

A Voluntary ESG Code of Good Practice for the Remote Gaming Sector in Malta

Malta Gaming Authority

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Executive Summary

In a span of twenty years, the gaming sector in Malta has witnessed a remarkable transformation, with the arrival of remote gaming platforms transforming the way people engage with remote gaming and gambling. The country has managed to drive itself towards the front of the global remote gaming scene, attracting numerous operators and players alike. As the Maltese ecosystem continues to thrive, there is an inherent responsibility for the sector to proactively address Environmental, Social and Governance ('ESG') concerns. The need to drive more sustainable and responsible business has seen ESG emerge as a crucial consideration across various industries, not least in remote gaming.

The remote gaming sector has made significant strides in addressing ESG issues, but the challenge of limited or inconsistent uptake of ESG persists. This voluntary ESG Code of Good Practice ('Code') issued by the Malta Gaming Authority (the 'MGA' or 'the Authority') 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.

This ESG Code (**Section 5**) focuses on ESG reporting rather than setting ESG targets, but it is envisaged that specific ESG ambitions may be included at a later stage once the Code is more widely adopted and sufficient data is available for benchmarking. It provides a framework for remote gaming companies licensed by the MGA to identify and understand the most material ESG issues relevant to the sector. This is based on a materiality assessment which included industry consultation.

A total of 22 topics were found to be most material. ESG disclosures are proposed for 19 of these topics, to increase focus and prevent overlaps in reporting. By focusing on issues highly material to the sector, remote gaming companies may focus their ESG reporting efforts in a more strategic manner, develop targeted strategies, set meaningful goals, and allocate resources more effectively.

To recognise and support these efforts, the MGA introduced a two-tier reporting system under this Code: Tier 1 represents a baseline ESG standard, while Tier 2 reflects a more aspirational level of commitment. Minimum criteria have been defined for both levels, incorporating core and optional disclosures. Tier 1 core disclosures apply to 11 topics, while Tier 2 covers 15, ensuring that sustainability efforts are targeted, impactful, and scalable.

Following the first reporting cycle, covering the 2023 reporting year, 14 gaming operators were awarded the ESG Code Approval Seal in recognition of their commitment to ESG practices. As we now move into the second reporting cycle, covering the 2024 reporting year, the deadline for submissions is set for the third quarter of 2025. To support stakeholders in meeting their reporting obligations, the MGA continues to host information sessions and has published a detailed guidance document, along with comprehensive instructions for using the reporting tool.

This ESG Code seeks to serve as an instrument for self-regulation, helping remote gaming companies align with best practices and maintain a position that allows them to effectively meet the evolving expectations of key stakeholders in the sector. While this ESG Code is voluntary, all MGA licensees are

strongly encouraged to adopt it to better demonstrate their commitment to sustainability and to continue improving the ESG standing of the industry.

1 Background

1.1 Why ESG?

Today's businesses are being held accountable to a higher standard. Regulators, investors, business partners and civil society are calling for more accountability to address key challenges for society and the planet. In this context, ESG issues are climbing leaders' agendas and becoming central to business philosophy. ESG may be translated differently for different businesses and stakeholders, not least in the gaming industry. Business-centric views on sustainability have been conventionally rooted in the context of risk management, be it the risk of extreme climate events or the risk of regulatory sanctions. However, ESG continues to rapidly establish itself at the core of business management.

ESG touches upon the complete value chain and all business functions, ranging from research and development to due diligence, procurement, human resources, marketing, and finance. However, if companies wait until they are required to comply, whether it is because of regulatory or other external pressures, the impact on the organisation may be highly disruptive, and indeed may require companies to rapidly divest assets regarded to be less ESG compliant rather than undergoing a transformative process. Embracing ESG within business strategies in a timely manner permits businesses to have a net-positive effect on society and provides an opportunity to stand out in a competitive market through several benefits, including but not limited to, cost reduction, increased customer loyalty and acquisition, talent attraction and retention, and investment.

Further, rising public concern around environment and social issues, especially among younger generations, is additional motivation for businesses to act swiftly. A 2022 study found that 49% of gaming customers think ESG is valuable in deciding where they should place their bets, while 46% factor in ESG when deciding where to gamble¹. These findings suggest that the perception of stakeholders increasingly attracted to sustainable business influence the reputation, operations, and long-term profitability of businesses. In short, an effective ESG strategy may soon be a defining factor in identifying leading companies on the global stage, not least in the remote gaming sector.

1.2 The 3 Pillars of ESG

1.2.1 The E in ESG: Environment

The "E" considers the impact that a business's operations have on the wider environment, both through its direct operations and across supply chains. At face value, the environmental footprint of the remote gaming industry may not appear substantial. However, certain aspects of a remote gaming company's value chain, such as the use of data centres and business travel, may have a significant carbon footprint. The remote gaming industry is rapidly growing and facilitating further research and innovation in the digital domain, and it is therefore critical to understand where carbon reduction opportunities exist.

¹ [ESG scores points with gaming customers \(kpmg.us\)](https://www.kpmg.us/esg-scores-points-with-gaming-customers).

1.2.2 The S in ESG: Social

The “S” focuses on how a business interacts with and impacts its employees, customers, and society at large. The social dimension of ESG is of relevance to remote gaming due to the unique characteristics of and potential challenges associated with the industry. A social issue that is increasingly at the top of the industry’s agenda is responsible gaming, given its impact in driving customer choice and business longevity. Businesses must prioritise responsible gaming practices to safeguard players from potential harm, in turn promoting a safe and enjoyable gaming experience.

Diversity and inclusion are another example of a social topic of growing importance, and ones that are linked to business performance. In fact, a McKinsey study found that businesses in the top quartile for Ethnic and Cultural Diversity outdid those in the fourth quartile by 36% in terms of profitability².

By focusing on the social aspect of ESG, remote gaming businesses can attract socially conscious investors and enhance their reputation, build trust with their customers, and reduce operational risks associated with increased regulatory scrutiny and negative public perception.

1.2.3 The G in ESG: Governance

The “G” refers to the set of principles, policies, and procedures that guide the decision-making and operations of any business. The remote gaming industry operates within a complex regulatory framework, and may be exposed to various risks, including financial, operational, legal, reputational and cybersecurity. Effective governance practices are crucial to facilitate compliance with regulations, ensure that policies and practices are in place to prevent or mitigate corruption, address problem gaming and safeguard player protection, as well as to identify, assess, and mitigate business risks.

By upholding good governance practices, remote gaming businesses can safeguard their economic performance and financial stability, protect the interests of their stakeholders, manage risks more effectively, and build a resilient business in an evolving industry.

1.2.4 Industry Spotlight

Various remote gaming companies have taken proactive efforts towards addressing E, S and G issues. These efforts to reduce their environmental impact, promote social well-being and uphold good governance standards are publicly disclosed in ESG reports.

The findings in **Table 1** capture some of the work being reported on by the industry to address ESG issues material to their business and stakeholders. Most importantly, these findings emphasise the remote gaming industry’s determination to progress on its core ESG responsibilities.

² [Diversity wins: How inclusion matters \(mckinsey.com\)](https://www.mckinsey.com/industries/gaming/our-insights/diversity-wins-how-inclusion-matters).

