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SQUARING A CIRCLE? Sustainability Reports as a Legitimacy-Seeking Strategy in State Gambling Monopolies

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Abstract: State gambling organisations are monopolies, that increasingly proclaim a commitment to sustainability principles, however their profits come at a substantial social cost. Gambling raises an array of economic, social and ethical governance concerns. This study examines the evolution of sustainability, corporate social responsibility (CSR), environmental, social and governance (ESG) practices, and the growing trend of publishing annual sustainability reports. These aspects are considered within the literature on organisational legitimacy, and a framework of legitimacy-seeking strategies is identified. Qualitative research is utilised to analyse sustainability reports published during 2021-2022 by two state gambling monopolies: the British Columbia Lottery Corporation (BCLC) in Canada and Veikkaus in Finland. Using Leximancer software, content analysis identified key themes that can be linked to legitimacy strategies and gambling-related concerns. Findings suggest that while sustainability reports enhance organisational legitimacy, fundamental ethical and social challenges persist, requiring more deliberate managerial approaches.

Keywords: Sustainability reports, Legitimacy-seeking strategies, State gambling monopolies, Controversial industry, Content analysis, Leximancer

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Introduction

The global gambling industry consists of over 5000 casinos and online gambling businesses. In 2024, it was still suffering the effects of the COVID-19 pandemic but had an estimated revenue of \$305.8 billion USD (Le, 2024). The global lottery market is forecast to hit \$450.6 billion USD in 2027 (Business Research Insights, 2022). Lotteries, which are the most popular form of gambling in the world, may take several forms. In the United States, most states operate their own state-owned gambling monopolies, though a few states continue to resist betting operations within their borders. These gambling monopolies operate lotteries, casinos and other forms of gambling, including online products. The proliferation of state-owned gambling monopolies has resulted in a global gambling market that is characterised by fragmentation.

State gambling monopolies play an important role in economies as they generate lucrative funding for the state without the introduction of taxation (Blalock et al., 2007). Indeed, an investigation of state lotteries by the Howard Centre for Investigative Journalism at the University of Maryland reports that in 10 states in the USA, lotteries generate more revenue than corporate income taxes (Tame et al., 2022). Gambling, drinking, and smoking have been termed a trilogy of vice (Prentice & Cotte, 2015). Each industry they represent can be described as a “controversial” industry defined as “products, services or concepts that for reasons of delicacy, decency, morality, or even fear, elicit reactions of distaste, disgust, offence or outrage when mentioned or when openly presented” (Wilson & West, 1981, p. 92). Despite providing a significant amount of revenue to the state, the legitimacy of

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the operations of state gambling monopolies is often questioned. Even with the growth of sustainability reporting, little is known about its role in legitimacy-seeking strategies within controversial industries like gambling. This study addresses this gap by analysing sustainability reports to identify specific strategies and their alignment with organisational objectives. BCLC and Veikkaus were selected not only for their convenience as examples of state-owned organisations but also because of their distinct contexts—BCLC within a decentralised Canadian regulatory framework and Veikkaus operating under a state monopoly within the EU—offer a comparative lens for understanding how gambling regulation shapes legitimacy strategies.

The gambling literature identifies several concerns associated with gambling, spanning economic, social and ethical governance dimensions. Broadly, the economic concerns include:

(1) Regressive taxation. Government involvement in the gambling industry, particularly through lotteries, creates a system that inherently contributes to and aggravates existing structural inequalities among customers. The concept of 'regressive taxation' is central to understanding these inequalities. Lotteries and other forms of gambling disproportionately affect the poor and underprivileged (Roukka & Salonen, 2020). Unlike progressive taxes, where higher earners pay a larger percentage of their income, lotteries act as a voluntary but highly regressive levy, extracting a greater proportion of disposable income from those least able to afford it. Such activities often exploit economically disadvantaged populations (e.g., Gabrielyan & Just, 2020), redistributing income from the 'have-nots' to the 'haves' (Wisman, 2006; Wolff, 2011). This redistribution occurs because the funds

generated often flow into general state revenues or specific public programmes, from which wealthier segments of society also benefit, while the primary financial burden falls on lower-income individuals.

