



MAKING GAMBLING  
100% ENJOYABLE



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# We transform gambling

Kindred Group was founded as Unibet in 1997 by Anders Ström on the principle that there is always a better way to operate in the gambling sector to ensure fair play, the best deal and a great experience for our players.

Today Kindred Group is one of the world's leading online gambling operators with business operations across Europe and Australia, offering over 25 million customers a great form of entertainment across 11 brands in a safe, fair and sustainable environment. Kindred Group, which employs about 1,500 people, is listed on the Nasdaq Stockholm Large Cap index and is a member of the European Gaming and Betting Association (EGBA) and founding member of ESSA (the sports betting integrity agency). Kindred Group is audited and certified by eCommerce Online Gaming Regulation and Assurance (eCOGRA) for compliance with the 2014 EU directive, the Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU).

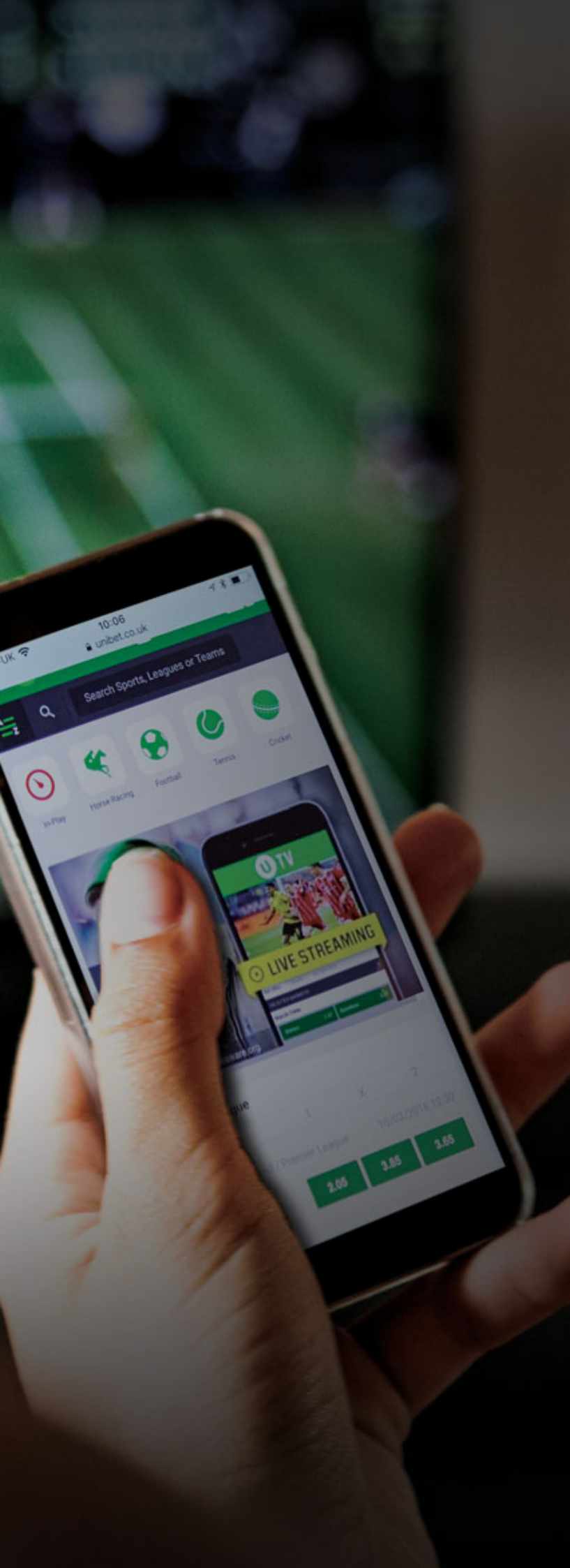
+ Read more on [www.kindredgroup.com/sustainability](http://www.kindredgroup.com/sustainability)

#### ABOUT THIS REPORT

Kindred's Sustainability Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core Option. The report covers activities in the 2018 calendar year and numbers are for the year ending 31 December 2018. We continuously track our material issues – our most important economic, environmental and social impacts – to ensure we are addressing the most vital topics.

The report is focused on material issues and activities in line with our stakeholder concerns and relevance, as per the extensive materiality analysis made in 2017 and continuous stakeholder dialogues during 2018. We strive for accuracy, timeliness, clarity and reliability in our communications.

The report has not been subjected to independent third-party assurance. PwC Sweden has performed a GRI check and confirms that the report is in accordance with the GRI Standards: Core option.



## SELECTED HIGHLIGHTS AND IMPROVEMENTS

**+18%\***

increase in active  
customers

**30**

million transactions on  
average per day

**11%**

of our customers use  
our non-mandatory  
control tools

**72%**

of our customers adopt a  
healthier gambling  
behaviour after our  
intervention

**0**

failures in compliance  
noted of 21 external  
audits

**35**

sports betting events  
reported as suspicious

**87%**

of our employees feel  
that Kindred is a great  
place to work

**-16%**

fall in CO<sub>2</sub>e per employee

\*Based on Q4 2017 vs. Q4 2018.

## OUR BRANDS





# A vision of making gambling 100% enjoyable



Our goal is that zero  
revenue is derived  
from harmful  
gambling by 2023.”

HENRIK TJÄRNSTRÖM, CEO, KINDRED

**Kindred provides digital entertainment and a great experience to our customers. This has been our focus from the start and continues to be the very core of our business. We provide entertainment in a safe and secure environment because a healthy and fun experience is a good experience. Good for our customers and good for Kindred.**

We run a successful business because we dare to challenge the norm. We do not accept that today's consumer behaviours will be tomorrow's consumer behaviours, or that how we conduct business today is how we will conduct business tomorrow. Where others say, "it cannot be done" we say, "we will try". It was this philosophy that founded Unibet in 1997 and it has been part of our culture ever since.

#### **OUR PURPOSE AND VALUES GUIDE US**

As an online gambling group with operations spanning literally across the world, we face interesting challenges and complex regulatory requirements wherever we set our feet. It keeps us on our toes and we enjoy the close relationship we have with local regulators across our markets. To ensure a steady course we have set out a clear path ahead, focused around our purpose of transforming gambling to ensure fair play, the best deal and a great experience for our players. We know where we are going, and we know how we are going to get there. Being able to create sustainable value for all our stakeholders is critical for any business or industry and Kindred is no different. On page five we describe how we at Kindred create value by focusing on three strategic pillars – 'Always the best deal and products', 'Licence to operate' and 'Ability to achieve results'.

#### **A SUSTAINABILITY FRAMEWORK TO MAKE A DIFFERENCE**

Last year we developed a new sustainability framework derived from a close dialogue with our key stakeholders, resulting in a materiality assessment. This framework, together with our corporate values, ensure we focus on where we as a company have the biggest impact, both positive and negative, and thereby can make a substantial difference. The framework is integrated into our long-term strategy, objectives and business model to ensure it filters through every area of our operations.

Setting out a sustainability framework is a detailed and inclusive process. Adopting and integrating it is something else. At Kindred we recognise the challenges and are under no illusion that this is a process that will take time. To support the process, we have this year set out several long-term ambitions to support the annual commitments described in this report. All these ambitions are guided by a vision of making gambling 100 per cent enjoyable on our online platform.

#### **Zero revenue from harmful gambling by 2023**

Our business is about customers putting money on the likelihood of a certain outcome. We know that this can lead to some customers losing control over their gambling behaviour. Sometimes just for a while, and others on a more permanent level. These customers need help to either stay in control or stop gambling altogether. It is our duty as an operator to provide our customers with the tools and information for them to ensure they continue to gamble for fun. Therefore, I'm encouraged to see a steady rise in the use of non-mandatory control tools as we know from research that they are effective.

Nevertheless, the approximately one per cent of customers who cannot keep their gambling under control need to stop and we as an operator need to help them in the best way we can. We do not benefit from having them as customers and our goal is that zero revenue is derived from harmful gambling by 2023. To reach this goal we continue to invest in tools and research, as we do not have all the answers ourselves. "Collaboration to Improve" was the theme at the 2018 Sustainable Gambling Conference, which you can read more about on page 17, and we intend to continue to collaborate with all relevant stakeholders.

#### **Behave with integrity and fairness in everything we do**

Taking care of our customers is an important part in building a trusted relationship with our stakeholders. So is our ability to behave with integrity and fairness in the way we run our business. We depend on the integrity and trust in us as a company, in our products and in the unpredictability of sports. We have set out clear commitments for 2019 and I particularly look forward to more industry-wide collaboration on integrity issues such as preventing match-fixing and the fight against cybercrime. Our sportsbook and security teams do a great job, which is necessary if we are to nurture the trust we enjoy from our customers and stakeholders.

#### **Adhere to the highest compliance and ethical standards**

We have a clear strategy to increase our share of revenue from locally licenced markets and part of that is also to ensure we keep our licences in those markets where we are locally regulated. To achieve this, we as a company need to understand and comply with both regulatory and ethical standards.

Our societies are becoming more sophisticated and complex by the day, which is a token of the impressive digitalisation we are all part of. However, this also means keeping up with new legislation and regulation, as well as collaborating with local authorities to prevent fraud, money laundering or corruption. It also means being accessible for audits and in 2018 we took part in 21 external audits across our markets, with no failures in compliance noted.

#### **Be a part of building a better future**

While we have been very attentive to regulatory requirements, the gambling industry has not been completely attuned to public expectations. This must and will change. For Kindred this is a prioritised area where we conduct audits, continuously listen and talk to our stakeholders, report on our environmental footprint, conduct ISO certifications, adjust our marketing concepts and improve on transparency.

I am aware of the challenges we face in terms of public perception and only the industry can change this. As a company we support local communities through employee engagement in local charities and through our larger commercial partnerships, as described in more detail on page 40, and together with organisations such as All-in Diversity and the European Football Development Network, to name a couple. We can of course always be better and I'm sure we will.

#### **Compete for talent through world class engagement**

However, achieving the above requires that we have the best talent and a strong company culture. I'm proud to see the impressive scores from our annual Great Place to Work survey, with 87 per cent of all employees describing Kindred as a great place to work. I'm convinced a big part of this is thanks to our culture. I'm also convinced that our culture will continue to develop as we become even more diverse. Already today we are over 50 nationalities across almost 1,500 employees. With our target of a 50/50 gender split across our senior management team by 2023, I'm sure we will be in an even better position to continue to transform gambling.

Kindred will keep pushing forward in the area of sustainability by championing a transparent and fair business, because we know it is good for our business and we know it is good for those around us.



**Henrik Tjärnström**, CEO  
Malta, 8 March 2019

# Our purpose and strategy

Transforming gambling by driving sustainable, long-term growth

### ENSURING FAIR PLAY, THE BEST DEAL AND A GREAT EXPERIENCE

In 1997, from his London flat, our founder Anders Ström set out to change the way players gamble and offer them an experience suited to the modern digital world. This led to the launch of Unibet, a business that would tap into the rise of the digital economy by offering sports betting, casino, poker and games over the internet.

As we look forward, our heritage of offering players a better way to gamble remains crucial. Innovations in technology, marketing and data offer huge opportunities to get even closer to the customer and maintain our position as pioneers of online gambling. Even as the online gambling industry changes, our Group works constantly to keep up with new market dynamics and regulations – ensuring a successful business for the long term. Kindred today is a fast-growing online gambling operator offering sports betting and games to about 25 million customers globally.

#### Sustainability governance

Kindred's Board of Directors has reviewed and confirmed the guidelines for our sustainability framework to ensure long-term capacity for value creation. These guidelines are formulated in our sustainability policy and can be found on [www.kindredgroup.com/about/corporate-governance/policy-documents](http://www.kindredgroup.com/about/corporate-governance/policy-documents). The main governance and supervisory body on sustainability in Kindred lies with the Board of Directors. The Executive Management is responsible for execution and ensuring it is embedded in the organisation. Our Sustainability Manager together with managers in relevant departments are responsible for ensuring that our policies and standards are followed and that employees are aware of what is required of them.

### A SUCCESSFUL BUSINESS IS A SUSTAINABLE BUSINESS

For Kindred, a successful business is about future-proofing operations to generate profit and value for a long period of time. It means continual improvements and responsibility for our operations – and constantly striving for change for the better. It's about delivering sustainable growth and shared values for our customers, shareholders and the local communities around us.

Driving sustainable, long-term growth is central to Kindred's purpose to transform gambling to ensure fair play, the best deal and a great experience for our players. Our focus on driving a sustainable business ensures that we keep our licence to operate and maintain our customers' trust in a highly regulated and competitive industry. We are convinced that the lasting economic success of any company these days is based increasingly on acting responsibly and ensuring social acceptance. Having healthy, long-lasting customer relationships and being a positive contributor to our surroundings offer a clear competitive advantage.

By improving our competitive advantages and acting in a responsible way today, Kindred safeguards the ability to do good business tomorrow. Kindred has set a high bar for its sustainability work, which involves long-term ambitions and a variety of activities over the coming years within our five priority areas: Responsible gambling, Maintaining integrity, Running a compliant business, Being Kindred and Contributing to our communities.

