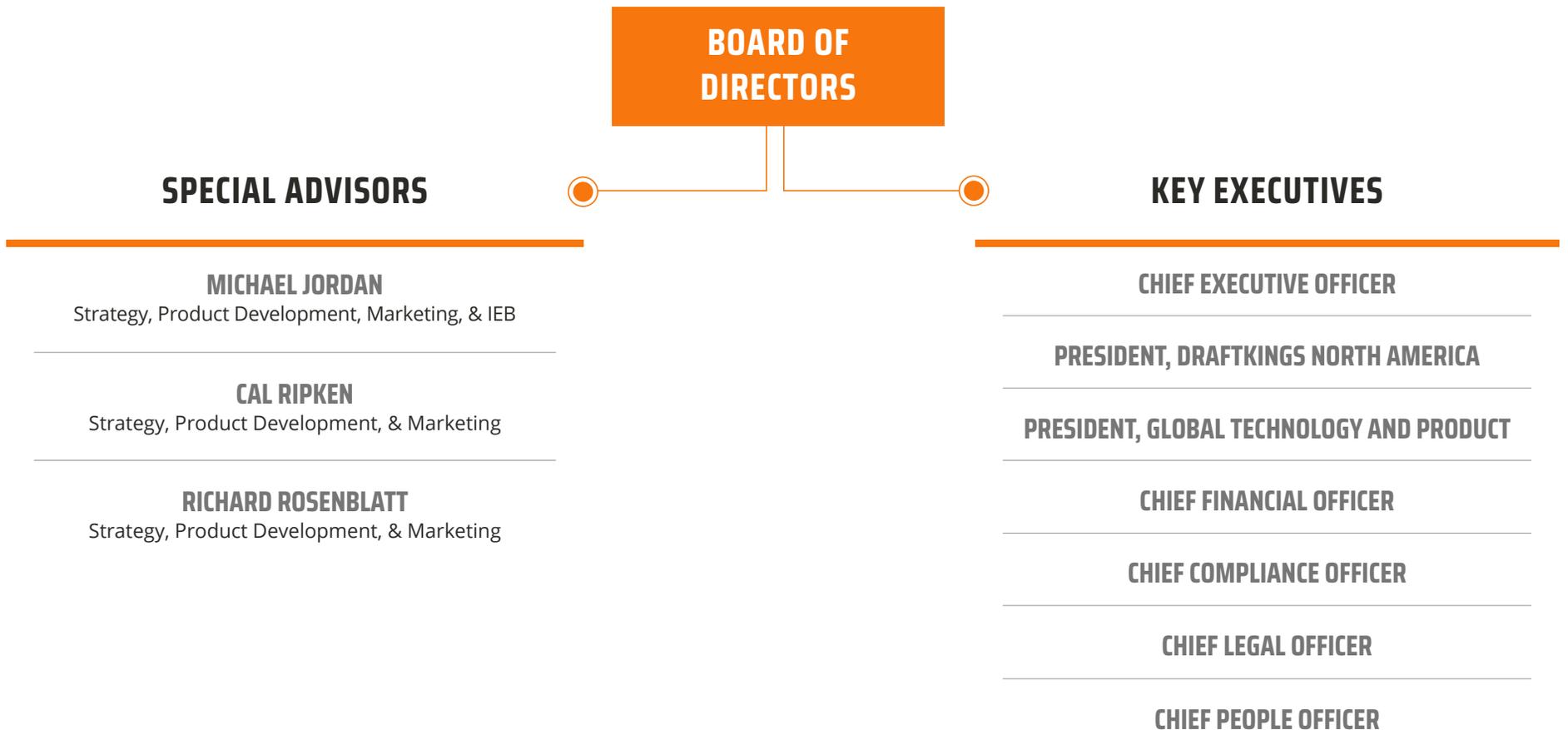
## OUR PRIMARY ESG FOCUS ALIGNS WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



# KEY EXECUTIVES PARTICIPATE IN OUR ESG GOVERNANCE STRUCTURE

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 regularly updated by key executives on our ESG initiatives and progress.

## DRIVERS OF SUSTAINABILITY GOVERNANCE



# WE ARE A FOUNDER-LED COMPANY AND LEADER IN SPORTS, ENTERTAINMENT & GAMING



**JASON ROBINS**  
CEO & Co-Founder



**PAUL LIBERMAN**  
President, Global Technology  
and Product & Co-Founder



**MATT KALISH**  
President, DraftKings  
North America & Co-Founder

**10+**  
YEARS

**4,000+**  
DRAFTKINGS  
EMPLOYEES

**1.9M**  
AVERAGE MONTHLY  
UNIQUE PAYERS\*

**27M+**  
LIFETIME  
REGISTRATIONS\*\*

DraftKings launches its DFS operations		DraftKings crowns 1st million dollar winner		DraftKings becomes the #1 DFS provider by users and revenue		May 14, U.S. Supreme Court overturns ban on sports betting		DraftKings and SBTech combine, DK becomes a public company	DraftKings acquires Blue Ribbon Software Ltd., a global jackpot and gamification company	DraftKings acquires Golden Nugget Online Gaming	
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	DraftKings launches 1st mobile app in the DFS industry		DraftKings is named the Official DFS Contest of NASCAR			DraftKings launches Sportsbook app			DraftKings acquires VSiN, a multi-platform sports betting broadcast and content company		Estimate DKNG's iGaming GGR share was #1 in U.S. in Q1 2023***

\* For the fiscal year ended December 31, 2022.