(2) Revenue justification. Despite its regressive nature, gambling is often defended as a mechanism for bolstering state revenue to support public services (Clotfelter & Cook, 1990). Unlike taxes on assets such as property, stocks, and bonds held by wealthier households, however, gambling revenue requires substantial state spending on employee salaries and advertising campaigns to encourage lower-income households to gamble more (Wolff, 2011).

(3) Inefficient revenue allocation. A significant portion of gambling revenue does not directly fund public services. For example, over half of lottery ticket sales are redistributed to a few individuals who become wealthy overnight, limiting their potential to stimulate broader economic activity. Consequently, only a small fraction of gambling proceeds ultimately benefit public coffers (Wolff, 2011).

(4) Reinforcing luck-based success. Gambling extracts significant amounts of money from large populations while enriching only a few. This dynamic perpetuates the notion that success is attainable through luck rather than effort, potentially undermining collective efforts to address systemic economic challenges (Wolff, 2011).

The social and ethical governance concerns include:

(1) Problem gambling and health concerns. The thrill and entertainment value of gambling can be compelling, but only for those who are not problem gamblers, gambling addicts, at-risk

individuals, or those prone to poor decision-making. Gambling is linked to a range of health and societal challenges, with problem gambling being a significant concern. The global prevalence of problem gambling is estimated to range between 0.12% and 5.8% (Calado & Griffiths, 2016). Academic research on gambling has primarily focused on problem gambling and its implications for public health and player addiction (e.g., Auer & Griffiths, 2013; Philander & Mackay, 2014; Rousseau & Ventur, 2002; Sutton & Griffiths, 2007; Wardle et al., 2011). This body of literature also highlights the critical need for regulatory measures aimed at curbing gambling opportunities and activities to mitigate this risk (e.g., Buil et al., 2015; Järvinen-Tassopoulos et al., 2021; Leneuf, 2011; McAllister, 2014; Orford, 2020; Rose & Owens, 2009; Srikanth & Mattamana, 2011).

(2) Money laundering. Although lotteries are considered less likely targets for money laundering activities, other gambling activities provided by state gambling monopolies do raise legitimate concerns about money laundering risks (Hugel & Kelley, 2002). Money laundering is defined as “falsely claiming a legitimate source for an illegally acquired advantage” (van Duyne, 2003, p. 69). Under US federal law, even the simple acceptance of funds suspected of being dirty constitutes money laundering (Kelly, 2014). Gambling presents significant vulnerabilities for money laundering, where illicit funds generated through corruption, organised crime, or terrorism are integrated into the legitimate financial system. These activities, including drug trafficking and embezzlement, pose risks to financial

integrity and public safety (Buchanan, 2018; Mills, 2000). Historically, gambling has been used to launder money made from drug trafficking and related criminal activity. However, after September 11, 2001, the focus of money laundering has shifted to risks related to financing terrorism and risk to national security (Boran, 2003; Chong & Lopez-De-Silanes, 2015).

(3) Public-Private Partnerships (PPP). Many governments have entered PPP to manage gambling activities, citing potential benefits such as resource efficiency and revenue growth. However, these partnerships can create conflicts of interest, limiting the willingness of public entities to regulate the industry effectively or prioritise public protection (Hancock et al., 2008).

While the focus of ESG is on economic, social and governance issues, sustainability adds an added focus on environmental and ecological responsibility (Brown et al., 1987; Jeurissen, 2000).

As operators in a controversial industry, state gambling monopolies necessarily maintain a delicate balancing act. In pursuit of legitimacy, gambling businesses often adopt legitimacy-seeking strategies to address key gambling concerns. To make this possible, these organisations increasingly engage in CSR, ESG practices and sustainability initiatives. They also publish annual sustainability reports to showcase their efforts in supporting several worthwhile causes (van der Maas et al., 2022). However, the relevance of annual sustainability reports provided by state gambling monopolies in the context of their controversial industry status has received scant attention, and it remains unclear what legitimacy strategies these support (Leung, 2019; Reast et al., 2013). Therefore, the main objective of this research is to identify the legitimacy-seeking strategies pursued by state gambling monopolies.

