

21m customers

27 external audits

11 offices

70% ethisport rating

34% female

66% male

AAA rating MSCI ESG

1,357 employees

52 nationalities

11 brands

18% reduction in Group emissions

Putting  
**fair**  
**play**  
first

# **Transforming gambling** to ensure **fair play,** the best deal and a great experience for **our players**

We offer our customers a great form of digital entertainment, fine-tuned to present an unforgettable experience for each customer in a safe and fair environment every day. We achieve this by building strong relationships with our customers and thereby understanding what they want, by investing in innovation and technology to ensure we continue to lead our industry, and by operating a truly sustainable business. What a sustainable business means for Kindred is explained in this report.

[+ Read more on page 5](#)

1	Highlights
2	Message from our CEO
4	About this report
5	Driving a sustainable business
7	Interviews with Kindred people
8	Responsible Gambling
12	Maintaining integrity
16	Running a compliant business
18	Being Kindred
22	Contributing to our communities
24	GRI Content Index
27	Notes to the sustainability report

## Highlights

Kindred is one of the largest  
online gambling operators  
in the European market  
with over 21 million registered  
customers worldwide.

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**1,357**

Employees

**21m**

Registered  
customers

- > Kindred Group was founded as Unibet in 1997 by Anders Ström and listed on Nasdaq Stockholm in 2004. With 11 customer facing brands, we offer our players pre-game and live sports betting, poker, casino and games across all markets.
- > The Group was founded on the principle that there is always a better way, and we use innovation and insight to shape our business and delight our customers.
- > The gambling industry is occasionally questioned. Kindred puts a lot of focus on ensuring a fair and responsible business and we are broadly recognised for this by external stakeholders. This is reflected in the ESG rating AAA from MSCI, by winning more than 10 awards for our efforts within Responsible Gambling and endorsements from our owners.
- > Kindred Group has 1,357 skilled employees in 11 locations spanning 52 nationalities.
- > Kindred Group holds licences in Australia, Belgium, Denmark, Romania, Estonia, France, Germany, Gibraltar, Ireland, Italy, Malta and United Kingdom and currently 42 per cent of the Group's revenue comes from our licensed markets.
- > Numbers are per 31 December 2017.

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GBP

**298.2m**

Equity

GBP

**751.4m**

Gross Winnings  
Revenue

---

**11**

Brands

**42%**

Revenue from  
licensed markets

---

## Message from our CEO



**Henrik Tjärnström** CEO

Sustainability plays a central role in realising our vision of transforming the online gambling industry to ensure fair play, the best deal and a great experience. Being a sustainable company with long-term objectives is at the core of our culture and our DNA.

---

# 52

nationalities

---

# 1,357

team members

---

# 6,413

hours of training  
to employees

---

When Kindred was first founded as Unibet more than twenty years ago, Anders Ström had a vision of transforming the gambling industry from the traditional land-based casinos and betting shops. The internet was changing how we lived our lives and as a devoted gambler himself, Anders did not find what he was looking for on the market at the time. Understanding who the customer is, and what he or she wants, became the heart and soul of our company and has since then, been expressed as "By Players, For Players".

This ethos has shaped the company into what it is today, where our customers are central to everything we do. We constantly engage with our customers and ask them what we can do better, to ensure we earn their trust today and tomorrow. Seeing each customer as an individual with whom we want to maintain a healthy relationship over many years, is the foundation for running our sustainable business.

# We must **focus** our efforts on the areas where our business has **an impact** **on society**

## A sustainable business is a condition for future success

We operate in a regulated consumer industry, whose very nature dictates that, if you are not able to create long-term sustainable consumer value through good service, fair pricing and operating in a trustworthy manner, your business will struggle to survive in the long run. Ultimately, our focus on driving a sustainable business ensures that we keep our licences to operate and maintain our customers' trust in a highly-regulated and competitive industry.

Although Kindred has always worked on areas within the sustainability sphere, this is the first time we have collated what we do in a stand-alone report, where we describe how we as a Group work with sustainability, the strategy we have adopted and the activities we engage in to ensure a safe, secure and healthy business for all our stakeholders.

## Five areas where we can make a difference

We have focused our efforts on the areas where our business has an impact – both positive and negative. By conducting a materiality analysis, we identified 15 topics that were regarded as particularly important to our business. They have been summarised in five priority areas where we believe we can make a difference.

- > A key priority area is to make sure our customers stay in control of their gambling through applying relevant Responsible Gambling measures and tools. We know developments in responsible gambling must be driven in collaboration between operators, customers, researchers, treatment centres and regulators. In 2017, we continued to drive collaboration across the industry when we hosted the second Responsible Gambling Conference. On pages 8-11, you can read more about how we help customers stay in control.

- > We work hard to Maintain Integrity in our organisation, in our products and on our platform. Therefore, it made me extra proud when we received a very impressive score on our Sports Betting Integrity efforts from the audit firm Ethisport in January 2018. You can read more about this and our work on cybersecurity on page 12-15.
- > We operate a digital entertainment business in a regulated industry. We comply with regulations and requirements in every market where we have a licence and in 2017 we went through 27 external audits. On pages 16-17, you can read more about Running a Compliant Business.
- > Our people are our strongest asset and we rely on attracting and keeping the best talent. With over 50 nationalities across our 1,357-strong team, we invest heavily in building a great place to work and Being Kindred means being part of a value led community with a strong culture. You can learn more about our commitment to our people on pages 18-21
- > As a global organisation with 11 offices, we take our responsibility to Contribute to our Communities seriously. In 2017, we took part in a number of local charity events and we undertook several initiatives to limit our environmental impact. Read more about our commitments on pages 22-23

## Transparent reporting on our progress

Going forward, our sustainability report will serve as our annual communication on how we progress on our targets and commitments on our priority areas and on being a transparent part of society. We will also add more information throughout the year on [www.kindredgroup.com](http://www.kindredgroup.com) and through our social media channels.

I hope you enjoy reading this report and continue to follow our efforts within these important areas. I am convinced that a responsible and sustainable business is a prosperous business.



**Henrik Tjärnström**

CEO

Malta, 9 March 2018

## About this report

# Sustainability is a central part of our Group strategy and anchored in our culture.

The concept of sustainability has developed within Kindred over the last two decades, from a focus on being a good corporate citizen engaged in local charity activities to sustainability increasingly becoming an integrated part of the Group's long-term business operations. Today, sustainability is a central part of our Group strategy and anchored in our culture and policies, securing a continuous business in an industry challenged by a constantly shifting digital economy and stricter market regulations.

The foundation for our current strategy and the basis for this report started more than a year ago. We were determined to understand the forces that shape our surrounding world and societies, along with the challenges and opportunities we face going forward. We went through 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. The first step was an extensive macro-analysis process, identifying a number of possible topics that could be relevant to include in our reporting.

### Stakeholder dialogues

A key part of how we conduct business is to engage with our internal and external stakeholders. These dialogues take place throughout the year in the shape of surveys, focus groups, face to face meetings, through our customer support department and in online chat forums. Ahead of this sustainability report, we wanted to know what our stakeholders find important and

to explain to them how we work. Engaging in dialogues with our most important stakeholders, including owners, investors, partners, customers and employees, was a crucial part of our materiality assessment. We used these conversations to get an understanding of what type of non-financial information about us and our performance they would like to see included in our reporting. The dialogues were conducted both as in-depth interviews and through surveys.

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

Stakeholder group	Material topics raised
Owners and investors	<ul style="list-style-type: none"> <li>&gt; Responsible Gambling</li> <li>&gt; Ethical marketing</li> <li>&gt; Tax transparency</li> </ul>
Partners (suppliers and associations)	<ul style="list-style-type: none"> <li>&gt; Responsible Gambling</li> <li>&gt; Ethical marketing</li> <li>&gt; Sports betting integrity</li> </ul>
Employees	<ul style="list-style-type: none"> <li>&gt; Responsible Gambling</li> <li>&gt; Sports betting integrity</li> <li>&gt; Employee training and development</li> </ul>
Customers	<ul style="list-style-type: none"> <li>&gt; Customer data integrity</li> <li>&gt; Responsible Gambling</li> <li>&gt; Cybersecurity</li> </ul>

### Key topics

After getting input from stakeholders we gathered a group of internal stakeholders at Kindred, representing a wide spread of our

business, to analyse and assess the answers, based on Kindred's relative impact on our surrounding society and environment. The final result is our materiality matrix, presented below, which shows our most material aspects, all covered in this report. The three topics that were rated as less material are still areas we work with; but they will not be covered in this report.

### Content

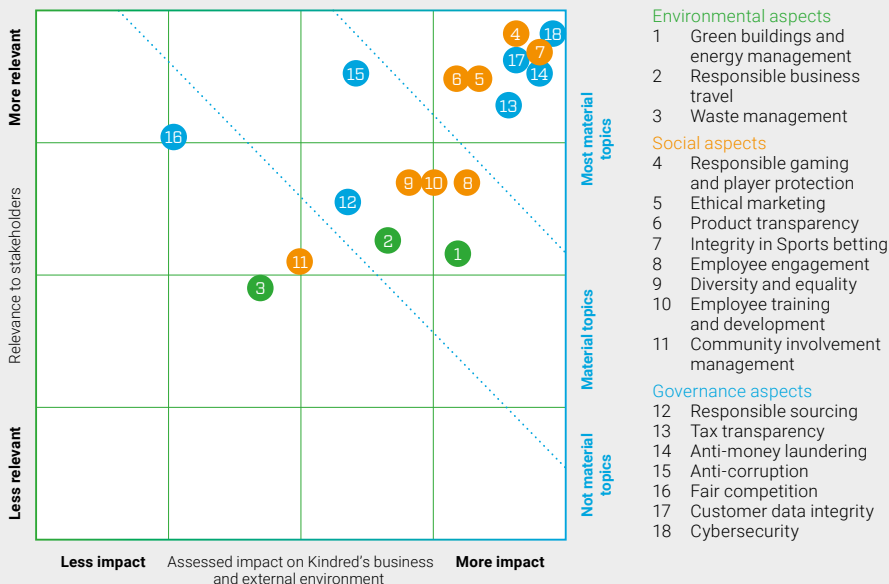
Our 2017 Sustainability Report reflects the outcome of our materiality assessment and the five priority areas we identified. As this is our first stand-alone sustainability report, it will provide an overview of each priority area, progress made in 2017 and actions planned for 2018.