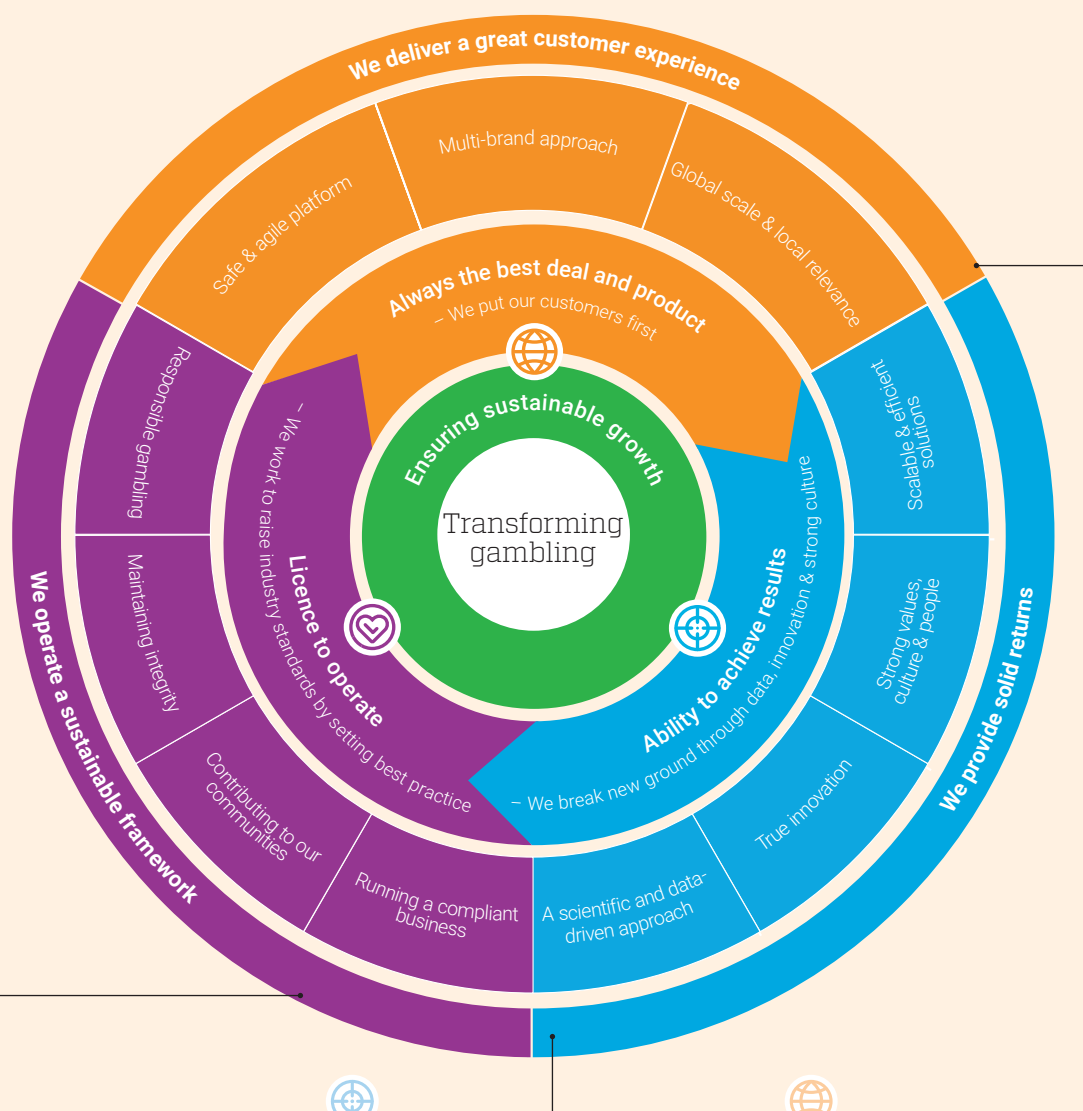


### FOCUSING ON THREE STRATEGIC PILLARS TO DRIVE PERFORMANCE

Kindred's business and strategic direction rests on our defined purpose to transform gambling and ensure sustainable growth and profits across all our markets. Our business is based on three pillars: Always the best deal and product, "Licence to operate" and "Ability to achieve results". The pillars are broken down into 11 focus areas, allowing us to operate a scalable, successful and sustainable business.



# OUR BUSINESS MODEL



## **LICENCE TO OPERATE: WE WORK TO RAISE INDUSTRY STANDARDS BY SETTING BEST PRACTICE**

Over recent years, online gambling operators have received criticism and mistrust from both decision-makers and monopolists. Sometimes it has been deserved. But more often it has been because our vision of transforming the online gambling industry, to ensure fair play, the best deal and a great experience, has put our customers first. Old truths have become obsolete as we gain licences in market after market. Perhaps the tough demands and the underdog perspective has brought something good to the table. It has pushed us hard and led us to perform better.

As a leading online gambling operator, we acknowledge our position and take compliance seriously. We do not see a trade-off between sustainability and profitability. We believe in exceeding regulatory standards wherever possible and setting the benchmark for player safety practices – as this is the only way to ensure sustainable growth over time.



## **ABILITY TO ACHIEVE RESULTS: WE BREAK NEW GROUND THROUGH DATA, INNOVATION AND STRONG CULTURE**

In our quest to break new ground, our heritage of “offering players a better way to gamble” remains crucial. A scientific and innovation-driven approach to technology and marketing brings us closer to the customer and keeps us at the forefront of online gambling. Our goal is to be the number one operator across all markets. To achieve this, we will continue to invest in new technology, products and above all else, our people. Without the diversity in our worldwide team, we would not be where we are today. We’re proud of who we are, where we come from and what we do. And we’re about to break new ground and disrupt ourselves again and again going forward.



## **ALWAYS THE BEST DEAL AND PRODUCT: WE PUT OUR CUSTOMER EXPERIENCE FIRST**

Where every action is measured, every experience is personalised and every decision is based on insight. We offer our customers a great form of entertainment, fine-tuned to present an unforgettable experience in a safe and fair environment every day.

Handling customer transactions, from numerous devices, in multiple jurisdictions and across all our brands, brings us close to our customers and lets us keep their best interests at heart.

Through the years, we have disrupted the online gambling industry over and over again. And by combining our knowledge of what players want with the ability to scale up fast, supported by our multi-brand strategy, we have the opportunity to enter new markets and further grow our product locally.

# Our stakeholders and most material topics

Making gambling enjoyable in  
a sustainable way involves contact and  
dialogue with a range of stakeholders





Without our customers, employees and investors, Kindred would not exist.”

The ongoing dialogue with our stakeholders is vital; their opinions, requests and perspectives guide the choices we make in our efforts to make our business more sustainable.

In 2017, we completed an extensive materiality assessment to help define and determine the business, social and environmental topics that matter the most to us and our key stakeholder groups. Our sustainability framework and 2018 Sustainability Report reflects the outcome of the materiality assessment and the progress we have made within the five priority areas we identified.

Below is an overview of the stakeholder groups that were engaged in the materiality assessment and the most material topics identified within each group.

Throughout 2018, we continued to engage with our stakeholders to better understand their concerns, explore how we can collaborate to improve our operations, and get their views on how we can do more to create long-term value in a sustainable

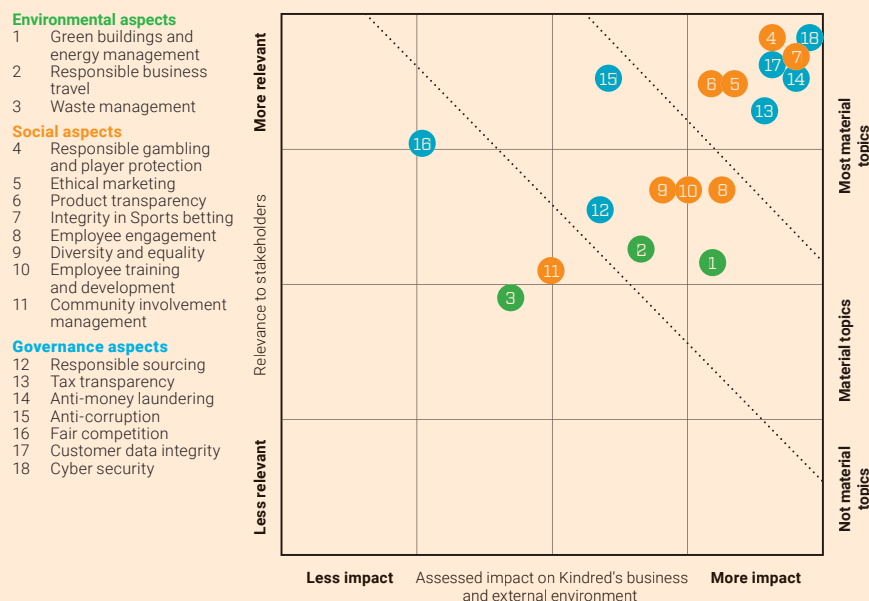
way. Read about what some of them have to say about Kindred and what we should focus more on, on the following page.

Our ongoing dialogues take place in the shape of external and internal surveys, personal meetings, investor relations, interviews, social media, participations in industry seminars, through our customer support department and in online chat forums.

In late 2018, and continuing into the first weeks of 2019, we initiated targeted perception studies with key stakeholders in Sweden and Belgium through individual in-depth interview sessions. The purpose was to better understand how our key stakeholders perceive the gambling industry in general and Kindred in particular, as well as what we as a company need to do to improve that perception. The study has given us valuable and concrete input that will be used to improve our sustainability efforts and relations-building activities going forward.

## STAKEHOLDER GROUP MATERIAL TOPICS RAISED

Owners and investors	<ul style="list-style-type: none"> <li>Responsible gambling</li> <li>Ethical marketing</li> <li>Tax transparency</li> </ul>
Partners (suppliers and associations)	<ul style="list-style-type: none"> <li>Responsible gambling</li> <li>Ethical marketing</li> <li>Sports betting integrity</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Responsible gambling</li> <li>Sports betting integrity</li> <li>Employee training and development</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Customer data integrity</li> <li>Responsible gambling</li> <li>Cyber security</li> </ul>



## EXPERTS' INSIGHTS

Our stakeholders and their expertise are essential for us to be able to improve our performance and make it more sustainable. Read the interviews to better understand their perspective on the areas where we want to improve and what they wish us to focus more on.



### Expert on sports integrity

**CHRISTIAN KALB,**  
ETHISPORT'S CO-FOUNDER

Ethisport is an audit company that specialises in integrity and ethics within sport. Its mission is to assist all stakeholders involved in sport to fight against external threats and potential manipulation of sports competitions.

#### What is sports integrity?

We talk about four specific areas: rules, fair competition, the economic value and the image value of sports. We need to protect these four areas from corruption, manipulation and doping.

#### How are gambling operators audited within the area?

In three steps. Firstly, we get to know the company and its environment. Secondly, we conduct a series of interviews with employees from various levels within the company. In Kindred's case, we interviewed 16 employees. We are looking at governance, risk, prevention and integrity awareness. Finally, we set up an action plan on how the integrity can be improved.

#### How does Kindred perform?

Kindred is part of the top five leading betting operators fighting against the manipulation of sports competitions. Employee awareness around sports integrity is excellent, and the employees we interviewed are in favour of acting when they suspect something is wrong.

#### What are the learning points for Kindred?

There are two areas. Firstly, overcome the controversial issue of licence versus unlicensed markets. Continue to avoid unlicensed markets where illegal betting and criminal activity take place. Secondly, do more work with the regulators regarding betting supply.

+ Read more about our work on securing and maintaining integrity on pages 20-25.



### Researcher on gambling

**DR MARK GRIFFITHS,**  
PSYCHOLOGIST AND DISTINGUISHED PROFESSOR OF BEHAVIOURAL ADDICTION AT NOTTINGHAM TRENT UNIVERSITY, UK

Author of five books, over 800 scientific journal papers, 150 book chapters and over 1,500 other articles, and winner of 21 national and international awards for his research.

#### What is the difference between a problem gambler and a social gambler?

It is a matter of magnitude. A social gambler is someone that gambles a few times a week as a social activity with friends. I haven't seen any research on social gambling saying that it is bad in any way, and the clear majority of gamblers in the general population are social gamblers. The research that has been done shows that around 0.5 per cent to 2 per cent have gambling problems depending upon which country the research was carried out in. Amongst them a tiny percentage is addicted to gambling.

#### How do researchers work together with the industry?

We share data and knowledge. The data that the operators have is far better than the data that we could collect without them. Without collaboration, our studies are based on interviews with relatively small numbers of gamblers, where people can distort the truth and give socially desirable answers to our questions. When we co-operate with the industry, we can base our studies on the data of tens of thousands of gamblers. Findings from that kind of high-quality data are much more statistically satisfying and empirically robust, thus the inferences are likely to be more insightful.

#### How do you ensure independence when you work with the industry?

Three decades ago, a researcher would never have spoken directly to an operator. Now we have come to a situation where if the industry is interested in reducing problem gambling, and researchers are interested in reducing problem gambling, there is no reason why we cannot work together on the challenges. As I tell everyone, I'm working with the gambling industry, not for the gambling industry, in trying to reduce problems.

#### What can the gambling industry learn from research?

Just like the alcohol industry, the gambling industry needs to understand that their consumptive product results in a small percentage of their customers having problems. Operators can never completely eliminate problem gambling, but they can minimise it to a level that is manageable. Research can help to minimise the problem, especially by evaluating whether the responsible gambling policies and tools in place actually work.

+ Read more about our approach to responsible gambling and customer protection on pages 12-19.





## Experts on diversity

**CHRISTINA THAKOR-RANKIN AND KELLY KEHN,**  
CO-FOUNDERS, ALL-IN DIVERSITY PROJECT

All-In Diversity Project is an initiative to create the tools for the global industry in order to progress in terms of diversity, inclusion and workplace equality.

### Is there a lack of diversity in the gambling industry?

Based on data submission from a cross-section of the industry, we can say that the overall split of men to women is 50/50. However, when we start to look at the level of gender diversity in terms of decision-makers or senior management, it is closer to 80/20.

### What are the challenges of reaching a gender diverse industry?

We have industry image issues, responsibility issues and strong competition for women in science, technology, engineering and mathematics careers globally across all industries. However, the biggest challenge we face will be cultural. The new generation have a desire to work for companies who are committed to social responsibility and whose values mirror their choices. Which brings us back to reputation and image.

