



Consultation Paper on a Voluntary ESG Code for the Remote Gaming Sector in Malta

Malta Gaming Authority

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1 Context

1.1 Introduction

The Malta Gaming Authority ('MGA', 'Authority') is initiating a targeted consultation with its Licensees to seek their input and feedback on the voluntary Environmental, Social, and Governance ('ESG') Code of Good Practice ('Code'). This consultation serves as an opportunity for the licensees to actively participate and further contribute to the development of this Code.

Over the years, we have seen the gaming sector maturing and becoming more aware of its impact on the environment and society. Although the perception of the gaming sector has been always complex, more success stories contribute to the inevitable shift in how the industry is regarded. As investors, consumers and employees become increasingly aware of the impact that companies have on society and the environment, we have been witnessing growing awareness around ESG matters.

While the remote gaming sector has made substantial progress in addressing ESG concerns, challenges remain, particularly concerning limited or inconsistent adoption of ESG practices. While the Authority is proud of the consistent progress of the gaming sector and acknowledges the good work done by its licensees, some of which currently report on ESG publicly, starting from 2024, all large or listed companies will be required to report under the Corporate Sustainability Reporting Directive ('CSRD'). Companies that do not qualify for CSRD will still most likely be affected by its introduction since it is predicted that growing pressure stemming from ESG-driven companies within the same value chain will affect the contractual relationships between the parties.

In this context, in an effort to remain at the forefront of innovation and forward-looking practices, in 2022, the MGA has begun a journey – underpinned by the MGA's objective of promoting the development of a sustainable gaming sector that safeguards players' rights – to explore the development of a voluntary ESG Code for the remote gaming sector to help guide and prepare local licensees for upcoming ESG legislation, and to potentially derive the benefits tied to running a sustainably conscious operation.

The voluntary ESG Code that is subject of this consultation aims to complement and build on existing efforts by the industry, as well as act as a reference point for remote gaming companies to regularly assess, report on, and improve their ESG practices. We kindly request your participation in this closed consultation dedicated solely to the MGA-licence holders.

We appreciate your commitment and contribution to this consultation, as your involvement is instrumental in shaping the final version of the Code and ensuring its effectiveness and broad acceptance within the industry.

1.2 MGA's Consultation Objective

In line with the Authority's commitment to an open and transparent decision-making process the purpose of this consultation is to effectively communicate and refine the proposed Code. The objective of this consultation process is to gather diverse perspectives and suggestions that will assist us in fine-

tuning the Code to effectively address the unique needs and circumstances of the remote gaming industry.

1.3 Pre-Consultation Activities

Prior to the commencement of these consultations, several crucial pre-consultation activities were conducted to ensure the development of a robust and comprehensive Code. These activities encompassed three main stages:

- Peer Review and Research Phase:** Extensive research and peer review were conducted to identify and analyse the ESG topics that could have material implications for the remote gaming industry. This phase aimed to gather relevant information and insights from existing literature, industry best practices, and expert opinions to form a foundation for the subsequent stages.
- Materiality Assessment Phase:** Following the initial research, a materiality assessment phase was undertaken to evaluate and prioritise the identified ESG topics based on their significance to key stakeholders. Insights on the priority assigned to these topics by the industry were obtained through a stakeholder survey sent out to all MGA licensees. By prioritising these topics, the Code focuses on addressing the most relevant and significant ESG concerns.
- Stakeholder Interviews:** To gather further valuable insights essential for the development of the code, interviews were conducted with several remote gaming companies that are at different phases in their ESG journey. By actively involving stakeholders, their expertise and diverse viewpoints were considered, fostering a more inclusive and comprehensive approach to formulating the Code.

These pre-consultation activities laid the groundwork for the subsequent consultations, ensuring that the Code is well-informed, relevant, and reflective of the industry's ESG priorities and stakeholder expectations.

2 Consultation process

The following section contains relevant information about the consultation process, including key dates and the process to forward queries to the MGA during the consultation period.

2.1 Period

This consultation shall last for a period of five (5) weeks, set as follows:

Opening date of consultation	Tuesday, 4 July 2023
Closing date of consultation	Tuesday, 8 August 2023

In any instance, where an extension of the consultation period is deemed necessary, either by the MGA or following a request made by the interested parties due to exceptional circumstances that warrant

the MGA to issue an extension, the Authority will communicate such extension with all parties. The Authority reserves the right to grant or refuse any such requests at its own discretion.