Environment	Social	Governance
Encouraged global operations to switch to renewable electricity in line with RE100 criteria.	Introduced an automatic £500 deposit limit per month on all UK&I customers under the age of 25.	A standalone external tool for whistleblowing is available for employees to anonymously report any irregularities.
Invested in employee education programmes, for example via engagement with World Earth Day.	Participated in close to 20 projects across the country that support work covering the themes of well-being, sport as well as the environment.	Added additional staff and technical capabilities to Compliance and Regulatory teams to ensure the necessary resources to meet obligations are available.
Rolled out a comprehensive training programme on climate change risk assessment to enable division-level integration.	Responsible gaming tool activated for over 90% of the company's active customers.	Extended a supplier screening tool to include monitoring of suppliers more broadly across the business.
Maintained a CDP score of B: an external assurance of the ability to monitor, quantify and improve carbon emissions.	Contributed over €14m to projects focused on safer betting and gaming, sports, diversity, and technology.	Merged and integrated the Procurement function to ensure continued review and assessment on the risk of modern slavery in the business and its supply chain.
Carbon reduction plans expected to be in place for Vendors representing 60% of the company's third-party supplier spend.	Launched a new diversity and inclusion ('D&I') strategy.	Performed a complete overhaul of anti-money laundering procedures to ensure full compliance and high robustness.
Data servers were moved from on-premises machines to web-based services, reducing emissions and increasing efficiency through optimal usage of capacity. Scope 1 and 2 emissions decreased by almost 20% in 2022, and scope 3 emissions by over 10%.	Established connections with recruitment agencies and grew the internal Talent acquisition team to offer comprehensive training programmes as a response to digital tech talent shortages.	Implemented a 'red team' methodology to continually establish ability to combat cyber-attacks.

Table 1: Examples of industry initiatives on ESG

1.3 Why has this ESG Code been developed?

The remote gaming sector in Malta holds considerable importance, both for the country's growing economy and its position as a hub for online gaming. With over two decades of experience, Malta has gained prominent standing as an online gaming jurisdiction. The sector has been a key driver of job creation, attracting talented professionals from various career fields. Further, the country's regulatory framework enhances consumer protection, player fairness, and responsible gaming practices. This has

fostered trust among players and operators alike, attracting businesses to establish their operations in Malta and raising the country's reputation as a trusted and well-regulated jurisdiction in the global gaming market.

However, of the 340+ licensees in Malta, the number that report on ESG publicly is minimal. Although ESG presents long-term benefits³ to a business (such as through higher employee engagement⁴, opportunities for cost reduction, better risk identification and management, and increased attraction of customers, investors, and employees because of sustainability credentials), it is sometimes viewed as an additional burden or expense, particularly when it is not recognised as a core business activity. Limited resources or expertise may be another potential stumbling block, prompting remote gaming companies to be mindful about how and where they allocate their resources.

The absence of standardised ESG reporting requirements has also resulted in a lack of consistency in respect of both the topics that are reported on, as well as the metrics that are used to report on these topics.

The gaming industry also tends to face scrutiny regarding issues such as responsible gaming and measures taken to protect player data. ESG reporting supports remote gaming companies to effectively address these concerns and demonstrate their commitment to ethical conduct.

Additionally, ESG disclosures are increasingly being mandated by regulations. For instance, starting in 2024, large or listed companies in the European Union, including remote gaming companies, will be required to disclose ESG information under the Corporate Sustainability Reporting Directive ('CSRD'). By voluntarily disclosing their ESG performance, remote gaming companies can stay ahead of potential regulatory mandates. Companies that do not embrace ESG principles will likely have to deal with them later in the form of legal, regulatory, reputational and compliance issues, potentially also coupled with growing pressure stemming from ESG-driven companies within the same value chain.

To address these challenges, as well as set out common priorities for ESG in remote gaming, the MGA steered a sector-wide materiality assessment related to ESG issues. The findings, including stakeholder insights and standardised ESG disclosures for the sector, are presented later in this ESG Code.

The objective of this voluntary ESG Code is to provide remote gaming companies with guidance on ESG reporting, in turn facilitating the process of benchmarking amongst remote gaming companies and enabling smaller and medium-sized entities ('SMEs') to confidently begin establishing an ESG reporting strategy. Although this Code is not intended as guidance under the CSRD, it also aims to help increase the preparedness of remote gaming companies for upcoming regulatory requirements, whether they are large / listed companies, or smaller entities in the value chain that are indirectly impacted by the CSRD.

By publicly disclosing their performance metrics, targets and initiatives, remote gaming companies can demonstrate their commitments and progress over time, address concerns or gaps in their operations, and continue to build trust and credibility with their stakeholders.

³ Giese et al., "Which ESG Issues Mattered Most? Defining Event and Erosion Risks," MSCI, June 2020.

⁴ "Employee Engagement and Performance: Latest Insights from the World's Largest Study," Gallup, 2020.

2 Methodology

2.1 Overview

The development of the ESG Code comprised:

- A peer review and research phase, to identify ESG topics that could be material to the remote gaming industry;
- A materiality assessment phase, to assess and prioritise ESG topics based on their importance to key stakeholders;
- Stakeholder interviews, to gain further insights relevant to the development of the Code;
- Stakeholders' consultations, to refine the Code; and
- Feedback from companies participating in the first reporting cycle, gathered throughout the data collection process and via a satisfaction survey.

2.2 The Peer Review & Research Phase

The peer review and research phase was conducted to map the performance and prioritisation of remote gaming companies on key ESG topics, and to compile a list of ESG topics that could potentially be material to the remote gaming sector. This phase comprised a review of:

- Remote gaming companies' published sustainability reports;
- International and local ESG reporting standards, including: the draft European Sustainability Reporting Standards ('ESRSs') mandated by the European Union's new CSRD⁵, the World Economic Forum ('WEF') metrics⁶, the Sustainability Accounting Standards Board ('SASB') standard for Casinos and Gaming⁷, and the Malta ESG Platform⁸;
- Existing data already being collected by the MGA relevant to ESG, such as regarding responsible gaming; and
- ESG performance data for remote gaming companies, obtained from leading ESG data providers.

2.3 Materiality Assessment

The materiality assessment approach is widely used internationally to identify priority ESG topics. This method is beneficial not only because it allows sustainability impacts to be identified and managed, but also because research⁹ shows that a focus on the most material issues is positively correlated with the largest increase in financial performance.

⁵ First Set of draft ESRS – EFRAG.

⁶ Explore the Metrics > Measuring Stakeholder Capitalism | World Economic Forum ([weforum.org](https://www.weforum.org)).

⁷ Download SASB Standards – SASB.

⁸ ESG Reports 2021 – Sustainable Development (gov.mt).

⁹ Khan, Mozaffar N., George Serafeim, and Aaron Yoon. "Corporate Sustainability: First Evidence on Materiality." Harvard Business School Working Paper, No. 15-073, March 2015.

The ESG topics identified as potentially being relevant to the remote gaming sector were clustered into 39 topics, as shown in **Table 2**. Insight on the priority assigned to these topics by the industry was obtained through a stakeholder survey sent out to all MGA licensees; the survey ran for ten weeks from 23rd January to 31st March 2023.