\*\* As of December 31, 2022.

\*\*\* Includes combined DraftKings and Golden Nugget Online Gaming brand GGR share for NJ, PA, WV, MI, and CT.

# OUR FOOTPRINT IS GLOBAL



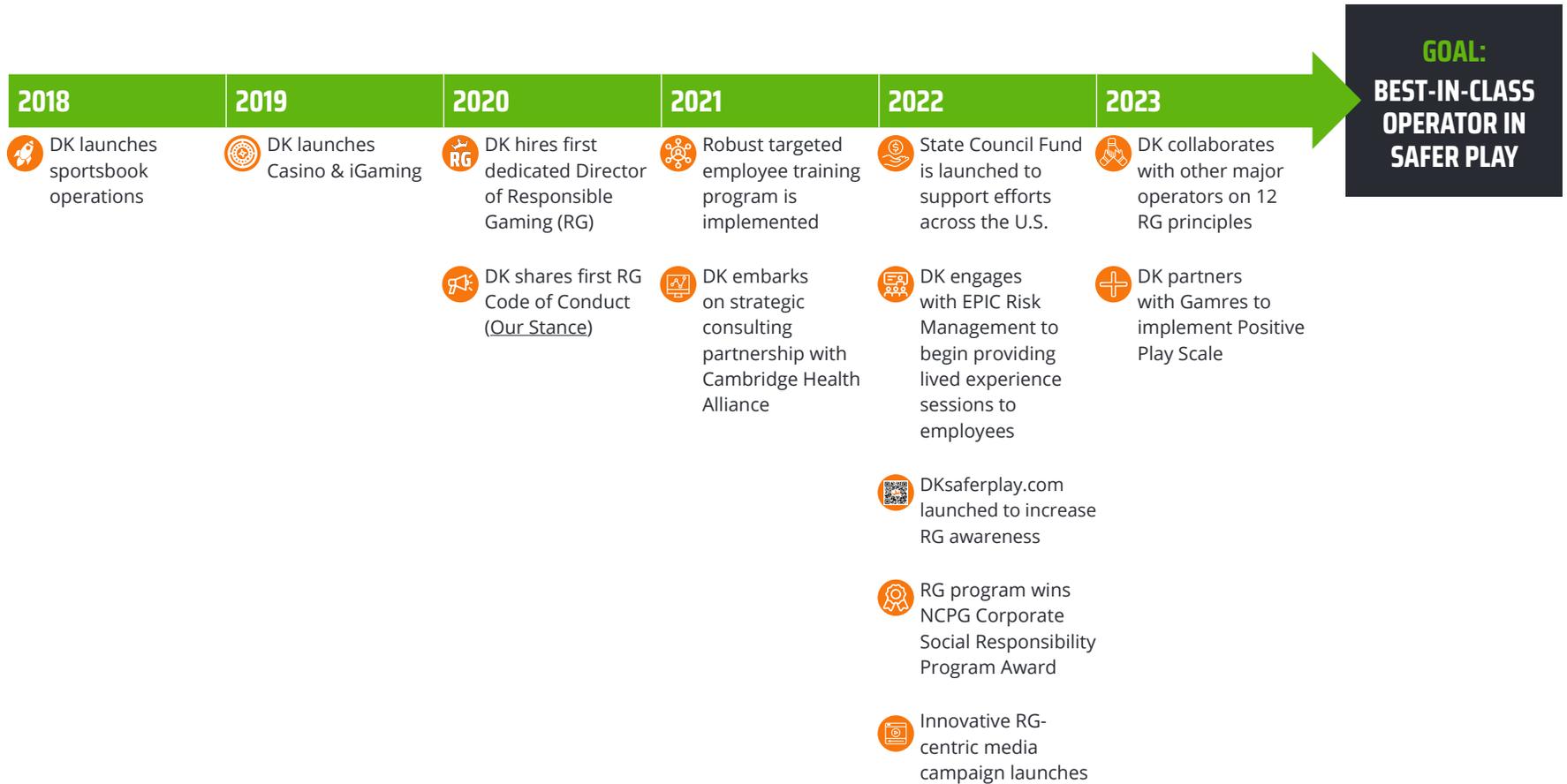
ATLANTIC CITY, NJ  
BOSTON, MA (HQ)  
HOBOKEN, NJ  
HOUSTON, TX  
LAS VEGAS, NV  
NASHUA, NH  
NEW YORK, NY