The paper commences by looking at the role of sustainability, the evolution of CSR, the development of ESG programmes, and the growing trend of publishing annual sustainability reports. This is followed by a review of the literature on organisational legitimacy and legitimacy-seeking strategies to identify different types of legitimacy-seeking strategies and present a framework for their classification (Reast, 2013; Suchman 1995). A qualitative research approach is adopted that uses a convenience sample consisting of the published sustainability reports spanning two years for two state gambling monopolies – the British Columbia Lottery Corporation (BCLC) in Canada and Veikkaus in Finland. These companies were selected for their distinct regulatory and cultural contexts, which offer valuable insights into broader issues in gambling regulation. BCLC operates within Canada's decentralised framework, reflecting provincial autonomy and the integration of state participation in public revenue generation. In contrast, Veikkaus exemplifies a centralised monopoly model under the Finnish Lotteries Act, reflecting the Nordic welfare approach to societal well-being. Veikkaus's ongoing transition to a licensing system highlights the evolving regulatory pressures faced by state gambling monopolies in the EU, providing a comparative perspective for understanding sustainability and legitimacy strategies. Content analysis of these sustainability reports using Leximancer software is used to identify key themes and concepts related to their sustainability practices. The framework by Reast et al. (2013) is subsequently applied to determine the legitimacy-seeking strategies these organisations use to address gambling-related concerns highlighted in the literature. The findings provide valuable insights into the legitimacy-seeking strategies of BCLC and Veikkaus, revealing the main themes and the specific gambling concerns they appear to address. The findings underline the importance of aligning legitimacy-seeking strategies with

specific gambling concerns and a more purposive managerial approach to developing these strategies. ESG and sustainability reporting represent valuable tools that state gambling monopolies and other entities can leverage to enhance their legitimacy. Although these sustainability reports allow gambling organisations to effectively communicate their legitimacy-seeking strategies, the fundamental concerns associated with gambling activities persist.

Sustainability

Sustainability is broadly defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations, 1987). A particularly prevalent description of sustainability encompasses three interrelated elements consisting of economic viability, social equity, and environmental or ecological responsibility (Brown et al., 1987; Jeurissen, 2000). These elements aim to balance profit-making activities with the preservation of natural resources and the promotion of social welfare, ensuring long-term benefits for both businesses and society. In the context of the unique characteristics of the gambling industry, a difficult balancing act is required to achieve economic, social, and ecological sustainability (e.g., Adams, 2016). In economic terms, the generation of significant revenue for governments (and private partners where PPP exist) raises questions regarding the fairness and efficiency of this revenue generation. Sustainable gambling operations must balance profit motives with equitable economic contributions, minimising regressive impacts while fostering inclusive growth. In social terms, gambling raises major risks of problem gambling, addiction, and financial harm, particularly among vulnerable populations (e.g., Järvinen-Tassopoulos et al., 2021). Sustainability in this context necessitates responsible gambling practices, such as player protection mechanisms, support for addiction

treatment programmes, and public awareness campaigns. Sustainability in the gambling sector also involves social ethical governance and transparent operations. Effective regulation and oversight are critical to mitigating issues such as money laundering, corruption, and unfair practices. Although less prominent than economic, social and ethical governance concerns, the gambling industry also has environmental responsibilities, particularly for large-scale operations like casinos and resorts. Energy consumption, waste management, and the environmental impact of gambling-related infrastructure need to be addressed to align with broader sustainability goals. More recently, sustainability reporting, through frameworks like CSR and ESG programmes, provides a mechanism for gambling organisations to demonstrate accountability and commitment to sustainability.

CSR, ESG AND SUSTAINABILITY REPORTS

The Corporate Social Responsibility concept originated from the work of Howard Bowen (1953, p. 31) who asked: "What responsibilities to society may businessmen reasonably be expected to assume?" CSR has since evolved from an implicit to an assumed obligation with firms also starting to measure the outcomes of their actions. (Carroll et al., 2012; Frederick, 2006). Measures of sustainability are reflected in the Triple Bottom Line (TBL) measurement framework that considers the 3Ps of Planet, Profits, and People that some firms have adopted. However, this approach has been criticised as "an almost 'business-as-usual' approach of 'sustainable development' promoted by the international mainstream, ambiguous enough to allow for consensus building, but devoid of much substance" (Purvis et al., 2019, p. 685). CSR was conceived as a mechanism to instil accountability in companies, while ESG initiatives have aimed to enhance this by delineating pertinent sustainability metrics. Both are used by firms in legitimacy-seeking activities that underline claims of building a better world among their