Environmental	Social	Governance
<ol style="list-style-type: none"> 1. Raw material use and design of products to support a circular economy. 2. Pollution of air, water, or soil. 3. Land use and impact on nature (for example, in building operations or along the value chain). 4. Water consumption and reuse/recycling (within operations and in the value chain). 5. Waste generation and disposal/recycling (including electronic waste). 6. Energy consumption (including energy efficiency and consumption from renewables). 7. Identifying and managing risks and opportunities arising from climate change. 8. A carbon-neutral business model and strategy, including Paris-aligned Greenhouse Gas emission targets. 9. Carbon emissions (within operations and in the value chain, for example through business travel). 	<ol style="list-style-type: none"> 1. Incidents surrounding discrimination and harassment. 2. Fair remuneration for all employees. 3. Research, development, and innovation. 4. Gender pay gap. 5. Social dialogue with employees (potentially including collective bargaining). 6. Wider community involvement (including products and services designed for social benefit). 7. Secure and adaptable working conditions. 8. Health and safety in the workplace. 9. Employee well-being (including work-life balance). 10. Diversity, inclusion, and equal opportunity (for example, on gender, race, disability). 11. Data security and customer privacy. 12. Responsible gaming (including player protection, support for at-risk customers, ethical marketing). 13. Training and skills development of new and existing talent. 	<ol style="list-style-type: none"> 1. Quality of relationships with business partners. 2. Remuneration policy for administrative, management and supervisory bodies. 3. Creating value for all stakeholders (including shareholders). 4. Long-term financial stability and performance of the company. 5. Ethical political engagement and lobbying activities. 6. Having a purpose-led strategy and business model that includes ESG considerations. 7. Integration of ESG in investment decisions. 8. Tax transparency. 9. Sustainability skills in administrative, management and supervisory bodies. 10. Monetary loss from unethical behaviour. 11. Ethical business and corporate culture. 12. Regulatory compliance. 13. Prevention of corruption and anti-bribery. 14. Cybersecurity. 15. Ethical and lawful behaviour and organisational integrity (including avoiding anti-competitive behaviour). 16. Integrating risk and opportunity in the business model. 17. Diverse governance structure and composition (in

		administrative, management and supervisory bodies).
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Table 2: Long list of ESG topics

The Authority also scored these ESG topics against several criteria including: the impact of these topics on society or the environment, their financial impact, whether there are existing requirements to report on them, their strategic importance to Malta or the Authority, and their ease of implementation.

This approach was designed to ensure that the Code focuses on key ESG topics that both the remote gaming industry and the Authority consider to be important. The results of the materiality assessment are presented in **Section 5.1**.

2.4 Interviews

Interviews were also held with several remote gaming companies that are at different phases in their ESG journey, to gain further insights on the strategic sustainability-related issues relevant to the sector, the rationale behind efforts to prioritise ESG (beyond existing or emerging regulatory requirements), the benefits and challenges of having an ESG strategy implemented at industry level, and the features of the Code that would encourage the industry to adopt it in practice.

2.5 Stakeholders' consultation

Between 4th July and 22nd August 2023, a closed consultation was conducted with the MGA's licensees to gather their input and feedback on the draft voluntary Code. Additionally, as part of the Consultation process, Q&A sessions were organised to provide licensees with an opportunity to ask questions or seek clarifications about the consultation process or the Code itself. The feedback obtained throughout the consultation process enabled the Authority to refine the Code as presented in this document, and further enhance its clarity and understanding.

2.6 First reporting cycle & the satisfaction survey

In 2024, we further improved the Code based on feedback received from the companies participating in the inaugural reporting cycle, as well as from the satisfaction survey. The feedback focused on the clarity of disclosures and definitions, the reporting tool, and the guidelines document, all of which helped us enhance the Code and its supporting materials.

3 Key Insights from the Industry's Survey

3.1 ESG Strategy in the Remote Gaming Context

Amongst the licensees surveyed, most participants (72%) consider ESG to be very or extremely important within their company's strategy (**Figure 1**). In this context, it is important to remark that the Board has a responsibility to provide oversight and to set the tone at the top in respect of the company's

ESG strategy and reporting¹⁰. Of the remote gaming companies leading the way on ESG, several have also assigned a sustainability lead, championing efforts across the firm, at times supported by an ESG Committee comprised of members from various functions to ensure that ESG efforts are coordinated.

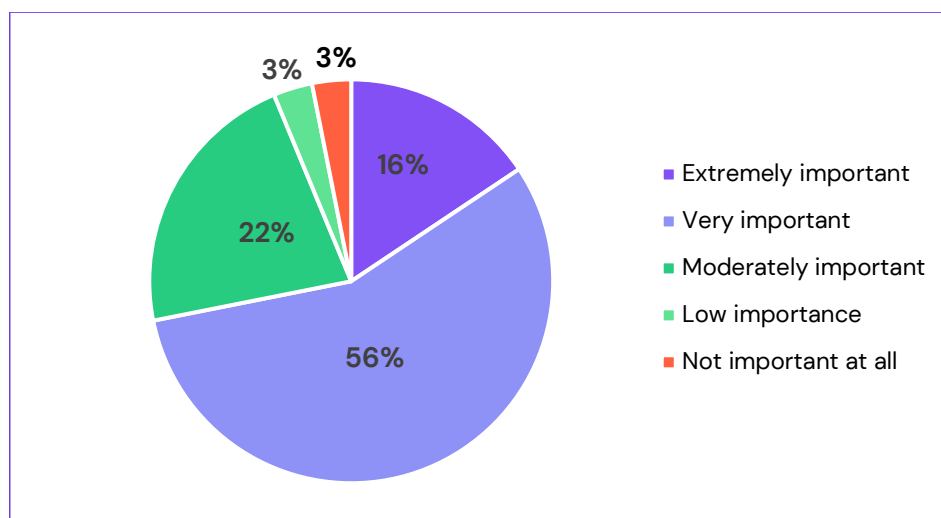


Figure 1: How important do you consider ESG to be within your company's strategy? (N=32) (Source: Licensee survey)

Interviews highlighted that there is increasing pressure from investors, customers, employees, partners, and suppliers, to prioritise ESG in their strategy. Indeed, several interviewees highlighted that ESG is a key factor in attracting and retaining employees.

Going further, several interviewees consider that sustainability is good for the long-term success of their business, as well as the industry. Conversely, not prioritising ESG presents potentially severe risks to the viability of their business, together with wider environmental and societal impacts. For instance, interviewees commented that if immediate action is not taken on the climate crisis, this will have devastating economic, environmental, and societal effects on a global scale. On the social side, without adequate safeguards as part of responsible gaming programmes, certain individuals may be more exposed to experiencing harm; from the financial perspective this may also lead to loss of players (and therefore loss of revenue) and have severe repercussions on the industry's reputation.

There is also growing awareness that the ESG regulatory landscape, both within and outside the EU, is getting broader, and that companies need to prepare for upcoming regulations, including the CSRD.

3.2 The Need for an ESG Code for the Remote Gaming Sector

The survey highlighted that only 53% of respondents are very or extremely familiar with the concept of ESG (**Figure 2**). An even lower share (34%) are very to extremely familiar with what other remote gaming companies across the industry may be doing on ESG (**Figure 3**).

¹⁰ Confidence-building measures for reported data: the importance of the tone from the top | PRI Web Page | PRI (unpri.org).

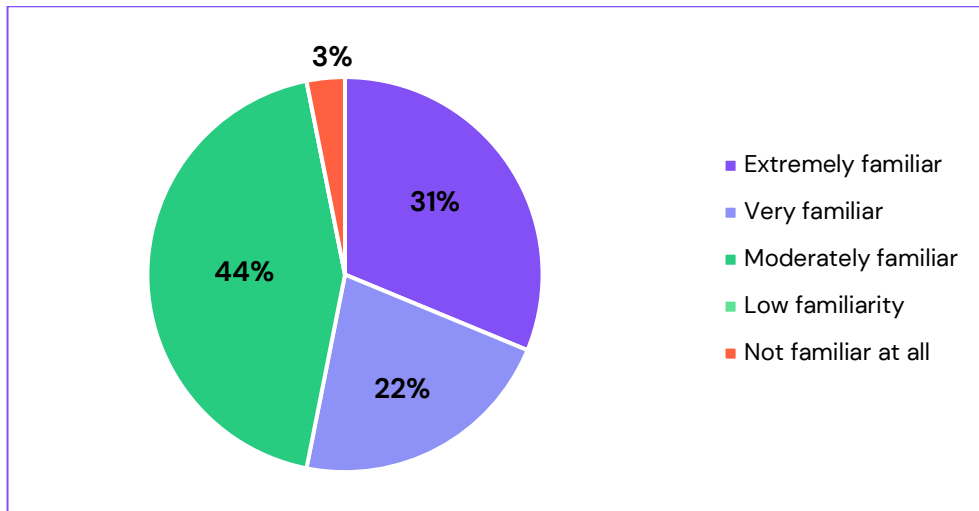


Figure 2: How familiar are you with the concept of ESG? (N=32) (Source: Licensee survey)