DUBLIN, IE  
LONDON, UK

PLOVDIV, BG  
SOFIA, BG  
TEL AVIV, IL



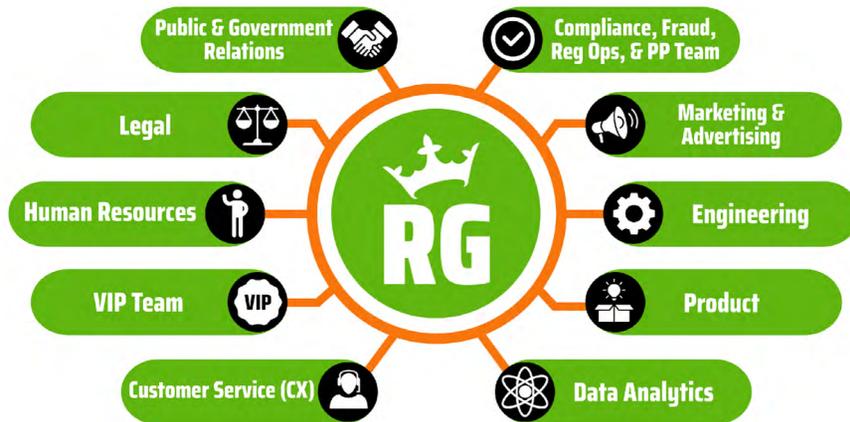
# DRAFTKINGS' RESPONSIBLE GAMING PROGRAM EVOLUTION



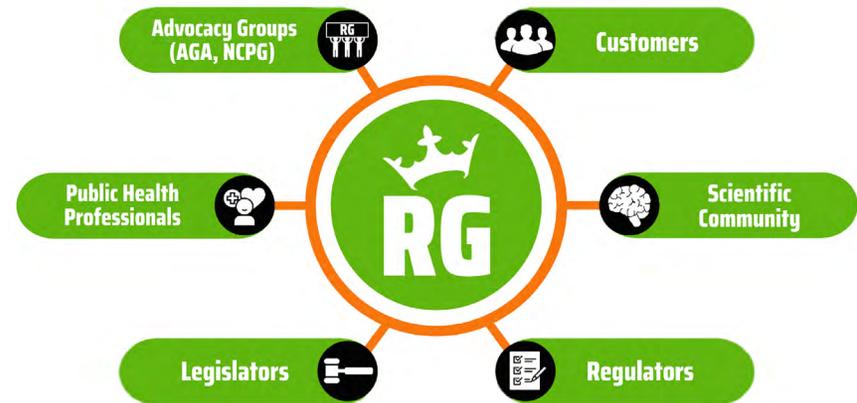
# RESPONSIBLE GAMING IS AT THE TOP OF OUR PRIORITY LIST

Our RG mission is to foster safe play through groundbreaking technology, employee training, robust resources, and supporting evidence-based research. Our RG program takes a systems-based public health approach, which collaborates with a wide variety of stakeholders.

## INTERNAL STAKEHOLDERS



## EXTERNAL STAKEHOLDERS



# DRAFTKINGS' RESPONSIBLE GAMING PROGRAM INCLUDES SEVERAL PILLARS

## TRAINING & EDUCATION

Enhance best-in-class RG training and awareness programming to educate our workforce and player base

## DETECTION & INTERVENTION

Continue to progress from manual RG processes to a proactive and predictive model

## EXTERNAL ENGAGEMENTS & RESEARCH

Leverage affiliate relationships to enhance the DK brand and advance the RG knowledge base by supporting evidence-based research

## MARKETING & ADVERTISING

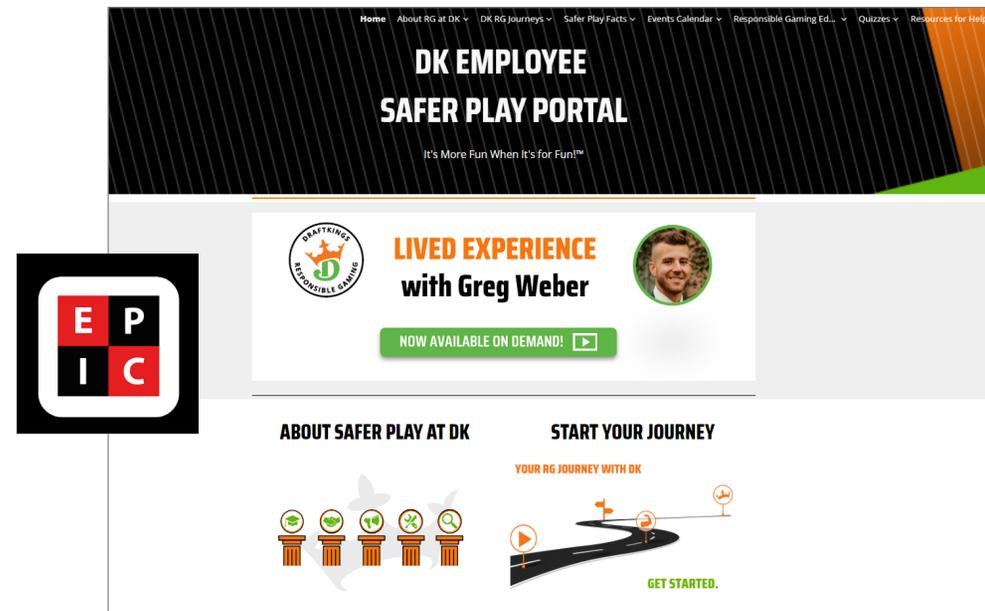
Position DK as a leader in RG in the U.S. through targeted player messaging and advertising

