

KINDRED GROUP PLC

BOARD SUSTAINABILITY POLICIES – Updated February 2018

Background

Kindred Group plc (Kindred) is a company incorporated in Malta and therefore subject to the Companies Act and related legislation in Malta. Kindred is listed on Nasdaq Stockholm. Kindred has adopted the Swedish Code of Corporate Governance, including specifically in relation to the structure and procedures of the Board and the relationship between the Board and management.

Sustainability is at the heart of the Kindred's business operations and strategy and is recognised for this through a AAA ESG rating from Morgan Stanley Capital International.

What is "Sustainability" in the context of the Kindred's businesses?

Kindred has gone through a materiality assessment to reassess their Sustainability strategy within a regulated digital service industry. The outcome of this is a Sustainability strategy focusing on five priorities;

- Responsible Gambling
- Maintaining integrity
- Running a compliant business
- Being Kindred
- Contributing to our communities

Corporate policies for sustainability areas have been approved by the Board. Each policy is designed as a high-level statement of position for Kindred and in each specific area the management team will continue to build on the existing projects and processes. The above 5 priorities also reflect the MSCI ESG score card and the continued focus on these priorities will support the Group's goal to maintain the AAA ESG rating.

Background and business/shareholder value of Sustainability

Since at least 2010, Kindred has followed a strategy with a strong Sustainability agenda. The sustainability strategy evolved from the early phase reality of the online gambling industry – that the original focus of regulators, politicians and incumbent monopolies was to attack and seek to criminalise the innovative and borderless digital sector.

Today, sustainability is a central part of our Group strategy, securing a continuous business in an industry challenged by a constantly evolving digital economy and stricter market regulations across the board.

Kindred has undertaken a materiality assessment to define and determine the business, social, legal and environmental topics that matter the most to the Group as a business and to the Group's key stakeholder groups.

Organisational responsibility for Sustainability

The Group CFO has overall responsibility for the Sustainability framework, and all members of the Executive Management team have assigned ownership of specific yearly goals.

Sustainability is a regular agenda item for the Audit Committee, allowing both for potential changes in policy or relevant regulation to be reviewed along with specific projects and initiatives.

The Board of Kindred receives regular updates through the Audit Committee reports to the Board, together with an annual review of policies.

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Note – As in all areas of the business, there is a focus on continuous improvement as our business environment and regulation develops, so it is to be expected that these policies will continue to evolve over time as well and will be subject to annual review by the Board to ensure policies remain relevant to the business and the external regulatory environment.

Responsible Gambling

Policy #1 – Kindred provides a safe and secure online environment for our players, with our processes, products and technology subject to regular audit and a zero-tolerance approach to fraud against both our players and our business.

Policy #2 – Kindred promotes integrity in all aspects of our business, including in how products are packaged and promoted to customers, in the continuous improvement of tools to monitor players and prevent unhealthy behaviour and a proactive approach to intervene whenever potential concerns are flagged.

Policy #3 – Kindred's strategy is based on developing a long-term sustainable relationship with our players, based on delivering an excellent customer experience. Kindred aims to build its business by increasing our share of the gambling market through increases in customer numbers (actives) rather than from focus on growing revenue per customer (ARPU). This ensures a healthy environment where customers have a positive entertainment experience at Kindred's sites. A sustainable business can only exist if customers can sustain their gambling.

Maintaining integrity

Policy #4 – Kindred has a zero tolerance towards the issue of match-fixing, through the ability of online tools to provide early detection of risks, open co-operation with industry and sports bodies and proactive education.

Policy #5 – Kindred invest heavily in building a secure and resilient gambling environment as part of a safe and secure platform. Kindred has Cyber Security as a top priority and have the highest standards of security measures in place. With the implementation of the General Data

Protection Regulation on 25 May 2018, Kindred has geared up to ensure platforms, customer-facing processes and policies are aligned with the new requirements. Kindred has appointed a certified Group Data Protection Officer who is responsible for ensuring compliance with data protection obligations and ensuring that all personal data is handled in line with the GDPR requirements.

Being Kindred

Policy #6 – Kindred seeks to maximise employee engagement in the business, which helps us to attract, develop, retain and motivate the best employees and deliver the best business results. Kindred has a policy of regular communication to employees on matters related to strategy, regulation and business operations (within the limitations of our obligations as a listed company) and seeks to foster an open and collaborative culture based on teamwork.