This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core Option. GRI is a non-profit organisation which publishes world-wide reporting standards for sustainability reporting. Going forward, Kindred will publish a sustainability report together with its Annual Report. Since this report is Kindred's first sustainability report, some comparative information regarding previous periods is not available and is therefore not included. Going forward, Kindred will publish comparative data for all relevant Key Performance Indicators (KPIs).

Kindred has, over the last two years, acquired three business. Not all systems are fully migrated to the Kindred platform, and therefore some KPIs and indicators will only reflect brands that are currently on the Kindred Group platform. Where this applies, it will be noted in the text.

This report covers activities in the 2017 calendar year. The report is focused on material issues and activities, in line with stakeholder concerns and relevance, as per the materiality analysis. We strive for accuracy, timeliness, clarity and reliability in our communications.

The report has not been subjected to independent third-party assurance.





# Driving a sustainable business

With an increasing interest from a range of stakeholders, we have launched a new holistic approach to sustainability.

Driving sustainable, long-term growth is central to Kindred's overall business purpose "to transform gambling to ensure fair play, the best deal and a great experience for our players". We strive to ensure fair play through making sure our customers enjoy gambling in a responsible and safe manner. For us, sustainable business means ensuring our customers can sustain their consumption of our products. We believe that our business interests are fully aligned with the interests of public policy, consumers and society. During our more than 20 years in the game, we have built a safe environment for our players and we aim to keep our products free from fraud.

## The gambling industry

As with other consumer industries, the online gambling industry is heavily dependent on high levels of customer trust. Customers must trust an operator to keep their money safe, to handle withdrawals correctly and to keep personal details secure. Furthermore, product differentiation within the industry is non-material, putting even greater importance on strong customer relationships and the ability to offer an excellent customer experience.

The online gambling industry has historically struggled to operate with sufficient transparency, creating an often unfair

perception of being irresponsible and cynical. Today, operators have a more open, accessible and transparent demeanour, allowing them to share a much more accurate view of the industry. The larger operators in the industry have also matured over the last years and better understand the positive correlation between improved perception and good business. Today, most of the large operators have implemented new compliance requirements and developed perfected responsible gambling tools. In the latest EU Commission Consumer scoreboard, the gambling sector scored 76.7 out of 100 on the Market Performance Indicator Index, up more than one point since 2013-2015.<sup>1</sup>

Online gambling operators have also learnt to master tough compliance requirements that often differ from one market to the next, and the industry has adopted efficient business models and toolkits that work across borders and jurisdictions as a result.

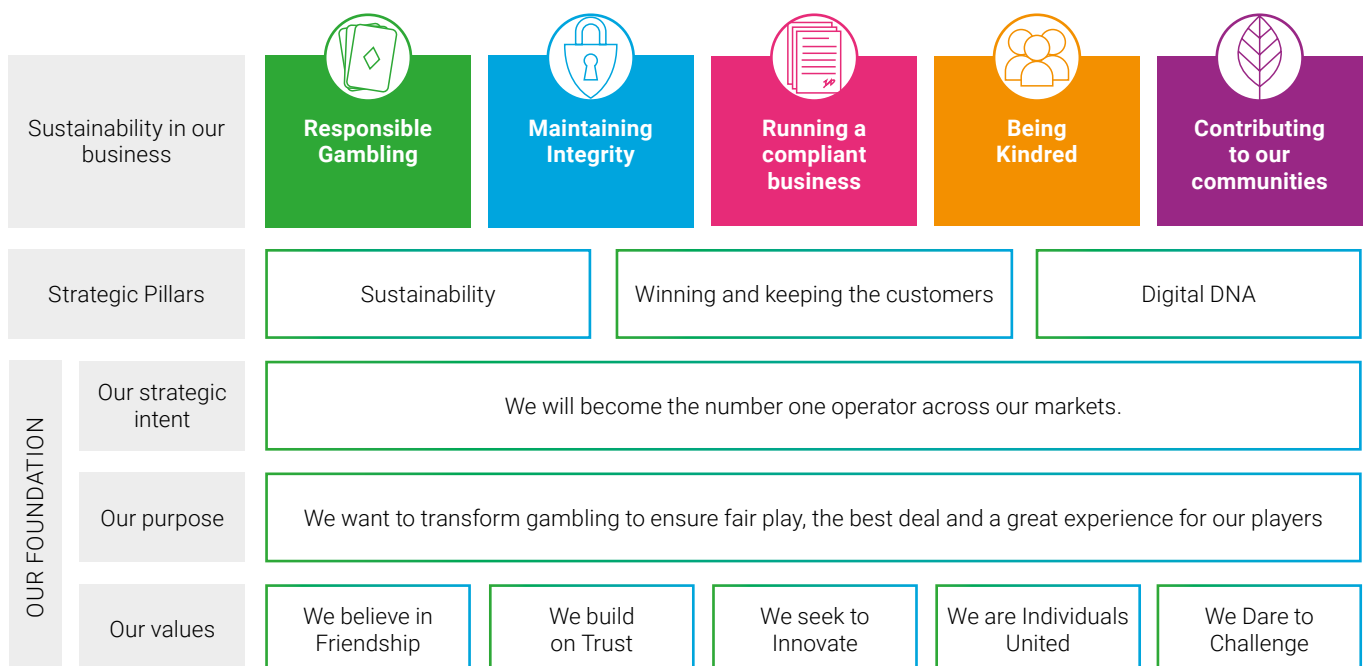
## A sustainable business

In 2017, we launched a new holistic approach to our sustainability efforts to make sure we concentrate our efforts on the areas where we can truly make a difference. The foundation of our sustainability strategy is based on the outcome from the materiality assessment conducted in early 2017, highlighting a number of business-

critical topics explained in greater detail on pages 8 to 25.

We see an increasing interest from a range of stakeholders as awareness of the gambling industry increases, putting further focus on being a trusted partner to maintain long-term relationships with customers and investors as well as attracting and retaining talent. The growing public awareness is also demonstrated by increased focus on GDPR compliance and an increase in enquiries on how we manage our customers' rights to data, and broader consumer rights. We welcome these developments as they provide an opportunity for professional and innovative companies to make a change for the better, for both society and customers.

Our business model is based on expanding our business by taking market share from the competition and thereby growing our number of active customers. We do this by being data driven and by knowing what drives the customer experience and what improves our business. We want to retain our customers over a long period of time and build sustainable relationships with them. This means that our average revenue per user is relatively flat over time, while we continue to grow the number of active users. We believe that this is sustainable and responsible growth. Our business strategy supports our



1. [https://ec.europa.eu/info/sites/info/files/consumer\\_markets\\_scoreboard\\_2016\\_en.pdf](https://ec.europa.eu/info/sites/info/files/consumer_markets_scoreboard_2016_en.pdf)

# We want to be **the number one** operator across **our markets**

objective of long-term growth through a focus on winning and keeping the customer, having a digital DNA and operating a sustainable business. Only by performing strongly in all areas will we be able to create long-term value and continued healthy growth.

The model on page 5 visualises our integrated approach to sustainability. Our culture, our strategy and how we interact with each other in Kindred and the world around us are determined by our five values. Our values are universal and at Kindred we all work and live by them. In 2016, we adopted three new strategic pillars on which we focus our business, with the clear strategic intent of becoming the number one operator across our markets. We want to be number one, because we want to truly transform gambling to ensure fair play, the best deal and a great experience for our customers when engaging with one of our brands.

## Sustainability Governance

Kindred's Board of Directors have reviewed and confirmed relevant guidelines for our sustainability framework to ensure long-term capacity for value creation. These guidelines are formulated in our sustainability policy, which can be found on the Kindred website. The policy will be reviewed in 2018 based on the new sustainability strategy. The existing structures and tools remained in place throughout 2017. The main governance and supervisory body on sustainability in Kindred lies with the Board of Directors. The Executive Management Team is responsible for the execution of the strategy and ensuring it is embedded in the line 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.

## Our brands

Kindred operates a portfolio of brands within Sportsbook, Casino and Games





# Interviews with Kindred people



## **Responsible Gambling – Maris Bonello, Integrity Analytics Manager** **What do you do at Kindred Group?**

As Integrity Analytics Manager, I take care of the responsible gambling team and the data team in Player Safety.

### **What is different about Kindred's approach to ensuring customers stay in control?**

Kindred has always been very committed to responsible gambling. I think the difference compared to other approaches is that we invest heavily in proactivity, transparency and advances in responsible gambling.

### **How do we use data to ensure our customers stay in control?**

Data is the backbone of everything we do. We apply an algorithm to our customer database to detect risk behaviour to be proactive in helping our customers stay in control. We also use data to evaluate customers' interaction with our control tools, what communication works best to help customers take on responsible gambling tools and what are the most efficient control tools.

Read more about our approach to Responsible Gambling on page 8-11



## **Maintaining Integrity – Eric Konings, Sports Betting Integrity Officer** **What do you do at Kindred Group?**

In my capacity as Sports Betting Integrity Officer, I am responsible for protecting our platform against the threat of match-fixing.