stakeholders. ESG was initially driven by investment companies and prevalent among publicly traded firms (Zou et al., 2020). However, firms increasingly recognise that sustainability reports can support a legitimacy-seeking strategy that can be employed not only to influence investors as was originally the intention but also customers, employees, and other stakeholders (United Nations Global Compact, 2004; Leung, 2019; Sweeney & Coughlan, 2008). Furthermore, ESG reporting is progressively mandated by governments, as exemplified by the EU Corporate Sustainability Reporting Directive. This directive necessitates companies to incorporate annual sustainability reports in conjunction with their end-of-year financial filings.

The pursuit of CSR, sustainability and related sustainability reporting has become an increasingly important activity. Firms in controversial industries are more focused on developing CSR policies and transparency tools than mainstream industries as they expect these to be important to stakeholders (Conte et al., 2023).

CSR and ESG in Controversial Industries

Unlike in non-controversial industries, CSR and ESG initiatives in gambling often serve dual purposes: mitigating public disapproval and reinforcing societal trust. For example, BCLC and Veikkaus leverage these frameworks to emphasise their contributions to public welfare, despite any risks associated with gambling activities. CSR in gambling focuses on addressing negative societal impacts, such as addiction and financial problems, while ESG principles increasingly integrate sustainability and environmental considerations to align with broader societal expectations. This dual focus highlights the tension between profitability and ethical responsibility in controversial industries such as gambling.

Sustainability Reporting as a Legitimacy Tool

Sustainability reporting has become a critical tool for controversial industries to signal accountability and legitimacy. In the gambling industry, these reports often highlight measures to mitigate harm, promote responsible gambling, and allocate revenues to public welfare initiatives. For instance, BCLC's transition from CSR to ESG principles and Veikkaus's focus on harm prevention illustrate how sustainability reporting is employed not just as a transparency tool but as a strategic mechanism to align organisational practices with societal expectations. This approach enables gambling organisations to balance their controversial status with efforts to secure public trust and regulatory approval.

Research shows that the pursuit of CSR and sustainability tools by controversial industries do derive benefits. These tools provide value (Cai et al., 2012), a substantial risk-decreasing effect (Hoje & Na, 2012), and can potentially provide social legitimacy (Du & Vieira, 2012) and allow contribution to social good as firms in mainstream industries (Lindorff et al., 2012). The advantages obtained enable companies operating in contentious industries to enhance their organisational legitimacy, placing them in a stronger position to confront future challenges and thrive in an increasingly competitive and environmentally conscious market.

Organisational legitimacy and legitimacy-seeking strategies

Organisational legitimacy has been characterised as a process of "justification" (Maurer, 1971), "cultural conformity" (Dowling & Pfeffer, 1975) and "understandable" (Scott, 1991). Suchman (1995) provides a useful review and synthesis of the literature and identifies strategic and institutional as the two main contrasting approaches to managing organisational legitimacy. Those from a strategic tradition adopt a managerial perspective that views legitimacy as an operational resource that emphasises how

organisations "instrumentally manipulate and deploy evocative symbols in order to garner societal support" (p. 572). In this view legitimization "is purposive, calculated and frequently oppositional" (p. 576). In contrast, those from an institutional tradition emphasise how "sector-wide structuration dynamics generate cultural pressures that transcend any single organization's purposive control" (p. 572). In this tradition, rather than managers looking out, it is society looking in and "a manager's decisions are often constructed by the same belief systems that determine audience reactions" (p. 576). Suchman (1995) uses these two approaches to define organisational legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, beliefs and definitions" (p. 574). In the definition, legitimacy is generalized in that it represents an umbrella evaluation that is resilient to particular events (p. 574); it is a perception or assumption that is possessed objectively, yet created subjectively; and it is socially constructed and reflects a congruence between the behaviours of the organisation and the shared beliefs of a social group.

