



The MGA's voluntary

ESG Code of Good Practice

2023 Insights Report



The Malta Gaming Authority (MGA/ Authority) is proud to present the findings from the inaugural cycle of data collection under its ESG Code of Good Practice ('the Code'). This initiative saw 14 remote gaming licensees voluntarily report on their Environmental, Social, and Governance (ESG) practices for 2023. The participation of these reporting entities underscores their dedication to sustainable and responsible business practices, marking an important step toward aligning the gambling sector with broader ESG objectives.

By offering a consolidated view of these efforts, the Authority aims to inspire increased reporting in terms of the Code to ensure that the broader initiatives and sustainability commitments of the industry can be celebrated and showcased.

We believe this is the first step of many towards a cooperative industry committed to ESG values in the remote gambling sector in Malta.

While we strive to maintain the highest level of transparency in publishing information reported by the 14 participating entities, certain data has been omitted to safeguard the confidentiality of respondents. Given the relatively small sample size, there were instances where publishing specific data could risk misrepresentation or overgeneralisation of the figures. This context should be taken into account when interpreting the results, as they may not fully capture the nuances of broader industry trends.

2023 Insight Overview

The insights provided by the participating entities demonstrate commendable actions across the three pillars of ESG, while also identifying areas for further improvement:

Social

The sector has made strides in promoting responsible gambling and employee well-being, though challenges in areas like gender pay gap and inclusion at senior levels remain relevant.

The gender pay gap may be partly influenced by the underrepresentation of women in management and executive roles, which typically offer higher remuneration.



Environmental

While reporting entities are implementing impactful initiatives, such as monitoring energy use and emissions, comprehensive reporting on Scope 3 emissions remains limited.



Governance

Regulatory compliance, risk management, and anti-corruption measures are robust, but opportunities exist to enhance cybersecurity practices and diversify governance structures.



Overall, while the industry is making notable steps forward, continued efforts to expand and improve ESG practices will be essential to meeting evolving regulatory standards and driving sustainable growth in the remote gambling sector. The MGA looks forward to seeing further enhancements in future ESG disclosures, which will support the industry's long-term success and its contributions to Malta's broader sustainability goals.

Environmental Disclosures

The Environmental impact of the gambling sector was assessed based on energy usage, emissions, and resource management practices.

¹ Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain, which consists of both its upstream and downstream activities.

Carbon Intensity:

0.06 kgCO2
emissions per revenue

The average carbon intensity of the reporting entities operations, based on Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity), was 0.06 kgCO2 emissions per revenue. While this suggests a relatively small direct environmental footprint, only a few reporting entities were able to provide data on Scope 3 emissions¹, with the lack of comprehensive reporting indicating that a fuller picture of the sector’s carbon impact is yet to be understood.

Environmental Policies:

50%

Half of the respondents reported having formal environmental policies in place.

100%

All policies addressed Greenhouse Gas (GHG) emissions in alignment with the Paris Agreement, as well as resource use and waste management.

50%

However, only 50% of the policies included measures aimed at reducing water consumption.

Social Disclosures

The Social dimension of the ESG Code evaluates how gambling companies affect and engage with employees, customers, and society. For the remote gambling sector, key areas include responsible gambling practices, which protect players and promote long-term business success, and diversity and inclusion, which are increasingly linked to performance and reputation.

Diversity, Inclusion, and Equal Opportunity

In non-management roles, the gender representation among full-time employees is almost equal, with 52.9% identifying as male, 47.0% as female, and 0.1% identifying as non-binary or other genders.