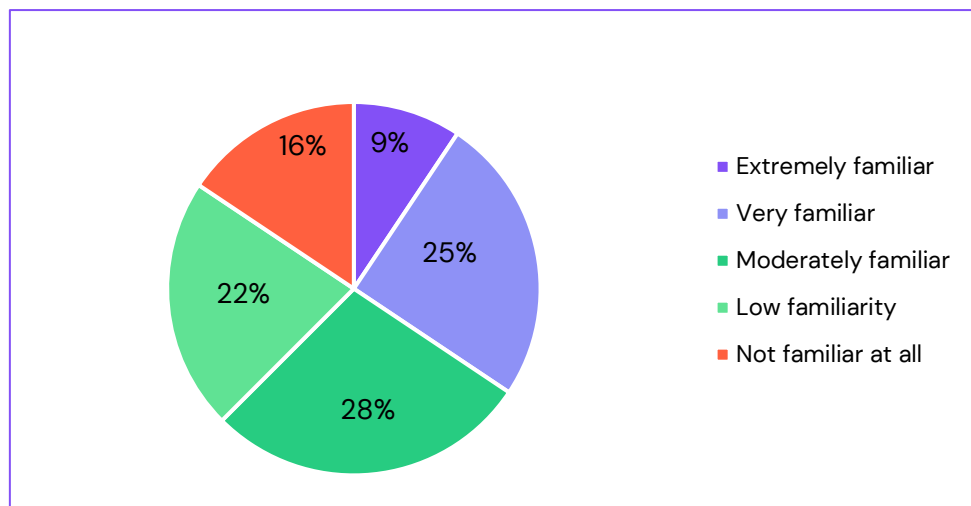


Figure 3: Are you familiar with what other remote gaming companies across the industry may be doing on ESG? (N=32) (Source: Licensee survey)

There is broad agreement that a voluntary ESG Code for the remote gaming sector would help guide companies in their ESG journey, with 81% of survey participants agreeing with this statement. Respondents highlighted several benefits of having an industry-wide ESG Code, including reducing financial and other risks (with 78% of respondents agreeing or strongly agreeing that this is the case), attracting investment (72%), helping companies develop safe and responsible products from the outset (81%) and supporting in maintaining or improving the industry's reputation, including changing public perception (88%). This is also reflected in key statements made by survey participants.

"ESG is a key part of our strategy. Having a code of good practice will help to identify where common ground exists amongst operators and where standards can be increased."

"It does not seem so clear for companies in iGaming, since they do not have a direct impact on environmental and social causes, how they could be more socially responsible. Having that in mind, a code of good practice could guide companies in the industry to do things differently."

"I believe it can be of support to the industry in creating more uniformity amongst ESG focus areas and reporting, resulting in an increased ability to address sustainability challenges and opportunities in a more powerful way."

"Accelerating progression in relation to the 'E' element is vital if we are to avert irreversible damage to our climate. A voluntary code of good practice has the potential to raise the bar in relation to what is considered 'best practice' and thus accelerate change."

"Having comparable data between reporting entities will provide material value to stakeholders. This avoids the current exploitation of loose rules by some companies that write far more about what they do than what they actually do."

"As this is a relatively new topic, it would be important to obtain a standard guide on best practices to be able to create and implement the internal policies and establish the company's culture around ESG."

4 Features of the ESG Code

4.1 A Balanced Approach

Our research has highlighted that within the remote gaming space, different companies are at different stages of the ESG journey. Some companies have ambitious ESG programmes in place with dedicated resources, and report annually on ESG using internationally recognised frameworks. At the other end of the spectrum, there are companies whose ESG activities are currently limited to only the specific topics mandated by law, such as with respect to anti-money laundering, data privacy, and responsible gaming. Nevertheless, the stakeholder consultation carried out in the development of this Code indicates that there is an interest in ESG by companies at both ends of the spectrum.

This Code has therefore been designed with the objective of finding a balance that meets the varying ambitions of remote gaming licensees, catering to entities with different levels of experience and resources in the ESG space, while still being a meaningful and challenging ESG standard to aspire to.

This objective will be achieved in four key ways:

1. By defining different levels of ambition (Tier 1 and Tier 2), as described further in **Sections 4.2 and 5.2**;
2. By including flexibility in respect of certain disclosures: core disclosures have been defined, while reporting entities will have flexibility with respect to the optional disclosures they choose to report on, as described further in **Sections 4.2 and 5.2**;
3. By including certain ESG disclosures that are already required under existing reporting frameworks, such as the Malta ESG Platform¹¹ and the MGA Industry Performance Returns¹². This allows reporting entities to use some data that is already being collected for other purposes, thus reducing the administrative burden; and
4. By focusing on ESG reporting at this initial stage, rather than setting of ESG targets. It is envisaged that specific ESG ambitions may be included at a later stage once the Code is more widely adopted and sufficient data is available for benchmarking.

It is envisaged that this approach will lead to greater uptake amongst licensees and help the industry mature towards ESG in a more consistent manner, in so doing also helping to continually enhance Malta's standing as a remote gaming jurisdiction. It is also envisaged that the Code will be refined periodically through regular engagement with industry licensees and stakeholders, as ESG continues to develop and best practice becomes better defined.

4.2 An MGA ESG Code Approval Seal

Industry consultation highlighted that there is an appetite for formal recognition by the MGA, awarded to entities that report under this Code. The MGA ESG Code Approval Seal will be given to such entities, showcasing their commitment to ESG.

A different seal will be awarded to entities that meet Tier 1 or Tier 2 reporting requirements, as per the minimum criteria shown in **Table 3** (for B2C licence holders), **Table 4** (for B2B licence holders) and Table 5 (for B2C and B2B licence holders).

	Core disclosures	Optional disclosures ¹³	Total disclosures required
Tier 1	31	5 ¹⁴	36
Tier 2	38	10	48

Table 3: Minimum criteria to achieve an MGA ESG Code Approval Seal (B2C licence holders)

	Core disclosures	Optional disclosures ¹⁵	Total disclosures required
Tier 1	17	5 ¹⁴	22
Tier 2	23	10	33

Table 4: Minimum criteria to achieve an MGA ESG Code Approval Seal (B2B licence holders)

¹¹ ESG Reports 2021 – Sustainable Development (gov.mt).

¹² Reporting Requirements – Malta Gaming Authority (mga.org.mt).

¹³ A total of 20 optional disclosures are available for B2C licensees.

¹⁴ These may be selected from the disclosures marked as Optional in **Section 5.2**, or from the Tier 2 Core Disclosures.

¹⁵ A total of 19 optional disclosures are available for B2B licensees.

	Core disclosures	Optional disclosures	Total disclosures required
Tier 1	31	5	36
Tier 2	38	10	48

Table 5: Minimum criteria to achieve an MGA ESG Code Approval Seal (B2C & B2B licence holders)

Tier 1 is designed as a basic ESG standard for entities to report on and achieve and is intended to be used by reporting entities that are in the initial stages of their ESG journey. Tier 2 is more aspirational, for companies with more experience and / or greater ambitions on ESG. The ESG Code Approval Seal will be valid for a year from award and will be renewable at the next reporting period; entities will be allowed to change the Tier at which they report each year.