In his review and synthesis, Suchman (1995) also identifies a trichotomy of legitimacy that relies on different behavioural dynamics.

- Pragmatic legitimacy is based on audience self-interest. Supporting stakeholders receive something of value for their support. Pragmatic legitimacy incorporates exchange legitimacy that considers a policy's expected value to the audience; influence legitimacy that audiences view as responsive to their larger interests and dispositional legitimacy where personified organisations are seen to "share our values" and have "our best interests at heart."

- Moral legitimacy is based on normative approval that is less based on self-interest and considers whether the organisation's acts enhance societal welfare. It considers whether the organisation's acts meet stakeholder value systems and are approved as "the right thing to do." It includes three main forms consisting of consequential (evaluation of outputs and consequences), procedural (evaluation of techniques and procedures), and structural (evaluations of categories) together with the less common form of personal (evaluation of leaders and representatives) legitimacy (p. 579).

- Cognitive legitimacy involves no evaluation and can be based on comprehensibility or taken-for-grantedness. Comprehensibility stems from models that furnish plausible explanations for the organisation and its endeavours (p. 582) while taken-for-granted legitimacy renders alternatives inconceivable, rendering challenges to the legitimated entity unthinkable (p. 583).

Reast et al. (2013) build on the work by Suchman (1995) to propose four legitimacy-seeking strategies in a 2 x 2 matrix. On the vertical axis, the objectives of legitimacy-seeking processes is considered with passive acquiescence or active support as alternatives,

while on the horizontal axis, the matrix considers the foundation of the strategic legitimacy process pursued by the organisation which can be either transactional or interactional. The matrix provides four types of legitimacy. First, construing legitimacy mostly addresses moral and to a certain extent cognitive legitimacy and occurs where strong opposition exists. It results when "the organisation endeavors to clarify and explain, through repeated dialogue, the meaning and appropriateness of its actions" (Reast et al., 2013, p. 144). Second, earning legitimacy mostly addresses moral legitimacy and the organisation's impact on vulnerable groups. It "relates to the development and use of initiatives that include any activities that reflect the social conscience of the organisation, such as CSR" (Reast et al., 2013, p. 146). Third, bargaining legitimacy is a pragmatic type of legitimacy that involves the organisation "bargaining with stakeholder groups using various tangible resources (material, employment, infrastructure, supply chain, financial, human, skills training to seek legitimacy (Reast et al., 2013, p. 147). Finally, capturing legitimacy mostly addresses moral and to a certain extent cognitive legitimacy. It results where the "organisation identifies key and significant stakeholders and seeks to develop, through interactions, closer and potential formal cooperation" (Reast et al., 2013, p. 148). These four legitimacy-seeking strategies are shown in Figure 1.

Figure 1. Legitimacy-seeking strategies framework (Reast et al., 2013)

Objectives of strategic legitimacy-seeking processes	Active support	Bargaining legitimacy	Capturing legitimacy
	Passive support	Earning legitimacy	Construing legitimacy
		Transactional approaches	Interactional approaches
Foundation of strategic legitimacy-seeking processes			

Research Focus

State gambling monopolies² are part of a controversial industry (Wilson & West, 1981) and the profits that these organisations make come at a significant economic and social cost, requiring a delicate balancing act. Controversial industries seek organisational legitimacy to gain access to resources and operate successfully in the market (Meyer & Scott, 1983; Suchman, 1995). They seek to evade and mitigate disapproval by signalling conformity to existing shared norms and values (Scott, 2008; Suchman, 1995). However, by their very nature, controversial industries face long-term challenges instead of one-off crises. In these circumstances, state gambling monopolies

increasingly use annual sustainability reports as CSR tools to pursue legitimacy-seeking strategies.

The study uses Leximancer software to perform content analysis on the published sustainability reports of these monopolies. This analysis identifies key themes and concepts reflected in the sustainability practices of these organisations. We then apply Reast et al. (2013) framework (Figure 1) to determine the legitimacy-seeking strategies these organisations use to address gambling concerns highlighted in the literature.