### Why is gender diversity important?

1. Our customers are women too. If our internal teams do not look, think and feel in the same way as our customers do, how will we ever know what they want? Logic dictates that if we fail to attract the next generation of employees, we will also fail to attract the next generation of customers.
2. The younger generation have grown up in an education system that promotes and supports gender diversity more than ever before. They will expect to see this mirrored in the workplace. And, having a good mix of employees at board level has been shown to improve governance and mitigate risk.

### How can Kindred contribute to a more diverse industry?

Kindred has already played a significant role in starting to sow the seeds of change. Kindred was one of the first to join the All-In Diversity Project and in doing so made others start to think about diversity too. This is a "follow the leader" kind of sector. Other businesses must see your progress, understand why it's good business practice and be able to emulate what you are doing.

### What Should Kindred focus more on to ensure enjoyable gambling for its customers?

The easy answer is social responsibility and player protection – safe players are happy players. The less easy answer is giving them an experience which engages and educates as well as entertains. For the next generation, doing things which have a positive social or environmental impact will be a big driver in their consumer choices, so perhaps something which allows them to give back would make for a happier and more fulfilling gambling experience, e.g. a skill-based bonus round where winnings go to a charity or cause of choice.

**+ Read more about our approach to a diverse and healthy workforce on pages 30-35.**



## Regulator on customer protection

**SANT YANICA,**  
SENIOR LEGAL COUNSEL AT MALTA GAMING AUTHORITY

Malta Gaming Authority regulates the gaming industry by ensuring gaming is fair and transparent to the players, by preventing crime, corruption and money laundering and by protecting minors and vulnerable players.

### How do authorities ensure an effective regulatory framework?

Authorities should recognise that regulatory frameworks are actually the vehicle for achieving regulatory objectives, and not the end-goal. Frameworks get outdated, but objectives don't. Legislators must also acknowledge the fact that the input of other stakeholders within the industry when drafting the regulation ensures that the framework is as effective as it can be.

### How do authorities empower and protect consumers?

The regulatory framework sets the right standard for consumer protection and must ensure that all licenced operators are to grant players the necessary tools to be in control of their gaming activity. As a regulator we have also actively decided to maintain an open line of communication with all players. Players are free to report any circumstances which raise suspicion of any wrongdoing by operators.

### How do regulators wish to work together with the industry?

Effective regulation does not come from regulators regulating in a silo. Collaboration with the industry is not only ideal but it is imperative. As regulators we recognise the fact that the industry is able to provide very different perspectives to the application of any given policy or obligation, as well as to recommend improvements to the same.

### How can Kindred contribute in protecting the consumer?

What Kindred and all gaming operators should be pushing for is consumer empowerment. An empowered consumer is one who is in control of his or her gaming activity and who engages in the activity in a sustainable way.

### How can Kindred raise the standards?

Operators such as Kindred should monitor players in a manner which not only identifies problem gamblers, but also encourages all consumers, from the beginning of their relationship with the operator, to make use of responsible gambling tools. Kindred is one of the operators who is already creating great waves on this front, and we strongly encourage all operators to follow suit. The industry should be proactive and come to the regulator with solutions for consumer protection.

**+ Read more about how we run a compliant business on pages 26-29.**

# Our sustainable business

Driving sustainable, long-term growth is central to Kindred's purpose to transform gambling to ensure fair play, the best deal and a great experience for our customers

Sustainability is at the heart of Kindred's business operation and is embedded in our corporate strategy to become the number one operator across our markets. In 2017, we carried out an extensive materiality assessment (see page 7) to identify the most important sustainability management topics, risks and impacts for our business. The outcome of the assessment is the base of Kindred's sustainability strategy, focusing on the five highlighted areas in our business model. On the following pages, you can read more about each priority area, our progress, long-term ambition and next steps for the coming years.

### SUPPORT FOR THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

In 2018, Kindred reinforced its commitment to the 2030 Agenda and its 17 Sustainable Development Goals (SDGs), adopted by all United Nations member states in 2015. We prioritise eight of the global goals that have significance for Kindred across our whole business. The global goals that Kindred influences are shown below. Our ambition and plan for the coming years is to clarify and formulate our work within these goals and continue to develop our approach to how we can help achieve these SDGs, as well as additional ones.



3: GOOD HEALTH AND WELLBEING



5: GENDER EQUALITY



8: DECENT WORK AND ECONOMIC GROWTH



10: REDUCED INEQUALITIES



12: RESPONSIBLE CONSUMPTION AND PRODUCTION



13: CLIMATE ACTION



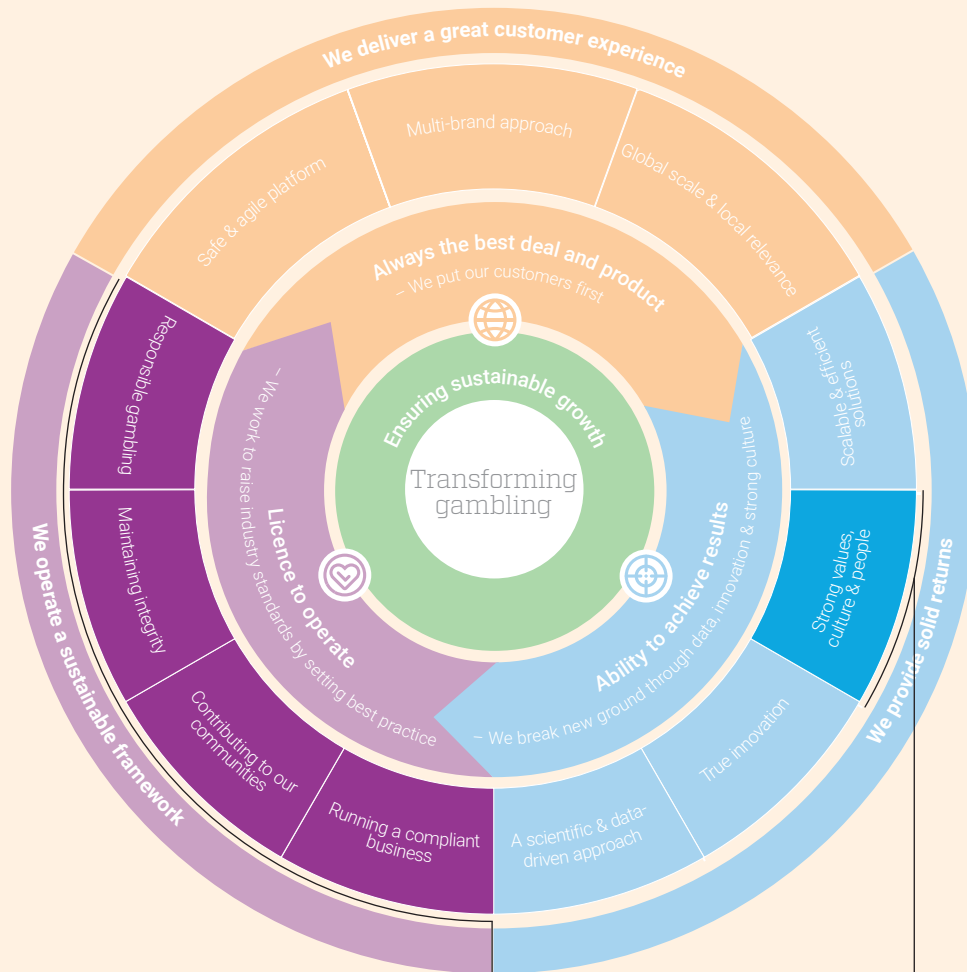
16: PEACE, JUSTICE AND STRONG INSTITUTIONS



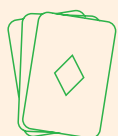
17: PARTNERSHIPS FOR THE GOALS



## OUR FIVE PRIORITY AREAS



### OUR PRIORITY AREAS



Responsible  
gambling

P 12



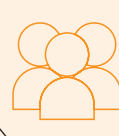
Maintaining  
integrity

P 20



Running a  
compliant  
business

P 26



Being  
Kindred

P 30



Contributing  
to our  
communities

P 36



OUR PRIORITY AREAS  
RESPONSIBLE GAMBLING



# Responsible gambling

People have enjoyed gambling for centuries. It is about having fun and being part of a joyful moment with other people and players. This is why people enjoy gambling.

Promoting responsible gambling is our number one sustainability priority.





It's time for dialogue,  
increased transparency  
and collaboration to  
move towards zero  
compulsive gambling."

The clear majority of people enjoy our offering in sports betting, casino and games in the way it is intended. Around 98 per cent<sup>1</sup> of the people who gamble do so as a recreational activity. This means that we also have customers who use our products in a way they are not intended to be used.

For those customers, gambling is not entertainment and can cause harm to their physical, emotional and financial health, as well as to the people around them. Kindred does not want to have customers who are not in control of their gambling. We are committed to do all that we reasonably can to prevent and minimise harm caused by gambling and to help and support those who find gambling to be a problem.

We believe that by working together, across gambling operators, regulators, treatment centres, researchers and partners with responsible gambling ambitions, we can make a difference and move towards an industry that offers customers true entertainment. Our ambition must be to not have a single customer harmed from gambling on our platforms. This is why Kindred, as part of a vision to make gambling 100 per cent enjoyable, makes the commitment to reach zero revenue derived from harmful gambling by 2023.

<sup>1</sup> [http://europa.eu/rapid/press-release\\_IP-14-828\\_en.htm](http://europa.eu/rapid/press-release_IP-14-828_en.htm)

## OUR RESPONSIBILITY AND CONTRIBUTION

For more than two decades we have been investing heavily in developing technologies to detect and prevent problematic gambling behaviours. As an online operator, we create a digital fingerprint of our customers' behaviour. The fingerprint allows us to monitor, detect and follow-up on problematic activities, and provide targeted customer protection, which is a central part of building a safe and responsible gambling environment. To further help our customers make smart choices, we have responsible gambling information accessible on all our platforms, even if the customers are not logged in.

## DETECTING PROBLEMATIC CUSTOMER BEHAVIOUR

Kindred has been working on consumer protection as an essential part of our responsible gambling strategy for years. In 2012, we took consumer protection to the next level and applied empirical research with the objective to look at the possibility of detecting early signs of problem gambling behaviour of our customers. It resulted in our model PS-EDS (Player Safety – Early Detection System) and is a major pillar in Kindred's sustainable gambling approach. The system monitors and inserts user data from each customer into a scoring system and creates an alert to our Responsible Gambling team if the customer's behaviour shows signs of potential problem gambling. >

### 2018 HIGHLIGHTS

11%

of our customers use one or several of our non-mandatory control tools

72%

of our customers adopt a healthier gambling behaviour with responsible gambling messages

200+

regulators, researchers, therapists and other experts attended our Sustainable Gambling Conference

2

new collaborations entered to offer customers free licences of gambling-blocking software



## OUR PRIORITY AREAS

### RESPONSIBLE GAMBLING CONTINUED

➤ What indicates a potential problem behaviour? This ranges from chasing losses and winnings, changes in deposit methods, declined deposits and reversed withdrawals to destructive written and verbal communication on our platforms or in contact with our customer support.

#### HELPING CUSTOMERS STAY IN CONTROL

If signs of potential non-responsible gambling behaviour occur, an automatic notification is sent to our Responsible Gambling team, consisting of highly trained analysts on the topic of harm minimisation and consumer protection. Our team builds a profile of the customer and advises on the most suitable responsible gambling tools to help him or her to stay in control.

Kindred proactively reaches out through the channel that the customer finds most appropriate – email, online message or phone call from a responsible gambling expert – and via this dialogue, we advise him or her on the steps that could be taken for safer play through education and promotion of responsible gambling. The timing of the proactive contact is carefully prepared to reach the customer when he or she is most receptive to our message about responsible gambling. In 2018, we contacted over 30,000 customers with responsible gambling messages, and we have seen that after communicating with our customers, 72 per cent adopt a healthier gambling behaviour.

#### PROVIDING RESPONSIBLE GAMBLING TOOLS

Kindred has invested in providing several control tools, such as the possibility of allowing the customer to set limits on depositing across their entire account, to set a limit on how much they can lose on a specific product group within a specific timeframe or even to block certain products entirely. Another control tool includes reality checks, which gives the option to customers to receive a time reminder. We invest in research to see what makes a control tool efficient to help our consumers. Research shows that the most efficient

tools are the ones that are voluntary and not mandatory but, depending on the jurisdiction, we offer what the local gambling regulation requires or recommends. For example, Italy and Sweden support mandatory limits upon registration, whereas Denmark and Estonia support voluntary tools.

If a customer does not manage to play responsibly even after following our intervention of implementing our control tools, it can be necessary for him or her to take a break. For those customers, we advise the option to self-exclude from gambling on our sites either for a short period such as 24 hours or for a longer period up to six months. In some jurisdictions, we also offer permanent self-exclusion. In rare cases, we close the account ourselves.

Approximately 11 per cent (2017: 9 per cent) of our customers use one or several of our non-mandatory control tools and we see a clear correlation between using the tools and staying in control.

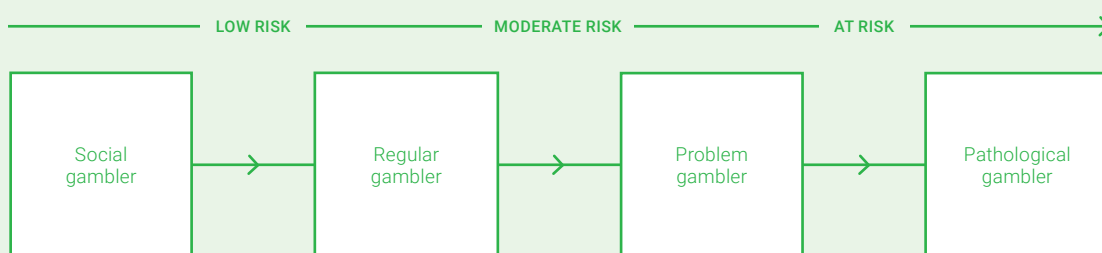
Chart 1 and 1a shows the relationships between the use of control tools and long-term self-exclusion. The more of our customers use our control tools, the fewer self-exclusions we see.