## PLATFORM TOOLS & RESOURCES

Provide a robust offering of RG tools and resources to our players

# WE REQUIRE EXTENSIVE EMPLOYEE TRAINING & EDUCATION ON RG

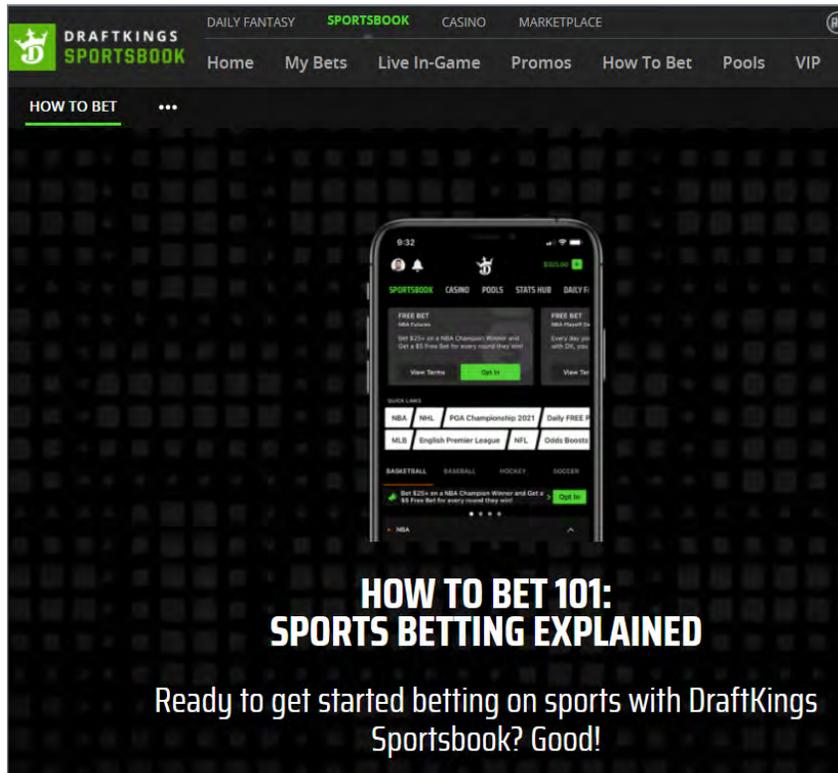
- RG team introduces RG training program via live session during week 1 of onboarding for our newly hired employees
- All of our employees are required to complete RG training upon onboarding and annually thereafter
- Our customer-facing employees receive live, targeted training on RG identification and escalation upon onboarding and refreshers every six months
- Marketing and other teams are trained on best practices, regulations and AGA Responsible Marketing Code for Sports Wagering
- Our RG team hosts quarterly lived experience sessions provided via EPIC Risk Management



DraftKings employee RG-dedicated intranet

# WE PROVIDE PLAYER EDUCATION RESOURCES AND POSITIVE PLAY TOOLS

- Improving gaming literacy
- Encouraging & destigmatizing RG tools
- Offering resources for help



Sportsbook Education Hub



Daily Fantasy Sports



Casino

# DETECTION & INTERVENTION IS A KEY PILLAR OF OUR RESPONSIBLE GAMING PROGRAM

## DATA ANALYTICS

- Improving detection & intervention for potentially problematic play through data analytics
- Utilizing key words indicating markers of harm to escalate check-in with players

## PLAYER PROTECTION

Our dedicated Player Protection Team of seven employees (as of January 2023):

- Monitors and reviews account activity to ensure that any signs of potential harmful behaviors are identified and, where appropriate, action is taken;
- Uses a stepped-care approach, which takes into account that player protection intervention increases upon identification of at-risk or potentially problematic play; and
- Works closely across multiple customer-facing teams to provide a second line support.



Customer ticket

# OUR RESPONSIBLE GAMING PROGRAM LEVERAGES EXTERNAL ENGAGEMENTS AND EVIDENCE-BASED RESEARCH



## AMERICAN GAMING ASSOCIATION (“AGA”)

Active member

Work collaboratively to promote RG initiatives

Representation on AGA's Board of Directors



## INTERNATIONAL CENTER FOR RESPONSIBLE GAMING (“ICRG”)

Contributors to the ICRG Fund to support evidence-based research to better understand sports betting behaviors



## BETBLOCKER

First U.S. operator to partner with BetBlocker to advance awareness of, and access to, BetBlocker's software, which is a free tool that blocks access to over 18,000 gaming websites



## CAMBRIDGE HEALTH ALLIANCE, DIVISION ON ADDICTION

Consultation contract for training & data science

Systems and evidence-based approach



## EPIC RISK MANAGEMENT

DraftKings has engaged with EPIC to provide lived experience trainings, which have been well-received by employees



## KINDBRIDGE RESEARCH INSTITUTE

Research funding commitment to study the nexus of veterans and responsible gaming with the goal of advancing evidence-based research in this area



## NATIONAL COUNCIL ON PROBLEM GAMBLING (“NCPG”)

Active member

Conference sponsor

Active committee engagement

DraftKings State Council Funding Program



## DRAFTKINGS STATE COUNCIL FUNDING PROGRAM

3 year, \$1.5M+ per year initiative that provides non-discretionary donations to 33 participating State Councils