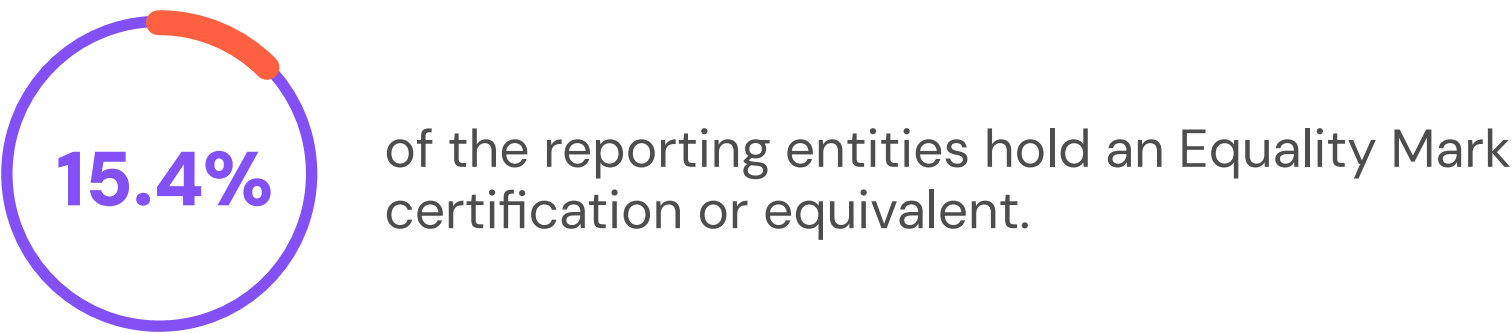
In management roles, males represent 64.8% and females represent 35.2%.



Among executives, males constitute 80.0% and females 20.0%.



The gambling sector in Malta is characterised by a diverse workforce, with 70.3% of employees being non-Maltese, and 29.7% Maltese.

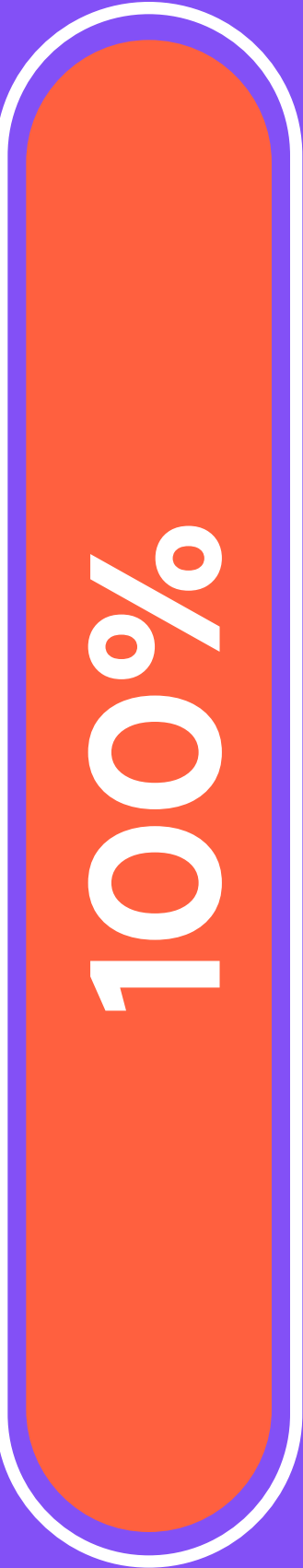


Data Security and Customer Privacy



Employees received an average of 3.0 hours of General Data Protection Regulation (GDPR) and data privacy training.

Responsible Gambling



All reporting entities have established comprehensive measures to promote responsible gambling. These include policies and procedures to prevent underage gambling, readily available information on the risks of online gambling, and tools to help players assess potential gambling issues. Additionally, reporting entities ensure 24/7 access to complaint and dispute resolution mechanisms, including third-party mediation, and make T&Cs and game rules accessible and transparent before players engage in wagering.