Chart 2 and 2a shows the relationships between control tools and long-term self-exclusions for PS-EDS detected customers. There is a clear uptake in the use of control tools in the group of customers who have been identified in our system as a gambler at risk and receive personal advice as a result. It indicates that our proactive outreach approach does have a positive effect on customers' level of control.

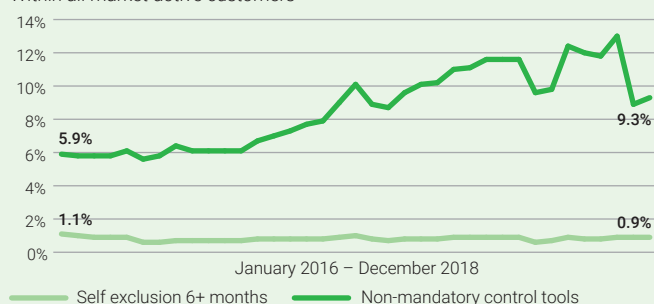
We continuously measure the effectiveness of our detection system by looking at the usage of the control tools and following how the behaviour develops post-implementation. For example, we have observed that 70 per cent of our customers deposit less after having been detected in PS-EDS and that 9 per cent set up a non-mandatory control tool the following month. ➤

## FOUR GAMBLER TYPES IN THE PS-EDS FRAMEWORK

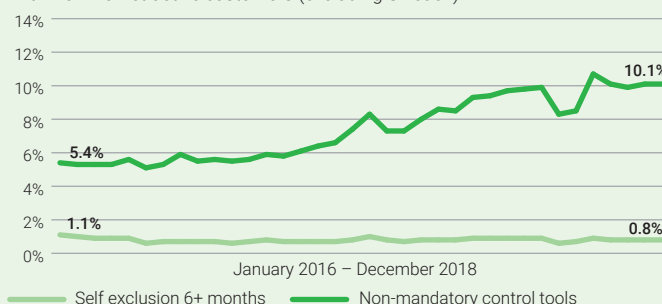
All our customers' behaviour is classified into a scoring system. We base our risk classifications on four gambler types.



**Chart 1: Monthly % usage of self-exclusions (6+ months) compared to non-mandatory control tools**  
Within all market-active customers



**Chart 1a: Monthly % usage of self-exclusions (6+ months) compared to non-mandatory control tools**  
Within all market-active customers (excluding Sweden)



**Note:** There is a drop on % non-mandatory usage in December due to the step-by-step re-regulation process; the deposit limit and reality check tools are considered as mandatory control tools in Sweden for December.

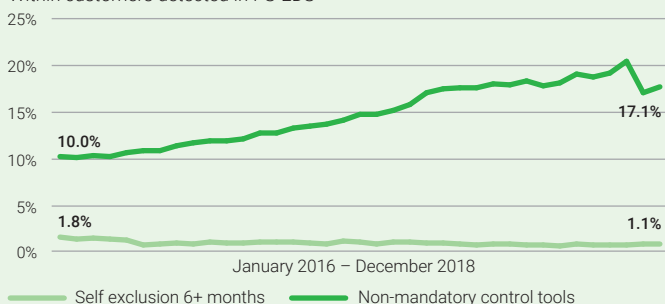




“We understand how important it is to collaborate with different stakeholders and experts, such as governing bodies, operators, suppliers, treatment centres and researchers, and to support this collaboration we host a yearly, free-to-attend Sustainable Gambling Conference to facilitate debate and the exchange of ideas, information and best practice around the topic of problem gambling.”

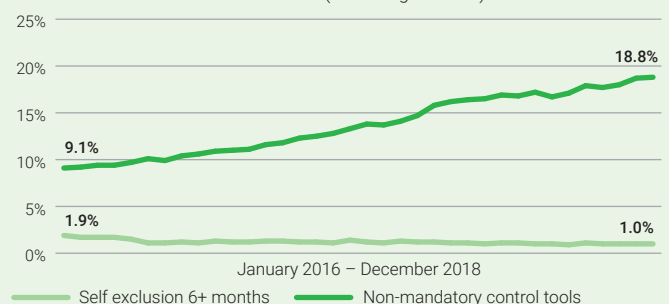
**MARIS BONELLO**, HEAD OF PLAYER SUSTAINABILITY, RESEARCH & INTEGRITY

**Chart 2: Monthly % usage of self-exclusions (6+ months) compared to non-mandatory control tools**  
Within customers detected in PS-EDS



Source: Kindred Group platform

**Chart 2a: Monthly % usage of self-exclusions (6+ months) compared to non-mandatory control tools**  
Within customers detected in PS-EDS (excluding Sweden)



Source: Kindred Group platform



## OUR PRIORITY AREAS

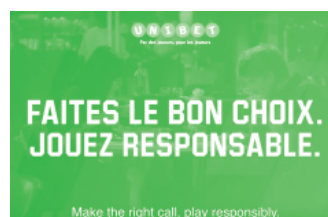
### RESPONSIBLE GAMBLING CONTINUED

#### OUR TOOLS

Our tools – Usage in percentage of active customers		All customers	Customers detected in PS-EDS
<b>Deposit limits</b>	allows our customers to stay in control of their spend	<b>4.55%</b>	<b>19.16%</b>
<b>Reality checks</b>	allows our customers to stay in control of their time with alerts at 30m, 60m or 90m intervals	<b>0.06%</b>	<b>0.15%</b>
<b>Loss limit</b>	helps our customers control their gambling by setting a loss limit on any product	<b>0.79%</b>	<b>3.49%</b>
<b>Self-exclusion &gt; 6 months</b>	helps our customers stay in control by blocking access to their account for a set time period or indefinitely	<b>3.12%</b>	<b>7.44%</b>
<b>Self-exclusion &lt; 6 months</b>	lets our customers take a break from specific products by restricting access for a set time period	<b>1.94%</b>	<b>5.85%</b>
<b>Product blocks</b>		<b>1.17%</b>	<b>8.34%</b>
<b>Block betting website</b>	software that lets our customers block access to all gambling sites		

Our responsible gambling tools are promoted through a dedicated responsible gambling page on all our brand sites and when appropriate through personal communication to our customers.

Knowing when not to take a bet is just as important as knowing when to. Unibet provides you with the tools to make the right call. Play responsibly.”



In August 2018, Unibet Belgium started running TV commercials with a clear message on how to play responsibly.

<sup>2</sup> Hanss, Daniel & Mentzoni, Rune & Griffiths, Mark & Pallesen, Ståle. (2015). The Impact of Gambling Advertising: Problem Gamblers Report Stronger Impacts on Involvement, Knowledge, and Awareness Than Recreational Gamblers. Psychology of Addictive Behaviors. 10.1037/adb0000062.

“Responsible gambling and player protection” and “Ethical marketing” were both topics deemed most material in our Materiality Assessment. The corresponding GRI topics can be seen in the GRI Content Index.

> In recent years, the use of control tools has increased, which means more customers stay in control and use our products in the way they are intended. We continually evaluate our responsible gambling tools’ impact and are committed to providing the best possible ones in the most efficient way. Kindred does not accept customers spending more money than they can afford, and we do all we can to help customers make informed choices and stay in control.

#### SUPPORTING BEST PRACTICE IN MARKETING

Our ambition to transform gambling does not only focus on the gambling experience but also stretches to include our approach to marketing. Kindred is a provider of entertainment and we compete for people’s leisure time and leisure spend. We invest heavily in marketing to differentiate ourselves from competitors because we believe in promoting our products and their features. We believe that advertising should be carried out in a socially responsible manner, and we recognise that it is time for the industry to evolve and transform its marketing approach. As such, Kindred has taken steps to be at the forefront of the evolution of gambling marketing during 2018, including the following:

- / Establishing trade associations in Sweden, Denmark and Norway and taking an active stance on helping drive discussions on a marketing code of conduct for the gambling industry.
- / Pro-actively testing alternative marketing approaches. For example, limiting the marketing of player bonuses and instead putting the focus on key product features.
- / Exploring a new advertising strategy in select markets, such as launching TV commercials in Belgium entirely based on responsible gambling messages.
- / Introducing messages around responsible gambling in our sponsorship advertising screens and boards in the UK and Denmark.

Little is known, about whether advertising actually contributes to problem gambling<sup>2</sup> but as an industry-leading operator we are keen to proactively seek to minimise any risk. With our heritage of challenging the status quo, we will continue to review our marketing approach in order to innovate new ways to stand out without focus on short-term promotions.

All of our marketing is done in accordance with applicable laws and general consumer protection legislation. Customers who self-exclude from a brand will not receive direct marketing from that brand, and our ambition is to act carefully and not market to any customer who does not wish to receive gambling advertising. In 2018, we commenced collaboration with software companies Gamban and Betfilter to offer customers the opportunity to download free licences of gambling-blocking software. We also collaborate with treatment centres, so they can offer these licences for free to patients receiving treatment.

#### AFFILIATE MARKETING

In addition to our own marketing channels, we use affiliate partners to advertise on behalf of our brands. We maintain control of our marketing outputs by carefully selecting the affiliates we work with, who are bound by our strict terms and conditions, including clear affiliate advertising guidelines. We have zero tolerance towards any affiliates that breach these terms and conditions and have entered into a collaboration with web monitoring services. These services continuously scan third-party sites to ensure our brands are promoted in a compliant and sustainable manner. In addition, the individuals and companies that own and operate these affiliates are verified in a similar way to our customers.



## CASE STUDY

### RESPONSIBLE GAMBLING AND COLLABORATION AT THE SUSTAINABLE GAMBLING CONFERENCE

In October 2018, Kindred arranged the Sustainable Gambling Conference in Stockholm, Sweden welcoming over 200 guests from around Europe. Experts from regulatory agencies, researchers, operators and gambling addiction therapists discussed issues that are crucial for a sustainable gambling industry.

Kindred arranged its first Sustainable Gambling Conference in 2016 and every subsequent year we have taken the opportunity to gather the industry and its stakeholders to raise current challenges and explore solutions, with the aspiration to create and secure a sustainable gambling economy and environment.

We have taken this initiative because we strongly believe that co-operation between stakeholders is necessary to prevent problem gambling. No single operator, supplier, regulatory authority, research centre or other expert can tackle these challenges alone. We must learn from each other and co-operate in partnership to improve our responsible gambling efforts.

The conference theme in 2018 was "Collaboration to Improve" and subjects such as anti-money laundering, integrity in sports, ethical marketing, responsible game design and online treatment were discussed by experts and stakeholders.

The conference panel discussion was particularly appreciated, focusing on "The impact of gambling addiction on society". Kindred invited persons from European associations with responsibilities encompassing gambling addiction as well as former gambling addicts to openly converse and take questions from the audience.



Proposed actions to tackle the challenges of reaching a more sustainable gambling industry were presented during the conference, including actions such as how best to educate young people about the risks associated with gambling, establish a joint blocking system and to introduce a ban on playing on credit.

Kindred will continue to take a leadership position on these issues by highlighting the importance of collaboration and will arrange the 2019 Sustainability Gambling Conference to again raise the topic of gambling harm, awareness and prevention approaches as well as explore solutions around the use of data and technology within the industry.

+ See a summary of the 2018 conference at [kindredgroup.com/sustainability](https://kindredgroup.com/sustainability) and the entire conference, including individual interviews with the experts and speakers, at [sustainablegambling.com](https://sustainablegambling.com).



## OUR PRIORITY AREAS

### RESPONSIBLE GAMBLING CONTINUED



To remain successful, we need to build trust by taking responsibility throughout the entire value chain. For Kindred, sustainability is about creating long-term and healthy relationships with all stakeholders. To do that, we need to collaborate, utilise important research findings and integrate these into our tools and products. That's the only way for us to create the best experience for our customers, inspire others, steer the development in the right direction and create a more sustainable gambling industry."

**HENRIK TJÄRNSTRÖM,**

CHIEF EXECUTIVE OFFICER AT KINDRED GROUP



# SUSTAINABILITY COMMITMENTS

## AMBITION

0% gross winnings revenue derived from harmful gambling

## NEXT STEPS FOR 2019

Increase the real-time communication of responsible gambling messages for 50% more of our customers identified at risk of problem gambling

Increase by 50% the number of our customers who use voluntary responsible gambling tools, by increasing awareness and user-friendliness of the tools

Educate the public and our customers in responsible gambling by launching broad communication campaigns on sustainable consumption in a minimum of six of our markets

Continue to stimulate collaboration by arranging the fourth annual Sustainable Gambling Conference

WHAT WE SAID IN 2017	WHAT WE DID IN 2018	OUTCOME
Continuous improvements to our customer protection approach to ensure customers stay in control	Entered a collaboration with Gamban and Betfilter to offer customers at risk of problem gambling free licences of gambling-blocking software	
Continue to train all customer-facing employees and senior managers in the psychology of gambling	Trained all our account managers with EPIC Risk Management – a specialist in education on problem gambling and addiction	 ONGOING
Drive marketing concepts with a focus on responsible gambling and driving trust	Integrated messaging on responsible gambling in our advertising during the World Cup Implemented a new marketing concept in Denmark focusing on cashback from losses instead of promoting bonuses (Maria Casino) Broadcast TV commercials in Belgium entirely based on responsible gambling messages (Unibet) Included clear responsible gambling messages in our globally run marketing Bet and Breakfast series (Unibet)	
Initiate new collaborations with researchers and/or subject matter experts	Initiated a three-year collaboration with researchers to investigate customer profiling, loyal customers, self-perception and personalised feedback Initiated collaboration for research on psychosocial benefits of gambling to build a 360° picture of understanding gambling	
Host the third Kindred Group Sustainable Gambling Conference	Welcomed over 200 international guests to our conference and discussed issues that are crucial for a sustainable gambling industry	
Further analyse gambling behaviours to continually improve our control tools	Initiated a plan and suggestions for new responsible gambling tools to be developed in 2019	
Broaden PS-EDS scope, including optimised customer interaction	Launched a process for follow-ups using different risk segmentations after each customer interaction	 ONGOING



OUR PRIORITY AREAS  
MAINTAINING INTEGRITY



# Maintaining integrity

Kindred's mission is to offer customers a great experience  
through a platform that is safe and secure





Since 1997, Kindred has delivered a safe and secure platform where people can enjoy our gambling products. We want our customers to experience a rewarding journey through our digital gambling platform and part of this is to provide the required levels of system and data security as well as a trustworthy gambling product.

