

ESG Gaming x Esports Teams x Licensed & Regulated Gambling Operators

Overview

How can we, as ESG Gaming, best use our strong ties in the European gambling industry, establish a new sustainable and consistent revenue stream, and support esports teams doing things the right way?

Growth of the UK Online Betting Sector & Context

- In 2023, online gambling revenues reached an all-time high, accounting for over £5.4 billion of the total market, due to the increasing popularity of online casinos, sports betting, and virtual gaming platforms. The estimated market size is over £6 billion by end 2024.
- In the UK, betting operators spend significantly on advertising each year. Estimates for 2023 suggest that the total advertising expenditure by the gambling industry in the UK was around £1.5 billion. This includes various forms of media such as television, online, and out-of-home advertising.
- Specifically, in football, betting operators are particularly prominent in front-of-shirt sponsorships. In 2023, these sponsorships alone were valued at approximately £60 million, reflecting the deep ties between gambling companies and football clubs
 - Including front-of-shirt sponsorships and other sports-related deals as a whole, spending is estimated to be around **£100-120 million** annually
- The front-of-shirt sponsorship ban for betting operators in the UK will come into effect at the start of the 2026/2027 football season. This decision was made by Premier League clubs in April 2023
- In 2024-25, 10 of the 20 EPL clubs have a betting company as their front of shirt sponsor;
 - Aston Villa - Betano
 - Bournemouth - BJ88
 - Brentford - Hollywood Bets
 - Crystal Palace - NET88
 - Everton - Stake
 - Fulham - SBOTOP
 - Leicester City - BC.Game
 - Southampton - Rollbit
 - West Ham United - Betway
 - Wolverhampton Wanderers (Wolves) - DEBET
 - Of these three have a UKGC licence
 - Note too this is only front of shirt, many have betting partners outside of this, and they are also prolific throughout the EFL teams, which Sky Bet is the title sponsor of

Problem & Opportunity

Betting operators may have had their fingers burned not having achieved quite the ROI set out and promised by esports teams and tournaments in the past. By working with ESG Gaming 'recognised' organisations, the UK and EU Licensed Gambling operators can be sure they're dealing with reputable, professional entities that will deliver on their promises. ESG Gaming will also ensure (i) 25% of the sponsorship revenues are revested into the communities in which the esports teams are based / community activities and (ii) will ensure fair pricing for both brand and team.

This can include social impact and CSR initiatives (though this is to be positioned as an added value to strengthen regulatory scrutiny perk and not be the focus of securing these sponsorships). In turn, ESG Gaming seeks to establish long-term partnerships as opposed to short one-and-done campaigns

and will prioritise focus on brokering deals for UK teams with UKGC licensed operators and similarly across Europe.

Why Us

ESG Gaming can act as a reliable & trustworthy bridge between these worlds. There are of course agencies that do this, but agencies will seek to drive the fee up as much as possible. Given our not-for-profit status, ESG Gaming would not be so greedy, nor would we take as high a commission fee, and we would include a focus on social impact.

Criteria to be an ESG Gaming Recognised organisation [Draft]

ESG Gaming will co-develop with esports teams, tournament organisers and licensed gambling operators, a Standard which will be used as the benchmark to become an ESG Gaming

‘Recognised Organisation’. The Standard will include such items as:

- In operation for a minimum of two years, with a good Governance record held on the Public Record (i.e. Companies House).
- Evidenced two years of filed accounts and Directors' Report
- Evidenced team or tournament strategic risk assessment and register of conflicts.
- A minimum of three full-time staff members with evidenced HR processes.
- Evidenced Governance processes for team or tournament leadership and for managing sponsorships.
- Evidence of or commitment to Social Impact Initiatives for the local community/esports ecosystem.
- Player & Team Welfare
 - Safeguarding processes
 - Fair Contracts
 - Support Systems

Problems, Concerns, Questions & Next Steps

- How do we secure initial funding to establish standards and incentive teams or tournaments to contribute to creating the standards?
- How do we approve the teams fairly & justifiably? And who manages this workload?
- Outreach to betting operators & how we position this opportunity
- Regarding social impact element, should we require these teams to do anything year round?
- How closely do we monitor ongoing relationship & performance?
- Do we include tournament operators in this?
- Potential negative response to ESG Gaming delivering this kind of work from the esports or safer gambling community?

Links & Sources

- <https://www.thelondoneconomic.com/lifestyle/my-business/uk-gambling-industry-statistics-in-2023-a-comprehensive-overview-352087/>
- <https://www.alfinsight.com/blog/2023-advertising-expenditure-year-review>

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