# WE UTILIZE TARGETED PLAYER MARKETING AND ADVERTISING

- Only target advertising to those of legal age
- Exclude individuals that have self-excluded from marketing communications
- Develop and deliver omnichannel RG marketing (social, TV, retail, customer relationship marketing, platform, stadium)
- Send all customers a dedicated RG message upon first deposit
- Provide monthly dedicated RG customer relationship marketing (CRM) messaging to all DraftKings customers
- Share RG dedicated messaging at least twice a week across multiple social channels including Twitter, Facebook and TikTok
- Adhere to the AGA Responsible Marketing Code for Sports Wagering, with regular training to Marketing employees; engage with “Have A Game Plan. Bet Responsibly” campaign
- Launched the “Practice Safe Bets Campaign” in 2022 across TV, social media, platform and radio channels to encourage and destigmatize use of RG tools



The “Practice Safe Bets” campaign featuring Tony Hawk and Mike “The Miz,” encourages using limit setting tools and taking breaks

# WE ONLY WORK WITH MARKETING AFFILIATES THAT MEET OUR STANDARDS

When evaluating a new business relationship, responsible gaming is top of mind. We collaborate with professionals that share our commitment to responsible play and we offer education and messaging that affiliates use to promote RG.

We partner closely with affiliates to ensure their content meets DK marketing and regulatory standards, such as the appropriate helpline information for a given state. Our commitment to the AGA Code of Conduct extends to our affiliates, whom we work with to adhere to the AGA standards.

We take action up to and including termination of our relationships with affiliates for non-compliance with the guidelines provided by DraftKings.

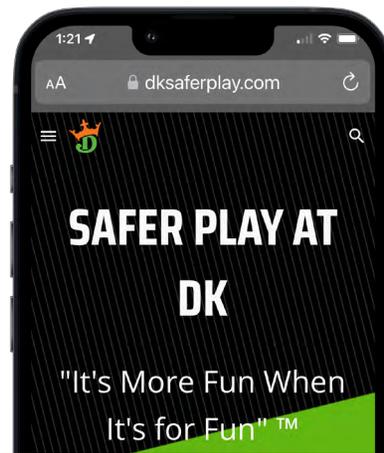


# PLATFORM TOOLS AND RESOURCES ARE AN IMPORTANT PILLAR OF OUR RESPONSIBLE GAMING PROGRAM

At DraftKings, we view our platform tools and resources as an important part of our RG strategy. We provide education hubs on our Sportsbook, iGaming and DFS platforms, which are dedicated to increasing knowledge around how games work.



We successfully added the **BetBlocker** tool resource to all of our RG patron protection pages.



We launched **DKsaferplay.com**, a website dedicated to promoting safer and positive play. The site includes key information about responsible gaming, quizzes, myths and facts, information about limit setting tools, cool-offs and exclusion, and information about how to get help when needed.



In alignment with the national movement to unite around a national helpline number, we have also updated our RG resources to include **1-800-GAMBLER** in support of the NCPG.

# WE ARE COMMITTED TO DIVERSITY, EQUITY & INCLUSION

We foster a culture of Diversity, Equity and Inclusion (“DEI”) — internally referred to as Inclusion, Equity, and Belonging — in order to make our employees feel safe, empowered, engaged, and championed.



We believe this focus is key to our competitive advantage and is a differentiating characteristic that helps us attract the best talent.

## Drivers For Key DraftKings Goals

- Attract, develop, and retain top talent
- Invest in capabilities to win long term
- Put the customer at the center of everything we do

## Our DEI Approach Fosters Inclusion and Welcomes Diversity

Our success begins and ends with our employees. We understand that creating a workplace that fosters inclusion and welcomes diversity is a global process that requires intentionality and a sustainable strategy that adapts to the needs of our regions, departments and employees.

### WORKFORCE

As a technology company at our core, we believe that the best innovation comes from diverse perspectives, thoughts, beliefs, ideas, and experiences

### WORKPLACE

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

### MARKETPLACE

We consistently challenge convention to ensure our culture and product offerings reflect the expectations of our employees and the customers we serve

# OUR BUSINESS RESOURCE GROUPS (“BRGs”) DRIVE A SENSE OF COMMUNITY BOTH INTERNALLY AND EXTERNALLY

The mission of our BRGs is to increase the visibility and representation of a diverse workforce at DraftKings and to increase cultural dexterity, awareness, and inclusion for all employees Company-wide.