### **Why is sports betting integrity important for Kindred Group and our industry?**

Match-fixing is a threat to our industry, and not only because of short-term losses due to customers having inside information. If people lose faith in the honesty of a sport event, they will lose interest in our betting product. It is imperative for Kindred to contribute to the fight against match-fixing.

### **How do we secure integrity in sports betting?**

As a betting operator, we must master our fundamentals and have strong internal processes for customer identification, so we know who is placing bets, and on what. We also must have strong odds compiling and financial risk management, with professional traders and risk managers understanding the market and knowing when to raise a red flag, and clear escalation procedures for when suspicious betting activity is detected and must be reported. Secondly, cooperation is key. Match-fixing is a criminal act, and it would be unfair and unrealistic to demand that individual stakeholders solve this problem alone. All stakeholders need to cooperate, and with combined efforts, we can eradicate this problem.

Read more about our work on securing integrity in sports betting on pages 12-15.



## **Running a Compliant Business – Kim Olesen, General Manager Denmark, Italy and Estonia** **What is your role in Kindred Group?**

As a General Manager, a key part of my job is to make sure we are anchored in our local markets. I work to build bridges to local stakeholders such as customers, regulators, media, competitors, industry associations, authorities and others.

### **What does the fact that we are in a regulated industry mean to your role and daily work?**

To me it means making sure that local stakeholders understand who we are and what we want to achieve as a business: that we are a local business who wants to contribute on a local level.

### **Is it different to operate in a licensed market – if so how?**

Yes I would say so. For us, it's really positive that we can be a more active player as an operator and as an advertiser. For example, we are able to be part of the local societies through sponsoring football clubs.

### **How do you perceive sustainability as a part of your daily work?**

Personally, I use our sustainability strategy as a filter when I make commercial decisions – I work hard to align our commercial strategy with our sustainability strategy to ensure the two work together in the same direction. In an industry that is sometimes perceived to use a lot of small print and T&Cs, we try to make it simple and transparent and to be honest about our offer. It is work in progress, but we are here for the long-term investment, we want to be part of the societies in which we operate and a trusted partner for our customers, employees, regulators, owners, suppliers and other stakeholders.

Read more about how we run a compliant business on pages 16-17



## **Being Kindred – Nataly Sopacuaperu, Head of Events and Sponsorship** **Why did you join Kindred Group?**

My friend was working at the Group and referred me for a marketing role for the Benelux markets. I used to work in Film, Music and Gaming PR and I thought it would be good to take on a new challenge and was a bit intrigued as well by the industry. I was blown away by the companies culture; a bunch of young professionals from all walk of lives in an international setting who were all into online gambling.

### **What has your journey looked like during your years here?**

I have worked here for 9 years now and really enjoy myself. I started as Account

Manager for the Benelux in 2009 and moved into Events in 2013. The job is never boring and there is always a detail that can completely turn things around.

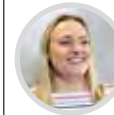
### **What makes Kindred Group a great place to work?**

The international environment is the best thing about the Kindred Group. It teaches you so much not only about other cultures but also about yourself. This experience is priceless in my opinion. All the different opinions, and ways of working, once you understand this and make the best of it you will have a lot of fun.

### **How does Kindred invest in you and your development?**

Having an environment where you can be yourself and get the trust to bring your ideas to life is a big investment. Kindred creates an environment where you have the freedom, space and support to come up with ideas, pitch them and implement them.

Read more about Being Kindred on pages 18-21.



## **Contributing to our Communities – Sarah Courtman, Projects Business Partner** **Why did you join Kindred Group?**

As soon as I stepped into the building for my first interview, I knew I wanted to work here, I just got the immediate buzz and I have always loved sports, so being surrounded by it daily was like a dream.

### **What is your part in Kindred Group's work in our communities?**

I am part of our Employee Engagement Team in London, and am highly involved in our local contributions. In London, we are working to make sure everything in the office is either sustainable or recycled. I look forward to ensuring this is more widely done. In 2018, my main focus will be on building awareness around the charity days we offer our people so more colleagues use them in the future.

### **Why do you believe it is important?**

I think it is everyone's job to do their bit for their community, not just companies (I may be a bit biased having previously worked at a charity!). We all benefit from a more prosperous community so why would we not want to help it be better?

### **How can Kindred Group make a positive contribution towards the communities we operate in?**

Offering resources (for example people's time), can be one of the most beneficial aspects for a charity. It not only contributes to getting a project done, but it also gets people more engaged, which can benefit the community and the employees.

Read more about how we support our local communities on pages 22-23.



We promote  
**fair play**  
and responsible  
gambling



At Kindred, we want our customers to enjoy the entertainment we provide through our games. And we want to make sure that our customers do so in a safe, secure and supported manner.

Kindred exists to offer players entertainment on a platform that is safe and secure. Our success is built on long-term sustainable relationships with our players, based on delivering an excellent customer experience. We understand and know our customers. The vast majority of them enjoy gambling as a safe and responsible form of entertainment. We recognise that while more than 97 per cent<sup>1</sup> of customers use gambling as a recreational activity, for some, gambling can stop being entertaining, and cause personal, financial and/or social and psychological health problems. We are committed to do all that we reasonably can to promote responsible gambling and to help and support those who develop gambling problems.

For more than a decade we have been investing heavily in developing state of the art technologies to detect and prevent problematic gambling behaviours. A key part of our work to secure responsible play is collaboration. We believe that sharing knowledge and data across operators, regulators, treatment centres, partners and researchers is the key to learn more about problem gambling and to minimise its harmful effects.

"Responsible gambling & 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 this report. In this chapter, you can read more about how we work on these topics.

# 26,000

customers  
contacted with  
responsible  
gambling message  
in 2017

# 71%

of customers trust  
our brands to help  
them stay in control

### We help our customers stay in control

As a digital company, we create a digital fingerprint of our customers' behaviour on our platform. This allows us to detect, monitor and follow-up on problematic gambling activities, which is a big part of building a safe gambling environment for our customers. We believe that looking at each customer individually rather than part as a group is the most efficient way to prevent problematic gambling at an early stage. Our customers all have different behaviours, incomes, social backgrounds, and ages. To ensure consistency and efficiency we deploy tools at a customer account level and not at a product or transaction level. We believe that monitoring our customers over time is what makes the difference in ensuring customers stay in control of their gambling.

We believe that responsible gambling information should always be available, not just when a customer is detected as problematic. Therefore, we have a dedicated responsible gambling page which is always accessible for our customers, even if they are not logged in.

<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)

# 1st

operator to successfully complete external audit on the official 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU)

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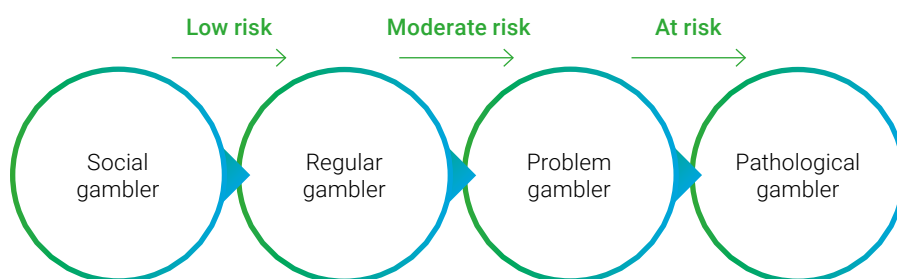
Data is the backbone of everything we do. We apply an algorithm to detect any risk behaviour.

//

**Maris Bonello**  
Integrity Analytics Manager

# More than 270 people

from operators, regulators, treatment centres and more participated in our second **Responsible Gambling conference**



### Monitoring customer behaviour

Over the years, we have invested significant funds in building a unique player safety model and approach. In this, we combine risk indicators based on empirical studies with a humanistic personalised approach. In 2011, Kindred Group, together with a group of researchers from the University of Lucerne, started investing heavily in the development of an algorithm that detects early signs of problem gambling. The indicators in our detection system are based on findings from research studies. The indicators range from written and verbal communication style, chasing losses and winnings, declined deposits, reversed withdrawals and changes in deposit methods.

We call our detection system Player Safety – Early Detection System (PS-EDS). PS-EDS is a 360° player safety model and approach which allows us to monitor, support and protect players. Customer data is run through this algorithm and, based on the indicators, the system classifies the customer into one of four risk classifications.

There are four gambler types in this framework; Social Gambler, Regular Gambler, Problem Gambler and Pathological Gambler. Gambling addiction is a progressive addiction, a behaviour that takes time to develop. We base our risk classifications on the four gambler types and these impose different risk on the gambler as represented from the low risk to at risk.

Based on customer behaviour across the customer lifecycle and customer journeys, the system will detect customers showing signs of problematic gambling.

The system is a dynamic tool that is continually being developed and enhanced. We work closely with prominent researchers and professors within the field of Responsible Gambling to ensure that we always have the latest knowledge and learnings, to continue the development of our systems and tools.

### Proactive customer engagement

As soon as a customer is identified as at risk, our trained analysts build a profile of him/her and advise on the best possible responsible gambling tools to help him/her stay in control. In a conversation with the customer, we advise him/her on the best steps forward for safer play through education and the promotion of responsible gambling. This can be via a personal e-mail or online message with information about specific responsible gambling control tools, or via a phone call from a responsible gambling expert, guiding the player to implement one or more of our control tools or, in a few cases, via the closure of the player's account.