Maintaining integrity means ensuring that gambling is conducted fairly and openly, free from betting-related corruption. The integrity of betting is important because of the significant risks that any compromise would pose to sport, its practitioners and fans, given its scale and popularity around the world. That is why our commitment is to always behave with integrity and fairness in everything we do, to gain the trust of our customers, the regulators and society as a whole.

#### TRUSTING THE HONESTY OF SPORT

Sport is probably the largest global entertainment industry. Billions of people around the world enjoy sports – whether it is through participation or watching. A key element in the popularity of sport and competition is the unpredictable nature of the outcome. Knowing that there is always a chance of being part of the unexpected and unbelievable twists and turns of a match. Taking the unpredictability away by fixing the outcome of an event puts the nature of sport and the future of the favourite pastimes of billions in jeopardy. Match-fixing is a criminal act and a threat to sport and the entire sports entertainment chain industry, including betting operators.

Match-fixing is a threat to the gambling industry, not only because of short-term losses accrued by customers with acquired and misused inside information, but more importantly, if people lose faith in the honesty of a sporting event, there is no point in placing a bet. Customers will lose trust in us and lose interest in our betting products. It is therefore imperative for Kindred to contribute to the fight against match-fixing.

#### DETECTION AND REPORTING OF SUSPICIOUS BETTING ACTIVITY

Kindred monitors all placed bets and continuously collects information and knowledge to develop intelligence about potentially corrupt betting activity. We look at several factors when we investigate irregular betting activity, one of which is when the market prices exceed our assessments of what is reasonable.

We are not alone in wanting to fight match-fixing and Kindred believes that co-operation is key. We act side by side with stakeholders such as local authorities, policy makers, cyber security, law enforcement agencies and sports federations to eliminate attempts to pollute sport with criminal activity. As a provider of sports betting, our contribution lies in performing thorough ID-controls of customers and monitoring every deposit, withdrawal and game. When suspicion of manipulation is identified, we follow a strict routine where we always first inform >

#### 2018 HIGHLIGHTS

90%	of our employees completed training on GDPR
54	vulnerabilities identified, resolved and remediated
35	sports betting events reported as suspicious
27	members of ESSA – the non-profit integrity body of the online betting operators



## OUR PRIORITY AREAS MAINTAINING INTEGRITY CONTINUED



“We believe in trust, transparency and working alongside key stakeholders as the primary ways of combatting global match-fixing.”



Maris Bonello, Head of Player Sustainability, Research & Integrity, discussing consumer protection in the European Parliament in December 2018.

- > local authorities, then the relevant sport's governing bodies followed by ESSA (the non-profit integrity body of the online betting operators). In 2018, we reported 35 sports betting events (2017: 60) to ESSA.

A risk to the monitoring and control of these possible criminal acts is when players turn to non-licensed operators to gamble on products that are illegal within the licensing system and not covered by jurisdictions. We believe in legal regulation of sports betting and in the surveillance of betting. We believe in trust, transparency and working alongside key stakeholders as the primary ways of combatting global and local match-fixing.

### TACKLING MATCH-FIXING IN CO-OPERATION



With co-operation being key in the combat of match-fixing, we continue to seek partnerships and to invest in relationships with relevant stakeholders in the sport integrity field. Kindred is a member of the UK Sports Betting Integrity Forum and co-operates with Anti-Doping Denmark, the secretariat of the Danish national platform. Kindred is also represented via the trade association Branschföreningen för onlinespel (BOS) in the national platform of Sweden.





The national platforms are set up to improve co-operation between the relevant stakeholders, including local prosecutors, regulators and sports federations, reflecting the provisions in the Macolin Convention on the manipulation of sport events, published by the Council of Europe.

In addition to the national anti-match fixing platforms, we co-operate with sports governing bodies. In 2018, we signed a Memorandum of Understanding with FIFA, the global governing body for football, following up on our established co-operation with The Tennis Integrity Unit.

#### ESSA WORKFLOW

1. A customer identifies himself or herself, registers an account with a regulated betting operator and places a bet



2. The regulated operator monitors all transactions 24/7 and has a 100% audit trail of who bets on what



3. When an operator detects any suspicious activity, an ESSA alert is created which is shared with all members



4. All 27 members investigate the reported event, and report back to ESSA



5. If ESSA finds evidence of an integrity concern, ESSA reports the case to gambling regulators and sports governing bodies

#### ESSA

ESSA Sports Betting Integrity is a non-profit integrity body of the regulated betting industry and reports aggregated findings on suspicious betting events to regulators and sports governing bodies. ESSA works closely with the world's leading sport federations, such as the International Olympic Committee, FIFA and UEFA. ESSA has signed Memorandum of Understanding with European gaming regulators to make sure relevant intelligence is shared with the respective authorities as soon as possible. Kindred co-founded ESSA in 2005 and today, 27 regulated operators are members of ESSA.

#### EDUCATION AND TRAINING

To increase awareness around match-fixing and sports betting integrity, our employees take part in training programme on several levels, from basic to expert-level content; the latter is targeted at senior management and other key positions within the Group. Kindred participates regularly in international sports betting integrity conferences and forums to discuss issues that are crucial in the fight against the manipulation of sports competition. We collaborate with sports governing bodies, sport and betting trade associations, law enforcement, gambling regulation and other betting operators to educate and be trained in match-fixing.

#### REGARDED AS A LEADER IN SPORTS INTEGRITY

In 2018, we received the results of an audit conducted by sports betting integrity audit company Ethisport in 2017. The audit gave Kindred a global rating of 70 per cent, classified as "very good", and provided a few recommendations which will be addressed during 2019 and 2020. The industry average rates are 45-50 per cent and while we are flattered to be regarded as one of the leading gambling operators regarding sport integrity, there is still more work to do to improve further. We recognise that our ambition requires substantial efforts and dedication, but we are convinced that the integrity of our platform must be guaranteed.

#### TRUSTING OUR PRODUCTS IS CRUCIAL

Kindred offers hundreds of games on its platform which are all regularly tested by independent accredited testing agencies as well as local gambling authorities. It is of utmost importance that our customers can be assured that the games on our platform are fair and fulfil set requirements and game rules.

Kindred, as well as its suppliers of games, are verified by the international testing agency eCOGRA (e-Commerce and Online Gambling Regulation and Assurance) – a UK-based industry organisation that works to promote safe and responsible gambling. eCOGRA examines us and our suppliers annually to certify that the software is accurate, reliably and securely maintained and operated, and that we and our suppliers are continuously tested by other independent agencies.

All suppliers undergo a rigorous due diligence process before being integrated to Kindred's platform, where everything from corporate ownership to operational suitability is assessed. Each jurisdiction in which Kindred is active enforces a regulated framework that dictates the local rules for the specific market. On a more granular level, before launching a new game from a previously approved supplier, we require certifications for the product and the specific market. The certification guarantees that the product meets all local regulatory requirements and that the mathematical outcome from the game is true to its stated specification.

#### TRUSTING A RESILIENT GAMBLING PLATFORM

We operate on a proprietary state-of-the-art technical platform giving us the flexibility, scalability and stability necessary to continue to grow as a business. The platform handles billions of transactions per year, making cybersecurity one of our top priority areas. >



## OUR PRIORITY AREAS

### MAINTAINING INTEGRITY CONTINUED

- As a gambling operator holding financial funds for our customers, we always strive to have the highest standards of security in place. We constantly adopt best-in-class controls and tools and further innovate through new and emerging technologies to ensure we maintain the highest security levels.

Kindred's Security team has a range of ongoing projects that it is working on to continue to protect its critical assets. The most significant commitment is to implement a certified information security management system to the international standard ISO27001 for all core markets. The ISO27001 will ensure that all Kindred entities are operating under a single set of governing security policies, procedures and guidelines.

The Kindred Security team is focusing heavily on strengthening secure development practices through a variety of programme aimed at increasing the developer security awareness and capabilities. The developer security career path is a programme designed to take developers from understanding the most basic and common security flaws, through to being an advanced practitioner of secure development. This has been supplemented in 2018 by interactive secure development exercises and self-assessments.

#### IDENTIFYING VULNERABILITIES

Kindred invites selected security researchers to conduct penetration tests against the various brand websites to discover possible vulnerabilities before they are exploited by a malicious entity. Through our private bug bounty programme, we identified 54 vulnerabilities in 2018, 8 of which were of a critical nature, and all of which have been resolved and remediated (2017: 23, 2). We have increased the scope of our bug bounty programme to include all brands' websites, with the objective of including mobile apps in 2019.

It is crucial for our ongoing business success that our employees are diligent and observant. Every year, all Kindred employees must go through cybersecurity and information security training. The Security team tests our employees recurrently without warning to raise awareness of phishing attempts and general information security. More than 20 educational, fictitious phishing campaigns have been sent internally during 2018, keeping staff aware of the importance to report all phishing attempts they receive.

#### CUSTOMER DATA INTEGRITY

Kindred works proactively to protect customers from having their accounts compromised or suffering any other sort of data integrity abuse. The most common method for this occurring is the "credential reuse attack" whereby other companies suffer a leak of their customer usernames and passwords which are obtained by malicious entities who attempt to reuse these credentials against new targets. Through the development of a proprietary detective capability known as Password Audit Framework (PAF), Kindred has been able to proactively protect 471,000 customers from this form of attack in 2018 (2017: 349,000). In 2018, Kindred has deployed advanced bot detection and prevention techniques on its platform to further reduce the impact of such attacks.

#### WITHSTANDING INFORMATION SECURITY

Kindred ensures cyber resilience against distributed denial of service (DDoS) attacks through heavy investment in infrastructure and best-in-class upstream protection partners to offset DDoS loads. Over the years, Kindred's resilience and capacity to withstand DDoS attacks has increased over a hundred-fold. Throughout 2018, Kindred has focused on further modernising its Incident Response Plan (IRP) and building better internal detective capabilities to identify, contain and recover from incidents. With the EU General Data Protection Regulation (GDPR) applying in May 2018, Kindred's focus has been on ensuring that the IRP is able to detect and report all GDPR-related incidents within the 72-hour time frame required by the regulation.

The effective deployment and use of network and host-based Intrusion Detection Systems (IDS) have ensured that Kindred is resilient to new and emerging threats such as the apparition of new class of hardware-based vulnerabilities with Spectre and Meltdown and the outbreaks of crypto-miners. In 2019, Kindred will continue improving our security controls on endpoints by extending our monitoring and response capabilities.

#### COMPLYING WITH GDPR

In January 2018, all Kindred employees went through mandatory training on what the new GDPR would mean for our business policies and processes. When the GDPR became applicable in May, Kindred was prepared, having worked hard on all our platforms, customer-facing processes and policies to meet the new requirements.

Kindred has appointed a Data Protection Officer to improve compliance with our data protection obligations and to ensure that all personal data Kindred holds is handled in line with GDPR regulations. Being compliant with GDPR is a comprehensive and an ongoing compliance journey that affects the entire organisation. It requires our solid efforts all year around. We will continue to reduce the risk of human error by educating our employees through regular mandatory training and tailored courses.

# 471,000

Customers were proactively protected from data integrity abuse in 2018

"Product transparency", "Integrity in sports betting", "Customer data integrity" and "Cybersecurity" were all rated most material in our Materiality Assessment. The corresponding GRI topics can be seen in the GRI Content Index in this report.



## SUSTAINABILITY COMMITMENTS

### AMBITION

Always behave with integrity and fairness in everything we do to gain trust by our customers, the regulators and society as a whole








### NEXT STEPS FOR 2019

Actively participate in two national anti-match-fixing platforms

Complete the ISO27001 certification for information security

Increase the % of customers who believe that Kindred is trustworthy (January 2019: 77%)

Ensure continued 100% disclosure and response rate to any investigation conducted by a competent body

WHAT WE SAID IN 2017	WHAT WE DID IN 2018	OUTCOME
Seek to participate in national anti-match-fixing platforms	Joined the UK Sports Betting Integrity Forum	
Increase internal awareness and understanding of GDPR	Added a mandatory awareness training on GDPR for employees as part of our compliance training process Several presentations were held in our offices by our Data Protection Officer	
Adherence to GDPR	Incorporated the new GDPR requirements for incident response and developed specialised GDPR training for employees to roll out in 2019	 ONGOING
Deliver a customer privacy and security portal	Reduced the priority due to delay in associated dependencies	 ONGOING
Raise effectiveness of customer identification across brands	Significantly increased the number of verified new customers through electronic identification	
Increase customer access to product information	Full mapping of game library for return to player and volatility information to be made visible for customers in 2019	 ONGOING
Complete ISO27001 certification project	Preparatory work for certification audit process in 2019, e.g. refreshed security policies and had them approved	 ONGOING



# Running a compliant business

Conducting business in a responsible and transparent way





As a global Group operating in a regulated market, we need a licence and appropriate authorisation to operate. Kindred currently holds international gambling licences in Malta and Gibraltar and local licences in 11 jurisdictions, including Australia, Belgium, Denmark, Estonia, France, Germany (Schleswig-Holstein), Ireland, Italy, Romania, the UK and Sweden (from 1 January 2019), which are all monitored through local gambling authorities.

In 2018, 43 per cent of our gross winnings revenue was derived from locally regulated markets and the number is growing every year (2017: 42 per cent). With the Swedish gambling licence secured in November 2018, our gross winnings revenue from licenced markets will be expected to increase further in 2019.