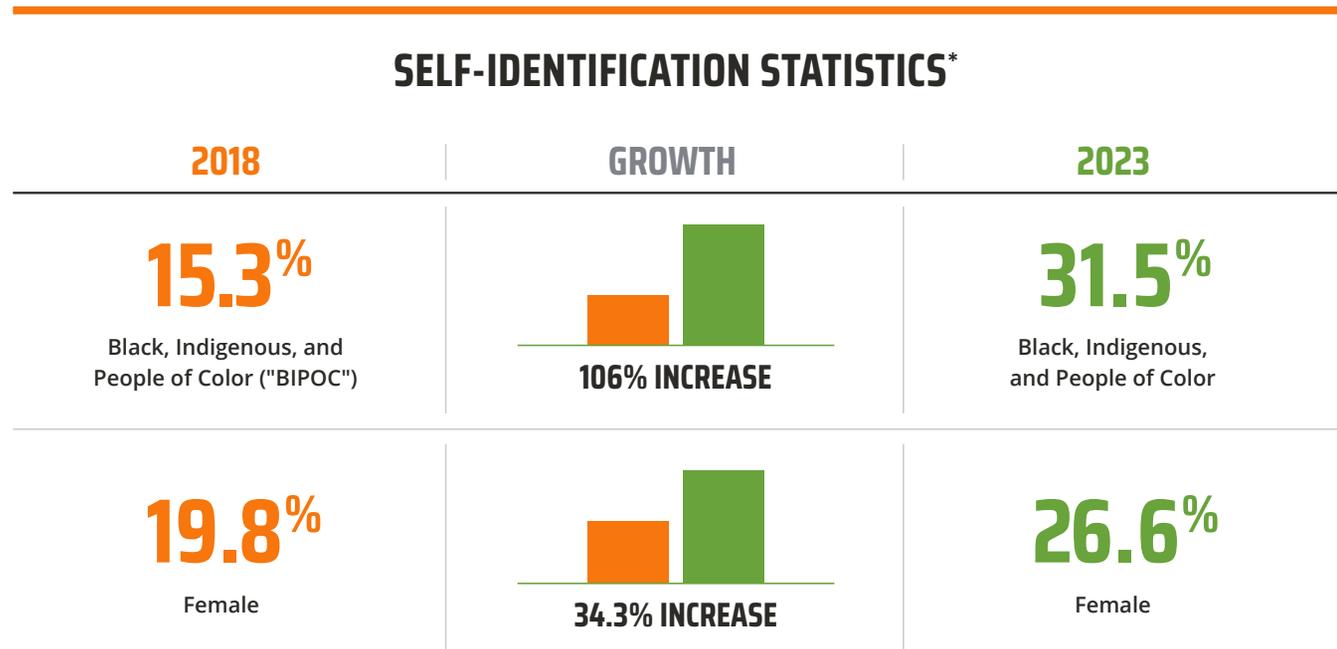


Through our BRGs, we also invest in and engage with events and organizations in our local communities.



# OUR FEMALE AND BIPOC REPRESENTATION HAS INCREASED SIGNIFICANTLY IN RECENT YEARS

Our progressive recruitment, interviewing and hiring processes have resulted in growth of our female and historically underrepresented racial and ethnic groups. Impactful partnerships with industry associations have increased diversity at DraftKings.



The overall diversity in our U.S. employee base, including veteran and LGBTQ+, increased from 40.4% to 57.8% from 2018 to the first quarter of 2023.

\* Data reflective of DraftKings North America only and reflects voluntary self-identification for the 2018 fiscal year end and as of the first quarter of 2023. 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.

# WE PURSUE AN EQUITABLE APPROACH TO TALENT ACQUISITION

## DK Practices:

1. Executive search for all leadership positions
2. Tracking of candidate pipeline journey to ensure equitable recruiting process

### CAMPUS

INTERNSHIPS



HOWARD UNIVERSITY

OUT FOR UNDERGRAD

RM RIPPLEMATCH



SMITH COLLEGE

SHPE  
Leading Hispanics in STEM.

### PARTNERSHIPS

WOMEN IMPACT TECH

VIQ TORY

OUT IN TECH

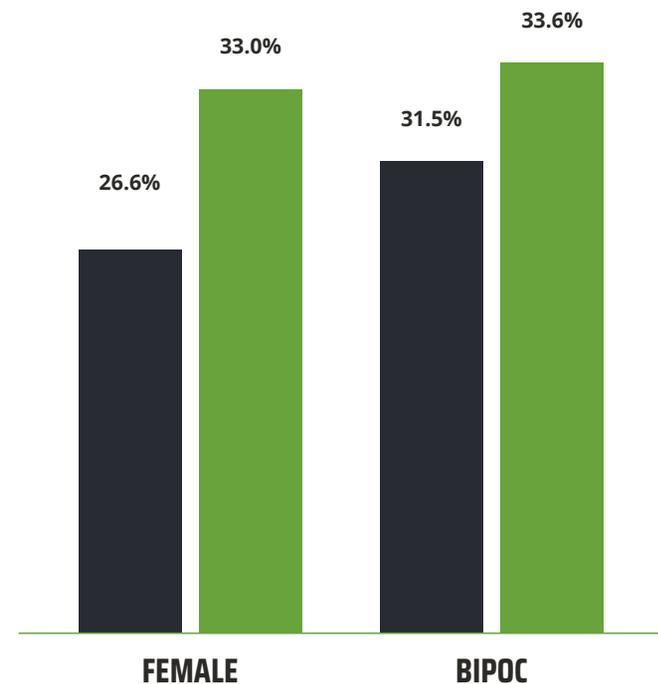
women/hack

RESILIENT CODERS .ORG

kura labs

■ Employee Representation\*

■ 2022 New Hire Population



\* As of the first quarter of 2023.