# Responsible Gambling continued

## Our control tools

We work with a number of responsible gambling tools that are designed to help our customers stay in control. A full overview of the tools and the total usage taken as a percentage of our active customer base can be seen in the table on page 11. We monitor the use of our control tools closely and continually evaluate their impact and make improvements. We promote our tools through a dedicated Responsible Gambling page on all our brand sites and where relevant, through direct communication to our customers.

## Self-Exclusion tools

If a customer has lost control of their gambling, it can be necessary to take a break. We give our customers the option to self-exclude from gambling on our sites for a set period.

## Measuring effectiveness

To measure the effectiveness of our approach and detection system we look at a number of KPIs and at usage of control tools, both in the total customer group and in the group of customers who are detected in our PS-EDS. We also closely monitor the number of customers who self-exclude. Generally, we have observed that 66% of customers deposit less after having been detected in PS-EDS and that 8% of customers who are detected set up a non-mandatory control tool in the following month. Some customers manage to regulate their gambling after receiving information about responsible gambling, whereas others need more support by using one of our responsible gambling control tools.

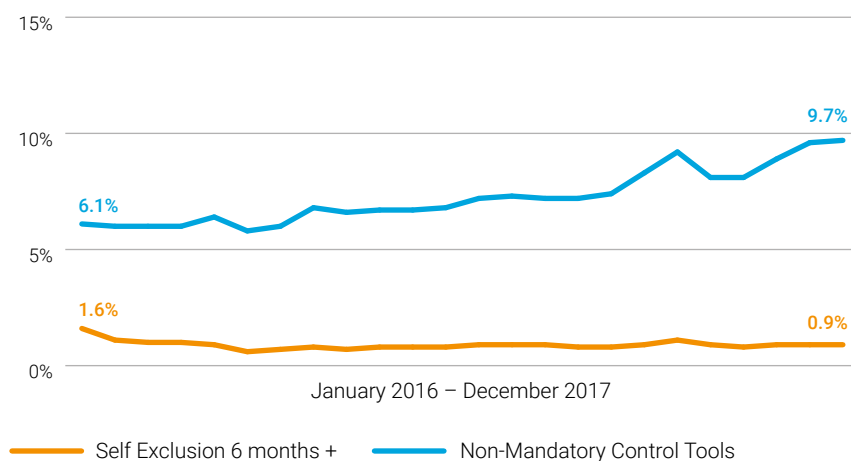
We also ask our customers about their experience with us and their level of trust in us. In 2017, on average, our customers gave us a score of 3.8 out of 5 when asked if they trust that our brands will help them stay in

control of their gambling and 4.13 out of 5 when asked if they trust that our responsible gambling tools will help them stay in control of their gambling. We continually track these numbers and work to improve our customers' trust in our approach and tools.

We know that self-exclusion is the last resort for players who have developed a problem. Therefore, we encourage our players to use control tools to help manage their play. As a business, we have no interest in our customers spending more than they can afford and we do all we can to help our players to stay in control of their gambling. Chart 1 shows the relationship between the use of control tools and long-term self-exclusion. It shows a clear correlation between the two. The more our customers use our control tools, the fewer self-exclusions we see. This is positive as it means our customers remain in control of their play. Over the years, the use of control tools has increased significantly. This can be explained by the addition of new tools to give our customers more choice and at the same time investing resources in rethinking our communication and advertisement of our control tools.

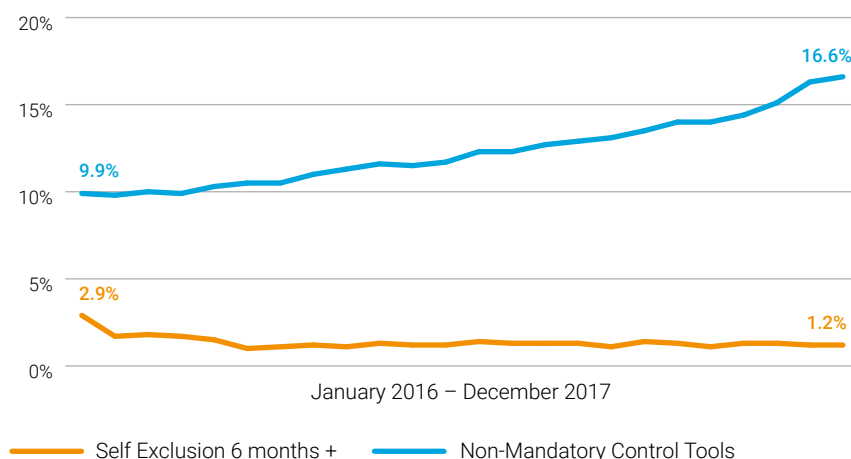
**Chart 1: Monthly % usage of Self-Exclusions (6+ months) compared to non-mandatory control tools**

Within all market active customers



**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

We also closely monitor the effect PS-EDS and our customer outreach approach have on players who are detected as potential problem gamblers. Chart 2 again shows the relationship between control tools and long-term self-exclusions, but here only for customers who have been detected in our PS-EDS. There is a clear uptake in the use of control tools in the group of customers who have been detected in our system and receive personal advice as a result. This indicates that our approach does have a positive effect on customers' level of control.

All numbers represented in this chapter are accumulated numbers from the Kindred group platform. The numbers are averages from across the year.

## Collaborating to drive change

We know that the only way to combat problem gambling is by collaborating with operators, regulators, partners, treatment centres, and researchers. We've learned from researchers, that by providing access to our data, we can significantly support research into the area of problem gambling. Therefore, we work closely with a broad range of stakeholders when we investigate new and innovative ways to expand our initiatives in this area. In 2017, we were involved in a range of collaborative projects, some of which are mentioned here

- > We facilitated a round table session with technology pioneers and addiction psychologists exploring opportunities around how Artificial Intelligence can be used to detect early signs of problem gambling.

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>5.34%</b>	<b>13.00%</b>
<b>Reality Checks</b>	allows our customers to stay in control of their time with alerts at 30m, 60m or 90m intervals	<b>0.13%</b>	<b>0.43%</b>
<b>Loss Limit</b>	helps our customers control their gambling by setting a loss limit on any product	<b>0.56%</b>	<b>2.25%</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>2.73%</b>	<b>7.24%</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>1.80%</b>	<b>5.55%</b>
<b>Product Blocks</b>		<b>1.17%</b>	<b>4.85%</b>
<b>Block betting website</b> Offering software that blocks access to all gambling sites			

- > We commissioned two of the world's leading researchers in the area of responsible gambling, Dr Michael Auer and Professor Mark Griffiths, to carry out research on gambling practices using anonymous customer data from Kindred. This project will last for three years.
- > We have worked with Gambling Therapy on a number of projects. In 2017, we funded the development of a free gambling therapy app targeted at problem gamblers in the United Kingdom, Sweden, Norway, Finland and Denmark.
- > We also collaborated with GambleAware on a project that looked into the nature and risk of remote gambling, where we supplied anonymous customer data. The key recommendations from this project are
  - Provide the option to remove the reverse withdrawal option
  - Re-design the product block feature to include live betting and not just sports betting
  - Look into winnings as a potential PS-EDS indicator
- > We hosted our second Responsible Gambling Conference in Malta. More than 270 people from operators, regulators, universities and treatment centres participated in the day, which was focused around collaboration and sharing knowledge and data.
- > During 2017, we collaborated with Betfilter to develop a new online tool that prevents underage people being exposed to gambling ads. The tool gives customers the ability to block gambling related pop-ups on their devices.

#### Open, ethical and honest marketing

Open and transparent communication is the foundation on which our customer relationships are built. Since 1997, we have been "By players, for players" and we aim to reflect this in all our communications. Over the years, we have increasingly focused on having transparent and easy to understand terms and conditions and advertisements.

All of our marketing communication is done in accordance with applicable law and general consumer protection legislation. In addition, we comply to sector specific rules and best practice.

Customers who self-exclude from a brand will not receive direct marketing from that brand.

In 2017, we became the first operator to successfully complete an external audit against the official 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). The independent audit was conducted by eCOGRA, a leading audit body accredited in several countries. This Recommendation supports principles of transparent information and communication, as well as a focus on ensuring that all our commercial communication is carried out in a responsible and transparent manner.

#### Affiliate Management

Affiliate marketing is an area of our digital acquisition programme. We maintain high levels of control of our marketing outputs by carefully selecting who we work with and by imposing strict guidelines on any members of our affiliate programme.

We are very strict on who we allow to join our Affiliate Programme and we impose strict terms and conditions on them. The majority of content used by our Affiliates is produced by us internally to ensure we keep control of it and that any terms and conditions related to it are visible. We also ensure that any links we provide direct users to a landing page that features all necessary terms and conditions.



#### 2018 commitments

- > Host the third Kindred Group Responsible Gambling Conference
- > Continue to train all customer facing employees and senior managers in the psychology of gambling
- > Initiate new collaborations with researchers and/or subject matter experts
- > Further analyse gambling behaviours to continually improve our control tools
- > Broaden PS-EDS scope including optimised customer interaction
- > Continue to drive marketing concepts with focus on responsible gambling and driving trust
- > Continuous improvements to our customer engagement approach to ensure customers stay in control



## Maintaining integrity



**Fair betting**  
free from  
**fraud**  
and match-fixing



Since 1997, Kindred Group has delivered a safe and secure platform where our customers can enjoy our gambling products.

We want our customers to enjoy a rewarding journey through our digital entertainment platform and part of this is to provide the required levels of system and data security, and a trustworthy gambling product. One of our core employee values is to Build on Trust, and we aim to behave with integrity and fairness in everything we do.

"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. In this chapter, you can read more about how we work with these topics.