Policy #7 – Kindred is committed to equality of opportunity in all aspects of employment including recruitment, promotion, training, remuneration and benefits, considering only the individual's aptitudes, abilities and the requirements of the job. The Kindred HR team continually works to embed sustainability in the employee development and remuneration framework.

Running a compliant business

Policy #8 – Kindred operates a regulated business in all of our markets and through all of our brands. Regulation may be either through a national licence scheme (where available) or through a trans-national regulation for other markets. Kindred complies with all licensing and regulatory requirements across our markets and brands and is subject to regular independent audits to verify that compliance. Ownership of compliance is embedded in every role in the line organisation, with technical substance matter experts providing overall support and guidance as business partners.

Policy #9 – Regulatory obligations affecting Kindred's business also include wider obligations including anti-money-laundering rules applicable to our various markets. Kindred systems and controls are designed to keep money launderers and other criminals off the platform, and all employees are trained to prevent and detect money laundering.

Policy #10 – Kindred operates a zero tolerance for corruption and bribery in the Group. Kindred applies a Global Bribery Policy and a Global Gift Policy and carry out global employee trainings on these policies. Through the Global Whistle-blower Policy employees are encouraged to report instances or suspected instances of bribery.

Policy #11 – In some markets in the European Union (EU) and European Free Trade Area (EFTA), it is not currently possible for Kindred to secure licences under local legislation. Such national legislation is often based on out-dated models that pre-date both membership of the EU/EFTA and the related obligations on member states under European law and the development of the digital economy. Kindred actively promotes a modern and sustainable re-regulation in all such markets in order to secure the highest standards of player protection and wider social objectives. Sustainable re-regulation in the modern digital economy can only be

judged through the successful channelisation of the market. With the better offer one click away, this means that for any gaming regulation to be sustainable, tax rates, customer experience and product-requirements need to be set in such a way that ensures that players play within the re-regulated system with licensed operators.

Policy #12 – As a company listed on Nasdaq Stockholm, large cap, Kindred adopts the Swedish Code of Corporate Governance. As Kindred is not a Swedish legal entity, the principal legal framework that is relevant is the Maltese Companies Act. Full disclosure on Kindred’s Corporate Governance is included in the Annual Report published to shareholders and publicly available on the corporate website.

Policy #13 – Kindred seeks to secure the right balance between its obligations to shareholders to manage the group’s operations and cost base in an efficient and scalable manner, with its obligation to pay the relevant taxes in each country in which it has operations or customers. Kindred pays all taxes required under applicable law.

Some of the Group’s taxes are calculated based on where Kindred operations are located (including corporate tax, employee taxes and social contributions and some elements of the Group’s VAT cost), while other taxes are calculated based on where customers are based (betting duties and VAT on GST on revenues where applicable). Kindred’s international operations are complex and accordingly Kindred takes advice from external experts in each territory to ensure compliance with relevant laws and regulations, including tax laws.

In determining the appropriate tax cost in each relevant territory, Kindred complies both with local laws and with relevant international frameworks that specify how profits should be allocated in multinational businesses. This includes compliance with the OECD Transfer Pricing guidelines, which specify that for the purpose of corporate taxation, the profits are allocated and taxed where operations and functions are located.

Contributing to our communities

Policy #14 – Kindred supports and promotes employee engagement in the wider community in various ways. These include a scheme to allow employees to take time off work to participate in community activities and matching of employee fund-raising for charities as well as company-led local initiatives.

Policy #15 – Kindred provides detailed disclosure regarding the environmental impact of our business, including annual performance against specific improvement targets both in the Annual Report, the Sustainability report and through a private annual submission to the Carbon Disclosure Project (CDP). Kindred continuously monitors changes in regulation and investor expectations in relation to environmental reporting and seeks to achieve continuous improvement in reporting, including embedding environmental impact into our routine systems and processes. Kindred applies a precautionary approach towards possible negative environmental impacts should be taken in all major business decisions. Due to the nature of our business our environmental impact is however limited.



Policy #16 –Kindred work to build long-term relationships with their suppliers and applies a Global Procurement Policy as well as a Supplier Code of Conduct including social criteria and evaluation of energy consumption and environmental impact of technology and related products and services.