# WE HAVE AN INCLUSIVE APPROACH TO OUR SUPPLIER BASE

1. Increasing transparency in expense systems
2. Improved data tracking
3. Focus on additional transparency

**SHANE Z. DIAMOND**  
TRANSGENDER INCLUSION CONSULTANT

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**LGBTQ+ OWNED**



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**WOMEN OWNED**



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**MINORITY OWNED**

**VIQ TORY**

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**VETERAN OWNED**

# WE ARE COMMITTED TO GIVING BACK TO OUR COMMUNITIES AND ACTIVELY DONATING TO ORGANIZATIONS WHERE WE LIVE AND WORK

## 2022-2023 Key Highlights

- Supported the Women’s Sports Foundation (WSF), which strives to bring attention and support to women’s sports and female athletes, through the Company’s women’s college basketball tournament bracket where DraftKings donated \$1 for every entry up to \$25,000 to WSF.
- Launched a “Bets for Vets” campaign in support of the Pat Tillman Foundation, whose mission is to unite and empower remarkable military service members, veterans and spouses as the next generation of public and private sector leaders committed to service beyond self, offering DraftKings customers unique sportsbook promotions with funds donated to the Tillman Foundation and featuring Tillman Scholars across the Company’s social media channels.
- DraftKings worked in collaboration with Boston While Black (BWB) to develop a geotargeted (available only to DraftKings’ customers in Massachusetts) free-to-play pool focused on the contribution of the Black community in Massachusetts. BWB utilized the free-to-play as a creative way to engage with existing and prospective members, with DraftKings donating \$1 to BWB for every entry.
- Provided students from UMass Boston’s Sports Leadership and Administration program with free tickets to attend the world-famous MIT Sloan Sports Analytics Conference, which also includes an undergraduate career fair and resource sessions.



## Our Efforts to Support Veterans Are a Key Part of our Corporate Social Responsibility Program

DraftKings’ Tech for Heroes initiative provides training in high demand tech skills for current and returning veterans and their spouses to help them expand their abilities in their current role and to find meaningful employment, whether at DraftKings or other tech companies.

DraftKings has provided free training to veterans and spouses in Massachusetts through both its online and on-site training at its Boston HQ.

**600+** veterans and spouses trained on various high tech skills since launching the program in 2018.

**63%** of the training participants self-identify as non-White, including African American (19%), Latino (17%), Asian (14%) and Other (13%).

DraftKings works directly with several veterans-serving organizations focused on post-service career growth, opportunity and advancement including VetsinTech, American Corporate Partners and the Pat Tillman Foundation.

# WE HAVE COMMITTED TO PLANTING 1 MILLION TREES

## 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. DraftKings has not conducted a scenario-based climate impact analysis. Although 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.



### TREE PROJECT OVERVIEW

18 PROJECTS

3,213 ACRES RESTORED

EXPECTED CUMULATIVE BENEFITS  
(MEASURED OVER 40 YEARS):

- 603,828 METRIC TONS CO2 SEQUESTERED
- 2,414 TONS AIR POLLUTANTS REMOVED
- 656,054 NUMBER OF PEOPLE WITH CLEANER WATER

### AGRICULTURAL LAND IN NICARAGUA

IN PROGRESS

To help support small-scale farming families in Nicaragua, the Arbor Day Foundation is working with Taking Root through its CommuniTrees program. Together, we're helping to build financial security and sustainable livelihoods — along with a stronger tree canopy — by reforesting previously underused land.

20,000 trees planted

### MICHIGAN SCHOOL FORESTS

IN PROGRESS

Partnering with the Arbor Day Foundation, Trees for School Forests is planting trees on 10 school forestlands in Michigan. The goal is to reduce runoff into the Great Lakes and teach more than 1,000 students about how trees protect water quality. This program will help to restore watersheds, maintain healthy ecosystems, and address non-point source pollution.

20,000 trees planted

# WE HAVE COMMITTED TO PLANTING 1 MILLION TREES



## LONGLEAF PINE RESTORATION ACROSS THE SOUTHEAST UNITED STATES (ALABAMA, FLORIDA, GEORGIA, LOUISIANA, MISSISSIPPI, SOUTH CAROLINA, AND TEXAS)

**IN PROGRESS**

The Arbor Day Foundation is partnering with the Longleaf Landscape Stewardship Fund and several other organizations to expand and enhance longleaf pine ecosystem restoration and management across the Southeastern United States. This project will increase the presence of longleaf pine stands and expand critical habitat for key wildlife species including the red-cockaded woodpecker, gopher tortoise, Bachman's sparrow, and northern bobwhite.

**277,000 trees planted; 1,100 acres to be restored**



## BIG SHOALS STATE FOREST (FLORIDA)

**COMPLETE**

This project is reestablishing native longleaf pine in Florida's Big Shoals State Forest, which was used for cattle grazing in the early 1900s. In addition to restoring stands of longleaf pine, project goals include improving forest structure, composition, and function as well as improving habitat for native wildlife species, specifically wild turkey.

**32,700 trees planted; 48 acres restored**



## ANDES MOUNTAINS (ARGENTINA, BOLIVIA, ECUADOR AND PERU)

**COMPLETE**

This large-scale restoration initiative — known as Acción Andina — is focused on replanting an overlooked yet critically important ecosystem within the world's longest continental mountain range. Native trees will be planted to ensure long-term climate resilience and water security for those who call this region home.