## 2017 Highlights

26

members  
of ESSA

60

sports betting  
events reported  
as suspicious by  
Kindred in 2017

### Product transparency

The world of online casino gambling is sometimes questioned in terms of fairness, integrity and accuracy. Compared to sports betting, for example, most outcomes depend on a random number generator that is not visible by the consumers. Being able to demonstrate trust and to assure the consumers that the games are fair is of the utmost importance.

Our Random Number Generator casino offering consists of products from a range of suppliers. Each supplier undergoes a due diligence process before being integrated, where everything from corporate ownership to operational suitability is assessed. The suppliers prove to us that their games are fair and accurate through a rigorous testing and certification process. Each jurisdiction in which an operator like Kindred is active enforces a regulated framework that dictates the local rules for that specific market. To be able to operate in such a market both Kindred, as well as the supplier, has to undergo a certification process and regular audits by the local gambling authorities. On a more granular level, before launching a new game from a previously approved supplier, we require certification documents for the game and the specific market. The certification approval informs us that the game follows all local regulatory requirements and that



//

It is imperative for Kindred to contribute to the fight against match-fixing

//

**Eric Konings**  
Sports Betting Integrity Officer



Over

# 22m

transactions a day are processed by our scalable, resilient IT platform

ESSA monitors **all transactions**

# 24/7

and members have a

# 100%

audit trail of **who bets on what**

the mathematics of the game are true to specification. We never launch a game that does not have all the required certification and documentation.

### Fighting match-fixing

Sport is probably the largest global entertainment industry. Billions of people around the world enjoy sport – whether it is through participation or consumption. One of the key elements in the popularity of sport is the unpredictable nature of the outcome. Taking this unpredictability away by fixing the outcome of an event puts the future of the favourite pastime of billions in jeopardy. Match-fixing is a threat to our industry, not only because of short-term losses due to customers having inside information, but because if people lose faith in the honesty of a sport event, they will lose interest in our betting product. It is therefore imperative for Kindred to contribute to the fight against match-fixing.

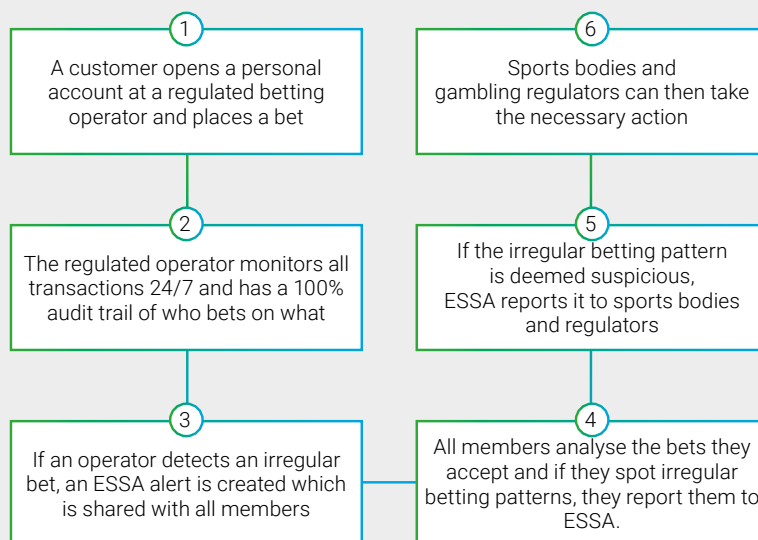
### Cooperating to drive change

We believe that cooperation is key in the battle against match-fixing, and we act side by side with other stakeholders such as local authorities, policy makers and sports federations to eradicate any attempt to pollute sport with criminal activity. We continually seek cooperation with the relevant stakeholders across our markets. →

### ESSA workflow

In 2005, Kindred co-founded ESSA (Sports Betting Integrity), a non-profit organisation with 26 members operating in retail and online gambling. ESSA serves as an early warning system with the aim of detecting and deterring manipulation of sporting events. All ESSA members are regulated operators who monitor all transactions 24/7, with a 100 per cent audit trail of who bets on what. If an operator detects an irregular bet, it

creates an ESSA alert, shared with all ESSA members. If the irregular betting pattern is confirmed as suspicious, ESSA reports the information to the relevant sport's governing body and advises members concerned to report the incident to their own national regulatory authorities. Kindred has been on the Board of ESSA since its inception and works with other industry actors to maintain the strong position of ESSA.



## Maintaining integrity continued

- > In 2017, Kindred Group was the first private operator to sign a Memorandum of Understanding (MoU) with Anti-Doping Denmark, the secretariat of the Danish national platform which serves as a central intelligence and coordination hub in the fight against match-fixing. Also in 2017, we signed a MoU with the Rugby Football Union, the national governing body for grassroots and elite rugby in England. Under these MoUs we will cooperate with these organisations on keeping sports free of betting-related match-fixing.
- > In 2017, ESSA's 26 members offered bets on more than 265,000 sports events. Of these events, 266 were deemed to be suspicious and were passed on to the authorities. Kindred Group reported 60 events.
- > Kindred Group has an on-going engagement with a number of national and international stakeholders to ensure efficient cooperation as established in the Council of Europe Convention Against Match-Fixing.

- > We provide on-going support and engagement with athletic associations, directly or indirectly via ESSA funded Protect Integrity.

### Ethisport Audit

In 2017 Kindred went through a Sports Betting Integrity audit conducted by Ethisport, the first audit company specialised in sports integrity and ethics. The outcome of this audit was very positive, with Ethisport concluding that sport betting integrity is truly a part of Kindred's DNA and that Kindred follows best practice in this area. The findings of the audit are included in the Kindred Group Sports Betting Integrity Policy, and are used to further improve the Group's profile on this important matter.

The audit regarded Kindred as one of the leading gambling operators within sports betting and sports integrity. We achieved a global rating of 70 per cent, much higher than the industry average, including national lotteries.

### A secure and 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. As a digital company holding financial funds for our customers, we 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.

### Withstanding DDOS attacks

Kindred ensures cyber resilience against DDOS attack through heavy investment in infrastructure and best in class upstream protection partners to offset DDOS loads. Over the past two years, Kindred's resilience and capacity to withstand DDOS attacks has increased over a hundred-fold. Throughout 2017, Kindred has focused on modernising the company's Incident Response Plan (IRP) and building better internal detective capabilities to identify, contain and recover from incidents. The effective deployment and use of network

# 70%

global rating in  
Ethisport Audit

### Cybersecurity 2018

The Group Security team in Kindred has a range of projects it is working on throughout 2018 to continue to protect its critical assets. The most significant commitment in 2018 is the ISO27001 certification project. The purpose of this project is to ensure that all Kindred entities are operating under a single set of governing security policies, procedures and guidelines. The ISO27001 project will culminate with an audit for certification, and the certification (which is independently audited) will demonstrate

that Kindred operates according to best practice and governing principals.

The Group Security is also focusing heavily on strengthening secure development practices through a variety of programmes aimed at increasing 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.

# 90%

of employees  
completed training  
on GDPR by  
1st February 2018



### Internal Security awareness

In 2017, our Security team ran an internal campaign to raise awareness of phishing attempts and to promote our "see something, say something" policy.

and host-based Intrusion Detection Systems (IDS) have ensured that the group is resilient to new and emerging threats such as the 2017 outbreaks of the “wannacry” and “petya” ransomware. With the General Data Protection Regulation (GDPR) coming into effect in May 2018, Kindred has focused 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.

#### Bug bounty programme

In 2017 Kindred commenced a bug bounty programme, inviting selected security researchers to conduct penetration tests against the various Kindred brand web sites in order to discover possible vulnerabilities before they were exploited by a malicious actor. Through this programme we identified 23 vulnerabilities, two of which were of a critical nature, and all of which have been remediated.

It is crucial for our business success that our employees are diligent and observant. Therefore, we operate a strict “see something, say something” policy when it comes to security. Every year, all Kindred

employees must go through Cybersecurity and Information Security training. In 2017, our Security team ran a comprehensive internal awareness campaign to raise awareness of phishing attempts and general information security.

#### 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 actors who attempt to reuse these credentials against new targets. Through the development of a proprietary detective capability known as PAF (password audit framework) Kindred has been able to proactively protect 348,923 customers from this form of attack in 2017.

We focus on providing our customers with the tools and information to tailor their personal security and minimise their personal risk. We also continually ask our customers about their level of trust in us

keeping their personal data safe. In 2017, on average, our customers scored us 4.12 out of 5 when asked whether they trust us to keep their personal data safe.

#### General Data Protection Regulation

Kindred has since 2016 been preparing for the implementation of the General Data Protection Regulation on 25 May 2018, by ensuring platforms, customer-facing processes and policies are aligned with the new requirements. In 2017, we appointed a certified Group Data Protection Officer who is responsible for ensuring that we comply with our data protection obligations and that all personal data we hold is handled in line with the GDPR requirements. In January 2018, all Kindred employees went through mandatory training on what the new GDPR regulations will mean for our business policies and processes.

GBP

25.8m

IT capitalised  
investment



#### 2018 commitments

- > Seek to participate in national anti-match-fixing platforms
- > Increase internal awareness and understanding of the General Data Protection Regulations
- > Adherence to General Data Protection Regulations
- > Deliver a customer privacy and security portal
- > Raise effectiveness of customer identification across brands
- > Increase customer access to product information
- > Complete ISO27001 certification project



# Conducting business in a **responsible and transparent** way



We operate a digital entertainment business in a regulated industry and as such we comply with regulations and requirements in every local market where we have a licence.

Kindred Group holds international gambling licences in Malta and Gibraltar and local licences in 11 jurisdictions including the UK, Denmark, France, Italy, Belgium, Malta, Estonia, Ireland, Germany, Romania and Australia, which are all monitored through local gambling authorities. Kindred pays betting duties in all markets in accordance with applicable local laws. Currently, 42% of our gross winning revenue is derived from locally regulated markets and this number is growing.