Reporting entities will be able to display the MGA ESG Code Approval Seal, Tier 1 or Tier 2, on their MGA-licensed website and corporate website, social media, and publications. **Figure 4** shows different variations of the logo that can be used by reporting entities that achieve one of the established levels.

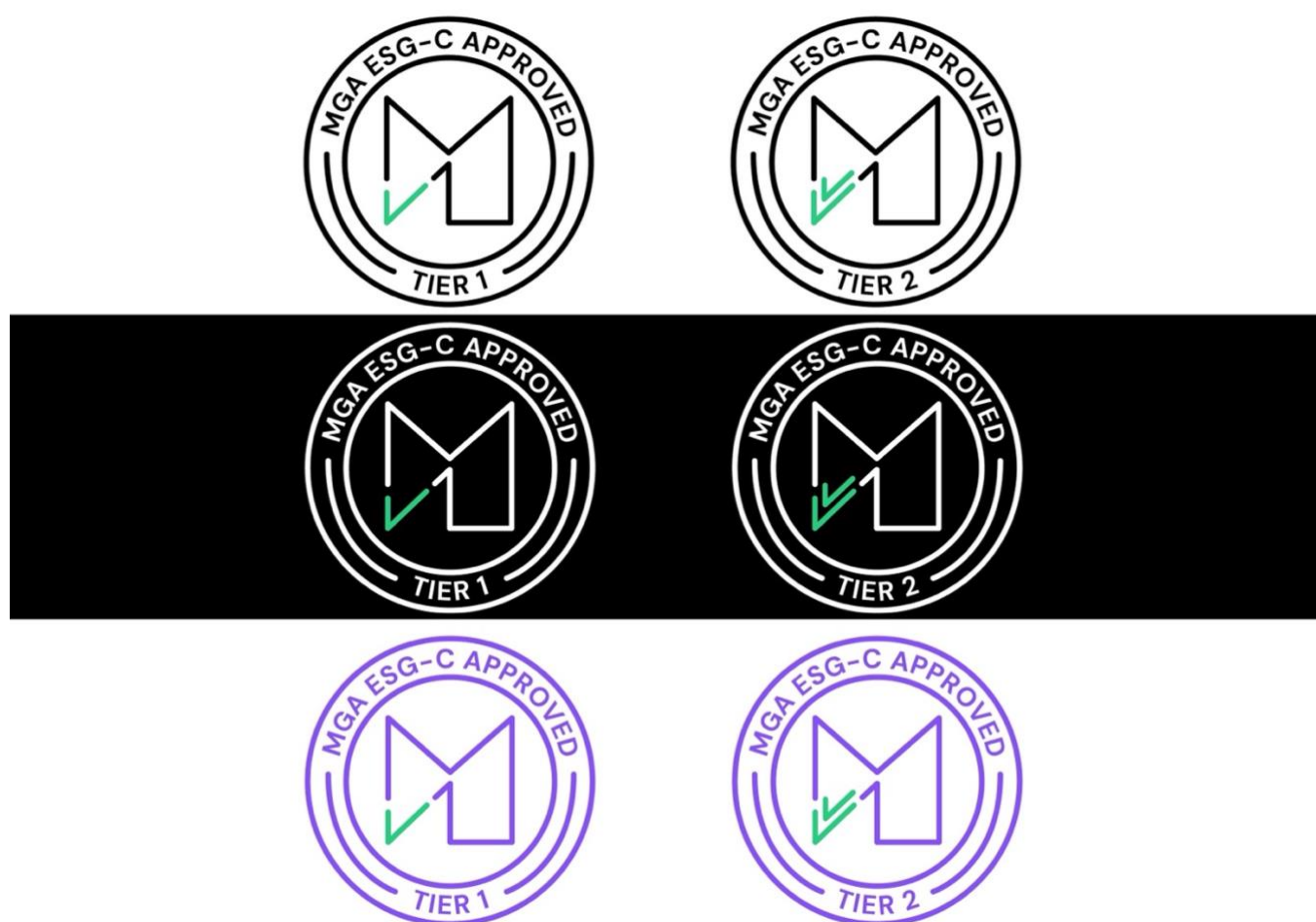


Figure 4: An MGA ESG Code Approval Seal (Tier 1 and Tier 2)

4.3 How does the ESG Code work in Practice?

The Code is a standalone voluntary submission, separate from other ESG disclosures made by the reporting entity to the MGA or other bodies. In Q2 2024, the MGA launched an online tool to make the reporting process easier and issued a supporting manual to further guide licensees.

Reporting may be done by any remote gaming entity licensed by the MGA (whether at Group or at company level). The MGA ESG Code Approval Seal will be awarded to the licensed entity submitting the report and successfully reporting on the minimum set of disclosures. The majority of the disclosures specifically refer to the activities conducted under the MGA licence, in line with the general ESG Code reporting approach. However, there are certain exceptions where reporting is required at the group level (if applicable) due to the nature of the data and its relevance to broader group-wide activities.

Participation is voluntary and individual submissions are to be made on a confidential basis – no information submitted pertaining to a specific company will be divulged by the MGA. The MGA may periodically publish responses in aggregated form, to give a view of the ESG performance of the industry.

While there is currently no requirement to submit evidence or obtain third-party assurance for declarations made, reporting entities are expected to carry out due diligence on the data they submit. The MGA reserves the right to request additional information to verify submissions and may withdraw ESG recognition if any false or misleading information is found to have been provided.

5 The ESG Code

5.1 Outcome of Materiality Assessment

The results of the materiality assessment (carried out as described in **Section 2.3**) are mapped in the materiality matrix shown in **Figure 5**.