An organisation's operations are often shaped by the cultural attitudes and the legal and regulatory policies in its jurisdiction. Table 1 provides a comparative overview of gambling

Table 1. Comparative overview of gambling policies in Canada and Finland

	Canada	Finland
Regulatory Model	Decentralised: Regulation and licensing are regulated by 13 main gambling regulators corresponding to the country's 10 provinces and 3 territories	Centralised: The Finnish Gambling Act governs all gambling activities. Gambling is a state monopoly, controlled by Veikkaus, a government-owned company.
Types of gambling permitted	Lotteries, casinos, sports betting, horse racing, and charitable gaming. Online gambling is regulated in specific provinces, such as PlayNow.com in British Columbia.	Lotteries, slot machines, casino games, online gambling, and sports betting, all operated by Veikkaus, which provides both land-based and online services. Slot machines, once common in public spaces like supermarkets, are being reduced to address gambling harm.
Revenue use	Used to fund public services (health and education) and community (charitable causes, addiction support) programmes	Social causes and welfare programmes (Social welfare and health, culture and arts, sports, and animal welfare).
Harm prevention	Strong emphasis on responsible gambling and programmes to address gambling addiction. Provinces enforce geolocation restrictions to ensure players reside in their jurisdiction.	Strong focus on harm prevention involving mandatory identification for all gambling activities. Loss limits for online gambling to curb excessive spending and advertising restrictions to minimise the promotion of gambling.

² This research focuses on two state-owned gambling monopolies, the British Columbia Lottery Corporation (BCLC) in Canada and Veikkaus in Finland. These businesses were selected as representative examples of state-owned

organisations in two distinct jurisdictions in North America and the EU.

policies in Canada and Finland, highlighting key differences and similarities in their regulatory frameworks and gambling policies.

The research examines the two-year period during the COVID-19 pandemic, which had a significant impact on both jurisdictions. In Canada, prolonged casino closures caused substantial revenue losses and widespread job disruptions. The surge in online gambling during this period prompted provinces, including British Columbia, to expand their offerings and tighten regulations. Similarly, Finland experienced a notable revenue decline as Veikkaus closed casinos and reduced the availability of slot machines, focusing on harm prevention rather than revenue recovery. The growth of online gambling has strengthened national markets but also increased competition from offshore operators, exposing them to competition from international operators, whose profits bypass local taxation and benefit from reduced regulatory constraints (e.g., Järvinen-Tassopoulos, 2022).

Method

Sample and Data

To explore the outlined research questions, this study employs a qualitative analysis approach, utilising a convenience sample comprising the published annual sustainability reports of two state gambling monopolies: the British Columbia Lottery Corporation (BCLC) in Canada and Veikkaus in Finland.

BCLC is a social-purpose Crown corporation that commenced operations in 1985. Over the years, BCLC has expanded its portfolio beyond lotteries to include various other gambling activities, including sports betting, destination casinos, bingo and online gambling. BCLC employs around 1100 employees and operates via over 3,200 retailers generating Can\$1,636 bn in net income during the 2022/23 fiscal year (British Columbia Lottery Corporation, 2023). As a Crown corporation, the generated revenue is

passed on to the Province of British Columbia to support social undertakings in the state budget.

Veikkaus is a Finnish state-owned gambling company holding exclusive rights to gambling operations in mainland Finland. Veikkaus has a diverse gambling portfolio that includes weekly and daily drawn lottery games, lucky games, scratch cards, casinos and other betting products. It employs some 1,400 personnel stationed at 90 locations across Finland. In 2022, Veikkaus reported a total revenue of €1,071 million, with a balanced distribution between the retail network (€532 million) and the digital channel (€539 million). The generated revenue is passed on to support social expenditure in the state budget. Veikkaus and gambling in Finland are transitioning away from a monopoly structure and adopting a license model type of operation by the start of 2026 (Karpathakis, 2024).