**50,000 trees planted**

# WE HAVE COMMITTED TO PLANTING 1 MILLION TREES



## PLATEAU FIRE (BRITISH COLUMBIA, CANADA)

**COMPLETE**

In 2017, a total of 19 wildfires merged to form the Plateau Fire, the largest wildfire in British Columbia's history. The charred land left in its wake was so severely burned that many areas are struggling to regenerate naturally. This planting project is focused on restoring an area of old-growth forest that would take decades to recover on its own. The trees will grow to support plant and animal biodiversity within the region.

**40,000 trees planted; 62 acres restored**



## RAPPAHANNOCK RIVER COASTAL FORESTS (VIRGINIA)

**COMPLETE**

The Rappahannock River watershed encompasses 2,700 square miles. Within this area, thousands of miles of streams are without riparian buffers and suffer from high levels of nitrogen and phosphorus. The watershed faces additional challenges due to urban development. Trees must be planted to prevent erosion, sequester carbon, provide wildlife habitat, give the watershed much-needed riparian buffers, and reduce pollution levels in waterways.

**5,000 trees planted; 16 acres restored**



## SALT RIVER COMMUNITY RESTORATION PROJECT (ARIZONA)

**COMPLETE**

The Salt River cuts through the southern portion of the Tonto National Forest. Along its banks, invasive species have taken over and caused issues with the health and function of the riparian tree canopy. Reforestation efforts are focused on planting willows, cottonwoods, and mesquites to replace the nonnative invasives being removed from the region. As these trees grow, so will the environmental benefits — including clean water, habitat for area wildlife, and preservation of the native ecosystem.

**10,000 trees planted; 40 acres reforested**

# ROBUST ENTERPRISE RISK MANAGEMENT IS CRITICAL TO OUR SUCCESS

**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 our management team to instill a culture where every employee takes responsibility for risk management and compliance.**

Our Global Compliance & Risk Team has focused on aligning our resources to support our rapidly growing business, while building processes that scale with growth.

We continue to make significant technology solution investments to scale our capabilities related to licensing, privacy compliance and global data protection, compliance training, and regulatory change management. As part of our commitment to offering play that is safe, secure, and responsible, our Global Compliance & Risk team attends to the safeguards designed 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.

## RISK ANALYTICS

Our Risk Analytics team was created to build and enhance our risk management practices through data driven insights. Data studies, detailed analyses and model development are fundamental components to drive Risk Management at DraftKings. Making well informed decisions is at the core of what we do to drive a competitive advantage via risk management.

## Enterprise Risk Management at DraftKings is a Collaborative Effort

Conducting business responsibly involves a collaborative effort across our organization, including through the following teams:

**Anti-Money Laundering Team** – Managing risk through a data-driven approach

**Game Integrity Team** – Actively monitor and investigate player behavior that may impact the integrity of our sports contests

**Compliance Team** – Ensuring compliance with regulations through effective and sustainable risk management

We work at the state level, alongside other leading online sports betting operators, to support well-regulated, safe, responsible, and legal online betting markets, to safeguard money flows, and to protect users from financial crime related activities.

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

- Code of Business Ethics
- Game and Sports Integrity
- Licensing and Registration
- Payments Risk Management
- Anti-Money Laundering & Know-Your-Customer
- Complaint Management
- Whistleblower & Ethics Policy
- Regulatory Change Management
- Insider Trading
- Vendor Due Diligence
- Privacy Compliance
- Compliance Assurance, Testing and Monitoring
- Responsible Gaming

# WE ARE COMMITTED TO SOUND CORPORATE GOVERNANCE

As a company conducting business in a highly regulated industry, we are committed to upholding and complying with best practices, laws, and policies of our regulators and affiliates such as the AGA. 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 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 three Special Board Advisors — Michael Jordan, Cal Ripken, and Richard Rosenblatt — who advise on a variety of matters, including strategy, product development, marketing, and IEB.

## Our Board is Served by Five Standing Committees

Our five Board committees have 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 and Risk

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 independent 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

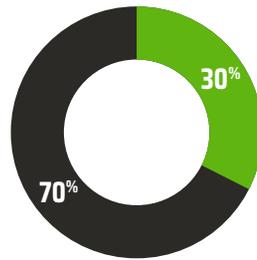
# WE SEEK QUALIFIED, DIVERSE CANDIDATES FOR OUR BOARD

In searching for prospective director nominees, our Board and the Nominating and Corporate Governance Committee seek qualified diverse candidates to enhance the diversity of thought, perspectives, and experience on our Board.

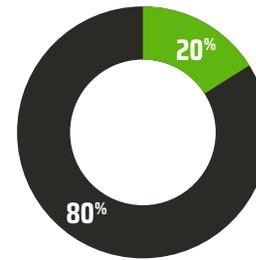
We believe that companies perform better with boards that are diverse in composition and leadership.

Our Board is comprised of 10 members with diverse backgrounds, skills, and experience. Seven of our directors are deemed “independent” under the Nasdaq Stock Market’s listing standards. 20 percent of our Board is BIPOC and 30 percent of our Board is female.

## BOARD DIVERSITY



● Female ● Male



● BIPOC ● Non-BIPOC



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



## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND OTHER IMPORTANT INFORMATION**

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Unless indicated otherwise, the information contained in this Sustainability Report speaks only as of the date hereof. In addition, certain statements contained in this Sustainability 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 Sustainability Report, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “would,” “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.