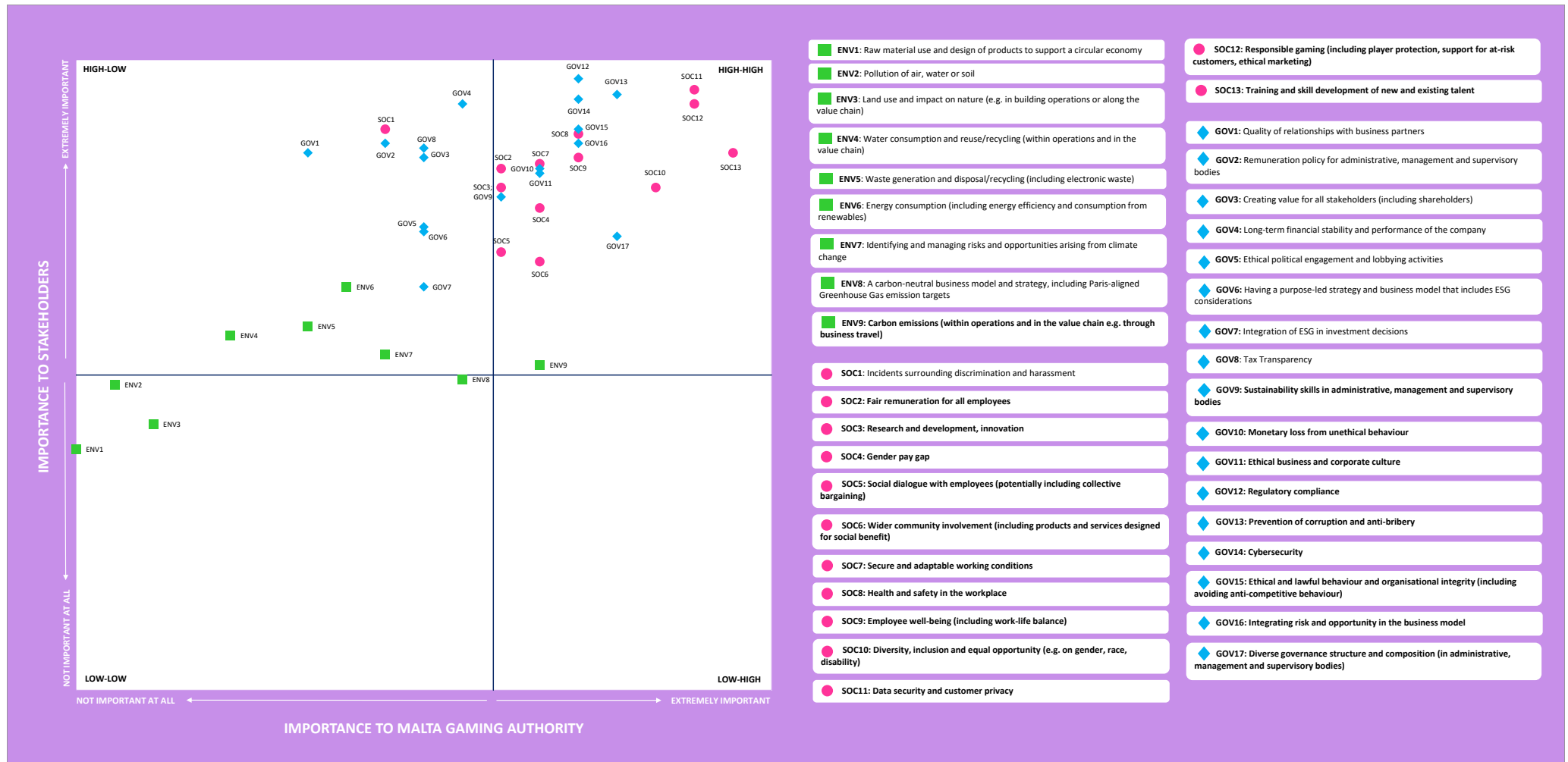


Figure 5: Materiality matrix

As mentioned, the objective of the materiality assessment was to ensure that the Code focuses on key ESG topics that both the remote gaming industry and the MGA consider to be important. In this context, the materiality matrix (**Figure 5**) compares the importance of ESG topics to the MGA (on the x-axis) against the importance of such topics to the remote gaming sector (on the y-axis). The top right quadrant represents the 22 ESG topics that were considered of high importance to both; these are indicated in bold type. Most of these were social and governance topics, and only one environmental topic (carbon emissions) was of high materiality.

The most material topics are also presented in **Table 5** broken down into three subsets according to the level of importance. To increase focus and prevent overlaps in reporting, ESG disclosures are only proposed for 19 of these topics (the excluded topics are italicised in **Table 5**). Further, as described in **Section** Error! Reference source not found., Tier 1 core disclosures are only proposed for the 11 topics considered to be the most important; and Tier 2 core disclosures are proposed for 15 topics. Four topics are covered by optional disclosures only.

Highest importance	High importance	Moderate to high importance
<p>SOC10: Diversity, inclusion, and equal opportunity (e.g., on gender, race, disability)</p> <p>SOC11: Data security and customer privacy</p> <p>SOC12: Responsible gaming (including player protection, support for at-risk customers, ethical marketing)</p> <p>SOC13: Training and skill development of new and existing talent</p>	<p>SOC8: Health and safety in the workplace</p> <p>SOC9: Employee well-being (including work-life balance)</p> <p>GOV12: Regulatory compliance</p> <p>GOV13: Prevention of corruption and anti-bribery</p> <p>GOV14: Cybersecurity</p> <p>GOV15: <i>Ethical and lawful behaviour and organisational integrity (including avoiding anti-competitive behaviour)</i>¹⁶</p> <p>GOV16: Integrating risk and opportunity in the business model</p> <p>GOV17: Diverse governance structure and composition (in administrative, management and supervisory bodies)</p>	<p>SOC2: Fair remuneration for all employees</p> <p>SOC3: Research and development, innovation</p> <p>SOC4: Gender pay gap</p> <p>SOC5: Social dialogue with employees (potentially including collective bargaining)</p> <p>SOC6: Wider community involvement (including products and services designed for social benefit)</p> <p>SOC7: Secure and adaptable working conditions</p> <p>GOV9: Sustainability skills in administrative, management and supervisory bodies</p> <p>GOV10: <i>Monetary loss from unethical behaviour</i>¹⁷</p> <p>GOV11: <i>Ethical business and corporate culture</i>¹⁷</p> <p>ENV9: Carbon emissions (within operations and in the value chain e.g., through business travel)</p>

Table 6: List of the 22 most material topics according to the materiality assessment

¹⁶ No ESG disclosures proposed as it is suggested that focus should be placed on SOC12 and GOV13 initially.

¹⁷ No ESG disclosures proposed due to overlap with metrics in other topics.

5.2 The ESG Disclosures

The ESG disclosures proposed under this Code are set out in **Table 6**. Such disclosures are based on international and local ESG reporting standards and requirements, as well as expectations from ESG data providers for the remote gaming sector, and were developed from the research undertaken as described in **Section 2**. When necessary, certain disclosures were adapted for simplicity or for better clarity.

In an effort to promote a consistent approach towards ESG reporting, particularly in a local context, priority was given to disclosures that are aligned with existing ESG disclosure requirements mandated by Maltese legislation (such as in respect of anti-money laundering or responsible gaming), requirements under the Malta ESG Platform¹⁸, and existing MGA reporting requirements¹⁹. This approach also reduces the administrative burden on reporting entities, as it allows them to use some data that is already being collected for other reporting purposes.

The disclosures are categorised according to whether they are Tier 1 or Tier 2 (core disclosures or optional disclosures); disclosures that apply solely to B2C licensees are also indicated. The minimum criteria that reporting entities need to meet to achieve an MGA Tier 1 or Tier 2 ESG Approval Seal have been described in **Section 4.2**.

The ESG topics in **Table 6** are listed in descending order of materiality, according to the outcome of the materiality assessment, with the most material topics being listed first. Consequentially, the topics near the top of the Table have a larger proportion of Tier 1 (core) disclosures, whereas the topics that are further down, have a larger proportion of Tier 2 (core) or optional disclosures; it is noted that Tier 2 or optional disclosures may be more complex or ambitious. The disclosures are also assurable, should entities wish to opt for assurance of their ESG reporting.

The information required as part of the following ESG disclosures consists of the reporting entity's data as at the end of the reporting period, unless otherwise specified.

¹⁸ [ESG Reports 2021 – Sustainable Development \(gov.mt\)](https://gov.mt/ESG-Reports-2021-Sustainable-Development). It is noted that these disclosure requirements are currently being updated; the latest draft disclosure requirements have been referred to in the development of this Code.

¹⁹ [Reporting Requirements – Malta Gaming Authority \(mga.org.mt\)](https://mga.org.mt/Reporting-Requirements).