A big part of our commitment as a business is to keep money launderers and other criminals away from our platform. We have a number of systems and policies in place to ensure we detect and prevent money laundering and corruption on our platform.

"Anti-money laundering" and "tax transparency" were both 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. In this chapter, you can read more about how we work with these topics.

### Operating a regulated business

As a regulated operator, we need a licence or authorisation to offer our products to our customers. With no standardised gambling legislation in the EU and our strong strategic focus on local markets, we have over the years successfully applied for a number of licences, each with their own specific legal, operational and commercial requirements. We are subject to strict rules and provisions in the countries where we hold licences

# 27

External audits

Currently

# 42%

GWR from locally  
regulated markets

and compliance is a prerequisite for our business. Due to the complexity of operating across licences, we have over the years invested heavily in our compliance and governance functions. We govern our business activities according to internationally recognised standards and our policies outline the way we conduct business in a responsible and transparent way. As we are subject to continuous audits by regulators and stakeholders, external verification of the way we work is business as usual for us. In 2017, Kindred went through 27 external audits with no failures in compliance noted.

Through our whistleblower policy we encourage any employee who has concern about any form of malpractice in our organisation to raise their concerns through the whistleblower procedure which is readily available to all employees.

In 2017, our Legal & Compliance team were nominated in nine out of eleven categories at the Gambling Compliance Awards. The Group won three Awards for its use of industry-leading technology to increase compliance levels while maintaining a positive user experience: Best in-house Legal team, Outstanding individual contribution to Responsible Gambling and Most significant contribution to Responsible Gambling research.

## Total taxes paid 2017\*

	GBP
Nordics	15,399,267
Western	104,547,010
CES	11,796,040
Other	5,745,087
Group	137,487,404

\* Total taxes include VAT, betting duties, corporate and payroll taxes

# 300

suspected cases of money laundering reported to relevant authorities

//

“We want to be part of the societies in which we operate and to be a trusted partner

//

**Kim Olesen** General Manager  
DK, IT and EE



### Collaborating to drive change

In 2017, we partnered with the Research Centre for Machine Learning at City University of London and BetBuddy, a responsible gambling data analytics specialist. In this project, we support and fund a PhD to explore how Artificial Intelligence can help strengthen our Anti-Money Laundering decision processes.

### Paying our fair share

Tax and regulations that apply to multinational organisations are complex. Kindred recognises this and takes advice from external experts in each of our markets and has added resources to our tax organisation to ensure compliance with relevant laws and regulations. As a key dimension of our group policies, tax transparency and disclosure have become increasingly important, we address this here. The call for more transparent ‘fair tax’ is evident from, among others, the OECD Transfer Pricing guidelines, which specify that, for the purpose of corporate taxation, profits are allocated and taxed where operations and functions are located. Kindred comply with the OECD Transfer Pricing guidelines and with EU and local laws. Kindred is also engaged with its trade associations in the recent tax discussions.

### Fighting Money Laundering

Kindred takes crime very seriously. Our systems and controls are designed to keep money launderers and other criminals away from our platform, and our employees are trained to prevent and detect money laundering.

As an online gambling operator, we face many of the same challenges as financial institutions. We process a lot of transactions daily and each of these must be subject to strict anti-money laundering rules. Our

global Anti-Money Laundering/Counter-Terrorism Financing Policy, together with procedure documents, provide the foundation for all our employees to know and adhere to requirements in this area. All of our employees go through training on our Anti-Money Laundering policy. Enhanced training is mandatory for functions with increased risk.

We have a number of systems monitoring each transaction to determine risk. Higher risk activity is checked by a dedicated team and this team will de-risk the situation through appropriate customer due diligence and necessary actions. When a customer is determined to be high-risk, an Internal Risk Report will be raised by the team. If the customer is kept at high-risk level after the internal investigations, the

team will raise a report to the National Financial Investigation Unit (FIU) in the relevant market. In 2017, Kindred Group reported 300 suspected cases of money laundering to relevant authorities.

### Anti-Corruption

We operate with zero tolerance for corruption and bribery in our business. We enforce a Global Bribery Policy and a Global Gift Policy and carry out global employee training on these policies. In cases where employees wish to report an instance or suspected instance of bribery, they are encouraged to report this through our whistleblower policy. All supplier relations are subject to an Anti-Money Laundering review. No cases of corruption involving Kindred was reported during 2017.



### Our 2018 objectives

- > Launch refreshed employee anti-bribery training
- > Investigate improved ways to detect money laundering activities
- > Continue to build relations with regulators, policy makers and law enforcement agencies
- > Improve transparency of non-financial reporting



# Our people are our strongest assets



Our people are our strongest assets and we rely on attracting and keeping key talent to deliver our strategy. A key element of this is to offer a best in class employee experience.

By placing this commitment at the heart of our Group strategy, we demonstrate that we take our commitment to our employees seriously. We invest heavily in building a great place to work through offering access to a great office environment, training and development of our employees, highly competitive benefits and great events for all employees.

"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 Content Index in this report. In this chapter, you can read more about how we work with these topics.

## Value driven business

Kindred is a value led community with a strong culture. Our five values are the foundation of our business and they guide behaviours, policies and decisions. We also use our values to help potential candidates better understand our culture. This is important because we want to attract people who share our values and are therefore more likely to make a positive contribution to the Kindred community. A refreshed version of our values was launched in 2016, and we continuously work to bring the values alive to our employees.

## Diversity & Equality

Equal opportunities lie at the heart of the entire employee journey, including recruitment, training and benefits

# 759,306

shares granted  
to employees

# 92%

of employees feel  
that they are treated  
fairly, regardless of  
age, race, sexual  
orientation or gender.

regardless of gender, disability, race, nationality, religion, sexual orientation or age. Our biggest contribution to respecting human rights is our work against all forms of discrimination within our organisation.

Over the years, we have learned that a diverse group of people is crucial to our business success and we are very focused on promoting diversity in our recruitment and promotion processes. To keep a diverse range of experience in our group of employees we must promote diversity within gender, disability, race, nationality, religion, sexual orientation and age. We currently employ people of more than 50 nationalities and we are proud of our diversity.

Our employees consists of 34 per cent women and 66 per cent men. In our Executive Management team we have 22 per cent women and 78 per cent men. Although we have seen progress over the years, it remains a key focus for us to improve on gender equality. In our yearly Great Place to Work survey, we achieved a score of 92 per cent on diversity, indicating that our employees feel that they are treated fairly regardless of their age, race, sexual orientation or gender. We have a Global Equal Opportunities Policy which applies to all Kindred employees and is implemented by our HR team.



# 6,500

**courses** available at  
The Kindred Academy



//

"I was blown away by  
the companies culture;  
a bunch of young  
professionals from  
all walk of lives

//

**Nataly Sopacuaperu** Head of Events  
and Sponsorship



# 82%

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

We Are  
Individuals  
United

We Dare to  
Challenge

We Build  
on Trust

We Seek to  
Innovate

We Believe in  
Friendship



#### Wellbeing of our employees

We see employee wellbeing as a cornerstone for building the best customer experience. Therefore, we have a wide range of initiatives and benefits for our employees such as health insurance and a yearly wellbeing allowance that can be used towards gym membership or other fitness related activities.

We are committed to the highest possible standards of openness, integrity and accountability and we encourage any employee who has genuine concerns about any form of malpractice in the organisation to raise their concerns at an early stage. Therefore, we have an extensive whistleblower policy outlining how an employee can raise any such concern knowing that the

company will treat them seriously and investigate their concerns properly.

Kindred Group employees are not subject to collective bargaining agreements. In France, employees elect a staff representative every five years, supported by their chosen trade union.

In 2017, our total employee turnover rate was 22 per cent, this was driven by several factors. Our turnover rate in Malta was 34 per cent. Here we have a high number of typically younger than average staff in Customer Service who are not native to Malta, and we expect to see a higher average turnover for this demographic. In Sweden, the total turnover in 2017 was 12 per cent. Here our employees are mostly Swedish residents and are more likely to work in a role where we would expect to see a longer tenure.

#### A Great Place to Work

> During 2017, our teams in Gibraltar and London moved into brand new offices. As a digital company, we are reliant on employee output and good office design is critical for our success. Therefore, we have invested heavily in building great new office spaces for our employees.



## Being Kindred continued

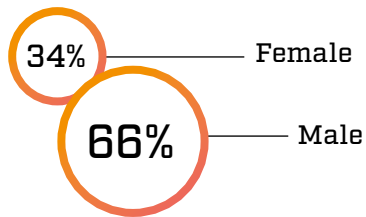
- > In April, we invited all our employees to Rome to celebrate our success and to gather together everyone employed by Kindred for the first time. The conference included a welcome party, plenary sessions, workshop sessions, a Kindred Expo and Open Space Technology sessions.
- > Every year we take part in the global Great Place to Work survey. This is an opportunity for our employees to provide feedback on our company values, culture, strategy, and the tools we use. This year we reached the highest participation level yet with an 89 per cent response rate. 82 per cent of our employees say that they feel Kindred is a great place to work and our overall engagement score is 76 per cent.
- > In 2016, Kindred's Board of Directors approved a long-term incentive plan ensuring all employees can become shareholders and therefore benefit from our long-term growth, profit and success. As of 31 December 2017, 759,306 shares had been granted to Kindred employees.