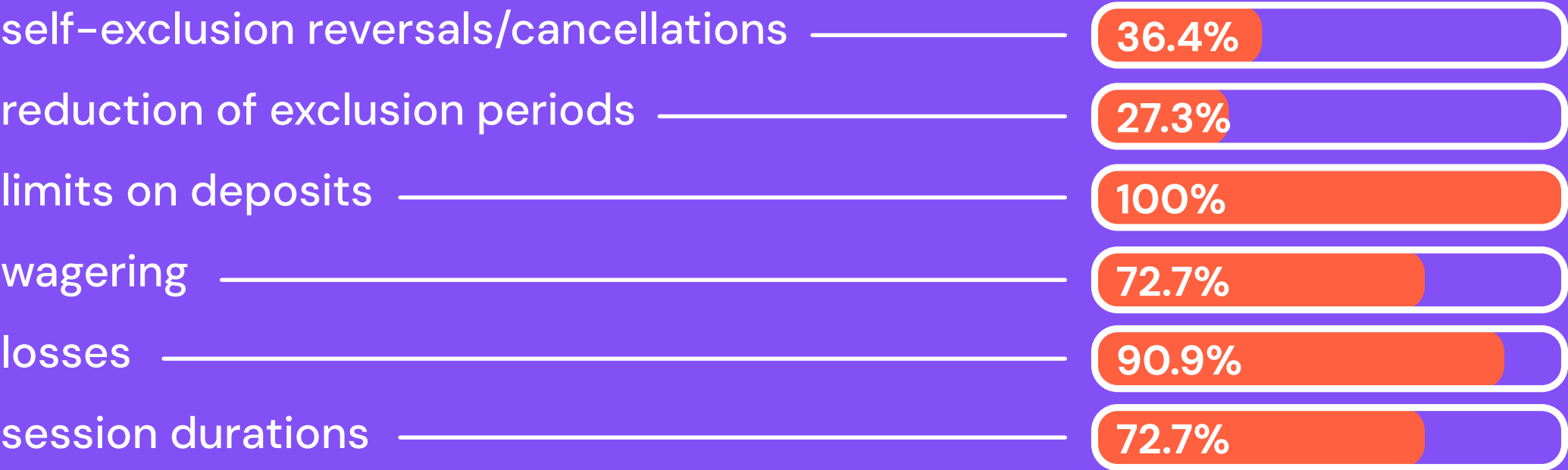


While all reporting entities use the minimum markers of harm defined by the MGA Player Protection Directive (Directive 2 of 2018), 70% of them go beyond these markers.

The reporting entities demonstrated strong adherence to responsible gambling practices. All entities (100%) offer players the ability to self-exclude indefinitely or for a set period.



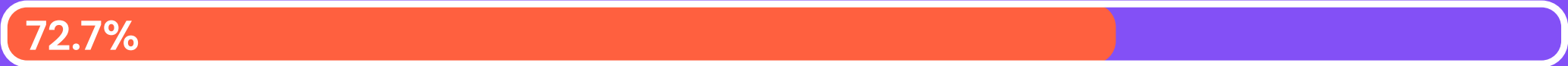
In addition, the reporting entities provide options for:



Reporting entities also prioritise ethical marketing



and align their policies and procedures with the European Gaming and Betting Association (EGBA) standards (72.7%).



Customer-facing staff receive an average of **6.3 hours** of responsible gambling training annually.

Training and Skills Development

Reporting entities provided robust training programmes for key function holders, with the highest average training hours reported for Compliance (**25.5 hours**) and Management of the Operations (**22.4 hours**).

Health, Safety, and Well-Being



No workplace incidents were reported in 2023, with **3.1 hours** of health and safety training provided during the year per employee on average.

Employees work an average of **7.7 hours** per day, and **63.4%** have access to flexible working arrangements². Parental leave usage is low, at **0.8%** of labour hours for females and **0.1%** for males.

Gender Pay Gap

The results highlight a significant gender pay gap of **27.1%** indicating the potential need for targeted measures to address pay equity within the industry.

This gap may be partly influenced by the underrepresentation of women in management and executive roles, which typically offer higher remuneration.

² The majority of companies reported that some or all of their employees are entitled to flexible work arrangements, with most indicating high percentages. However, a small number of companies reported no employees with such entitlements, which significantly lowered the overall average.



Innovation and Community Engagement

42.9%

of the reporting entities reported spending on Research and Development (R&D), involving sustainability initiatives.

Donations account for **0.1%** of net revenue³, while volunteer work constitutes **0.1%** of the total labour time. Reporting entities also contribute to responsible gambling initiatives through funding and family support programs.

³ Donations made at the Group level are not included in this figure.

Employment and Social Protection

2.3%

of employees are on temporary contracts.

100%

of employees are covered for sickness and parental leave.

92.3%

of employees are covered for work-related injury.

76.9%

of employees are covered for retirement benefits.

No employees were reported under collective bargaining agreements.



Governance Disclosures

The disclosures in the Governance section of the Code focus on the policies and practices that guide decision-making and operations. In the remote gambling industry, strong governance is vital for ensuring regulatory compliance, managing risks, and protecting players. By upholding effective governance, companies can maintain stability, safeguard stakeholder interests, and adapt to industry changes.