Compliance is a prerequisite for our business and we are subject to strict rules and provisions in the countries where we hold licences. With every local licence having its own specific legal, operational and commercial requirements, Kindred has over the years invested heavily in compliance and governance functions. We currently have 110 employees within our business working on this aspect of our operations. We govern our operations according to internationally recognised standards and our policies outline the way we conduct business in a responsible and transparent way. Our ambition is to ensure that in a highly regulated industry, our operations always continue to meet the highest professional, compliance and ethical work standards.

#### **WORKING WITH STAKEHOLDERS TO ENSURE SUSTAINABLE REGULATION**

Kindred understands that gambling needs to be regulated in a stable manner to ensure protection that considers both the needs of the individual customer and wider social impacts. This is why Kindred has worked for many years in co-operation with legislators, regulators, industry bodies and other stakeholder groups to ensure that gambling regulation achieves a relevant sustainable environment. We are active members of all gambling trade associations in the markets we are active in and strive through collaboration with peers to further streamline the communication on policies from the industry.

During 2018, Kindred undertook 21 regulatory audits across all its licenced activities as required by the terms of its licences (2017: 27), with no failures in compliance noted. The Great Britain Gambling Commission (GBGC) ruled however that 32Red, part of the Kindred Group, would be fined GBP 2 million in relation to a failure to prevent money laundering. The penalty refers to a case from 2016/17 prior to Kindred acquiring 32Red. Kindred accepted the penalty and recognised the raised standards required by the GBGC. >

#### **2018 HIGHLIGHTS**

30

million transactions on average per day

21

external audits and zero failures in compliance noted

43%

gross winnings revenue is derived from locally regulated markets

11

local jurisdictions – all monitored through local gambling authorities



Ensuring our customers enjoy gambling in a safe and secure environment, and managing our corporate risk, is a key part of running a successful business, which is why we have sustainability as a key priority for the Company.”

EWOUT KEULEERS, GROUP GENERAL COUNSEL AT KINDRED

#### ➤ TACKLING MONEY LAUNDERING

Kindred takes crime prevention very seriously. Our systems and controls are designed to keep money launderers and other criminals away from our platform across multiple jurisdictions. We require all employees to participate in regular anti-money laundering training, and we provide further training targeted to those groups who are tasked with detecting and preventing money laundering.

As an online gambling operator, we do face some of the same challenges as financial institutions. In 2018, we processed on average 30 million transactions per day and every one of these is subject to strict anti-money laundering rules (2017: 22 million). Our global Anti-Money Laundering/Counter-Terrorism Financing Policy, together with our research-based systems and tools, provide the foundation for all our employees to recognise and adhere to requirements in this area.

Kindred has several systems monitoring each single transaction to determine risk and requires customers at risk to provide its source of funds. Higher-risk activity is checked by a dedicated team which is trained to de-risk the situation by appropriate customer due diligence and necessary actions. If a customer's activity level is determined to be high risk, an Internal Risk Report is raised, and if the customer is kept at high-risk level following further internal investigations, we raise a report to the National Financial Investigation Unit in the specific market. In 2018, Kindred reported 343 suspected cases of money laundering to relevant authorities (2017: 300). Collaboration between operators, authorities, regulators and other partners is crucial if we are to improve techniques and tools to fight fraudulent behaviour across digital platforms.

Kindred is always looking to find innovative ways of improving its business and is currently exploring how the use of deep learning and AI techniques can strengthen our Anti-Money Laundering decision process, by collaborating with City, University of London, and BetBuddy, a responsible gambling data analytics specialist.

All Kindred's supplier relationships are subject to frequent anti-money laundering review.

#### ANTI-CORRUPTION

Kindred does not tolerate corruption or bribery under any circumstances and requires all employees to participate in regular anti-corruption and anti-bribery training. In 2018, we launched an employee-focused Global Bribery Policy and a Global Gift Policy to provide useful and necessary assistance to all employees. There have not been any reported breaches of these policies within Kindred's workforce.

#### WHISTLEBLOWING

We strive to maintain a transparent business environment and high professional ethics and we value the safety and respect of everyone affected by our business. At Kindred, employees have an important role in raising concerns about any form of malpractice in our organisation through our whistleblowing service, which is readily available to all employees. In 2018, we reviewed our whistleblowing procedure and partnered with an independent reporting service which facilitates secure and confidential communication between Kindred and its stakeholders. Concerns raised are managed and reported on a quarterly basis to the Audit Committee. The new independent service will be rolled out and relaunched as "Speak Up!" in Q1 2019.

#### RECOGNITION OF OUR EFFORTS

In 2018, Kindred once again reinforced its strong approach and performance regarding compliance and player safety by winning three prestigious awards at the Global Regulatory Awards, including the Most Significant Contribution to Responsible Gambling Research, as well as winning the Socially Responsibility Bookmaker of the Year at the Sports Betting Community Awards.

343

suspected cases  
of money laundering  
raised by Kindred  
to authorities

"Anti-money laundering" was rated most material in our Materiality Assessment and "Anti-corruption" was rated as material. The corresponding GRI topics can be seen in the GRI Content Index in this report.



## SUSTAINABILITY COMMITMENTS

### AMBITION

Ensure that our operations always continue to meet the highest professional, compliance and ethical standards

### NEXT STEPS FOR 2019

Complete the implementation of ISO 19600 for compliance governance and management

Increase internal awareness regarding the importance of compliance in a regulated industry by performing compliance roadshows and increasing training participation

Pro-actively avoid compliance incidents and thereby ensure operational continuity

WHAT WE SAID IN 2017	WHAT WE DID IN 2018	OUTCOME
Launch a refreshed employee anti-bribery training module	83% of our employees completed updated training	✓
Investigate improved ways to detect money laundering activities	Identified a new, more automated system of reviewing our supplier relationships, to be implemented in Q1 2019	✓
Continue to build relationships with regulators, policy makers and law enforcement agencies in each of our markets	Strengthened our internal networking capability by hiring additional employees in Public Affairs as well as amplified how we internally align and use learnings and experiences across markets	✓
Improve transparency of non-financial reporting	Published and promoted Kindred's first Sustainability Report	✓





# Being Kindred

Look up the word “Kindred” in the dictionary, and it refers to individuals with shared values, beliefs and attitudes. It is the shared values of innovation, the common belief in friendship and attitude of always wanting to challenge how things are done in the industry, that unites us at Kindred.





Since the beginning and for more than 20 years, our business has been about building a team that can challenge how things are done.”

Our people are our strongest assets and we rely on attracting and keeping top talent to deliver on Kindred's strategy for ensuring sustainable growth and profits. A key element of this is to offer a best-in-class employee experience. We invest heavily in building a great place to work through offering access to a supreme office environment, training and development of our employees, highly competitive benefits and great events for all employees.

Kindred is a value-led community with a strong culture built on dedicated employees with diverse backgrounds. Our values play a leading role in creating the ground-breaking culture necessary for Kindred to be the number one operator across all markets.

Considering Kindred's significant growth, both in terms of people, products and geographical regions, we must always work actively to support and nourish our culture. We do that by helping employees feel and perform at their best at work. We regularly gauge our employees' level of engagement and satisfaction to understand what supports our culture and what we should focus more on. Our long-term commitment is ambitious, but we have always strived for the best for our employees. We strive to be one of the world's highest-ranked companies within employee engagement. >

#### 2018 HIGHLIGHTS

**87%** of our employees feel that Kindred is a great place to work

**465** skilled employees joined us

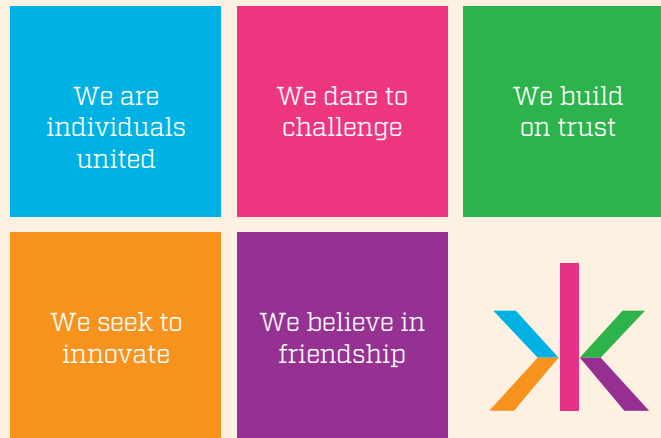
**5** entire teams relocated into new state-of-the-art offices

**3** important initiatives were supported to drive the diversity agenda within our industry



## KINDRED'S VALUES

Our five values are the foundation of our business they shape our behaviour, they inspire us to act and communicate what is important to us.



**WE ARE INDIVIDUALS UNITED**, we're a diverse network of passionate and talented individuals who are proud to be part of Kindred. As experts in our different areas, we all add something special to the Company. Our success depends on attracting and keeping the best talent who recognise the importance of being a part of a winning team.

**WE DARE TO CHALLENGE**, we see all challenges as an opportunity to do something in a better way for you, for the team and for our customers. We hunger for growth both personally and professionally and go above and beyond to deliver the successful products of tomorrow. Only through acting now and taking calculated risks will we stay one step ahead of the competition.

**WE BUILD ON TRUST**, our success is built on trust. We trust each other to deliver on our promises. We believe in empowerment and we are all trusted to make the right choices for Kindred and our customers. We behave with integrity and fairness in everything we do and because of this we are trusted by our customers, the regulators and the industry as a whole.

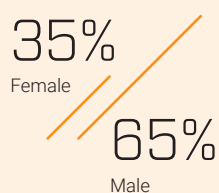
**WE SEEK TO INNOVATE**, we foster an environment where initiative and innovation are rewarded. We combine our skill and experience with novel thinking to spot new trends and tools to improve our customers' experiences. We regard failure as a stepping stone to success. We listen, we learn and we adapt.

**WE BELIEVE IN FRIENDSHIP**, we believe in humility and have a genuine interest in our colleagues. We believe that being friendly is more than an attitude; it's a way of working. We enjoy what we do, and it shows. It's infectious and builds relationships that last, and friendships that grow. Through friendship comes trust, and through trust comes loyalty — the key to our business.

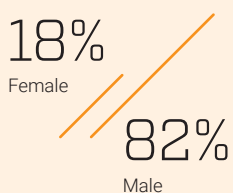


## DIVERSITY AND EQUALITY

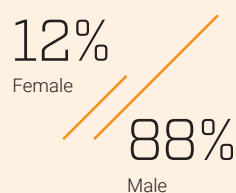
### All employees



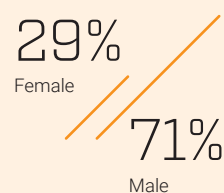
### Senior management



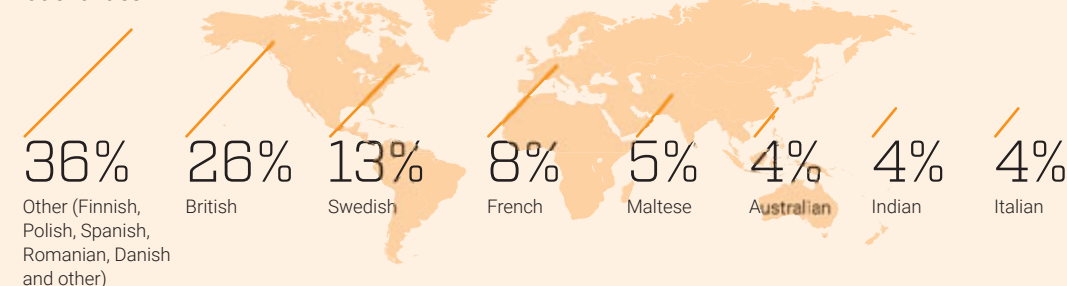
### Executive management



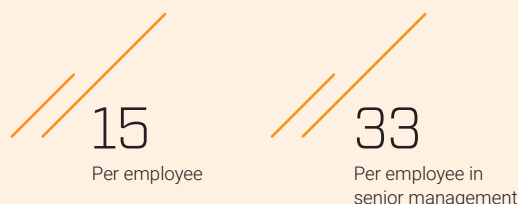
### Board of Directors



### Nationalities



### Average hours of training in 2018



## > CAREERS AT KINDRED

At Kindred, everyone has clearly defined roles and responsibilities, and works in a culture that encourages them to drive change and challenge how things are done. By being a global company operating a portfolio of brands within sportsbook, casino and games, it is possible for us to share tools and best practices across our brands and support a creative and friendly environment. This exchange supports our teams to learn from each other and experience working in new groups and geographical locations. We know that our employees are admired within their fields of expertise and are keen to have an open dialogue on what might be a next step for them. Kindred's Human Resource department is responsible for managing the talent and career development of everyone at Kindred, and that includes internal scouting and recruitment, offering a transparent and fair hiring process.

## DEVELOPING OUR PEOPLE

We recognise that the strength of our people capability is the key to our success, so we foster a learning culture through investing in the development of our employees from their first day. We have a strong internal network to deliver both facilitator-led and peer-to-peer development opportunities. The Kindred Academy enables access to internal training, external courses, study sponsorship opportunities, coaching and conference attendance to employees throughout their career at Kindred. The courses range from leadership and management to data science and user experience, and give the employees the chance to acquire new and in-depth skills, expertise and knowledge, as well as expanding their internal and external network. In the development of our people, we ensure that we are building a team that can challenge the status quo and identify new and better ways of working. >



#QUEENRULES

## #Queenrules

We launched #Queenrules, an initiative to raise funds and awareness for HeForShe – a UN Women initiative for gender equality. #Queenrules is a new way to play cards with a special deck where Queen outranks King.

+ Read more about the campaign that challenges stereotypes within our industry at [www.queenrulesproject.com](http://www.queenrulesproject.com).



Getting all of us  
together thinking as  
one team is a condition  
for our success.”