### The right set of skills

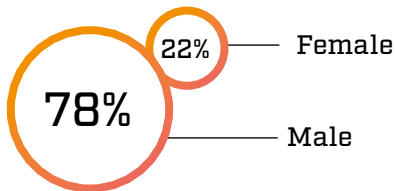
Kindred Group's success is built by its talented people. The expertise and

### Diversity & Equality

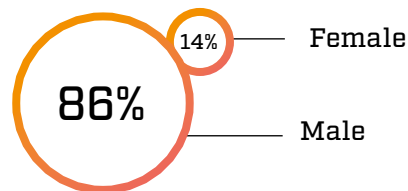
#### All employees



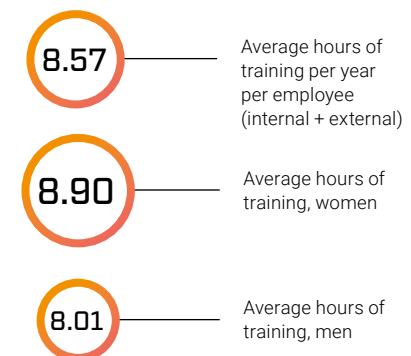
#### Executive management



#### Board



### The right set of skills



More than  
**600**  
employees moved  
to new offices  
in 2017

### Investing in our employees

In summer 2017 all employees in Gibraltar moved into World Trade Centra in Gibraltar, a brand new office space. Later in the year, employees in London moved into Kindred House, a purpose-built office space, with the fit-out based on feedback gathered during workshops and open sessions with employees.



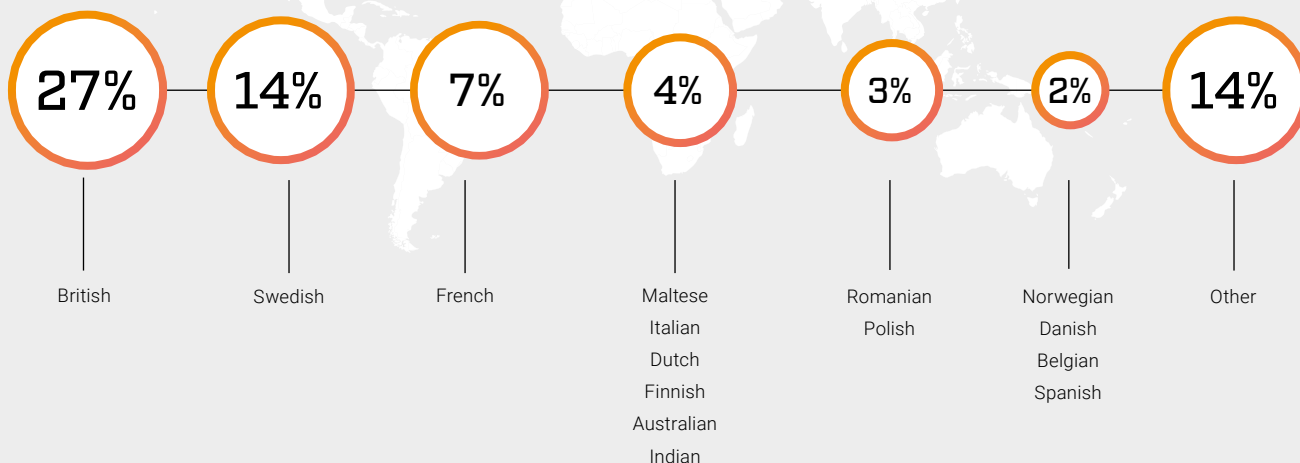
Our employees  
include  
**52**  
nationalities



### Becoming Kindred

In April 2017, all Kindred employees were invited to a four-day conference in Rome, to celebrate our success and to gather together all employees of Kindred for the first time. The event included Open Space Technology sessions, bringing employees from across the groups together in smaller groups to connect and engage with new colleagues and find innovative solutions to challenges.

## Nationalities



A diverse group of people is crucial to our business success and we are very focused on promoting diversity in our recruitment and promotion processes.



experience of our employees is what sets us apart from our competitors. On top of individual training and development, all our employees go through regular mandatory training in Information Security, Anti-Money Laundering, Responsible Gambling, GDPR and Anti-Bribery & Corruption.

In addition to the investment we make in external specialist training, we have invested in our Talent Development offering. We adopt neuroscience to build intelligent programmes that support lifelong learning to enable Kindred talent to grow and keep up with the fast pace of our changing world. We have already launched our learning programme Kindred Manager DNA and will also launch Kindred DNA this year. These programmes are built around

competencies created by all of our people that bring our values to life.

We have adopted a new Continuous Performance Management approach which will enable us to work in real time to recognise the great contribution our people make, create opportunities for our top talent and act quickly to offer training and support where it is needed.

In November 2017, we launched a new training and development hub, The Kindred Academy. Within this site, our employees can access all mandatory training, access over 6,500 LinkedIn courses, book internal Kindred DNA courses, request external training, apply for a place at conferences and submit applications for study sponsorship.



### 2018 commitments

- > Help drive the diversity and equality agenda within the online gambling industry
- > Improve employee work environment
- > Raise awareness of gender diversity within Kindred
- > Carry out targeted communication of updated employer brand
- > Roll out new manager training
- > Review whistleblower policy



# Contributing to a better world



Kindred strives to be a good corporate citizen by actively taking part in the communities where we are present.

As an online company, we have limited effect on the environment, however we want to do our part in combating climate change. We also have a broad range of initiatives to support our employee-led engagements by matched funding, paid leave for charity projects and local office initiatives.

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

### Our time

All Kindred employees are entitled to three extra days off with pay every year to be spent on charity work. In 2018, we plan to enter collaborations with organisations in each of our larger locations, to ensure our resources are used where it makes most sense to our

business and to help our employees make use of these days.

### Keeping it local

Each of our offices undertake a number of initiatives to support their local communities. In 2017, these included:

- > More than 80 Kindred employees in Malta took part in the local football tournament Kick for L-Istrina, the largest local fundraising event in Malta.
- > The Responsible Gambling Conference sponsored by Kindred donated all entrance fees to the Maltese treatment centre, Foundation for Social Welfare Service.
- > In London, our employees took part in the local Christmas Foodbank for the seventh year, and donated food and money to five local charities.
- > In Stockholm, our employees contributed to the Stockholm

More than  
**150**  
employees took  
part in a  
Kindred Group  
charity initiative

**8%**  
reduction in  
Group emissions

Donation Week and donated clothes to Stockholms Stadsmission.

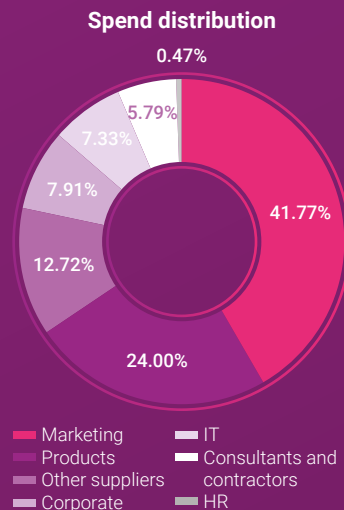
- > In the Netherlands we are supporting Fonds Gehandicaptensport, a charity that helps mentally and physically challenged people to participate in sport. We also cooperate with Coaches Betaald Voetbal, the federation of professional football coaches, in the field of match-fixing education and prevention.

### Our role in the environment

As a truly digital company, our environmental impact is minimal and limited to energy usage and business travel. To be compliant with the Greenhouse Gas Protocol Corporate Standard, we use a third party to calculate the Group's CO<sub>2</sub> emissions. An important part of our work to reduce our environmental impact is through our Carbon Disclosure Project (CDP) score which measures the Group's ability to monitor and quantify its carbon emissions.

We continually invest in efficient technology and our work on this has led to a reduction in office based electricity consumption by five per cent compared to 2016. The main reductions are from our offices in Gibraltar, where our employees moved to a new office building. Electricity consumption in our London office

# All flights CO<sub>2</sub> emissions were offset in 2017



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In 2018, my focus will be building awareness around the charity days so more colleagues use them in the future

//

**Sarah Courtman**  
London Engagement Team



## MSCI Environment, Social and Governance Rating

In 2017, 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. The MSCI uses a detailed methodology to research and rate companies using a "AAA" to "CCC" scale according to their exposure to industry specific ESG risk and their ability to manage those risks relative to peers.



increased in 2017, due to the use of a temporary office whilst a new office was finalised. We expect that improved energy efficiency in our new London office will help reduce emissions going forward. Today, the type of electricity purchased in most countries is the standard energy mix for that country. We will re-evaluate our purchases of energy in 2018.

The main contributor to our carbon footprint is business travel. We have strategic sites in several countries and an expanding employee group, and we expect that business travel will grow. We continue to invest in best in class virtual meeting equipment to make it as easy as possible for our employees to substitute travel with video conferencing. In 2017, flights represented 62 per cent of our carbon footprint. Flight emissions increased by 59 per cent from 2016 due to the increase in our headcount and a strategic conference in Rome where travel was essential. We have invested in a project to offset all 2017 emissions from business travel.

Overall, our absolute emissions have increased by 26 per cent from 2016, predominantly due to business growth where both employee numbers and turnover have increased. However, our Group emissions per GBPM turnover have decreased by 8.3 per cent.

## Sustainable supplier relationships

We work to build mutually beneficial relationships and develop long-term strategic partnerships with our key suppliers. We have an internal procurement team who work with a Global Procurement Policy guiding all employees through the procurement process. We also work with a Supplier Code of Conduct, which can be found on our website. Respect for human rights is a fundamental part of Code of Conduct and how we do business.

We collaborate with a broad range of suppliers, mainly within the fields of Marketing, IT, Products, Consultants, and Systems. The spend distribution across our supplier types can be seen in the diagram in the purple box above.