ESG Disclosures	Tier 1	Tier 2	Optional
SOC10: Diversity, Inclusion and Equal Opportunity ²⁰			
Number of employees in executive roles, management, and rest of the workforce; split by: <ul style="list-style-type: none"> Gender, and Employee category (full-time versus part-time, as full-time equivalent) 	✓	✓	
Multinational workforce: Number of employees by nationality (Maltese, non-Maltese)	✓	✓	
Employment of individuals who requested workplace accommodations or adjustments due to disabilities: Total number of employees who have requested accommodations or adjustments due to disabilities (by gender)			✓
Confirmation that the reporting entity has obtained Equality Mark certification ²¹ or equivalent international certification			✓
SOC11: Data Security and Customer Privacy			
Confirmation that the reporting entity has a Data Privacy Policy	✓	✓	
Number of customer data breaches	✓	✓	
Training on GDPR and data privacy: Total hours of training per employee	✓	✓	
SOC12: Responsible Gaming			
Confirmation that the reporting entity has policies and procedures to prevent underage gambling	✓ (B2C only)	✓ (B2C only)	
Confirmation that the reporting entity provides players with explicit information about the possible risks and harms of online gaming, as well as the player support measures on the website	✓ (B2C only)	✓ (B2C only)	
Confirmation that the reporting entity provides a feature to help players determine whether they have a gambling problem or not; and has analytical tools and/or behaviour monitoring systems, as well as procedures in place to detect and identify players with problem gambling	✓ (B2C only)	✓ (B2C only)	
Confirmation that contact information for complaints and dispute resolution is readily accessible on its website and players are able to log complaints and disputes on a 24/7 basis. An independent third party is available for mediation or resolution of disputes	✓ (B2C only)	✓ (B2C only)	
Confirmation that T&Cs are always available to players, even before a user registers	✓ (B2C only)	✓ (B2C only)	
Confirmation that games' rules are made readily available to players and presented prior to the player's first wager, written in plain and intelligible	✓ (B2C only)	✓ (B2C only)	

²⁰ In the context of such ESG disclosures the following definitions shall apply:

- 'Reporting entity' means the remote gaming entity licensed by the MGA (whether at Group or at company level), on behalf of whom this submission is being made;
- 'Gender' means the gender as recorded by the reporting entity;
- 'Executive' employees/staff refers to C-suite executives.

²¹ The Equality Mark is a certification awarded to companies / organisations that make gender equality one of their values and whose management is based on the recognition and promotion of the potential of all employees irrespective of their gender and caring responsibilities. More information available under the following link: [The Equality Mark](#).

ESG Disclosures	Tier 1	Tier 2	Optional
language, containing instructions on how to play and any possible restrictions, and detailing all ways in which players can win or lose			
Confirmation that the reporting entity uses the minimum markers of harm defined in Article 17A(1) of the MGA Player Protection Directive (Directive 2 of 2018)	✓ (B2C only)	✓ (B2C only)	
Confirmation that the reporting entity uses additional markers of harm, beyond those defined in Article 17A(1) of the MGA Player Protection Directive (Directive 2 of 2018)		✓ (B2C only)	
Confirmation that the reporting entity provides an option for players to self-exclude themselves from playing for a definite or indefinite period of time	✓ (B2C only)	✓ (B2C only)	
Self-exclusion requests ²² : <ul style="list-style-type: none"> Number of self-exclusion requests (sign ups) by players and exclusions imposed by the reporting entity during the reporting period (categorised by age and duration, i.e., definite/indefinite) Indication as to whether the reporting entity offers self-exclusion reversals/cancellations (excluding removals upon expiry) on player's requests. If yes, the number of requests, made by players, for self-exclusion reversals/cancellations during the reporting period; Indication as to whether the reporting entity offers the possibility to reduce self-exclusion period 	✓ (B2C only)	✓ (B2C only)	
Limits ²² : <ul style="list-style-type: none"> Indication whether the reporting entity offers the possibility to set deposit limits and / or wagering limit. If yes, the unique number of players that set a deposit / wagering limit on their account and the unique number of players that hit this deposit / wagering limit during the reporting period; Indication as to whether the reporting entity offers players the possibility to set additional limits (i.e., loss limits or time/session limits). If yes, the unique number of players that set a loss limit / time/session limit on their account and the unique number of players that hit this loss / time/session limit during the reporting period; 	✓ (B2C only)	✓ (B2C only)	
Average training hours on responsible gaming per customer-facing staff member	✓ (B2C only)	✓ (B2C only)	
Confirmation that the reporting entity has policies and procedures as per the EGBA standards ²³			✓ (B2C only)
Confirmation that the reporting entity carries out ethical and responsible marketing as a minimum complying with S.L.583.09, the MGA Gaming Commercial Communications Regulations	✓	✓	
SOC13: Training and Skill Development of New and Existing Talent			
Training hours (by gender and employee category) versus total labour hours:	✓	✓	

²² This information is also captured in the MGA's Industry Performance Return.

²³ <https://www.egba.eu/responsibility/egba-standards/>

ESG Disclosures	Tier 1	Tier 2	Optional
<ul style="list-style-type: none"> Total number of hours of training (by gender, executive, non-executive); Total number of labour hours (by gender, executive, non-executive) 			
Hours of relevant training ²⁴ received by the reporting entity's key function holders during the reporting period (for each key function holder, excluding the MLRO ²⁵)	✓	✓	
SOC8: Health and Safety in the Workplace			
Confirmation that the reporting entity has a workplace health and safety policy		✓	
Annual lost time due to injury or incidents at the workplace		✓	
Total employee training hours on workplace health and safety			✓
SOC9: Employee Well-Being			
Parental leave versus total labour hours (by gender)	✓	✓	
Confirmation that the reporting entity has a health and well-being programme for employees			✓
Average working hours per employee per day			✓
Flexible working hours: Percentage of employees who are entitled to flexible working hours			✓
GOV12: Regulatory Compliance			
Material penalties imposed at Group level of the reporting entity (number and monetary value)	✓	✓	
GOV13: Prevention of Corruption and Anti-Bribery			
Confirmation that the reporting entity has an Anti-Bribery and Corruption Policy	✓	✓	
Confirmation that the reporting entity has a Whistle-blower Protection Policy ²⁶	✓	✓	
Confirmation that the reporting entity has AML policies and procedures in line with the applicable Maltese laws and regulations, including PMLA ²⁷ ,	✓ (B2C only)	✓ (B2C only)	

²⁴ As per Schedule 1 of the MGA's Policy on the Eligibility and Ongoing Competency Criteria for Key Persons.

²⁵ MLRO training hours are to be reported under GOV13 below.

²⁶ The Whistleblower Protection Directive (EU Directive 2019/1937) was transposed into Maltese law under the Protection of the Whistleblower Act (Chapter 527) on 18 December 2021. All legal entities operating in the public sector and legal entities with 50 or more workers operating in the private sector are obliged to comply with the law requirements.

²⁷ Chapter 373, Prevention of Money Laundering Act.

ESG Disclosures	Tier 1	Tier 2	Optional
PMLFTR ²⁸ and IPs ²⁹ , to cater for the identification and verification of players, as well as the identification, escalation, and reporting of unusual or suspicious activities, including investigating material or unusual deposits, withdrawals, and customer accounts where little or no gaming or betting activity takes place			
Confirmation that the reporting entity has AML policies and procedures to cater for sanctions and adverse media ³⁰	✓	✓	
<p>AML / CFT related training in line with the applicable Maltese laws and regulations, including PMLA²⁷, PMLFTR²⁸ and IPs²⁹, as per the FIAU's REQ 2025 requirements³¹. <i>(Considering this data is already required by the FIAU in its REQ submissions on the basis of the 'previous calendar year' the reporting entity may choose to report this disclosure on the basis of the previous calendar year, if different from that as at the end of the reporting period).</i></p> <ul style="list-style-type: none"> The percentage of board members that received AML / CFT training throughout the prior calendar year; The percentage of senior management members that completed AML/CFT training throughout the prior year; The percentage of staff within the AML / CFT unit that completed AML / CFT training throughout the prior calendar year, if applicable; The percentage of members of staff involved in the activities that fall within the definition of 'relevant financial business' and/or 'relevant activity' that completed AML/CFT training throughout the prior calendar year; Where AML / CFT operational tasks are being outsourced, indication as to whether the outsourced provider's staff, received training during the previous calendar year in relation to: (a) specific Maltese AML / CFT regulations (PMLA, PMLFTR, IPs), and (b) AML / CFT policies and procedures relating to the subject person; Indication as to whether the entity provides AML/CFT training to agents and/or intermediaries, to ensure that they have an adequate understanding of relevant ML/FT risks, and on the AML/CFT policies and procedures mandated by the entity. 	✓ (B2C only)	✓ (B2C only)	
GOV14: Cybersecurity			
Confirmation that the reporting entity has an Information Security Policy	✓	✓	
Confirmation that the reporting entity has a Cybersecurity certification (ISO 27001:2022 ³² , SOC2 ³³ , or NIST CSF ³⁴)			✓

²⁸ S.L.373.01, Prevention of Money Laundering and Funding of Terrorism Regulations.