- On top of individual training and development, Kindred requires all employees to regularly demonstrate their competence in information security, anti-money laundering, responsible gambling, General Data Protection Regulation, and anti-bribery and corruption. We report regularly on completion of the training to ensure that this commitment is owned by our management team.

#### A DIVERSE WORKFORCE

As a truly global company, Kindred is committed to creating a diverse workforce comprised of people from a wide array of backgrounds, cultures and viewpoints. Equal opportunities lie at the heart of the entire employee journey, including recruitment, training and benefits regardless of gender, disability, race, nationality, religion, sexual orientation or age.

Our strong belief is that a diverse workforce enhances the quality of decision-making and performance by covering different experiences and viewpoints. Over the years, diversity within Kindred has improved in several aspects. For example, we represent an increasingly diverse range of the world's different nationalities and we have achieved an improved gender distribution across our Board of Directors. While diversity runs much deeper than just gender balance, this is where our priority lies over the coming years. We will implement measures to support female employees to develop and work towards attaining leadership roles, and by 2023, we want the gender split to be 50/50 across our senior management.

#### A HEALTHY WORKING ENVIRONMENT

Kindred employees are not subject to collective bargaining agreements but are entitled to a series of employee benefits within areas ranging from pension schemes and private health insurance to parental leave and wellbeing allowance. We give all our employees the opportunity to contribute to and share in the success of the Company through Kindred's Employee Share Plan, and during 2018, 656,701 share awards had been granted to our employees (2017: 759,306). In France, employees elect a staff representative every five years, supported by their chosen trade union.

We are committed to providing a safe, healthy working environment in which all our employees are empowered to achieve their full potential. We respect human rights by working against all forms of discrimination within our organisation. All employees must strictly adhere to our equal opportunities policy and any failure to follow our commitment to equality of opportunity will result in action being taken.

#### KINDRED CONTINUES TO GROW

Every day we are joined by new employees, new customers and sometimes even new partners and brands. Kindred is a fast-growing global organisation with around 1,500 employees representing more than 50 nationalities across 11 countries. Getting all of us together and thinking as one team is a condition for our success.

In 2018, our workforce grew by 7 per cent, corresponding to more than 100 employees. We took several steps and initiatives towards becoming an even more responsible employer offering world class employee experience:

- / We relocated teams into five new state-of-the-art offices in Malta, Gibraltar, Paris, New York and Madrid, equipped with top modern technology and facilities offering our employees a great place to work. In April 2019, our Stockholm team is moving as well.
- / We encouraged employees to give feedback on our culture, strategy and the tools we use through our yearly participation in the global Great Place to Work survey. The participation reached a 91 per cent response rate (2017: 89), and 87 per cent believe Kindred is a great place to work (2017: 83).
- / We rolled out the Kindred Manager DNA Programme, a new training plan to create opportunities for everyone to grow and develop with Kindred.
- / We reported our gender pay gap data for the UK, and we recognise that we do face challenges in gender imbalance across the Group – specifically at manager level.
- / We became a founding member of the All-In Diversity Project, an industry-driven initiative that provides us recommendations in areas such as recruitment practices, unconscious bias and employment legislation.
- / We launched #Queenrules, an initiative to raise funds and awareness for HeForShe – a UN Women initiative for gender equality. #Queenrules is a new way to play cards with a special deck where Queen outranks King.
- / For two consecutive years, we were the proud main sponsor of the Women In Tech conference in Stockholm, an industry collaboration to inspire women to consider a future in the field of technology.

"Employee engagement", "Diversity & equality" and "Employee training and development" were all rated material in our Materiality Assessment. The corresponding GRI topics can be seen in the GRI Context Index.



## SUSTAINABILITY GOALS

### AMBITION

Become one of the world's  
highest-ranked companies  
within employee engagement

### NEXT STEPS FOR 2019

Increase the number of employees who feel our corporate values reflect who we are today (2018 score: 3.98 out of 5)

Clarify the most valued attributes of leaders internally and provide training opportunities for employees who wish to sharpen their skills within the areas, towards our 2023 target of a 50/50 gender split across our senior management

Increase our score from employees who feel Kindred is a Great Place to Work to 89%

WHAT WE SAID IN 2017	WHAT WE DID IN 2018	OUTCOME
Help drive the diversity and equality agenda within the online gambling industry	Became a founding member of the All-in Diversity Project Launched the #Queenrules project Continued sponsorship for Women In Tech	✓
Improve employee work environment	Moved teams in to new improved offices in Malta, Gibraltar, Paris, New York and Madrid	✓
Raise awareness of gender diversity within Kindred	Reported our gender pay gap data (UK)	✓ ONGOING
Carry out targeted communication of updated employer brand	Participated in selected conferences such as Women In Tech and SiGMA to attract priority talents Invested resources in our LinkedIn presence, resulting in having 25% more followers to engage with	✓
Develop new manager training	Launched Kindred Manager DNA Programme	✓
Review whistleblower policy	Approved new policy for employees, contractors and suppliers to roll out in Q1 2019	✓



OUR PRIORITY AREAS  
CONTRIBUTING TO OUR  
COMMUNITIES



# Contributing to our communities

All corporations contribute to society, the local communities and their people in some way. In addition to offering entertainment in a sustainable way, we aim to continue to contribute by stimulating economic growth, taking part in our local communities and minimising our impact on climate change.







Our long-term ambition is to equip the communities in which we operate with the knowledge and resources to build a better future. We will do so by continuing to stimulate economic growth through innovation and providing employment opportunities as well as by paying more taxes to an increased number of governments through further licenced jurisdictions. We will increase our social engagement through additional partnerships and active sponsorships, as well as ensure that 100 per cent of our purchased energy will come from renewable resources by 2023.

#### CONTRIBUTING TO A SUSTAINABLE ECONOMY

By being one of the largest gambling operators in the European market with millions of customers and hundreds of suppliers worldwide, Kindred makes an important contribution to sustainable economic growth, the cornerstone of prosperity in society. We generate government revenues through the taxes we pay and stimulate economic growth through higher production and innovation as well as direct and indirect employment. In 2018, we made a total tax contribution of almost GBP 190 million (2017: GBP 137 million).

Kindred is determined to fulfil its global tax obligations by operating in full compliance with all local and international tax laws as well as OECD Transfer Pricing guidelines. We pay taxes in accordance with local regulations in all countries in which we operate. We manage tax costs and risks carefully, and by reporting and paying taxes in due time, we aim to maintain a good reputation of being compliant. Read more about our approach to tax in our Tax Strategy Report.

#### A POSITIVE IMPACT THROUGH OUR SUPPLIERS

We purchase many different services and goods and see it as our responsibility to extend our influence throughout the value chain to improve the standards of our business partners and suppliers. We work to build long-term relationships with our suppliers and apply a Global Procurement Policy as well as Supplier Code of Conduct that clearly communicates the standards we expect regarding labour and human rights, health and safety, business ethics and environment. We believe that by placing high demands on our suppliers, as we do on our own operations, the pace of progress will increase, contributing to a more sustainable economy. See the below chart for our spend distribution across supplier types. >



#### 2018 HIGHLIGHTS

**186** million GBP generated to governments in tax

**-24%** reduction in our emissions per GBP million turnover

**100%** of our reported CO<sub>2</sub> emissions were offset

**+150%** employees used their extra paid leave for contributing to the local communities

### ➤ CONTRIBUTING TO OUR LOCAL COMMUNITIES

Kindred believes in being an active participant in the local communities in which we operate. We are committed to giving back to our surroundings both through sponsorship as well as by sharing our knowledge and experience within our areas of technology, great experiences and diversity.

We offer paid leave for all our employees, providing up to three days per year to work for a local charity or organisation. In 2018, more than 80 employees used their days, contributing almost a 1,000 hours to the local communities that we operate in (2017: 30 employees). We are happy that the number of employees who contribute to their local communities through our paid leave has more than doubled compared with the previous year, but we are not yet satisfied. In 2019, we want 10 per cent of our personnel to be involved in initiatives to support our local communities. Kindred has started a partnership with a charity volunteering booking service, to ensure our resources are used where it makes sense to our business and to help employees make use of these days.

In 2018, our offices undertook several initiatives to support their local communities, including the following:

- / Supporting UK local communities through established partnerships with football clubs, horse racing, boxing and darts organisations to promote responsible gambling and provide money-can't-buy experiences to fans.
- / Signing an agreement to support the development of Swedish football through the sponsorship of the Swedish Elite Football Association and its 32 member clubs.
- / Sharing our technical skills by participating in Hackney IT Drop-in, a digital skills training session for the elderly, in London.
- / Supporting diversity – Kindred's bathrooms in the UK are now using handcrafted body-care products from Soap Co, made by people who are blind or disabled.
- / Creating entertainment – our employees in Gibraltar joined the Annual Charity Cardboard Boat Race as both sponsors and participants, in support of GBC Open Day Appeal and the Gibraltar Cardiac Association.

### CONTRIBUTING TO COMBAT CLIMATE CHANGE

Kindred is one of Europe's largest gambling operators, with strategic sites in several countries on three continents. While our operations will continue to grow, we aim to promote sound greenhouse gas reducing practices and environmental awareness in our business. By 2023, we are committed to procure 100 per cent of our electricity from renewable sources of energy.

As a company operating solely online, our climate impact is as a result of energy usage and business travel. We calculate our Group's annual CO<sub>2</sub>e emissions (carbon dioxide equivalent), using a third party to be compliant with the Greenhouse Gas Protocol Corporate Standard. In 2018, our total carbon footprint was 6,557 tonnes of CO<sub>2</sub>e. Our total emissions have decreased by 9 per cent compared with 2017.

The main contribution to our carbon footprint is business travel by air. In 2018, flights represented 59 per cent of our carbon footprint (2017: 62 per cent). Our flight emissions decreased by 13 per cent compared with 2017, which was a year with a lot of travel due to

our all-staff conference. Our business travel is expected to increase in the future due to operational growth, but our objective is to continue to reduce our emissions per employee and per GBP million turnover by investing in and embracing technology that reduces the physical need to travel. We always strive to use our resources efficiently and in 2018, we managed to decrease our Group emissions per GBP million turnover by 24 per cent, a measure of our carbon intensity (2017: -8 per cent).

For the carbon footprint we do not manage to avoid, Kindred has chosen to offset its emissions through a verified third party and through projects that meet the requirements of Verified Carbon Standard. This is in our view a way for us to take responsibility for our actions, highlight the issue and compensate for the impact. For 2018, our entire carbon footprint was offset and we technically achieved carbon neutrality.

An important part in sharpening the focus in reducing our impact is through our Carbon Disclosure Project (CDP) score, which measures the Group's ability to monitor and quantify its carbon emissions. The score ranges from A to D, with A as the best possible rating. In 2018, Kindred received a score of C. The results will support the Group in understanding how we can improve our performance moving forward.

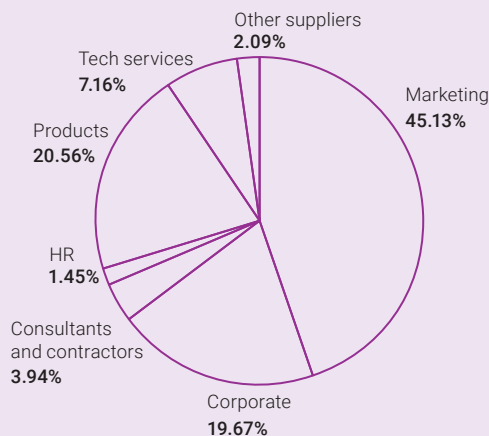
"Green buildings and energy management", "Responsible business travel" and "Responsible sourcing" were all rated material in our Material Assessment. The corresponding GRI Topics can be seen in the GRI Content Index.

### GENERATING GOVERNMENT REVENUES THROUGH TAX\*

	2018 GBPm	2017 GBPm
<b>Nordics</b>	18	15
<b>Western</b>	147	105
<b>CES</b>	16	18
<b>Other</b>	5	6
<b>Group</b>	186	137

\* Income tax expenses, betting duties and social security costs.

### TOTAL SPEND DISTRIBUTION BY CATEGORIES OF SUPPLIER





In 2018, we were proud to again be awarded a “AAA” rating in the MSCI ESG Ratings review, the highest of any company in the gambling sector, with the statement:



Kindred has set some of the most ambitious targets for energy use reduction across the industry. It also offers employee stock plans, which strongly link employees’ interests to the success of the firm; most of the employees are eligible for this programme. The Company reduces the likelihood that it would face costly regulatory fines resulting from involvement in corrupt business practices, which it achieves by articulating its ethical codes and enforcing these with employee training and whistleblower protection. It continues to maintain strong privacy and data security of its customers compared with its peers while mitigating vulnerabilities associated with its online operations.”



**MORGAN STANLEY CAPITAL INTERNATIONAL ENVIRONMENT, SOCIAL AND GOVERNANCE RATING**



In June 2018, Kindred sponsored the Grid, a 15km race in Malta. Our Malta team participated in and supported the local sport event.

## CASE STUDY

### HOW UNIBET WILL SUPPORT THE DEVELOPMENT OF SWEDISH ELITE FOOTBALL

After years of planning, the regulation of the Swedish gambling market finally happened. The Swedish Parliament's decision to allow for competition and welcome new actors to operate in Sweden allows new partnerships to form and contributes to club activities and the community.

The new gaming licence will now make it possible for Swedish sports to gain market value from their partnerships, which is positive for the clubs, the associations and of course for the athletes.

In June, Kindred signed an agreement with Svensk Elitfotboll to become the new main sponsor for the Allsvenskan and Superettan leagues, via the Unibet brand.

The sponsorship agreement will run for six years with an option for an additional six years at a total value of up to 1.8 billion Swedish crowns (approximately 146 GBP million) – making it one of the biggest investments in Swedish sports ever.