In 2017, we implemented a new Supplier Code of Conduct and an improved due diligence process for new suppliers. This new process includes an initial assessment of all suppliers followed by a risk based approach on each individual supplier based on the 4th Anti-Money Laundering Directive. We are looking to continuously improve our procurement approach and will implement our Code of Conduct as part of the supplier screening in 2018.



## 2018 commitments

- > Increase number of employees who use their CSR days
- > Launch new travel policy with focus on limiting business travel
- > Enter global and local initiatives for employee engagement
- > Update our supplier on-boarding process to include social criteria
- > Identify global partnerships



## GRI content index

The following table contains Standard Disclosures from the Global Reporting Initiative's (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 2017</b>	<b>Organisational profile</b>		
	102-1 Name of the organisation	Annual Report, p. 43 and 48	
	102-2 Activities, brands, products and services	Annual Report, p. 2-3	
	102-3 Location of headquarters	Annual Report, p. 48	
	102-4 Location of operations	Annual Report, p. 77	
	102-5 Ownership and legal form	Annual Report, p. 43 and 45	
	102-6 Markets served	Annual Report, p. 28	
	102-7 Scale of the organisation	p. 1	
	102-8 Information on employees and other workers	p. 18-21, 27	
	102-9 Supply chain	p. 23	
	102-10 Significant changes to the organisation and supply chain		Not applicable as this is Kindred Group's first sustainability report
	102-11 Precautionary principle		See sustainability policy on <a href="http://www.kindredgroup.com">www.kindredgroup.com</a>
	102-12 External initiatives	p. 29	
	102-13 Membership of associations	p. 29	
	102-14 Statement from senior decision-maker	p. 2-3	
	102-16 Values, principles, standards and norms of behaviour	p. 18-20	
	102-18 Governance Structure	p. 6	
	102-40 List of stakeholder groups	p. 4	
	102-41 Collective bargaining agreements	p. 19	
	102-42 Identifying and selecting stakeholders	p. 4	
	102-43 Approach to stakeholder engagement	p. 4	
	102-44 Key topics and concerns raised	p. 4	
	102-45 Entities included in the financial statements	Annual Report, p. 77	
	102-46 Defining report content and topic boundaries	p. 4	
	102-47 List of material topics	p. 4	
	102-48 Restatements of information		Not applicable
	102-49 Changes in reporting		Not applicable
	102-50 Reporting period	p. 4	
	102-51 Date of most recent report		Not applicable
	102-52 Reporting cycle	p. 4	
	102-53 Contact point for questions regarding the report	p. 29	
	102-54 Claims of reporting in accordance with the GRI standards	p. 4	
	102-55 GRI Content Index	p. 24-26	
	102-56 External assurance	p. 4	



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. 17	
	GRI 205 (2016) Anti-corruption 205-3 Confirmed incidents of corruption and actions taken	p. 17	No cases of corruption involving Kindred Group reported during 2017
Green buildings, energy management and responsible business travel	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 22-23	
	GRI 302 (2016) Energy 302-1 Energy consumption within the organisation	p. 22-23, 29	
	GRI 305 (2016) Emissions 305-3 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	p. 22-23, 29	
Employee engagement, training and development and diversity and equality	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 18-21	
	GRI 401 (2016) Employment 401-1 New employee hires and employee turnover	p. 19, 28	
	GRI 404 (2016) Training and education 404-1 Average hours of training per year per employee	p. 20-21, 28	
	GRI 405 (2016) Diversity and equal opportunity 405-1 Diversity of governance bodies and employees	p. 18, 20, 27	
Responsible sourcing	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 23	
	GRI 414 (2016) Supplier social assessment 414-1 New suppliers that were screened using social criteria	p. 23	Since the process was only launched in 2017 Kindred is not able to present the information fully according to GRI
Responsible Gambling and player protection	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 8-11	
	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 2017
	GRI 419 (2016) Socioeconomic compliance 419-1 Non-compliance with laws and regulations in the social and economic area	–	No incidents reported during 2017
Ethical marketing, product transparency and integrity in sports betting	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 11	
	GRI 417 (2016) Marketing and labelling 417-1 Requirements for product and service information and labelling	p. 11	
	417-2 Incidents of non-compliance concerning marketing communications	–	No incidents reported during 2017
	Own indicator–Confirmed breaches of integrity in sports betting	p. 12-14	

## GRI content index continued

Specific Standard Disclosures			
Material Topic(s)	GRI Standard and disclosure reference	Page(s)	Comment(s)/Omissions
<b>Customer data integrity and IT-security</b>	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 14-15	
	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. 15	
<b>Tax transparency</b>	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 17	
	Own indicator–Tax payments in significant countries of operations.	p. 17	
<b>Anti-money laundering</b>	GRI 103 (2016) Management Approach 103-1, 2 & 3	p. 17	
	Own indicator–reported suspected incidents of money laundering	p. 17	

# Notes to the sustainability report

## Note 1. Information on employees and other workers

	Total headcount	of which	
		Permanent	Temporary
Women	459	449	10
Men	898	880	18
<b>Total</b>	<b>1,357</b>	<b>1,329</b>	<b>28</b>
Nordics	242	241	1
Western Europe	679	662	17
CES	381	372	9
Other	55	54	1
<b>Total</b>	<b>1,357</b>	<b>1,329</b>	<b>28</b>
		Full time	Part time
Women	459	429	30
Men	898	886	12
<b>Total</b>	<b>1,357</b>	<b>1,315</b>	<b>42</b>
Consultants and other workers	127		
% 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				1			1
Men					3	3	6
<b>Executive Management</b>							
Women				1		1	2
Men				3	3	1	7
<b>Senior Management</b>							
Women		1	3	2	3	2	11
Men		1	5	11	16	3	36
<b>All other employees</b>							
Women	46	121	138	68	55	18	446
Men	76	209	230	149	146	45	855

## Notes to the sustainability report continued

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

Employee new hires	Age group						Total
	<25	26-30	31-35	36-40	41-50	50<	
Women	30	32	34	12	11	1	120
Men	46	74	59	37	28	4	248
<b>Total</b>	<b>76</b>	<b>106</b>	<b>93</b>	<b>49</b>	<b>39</b>	<b>5</b>	<b>368</b>
Nordics	4	14	19	7	9	1	54
Western Europe	24	35	33	19	15	2	128
CES	46	52	32	19	9	0	158
Other	2	5	9	4	6	2	28
<b>Total</b>	<b>76</b>	<b>106</b>	<b>93</b>	<b>49</b>	<b>39</b>	<b>5</b>	<b>368</b>

Employee turnover	Age group						Total
	<25	26-30	31-35	36-40	41-50	50<	
Women	21	29	20	11	10	4	95
Men	25	57	54	29	32	9	206
<b>Total</b>	<b>46</b>	<b>86</b>	<b>74</b>	<b>40</b>	<b>42</b>	<b>13</b>	<b>301</b>
Nordics	2	7	8	6	4	2	29
Western Europe	15	34	32	13	15	9	118
CES	28	40	32	17	20	1	138
Other	1	5	2	4	3	1	16
<b>Total</b>	<b>46</b>	<b>86</b>	<b>74</b>	<b>40</b>	<b>42</b>	<b>13</b>	<b>301</b>

Hire rate	27%
Turnover rate	22%

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

#### Average hours of training by gender

Average hours of training per employee, all employees	8.57
Average hours of training per employee, women	8.90
Average hours of training per employee, men	8.01

#### Average Hours of training by governance body

Executive Management	7.64
Senior Management	8.41
Rest of employees	7.33

#### Average Hours of training by function

Commercial	7.35
Tech	12.42
Corporate	8.23
Product	12.27

<b>Total hours of training all employees</b>	<b>6,413</b>
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Average cost of external training per employee	GBP 351
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## Note 5. External Initiatives and memberships

External initiatives	Industry association memberships
	Founding member, European Gaming and Betting Association (EGBA)
Founding member ESSA (Sports Betting Integrity)	Founding member, ESSA Sports Betting Integrity
FIFA Early Warning System	Founding member, Branschföreningen för onlinespel (BOS)
Tennis Integrity Unit	Belgian Association of Gaming Operators (BAGO)
Memorandum of Understanding with Anti-Doping Denmark	LOGICO (the Italian gambling industry association)
EU Athletes	British Remote Gambling Association (RGA)
Protect Integrity	Gibraltar Betting and Gaming Association (GBGA)
	Founding member, Danish Online Gambling Association (DOGA)
CDP Disclosure Insight Action	Dutch gambling industry association (Speel Verantwoord)

## Note 6. Energy usage, travel and emissions

CO <sub>2</sub> emissions (tonnes CO <sub>2</sub> e)	2016/17	2015/16	2014/15
Scope 1 – Operation of site facilities	51	5	65
Scope 2 – Grid electricity purchased	2,428	2,577	2,517
Scope 3 – Business travel	4,686	3,162	1,766
<b>Total emissions</b>	<b>7,165</b>	<b>5,678*</b>	<b>4,348</b>
Tonnes CO <sub>2</sub> emissions per employee	5.28	4.59	5.15
Tonnes CO <sub>2</sub> emissions per GBPm in turnover	9.50	10.36	12.28

Electricity Use (kWh)	2016/2017	2015/2016	Reduction
Total electricity use (kWh)	4,642,722	4,362,911	+ 6.41 %
Energy ratio (electricity kWh per employee)	3,421	3,527	- 3.01 %
Energy ratio (electricity kWh per GBPm of GWR)	6,179	8,019	- 22.95 %

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 gases to CO<sub>2</sub>e has been based upon the 100 year Global Warming potential figures published by the IPCC 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 2017.

We have offset all our 2017 business flights, amounting to 4,469 tonnes of CO<sub>2</sub> by supporting a verified Carbon Standard project.

\*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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