²⁹ FIAU Implementing Procedures Part I and Part II (Remote Gaming Sector).

³⁰ As per the National Interest (Enabling) Powers Act and other guidance notes issued by the Sanctions Monitoring Board.

³¹ REQ 2022 – Remote Gaming Operators (pages 62 – 66).

³² [ISO 27001:2022](#).

³³ [SOC2](#).

³⁴ [NIST CFS](#).

ESG Disclosures	Tier 1	Tier 2	Optional
GOV16: Integrating Risk and Opportunity in the Business Model			
Confirmation that the reporting entity has documented the principal ESG risks and opportunities identified in the business's operations and its value chain, and how these risks and opportunities are integrated in the business model			✓
GOV17: Diverse Governance Structure and Composition			
Number of board members, split by gender	✓	✓	
Director average age	✓	✓	
Number of independent directors, split by gender			✓
SOC2: Fair Remuneration for All Employees			
Salary of highest paid individual compared to median salary of total workforce (<i>this figure will not be made public</i>)			✓
Median salary of total workforce		✓	
SOC3: Research and Development ³⁵ , Innovation			
<ul style="list-style-type: none"> Total R&D spend (for internal & external purposes) as a proportion of net revenue Sustainability-related R&D³⁶ spend (for internal & external purposes) as a proportion of net revenue 		✓	
SOC4: Gender Pay Gap			
The gender pay gap, defined as the difference between average gross hourly earnings of male paid employees and of female paid employees expressed as a percentage of average gross hourly earnings of male paid employees ³⁷			✓
SOC5: Social Dialogue with Employees			
Number and percentage of employees under collective bargaining agreements			✓
SOC6: Wider Community Involvement			
<ul style="list-style-type: none"> Donations, as a proportion of net revenue Donations made to Maltese causes 			✓
Time volunteered, as a proportion of total labour time			✓

³⁵ Definition as per WEF, p. 90 [WEF_IBC_Measuring_Stakeholder_Capitalism_Report_2020.pdf \(weforum.org\)](https://www.weforum.org/publications/2020/09/09/ibc-measuring-stakeholder-capitalism-report-2020/).

³⁶ Sustainability-related R&D refers to the efforts and activities focused on creating innovative solutions and technologies that promote environmental, social, and economic sustainability. The goal is to develop practices and products that minimize negative impacts on the environment and society, while also contributing to long-term viability and well-being.

³⁷ Definition as per draft ESRS S1 (own workforce), paragraph 92(a).

ESG Disclosures	Tier 1	Tier 2	Optional
Description of support given to Responsible Gaming initiatives (such as funding of RG research, support to non-profit organisations and RG groups, gambling addiction family support groups, etc.) as required by Article 34(5) of the Gaming Authorisations and Compliance Directive (Directive 2 of 2018) relating to use of funds coming from inactive accounts	✓ (B2C only)	✓ (B2C only)	
Description of support given to Responsible Gaming initiatives beyond what is required by Article 34(5) of the Gaming Authorisations and Compliance Directive (Directive 3 of 2018) relating to use of funds coming from inactive accounts			✓
SOC7: Secure and Adaptable Working Conditions			
Ratio of non-employee workers to employees			✓
Indication as to whether all employees are covered by social protection ³⁸ against loss of income due to the following major life events (Yes / No to be marked individually for each of the below items):			✓
<ul style="list-style-type: none"> Sickness Employment injury and acquired disability Parental Leave Retirement 			
GOV9: Sustainability Skills in Administrative, Management and Supervisory Bodies			
Hours of training received by the Board on ESG in the reporting period		✓	
The identity of the body (such as an ESG Committee or similar), or individual within a body, responsible for oversight of ESG		✓	
ENV9: Carbon Emissions			
The reporting entity can choose <u>either one</u> of the following two options:			
1. Scope 1 & 2 Emissions, calculated as per the Greenhouse Gas (GHG) Protocol ³⁹ , associated with the company's office in Malta.			
2. Input data on ⁴⁰ :	✓	✓	
Fuel consumption (Transportation) <ul style="list-style-type: none"> fuel consumed (in litres, by type of fuel) electricity consumed by electric vehicles (in kWh) 			

³⁸ Social protection refers to all the measures that provide access to health care and income support in cases of challenging life events. The reporting entities shall disclose whether all its employees are covered by social protection through public programs or through benefits offered by the reporting entity, against loss of income due to any of the listed major life events.

³⁹ <https://ghgprotocol.org/corporate-standard>.

⁴⁰ The MGA envisages that a simple calculation will be carried out by the online tool to estimate the carbon emissions from these activities.

ESG Disclosures	Tier 1	Tier 2	Optional
Fuel consumption (non-Transportation) <ul style="list-style-type: none"> fuel consumed (in litres, by use and by type of fuel) 			
Total Electricity Consumption <ul style="list-style-type: none"> Electrical energy generated from RES (e.g.: PVs, micro-wind turbines, etc.) by location Electrical energy consumed (from electricity bill) by location			
Scope 3 carbon emissions as per GHG protocol ⁴¹			✓
Confirmation that the reporting entity has an Environmental Policy, which includes: <ul style="list-style-type: none"> GHG emissions targets in line with the goals of the Paris Agreement⁴²; Policies to reduce excessive water usage; and Policies implemented to manage resource use and waste 			✓

Table 7: ESG Disclosures

5.3 ESG Reporting Schedule

In order to streamline reporting processes and harmonise with existing financial/non-financial reporting deadlines, the ESG Code introduces an alignment of the reporting period with the financial year of reporting entities. For the companies whose financial years do not follow the standard January to December cycle, reporting periods can be adjusted accordingly.

5.4 Living Document

This document is intended to serve as a dynamic and living resource, subject to continuous updates and revisions as circumstances evolve or new information becomes available. Any changes, additions, or revisions will be made in response to emerging needs or developments within the sector and will be appropriately communicated to the licensees. This commitment to ongoing revision underscores our dedication to upholding the Code's highest standards and ensuring its ongoing relevance.

6 Conclusion

In an ecosystem that is constantly evolving, this voluntary ESG Code seeks to act as a reference point for remote gaming companies to regularly assess, report on, and improve their ESG practices.

The development of the Code included consultation with industry stakeholders and extensive research to ensure that it includes relevant ESG topics and metrics; the design also incorporates flexibility to facilitate greater uptake. While this ESG Code is voluntary, all MGA licensees are strongly encouraged to

⁴¹ <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>.

⁴² For example, reporting entities may refer to the Science-Based Targets Initiative (SBTis) which provides businesses with a defined roadmap towards reducing emissions in line with the goals of the Paris Agreement ([Ambitious corporate climate action – Science Based Targets](#)).

adopt it to better demonstrate their commitment to sustainability and to continue improving the ESG standing of the industry.

It is hoped that the Code will serve as a standard for the remote gaming sector in Malta and further, support companies as new ESG reporting obligations are introduced. By embracing ESG, remote gaming companies have the opportunity to further enhance their reputation, strengthen stakeholder relationships, and contribute to the broader goal of building a sustainable and socially responsible future.

Through collective action and ongoing commitment, the sector can play a major role in shaping a positive and sustainable gaming environment for all stakeholders involved.