2.2 Feedback

Any feedback that contributors may have in respect of the proposed Code should be sent within the consultation period indicated in Section 2.1 of this consultation paper and to the following email address: policy.mga@mga.org.mt.

2.3 Queries

Any queries and requests for clarifications that contributors may have in respect of the contents of the consultation paper, and any request for modification or deletion of a submitted contribution to this consultation process shall be sent to the following email address: policy.mga@mga.org.mt. Any queries should be sent within a reasonable timeframe prior to the date of closure of the consultation.

All queries will be acknowledged in writing within two (2) working days from receipt.

2.4 Transparency

The responses to the consultation may be made public or published in a summary of responses to the consultation on the MGA's website (<https://www.mga.org.mt/our-work/consultations/>).

A respondent may request that part of his/her submission be redacted or kept confidential, giving reasons for such a request. If the request is acceded to by the Authority, the part of the submission indicated by the respondent will be redacted before publication. The MGA will ensure that any data that is confidential to the respondent's environment or business or that allows the respondent to be identified, is kept confidential at all times, by redacting such data from their submission and not disclosing it in the consultation reports.

2.5 Post Consultation

Following the consultation with its licensees, the Authority envisages the following post-consultation activities to ensure the effective implementation and ongoing refinement of the Code:

1. **Analysis and Evaluation** of the licensees feedback obtained during the consultation phase. This phased will involve reviewing the suggestions and concerns shared by licensees and identifying common themes or areas requiring further clarification or revision. The Authority will consider all responses carefully when finalising the Code but will only alter its position if it believes there is a sound basis to do so.
2. **Stakeholder Engagement:** Beyond the initial consultation, engagement with the licensees will continue. The Authority may organise follow-up discussions, workshops, or meetings with licensees and other relevant stakeholders to seek additional input or clarifications to enhance the Code.

3. **Guidance and Outreach:** The Authority will be organising training sessions and workshops on the Code's provisions to assist licensees in understanding and meeting the Code's requirements effectively.

2.6 Data Protection Statement – Data Protection Act (Chapter 586)

As part of this consultation, industry stakeholders are invited to forward their recommendations, views and opinions on the Code. The Authority intends to collect the following information:

- Name of the organisation or individual responding to the consultation; and
- Email address of the individual.

Any personal data collected will be processed by the Authority in accordance with the relevant provisions of the General Data Protection Regulation (EU) 2016/679. Personal data will not be made available to third parties.

The above-mentioned personal data shall be processed for the purpose of gathering feedback from the industry stakeholders regarding the proposed Regulations and Policy Document. The contact information shall be collected to allow the Authority to contact contributors to request any necessary clarifications regarding their submissions.

The personal data shall be processed on the basis of article 6(1)(e) of the General Data Protection Regulation (EU) 2016/679, in that the contact information is needed to properly fulfil the Authority's function "to consult with the general public or a specific segment thereof, as the case may be, on all matters which the Authority considers necessary and, or desirable" as applicable by virtue of article 7(1)(g) of the Gaming Act (Chapter 583 of the Laws of Malta).

Contributors may also contact the Data Protection Officer of the Authority with any concerns or queries relating to personal data on the following email address: dpo.mga@mga.org.mt. Moreover, the Authority's privacy policy can be found at <https://www.mga.org.mt/privacy-policy/>.

As the MGA is a public authority, it must abide by the obligations under the Freedom of Information Act (Chapter 496 of the Laws of Malta). All documents held by the Authority, including documents related to this public consultation process, may be released following a request made in terms of the Freedom of Information Act, unless such request may be subject to an exemption arising from the same Act. In accordance with article 5(3) of the Freedom of Information Act, a document containing personal data will only be released if such personal data can be deleted, and such release will be made in accordance with articles 13(1) and (2) of the same.

3 Scope of Consultation

The purpose of this consultation is to gather diverse perspectives and opinions on any part of the Code, including but not limited to suggested core and optional disclosure requirements, implementation timelines, and the proposed MGA Recognition of ESG Commitment. It is important to note that licensees are not limited to commenting solely on these areas and are welcome to provide feedback on any part of the Code they deem necessary or relevant.

