



ESG scores points with gaming customers

Insights to help maximize the impact of ESG strategies across the gaming ecosystem



KPMG LLP (KPMG) conducted a consumer survey in June 2022 to understand sentiment towards ESG-related factors in gaming, casino play, and sports betting. The survey collected more than 1,500 responses across North America and the UK. We present key findings below. Review the full report at visit.kpmg.us/gaming

Gaming customers connect values with buying decisions

Many gamblers determine where and with whom to play based on how gaming operators bring ESG to life in their organizations. The industry's future customers, the younger generations, are even more likely to factor ESG into their spending decisions.



49% of gaming customers factor ESG into deciding where to place their bets.

Ethics: The biggest "E" in ESG for gaming companies

Gamblers believe the gaming industry should prioritize ethical behavior, in contrast to the ESG issue they think is most important for all other industries to address: energy and emissions.



50% of gaming customers believe ethical behavior is the most important ESG principle for gaming operators to uphold.



60% of gaming customers know little or nothing about how gaming companies have implemented ESG.

The gap between customer interest and ESG awareness

Gamblers often don't know how gaming operators are implementing ESG principles into their organizations. While required reporting increases, the details may not be reaching customers who want the information.



45% of those who gamble consider an operator's responsible gaming approach before deciding to play.

Responsible gaming tools: An opportunity to expand usage

Customers choose where to play based in part on player protection. While most have tried at least one responsible gaming tool, nearly half of gamblers don't know what tools are available and more than a third aren't using them at all. Operators have an opportunity to improve awareness.

Advertising and data practices

Gambling advertising is becoming ubiquitous, attracting the attention of policymakers. Yet, most gamblers don't see many issues. So far they're fine with the volume and message (more so in the U.S. than the UK). Advertising has more impact on brand choice than the desire to gamble, but the greatest influence on gamblers isn't advertising—it is event driven.

KPMG gaming professionals combine their experience with specialists across the firm to help companies navigate their ESG journey based on their needs, from Assessment to Transformation.

Assess

- Level set and develop strategy by identifying priority ESG issues through stakeholder engagement and business impacts.
- Identify gaps, risks and opportunities, and analyze costs and benefits in implemented ESG programs
- Develop roadmap to operationalize identified priority ESG topics

Operationalize

- Execute operational plans around workforce, supply chain, operations, facilities, internal controls, technology and governance infrastructure for each ESG program
- Develop and track KPIs to leverage for modeling the impact of your material topics on ESG metrics

The ESG Strategy Assessment results in identification of material topics your company should prioritize such as Responsible Gaming, DEI, Climate, etc. For each material topic, we help you develop a roadmap to operationalize, measure, and report it.

Measure and report

- Analyze the cost-benefit analysis of your ESG initiatives
- Assess the different standards, metrics, and ratings frameworks in order to provide fit-for-purpose disclosures and reporting
- Consider pre-assurance readiness and assurance of your data, controls, and reporting

Transform

ESG is an opportunity to transform your business; whether it's an organic transformation initiative or an acquisition, divestiture, bond issuance, or IPO, understanding the ESG risks and opportunities throughout the lifecycle can help you preserve and create value.

- Our **ESG Value Creation** solution is a consistent and quantitative approach to assess and enhance an asset's sustainability performance along the full investment lifecycle by evaluating the following:
- Business model and revenue related ESG upsides
- Operating model and cost/productivity related ESG upsides
- ESG risks and opportunities from regulatory changes
- ESG governance and compliance

In the case of inorganic transactions, our ESG Due Diligence service evaluates a wide range of potential liabilities, compliance issues, and hidden risks that could reduce the deal price or opportunities that could increase the target's value.

In addition to core audit and tax services, we can assist gaming companies in a wide array of areas, including customer experience, technology enablement, mergers and acquisitions, process improvement, internal audit, cybersecurity, and risk management and controls. We work across all sub-sectors within gaming: land-based operators, online operators, tribal, suppliers, lotteries, racing, and social gaming.

Visit [our portal](#) for the latest insights in the gaming space.

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