Prevention of Corruption and Anti-Bribery

Most reporting entities **85.7%** have Anti-Bribery and Corruption Policies, as well as Whistleblower Protection Policies.

All reporting entities have AML policies aligned with Maltese laws, covering identification and verification of players, and the detection of suspicious activities. These policies also address sanctions and adverse media.

AML/CFT Training

81.8% of relevant staff receive AML/CFT training as needed (at least annually), and **100%** of staff in the AML/CFT unit are trained.

On average, **94.2%** of non-AML/CFT staff also complete AML/CFT related training.

63.6% of board members received AML/CFT training.

45.5% of outsourced staff received AML/CFT training on Maltese regulations.

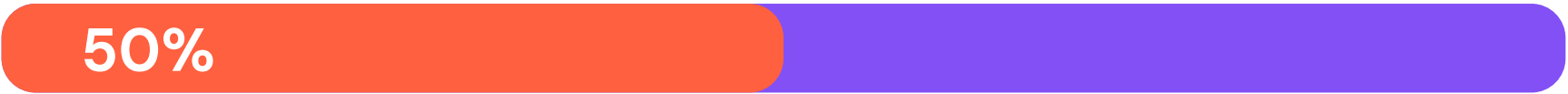


Cybersecurity



All reporting entities (100%) have an Information Security Policy in place.

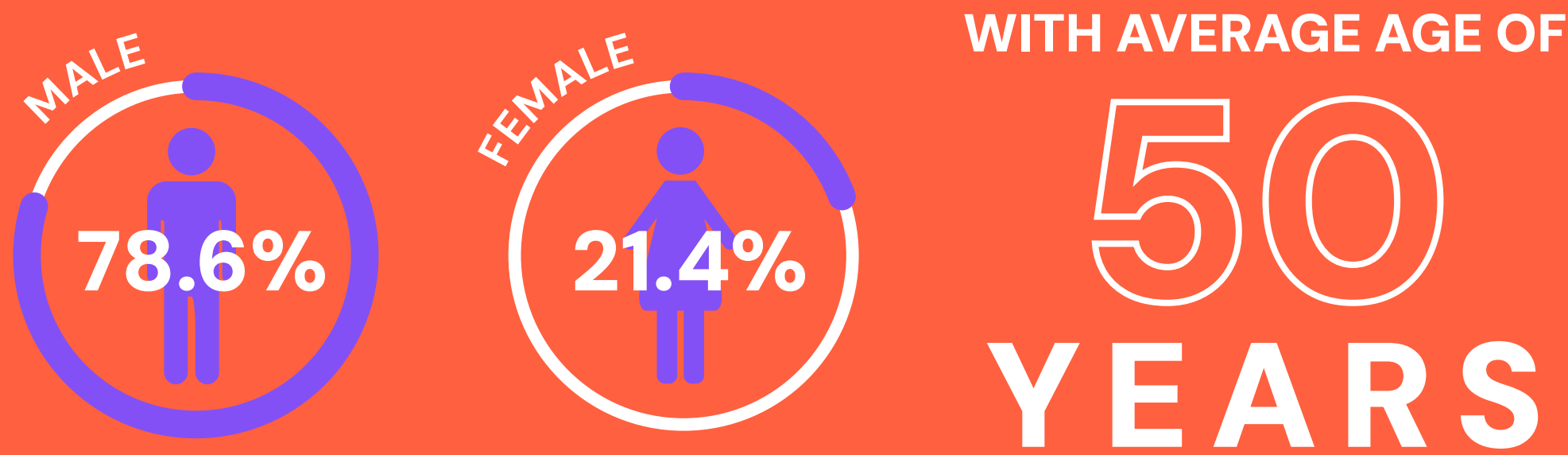
Risk Identification and Opportunity Integration



Half (50%) of the reporting entities have documented ESG risks and opportunities and integrated them into their business model.

Governance Structure and Sustainability Skills

The average board size is three members, with males making up the majority (78.6%) of directors and females making up the remaining 21.4%. The average age of board members is 50 years.



25% of directors are independent.