The sponsorship has a clear strategy to develop Sweden's elite football league to a top competitive league in Europe. The three strategic focus areas are:

1. to develop Swedish football;
2. to enable the football family to contribute to society by providing the clubs with funds for "grass roots" training and development opportunities; and
3. to continue the fight against match-fixing through enhanced collaboration.

The sponsorship funds will be distributed annually between the clubs in Allsvenskan and Superettan (32 clubs across Sweden) and will fund the association's talent development and the value and integrity work.

The sponsorship begins on 1 January, 2020.



We are very proud to have made this historic agreement with Svensk Elitfotboll. The agreement includes a significant long-term commitment to Swedish sports, an opportunity we have been longing for during the last 20 years. We are very pleased to announce the partnership and we look forward to contributing to the development of Swedish football."

**DERSIM SYLWAN,**  
GENERAL MANAGER SWEDEN, KINDRED GROUP

# 1.8bn

Swedish crowns to develop Swedish football. To read more about the sponsorship and how the compensation will be distributed, please visit [www.kindredgroup.com](http://www.kindredgroup.com).



## SUSTAINABILITY COMMITMENTS

### AMBITION

Equip the communities in which we operate with the knowledge and resources to build a better future






### NEXT STEPS FOR 2019

Continue to give back through active sport sponsorships in the markets we have licences to operate in, including embedding sports betting integrity and social engagement in all sponsorship agreements

Identify and enter a Group partnership guided by Kindred core values

Evaluate our purchase of energy and develop an action plan to increase our proportion of renewable energy, towards our 2023 target of 100% renewable power

Increase the number of employees who use their charity days by 50%

WHAT WE SAID IN 2017	WHAT WE DID IN 2018	OUTCOME
Increase the number of employees who use their charity days	Increased the number of employees by approximately 150%	
Enter global and local initiatives for employee engagement	Entered a collaboration with Benefacto, a charity volunteering booking service in the UK	 ONGOING
Launch new travel policy with focus on limiting business travel	Evaluated our travel booking processes and implemented a step of approval by the manager	 ONGOING
Update our supplier on-boarding process to include social criteria	Developed our processes with primary focus on regulatory compliance, and in 2019 we will develop our sustainability practices within our supplier portfolio	 ONGOING
Identify global partnerships	Entered a partnership with the European Football for Development Network – a network to promote the power of football as a tool for social development	

## GRI CONTENT INDEX

The following table contains Standard Disclosures from the Global Reporting Initiative (GRI) Standards: Core Option.

GRI Standard	Disclosure	Page(s)	Comment(s)/omission(s)
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures (Core Option)</b>			
<b>GRI 102: General Disclosures 2018</b>	<b>Organisational profile</b>		
	102-1 Name of the organisation	Annual Report, p. 2	
	102-2 Activities, brands, products and services	Annual Report, p. 2-3	
	102-3 Location of headquarters	Annual Report, p. 51	
	102-4 Location of operations	Annual Report, p. 78	
	102-5 Ownership and legal form	Annual Report, p. 46, 48	
	102-6 Markets served	Annual Report, p. 2	
	102-7 Scale of the organisation	p. 1	
	102-8 Information on employees and other workers	p. 45	
	102-9 Supply chain	p. 38	
	102-10 Significant changes to the organisation and supply chain		No significant changes to the organisation's size, structure, ownership or supply chain
	102-11 Precautionary principle		See sustainability policy on <a href="http://kindredgroup.com/about/corporate-governance/policy-documents">kindredgroup.com/about/corporate-governance/policy-documents</a>
	102-12 External initiatives	p. 47	
	102-13 Membership of associations	p. 47	
	102-14 Statement from senior decision-maker	p. 2-3	
	102-16 Values, principles, standards and norms of behaviour	p. 32	
	102-18 Governance structure	p. 5	
	102-40 List of stakeholder groups	p. 7	
	102-41 Collective bargaining agreements	p. 34	
	102-42 Identifying and selecting stakeholders	p. 7	
	102-43 Approach to stakeholder engagement	p. 7	
	102-44 Key topics and concerns raised	p. 7	
	102-45 Entities included in the financial statements	Annual Report, p. 78	The report covers the whole Kindred Group
	102-46 Defining report content and topic boundaries	p. 7	
	102-47 List of material topics	p. 7	
	102-48 Restatements of information		Not applicable
	102-49 Changes in reporting		Not applicable
	102-50 Reporting period	Inside front cover	
	102-51 Date of most recent report		12 March 2018
	102-52 Reporting cycle	Inside front cover	
	102-53 Contact point for questions regarding the report	p. 47	
	102-54 Claims of reporting in accordance with the GRI standards	Inside front cover	
	102-55 GRI content index	p. 42-44	
	102-56 External assurance	Inside front cover	



Specific Standard Disclosures			
Material topic(s)	GRI Standard and disclosure reference	Page(s)	Comment(s)/omissions
Anti-corruption	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 3, 8, 21, 27-28	
	GRI 205 (2016) Anti-corruption 205-3 Confirmed incidents of corruption and actions taken	p. 28	No cases of corruption involving Kindred Group reported during 2018
Green buildings, energy management and responsible business travel	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 37, 38, 39, 41	
	GRI 302 (2016) Energy 302-1 Energy consumption within the organisation	p. 47	No current overview of Kindred's proportion of renewable energy
	GRI 305 (2016) Emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	p. 47	
Employee engagement, training and development, and diversity and equality	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 31, 33-35	
	GRI 401 (2016) Employment 401-1 New employee hires and employee turnover	p. 46	
	GRI 404 (2016) Training and education 404-1 Average hours of training per year per employee	p. 46	
	GRI 405 (2016) Diversity and equal opportunity 405-1 Diversity of governance bodies and employees	p. 33, 45	
Responsible sourcing	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 38	
	GRI 414 (2016) Supplier social assessment 414-1 New suppliers that were screened using social criteria	p. 23	
Responsible gambling and player protection	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 12-16, 19	
	GRI 416 (2016) Customer health and safety 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	–	No incidents reported during 2018
	GRI 419 (2016) Socioeconomic compliance 419-1 Non-compliance with laws and regulations in the social and economic area	–	No incidents reported during 2018
Ethical marketing, product transparency and integrity in sports betting	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 16	
	GRI 417 (2016) Marketing and labelling 417-1 Requirements for product and service information and labelling	p. 16, 21-24	
	417-3 Incidents of non-compliance concerning marketing communications	–	No incidents reported during 2018
	Own indicator – Confirmed breaches of integrity in sports betting	p. 21-22	

## GRI CONTENT INDEX CONTINUED

Specific Standard Disclosures			
Material topic(s)	GRI Standard and disclosure reference	Page(s)	Comment(s)/omissions
Customer data integrity and IT security	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 24-25	
	GRI 418 (2016) Customer privacy 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	No sustained complaints about customer privacy due to, and no actual, leaks, thefts and loss of customer data
	Own indicator – significant incidents of IT security breaches	p. 24	
Tax transparency	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 37-38	
	Own indicator – Tax payments in significant countries of operations	p. 38	
Anti-money laundering	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 27-29	
	Own indicator – reported suspected incidents of money laundering	p. 27-28	



# NOTES TO THE SUSTAINABILITY REPORT

## Note 1. Information on employees and other workers

	Total headcount	of which	
		Permanent	Temporary
Women	503	495	11
Men	962	946	13
<b>Total</b>	<b>1,465</b>	<b>1,441</b>	<b>24</b>
Nordics	286	284	2
Western Europe	687	668	19
CES	419	418	1
Other	73	71	2
<b>Total</b>	<b>1,465</b>	<b>1,441</b>	<b>24</b>
		Full-time	Part-time
Women	503	478	28
Men	962	953	6
<b>Total</b>	<b>1,465</b>	<b>1,431</b>	<b>34</b>
Consultants and other workers	174		
% of employees covered by collective bargaining agreements	0%		

## Note 2. Diversity of governance bodies and employees

	Age group						Total
	<25	26-30	31-35	36-40	41-50	50>	
<b>Board</b>							
Women						2	2
Men					3	2	5
<b>Executive Management</b>							
Women				1			1
Men				3	3	1	7
<b>Senior Management</b>							
Women			3		2	1	6
Men			5	9	13		27
<b>All other employees</b>							
Women	45	131	151	80	74	18	499
Men	78	238	230	178	149	52	925

## NOTES TO THE SUSTAINABILITY REPORT CONTINUED

### Note 3. New employee hires and employee turnover

Employee new hires	Age group						N/A	Total
	<25	26-30	31-35	36-40	41-50	50>		
Women	31	61	30	18	16	5	2	163
Men	53	100	68	43	21	11	6	302
<b>Total</b>	<b>84</b>	<b>161</b>	<b>98</b>	<b>61</b>	<b>37</b>	<b>16</b>	<b>8</b>	<b>465</b>
Nordics	5	24	18	15	13	2		77
Western Europe	32	69	34	19	11	9	7	181
CES	45	63	38	22	9	3		180
Other	2	5	8	5	4	2	1	27
<b>Total</b>	<b>84</b>	<b>161</b>	<b>98</b>	<b>61</b>	<b>37</b>	<b>16</b>	<b>8</b>	<b>465</b>
Employee turnover	Age group						N/A	Total
	<25	26-30	31-35	36-40	41-50	50>		
Women	23	28	25	16	12	9		113
Men	26	60	62	41	33	14	5	241
<b>Total</b>	<b>49</b>	<b>88</b>	<b>87</b>	<b>57</b>	<b>45</b>	<b>23</b>	<b>5</b>	<b>355</b>
Nordics	1	6	9	12	8	1		37
Western Europe	15	40	46	24	28	20	5	178
CES	34	42	30	21	8	1		136
Other	1	0	0	1	1	1		4
<b>Total</b>	<b>51</b>	<b>88</b>	<b>85</b>	<b>58</b>	<b>45</b>	<b>23</b>	<b>5</b>	<b>355</b>
Hire rate	32%							
Turnover rate	25%							

### Note 4. Average hours of training per employee category

#### Average hours of training by gender

Average hours of training per employee, all employees	14.48
Average hours of training per employee, women	17.66
Average hours of training per employee, men	15.64

#### Average hours of training by governance body

Executive Management	9.67
Senior Management	32.82
Rest of employees	13.85

#### Average hours of training by function

Commercial	11.99
Tech	10.95
Corporate	13.17
Product	8.35

<b>Total hours of training, all employees</b>	<b>29,985</b>
<b>Average hours of training, all employees</b>	<b>14.57</b>

Average cost of external training per employee	GBP 259
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## Note 5. External initiatives and memberships

External initiatives and memberships	Industry association memberships
	Founding member, European Gaming and Betting Association (EGBA)
Founding member, ESSA Sports Betting Integrity	Founding member, Branschföreningen för onlinespel (BOS)
Member of the United Kingdom Sports Betting Integrity Forum	Founding member, Norsk bransjeforening for onlinespill (NBO)
Memorandum of Understanding FIFA	Founding member, Danish Online Gambling Association (DOGA)
Memorandum of Understanding Anti-Doping Danmark	American Gaming Association (AGA)
Memorandum of Understanding Tennis Integrity Unit	Asociatia Organizatorilor de Jocuri de Noroc la Distanta (AOJND)
Memorandum of Understanding Rugby Football Union	Association Française du Jeu en Ligne (AFJEL)
	Support for the Protect Integrity campaign by EU athletes
Protect Integrity	British Remote Gambling Association (RGA)
	Deutscher Sportwettenverband (DSWV)
CDP Disclosure Insight Action	Dutch gambling industry association (Speel Verantwoord)
	Gibraltar Betting and Gaming Association (GBGA)
	iGaming European Network (iGEN)
	Italian gambling industry association (LOGiCO)
	Malta Remote Gaming Council (MRGC)
	Österreichische Vereinigung für Wetten und Glücksspiel (OVWG)

## Note 6. Energy usage, travel and emissions

Energy usage, travel and emissions	2017/18	2016/17	2015/16	2014/15
CO <sub>2</sub> emissions (tonnes CO <sub>2</sub> e)				
Scope 1 – Operation of site facilities	38	51	5	65
Scope 2 – Grid electricity purchased	2,428	2,481	2,577	2,517
Scope 3 – Business travel	4,092	4,688	3,140	1,766
<b>Total emissions</b>	<b>6,557</b>	<b>7,220</b>	<b>5,678<sup>3</sup></b>	<b>4,348</b>
Tonnes CO <sub>2</sub> emissions per employee	4.53	5.38	4.59	5.15
Tonnes CO <sub>2</sub> emissions per GBPm in turnover	7.24	9.57	10.36	12.28

Electricity use (kWh)	% change on previous year			
<b>Total electricity use (kWh)</b>	5,606,375	4,642,722	4,362,911	+17%
Energy ratio (electricity kWh per employee)	3,877	3,421	3,527	+11%
Energy ratio (electricity kWh per GBPm of gross winning revenue)	6,188	6,179	8,019	+0.01%

To be compliant with the Greenhouse Gas Protocol Corporate Standard, we used a third party to calculate the Group's CO<sub>2</sub> emissions.

All carbon footprints are expressed as an absolute amount in tCO<sub>2</sub>e. Conversion of non-CO<sub>2</sub> greenhouse gasses to CO<sub>2</sub>e has been based upon the 100-year global warming potential figures published by the Intergovernmental Panel on Climate Change or national (government) publication.

Scope 2 emissions for electricity are calculated using the location-based method.

No separate data for heating and cooling is available for 2018.

We have offset our entire carbon footprint in 2018, amounting to 6,557 tonnes of CO<sub>2</sub>, by supporting a Verified Carbon Standard project.

The report has not been subjected to independent third-party assurance. PwC Sweden has performed a GRI check and confirms that the report is in accordance with the GRI Standards: Core option.

<sup>3</sup> 2016 site electricity emissions have been corrected in this report due to an error found in the Malta office reporting in the previous year which has now been updated.

Questions regarding this report, its content or our work with sustainability can be directed to:

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