BCLC and Veikkaus were chosen because both were state-owned gambling monopolies with broad gambling portfolios that include lotteries, casinos and various other betting products. They are both subject to a legal regulatory framework with BCLC operating under the provincial Company Act and Gaming Control Act (GCA) in Canada while Vakkaus operates under the Finnish Lotteries Act, with plans for a transition to a licensing system. BCLC and Veikkaus both pursue social responsibility and sustainability programmes and operate systems that guard against Anti-Money Laundering (AML) behaviour. Both operate in a single market within developed economies and regions, one in North America and the other in the EU making them both similar and diverse at the same time. Examining the state lottery reporting mechanisms in British Columbia, Canada and Finland reveals subtle, yet important differences influenced by their distinct cultural and national contexts. The regulatory frameworks for gambling in Canada and Finland exemplify how national cultural values and legal traditions shape state involvement. In Canada, the Gaming Control Act and the status of entities like the British Columbia Lottery Corporation (BCLC) as

Crown corporations reflect a deep-seated emphasis on provincial autonomy and a cultural acceptance of state participation in key sectors to ensure public benefit. Conversely, Finland's state-owned Veikkaus, governed by the Finnish Lotteries Act, aligns with its Nordic welfare model, where a strong cultural value of collective responsibility means that profits from gambling are channeled into comprehensive social services, underscoring the state's role in societal well-being and balancing revenue with public health. The cultural differences are further evident in the social responsibility initiatives, with BCLC focusing on individual well-being through the GameSense programme, while Veikkaus addresses societal concerns through the No Limit campaign, reflecting a cultural emphasis on collective responsibility.

Both state gambling monopolies provide detailed sustainability reports that can be downloaded from their respective websites. BCLC provides a Sustainability Report for the fiscal year 2021 (1 April 2020 to March 31, 2021) and an Environmental, Social, and Governance Report for the fiscal year 2022 (1 April 2021 to March 31, 2022). These consist of 24 and 37 pages respectively. The sustainability report for the fiscal year 2021 signalled a transition over two years to a new reporting framework reflecting a focus away from CSR to ESG principles. Veikkaus provides an Annual and Sustainability Report for each of their Fiscal years 2021 and 2022 which are calendar years. These consisted of 92 and 97 pages respectively. The reports for the two organisations do not cover the same two-year period because the financial year in Canada is April to March while in Europe it is a calendar year. The reports from both state gambling monopolies span the COVID-19 period in Canada from March 2020 to May 2022 and in Finland from March 2020 to July 2022.

Leximancer Analysis

Leximancer software was used to undertake content analysis of the two sets of sustainability

reports collected. Leximancer uses natural language processing (NLP) algorithms that allow the processing of large sets of unstructured text data to identify and extract concepts, themes, and relationships (Boyd & Schwartz, 2021). When qualitative researchers deal with small datasets involving a limited number of interviews, data analyses do not present insurmountable problems. However, manual approaches to text analyses are impractical with large datasets as is the case with the sustainability reports of Canadian and Finnish operations that ranged from 24 to 97 pages. In these circumstances, content analysis tools like Leximancer software can be used to analyse text format and capture the meaning of the content more fully, identifying opinions and market trends (Araújo et al., 2020).

Leximancer software is reliable as it eliminates human intervention, thereby removing human bias, researcher prejudice and coder subjectivity in word counting and other activities. Moreover, it can deliver objective data analysis that can improve the validity of the results (Arici et al., 2022; Arasli et al., 2021; Dambo et al., 2021). The Leximancer software has been utilised for text analyses in various contexts, including educational-based pathology case notes (Watson et al., 2005), political statements (McKenna & Waddell, 2007), travel blogs (Tseng et al., 2015), academic journal abstracts (Cretchley et al., 2010), online advertisements of luxury brands (Reyneke et al., 2011), online reactions and conversations about consumer-generated ad stories (Campbell et al., 2011) and online consumer reviews (Cassar et al., 2023; Robson et al., 2013).

The Leximancer software employs five types of analyses. First, it undertakes quantitative analyses to indicate the frequency and occurrence of concepts in the analysed text. Common words like "and," "the," and "of" are typically filtered out to focus on meaningful content. Words with close meanings like risk and risks, community and communities, COVID and pandemic were merged. Certain words like becoming, addressing, include and including were removed. This process helps

with prioritisation and focus on key themes (Tables 2 and 3). Second, semantic analyses are used to capture the semantic meaning of words and phrases, considering their context and relationships. This allows for a more nuanced understanding of the content. Third, linguistic analyses automatically extract concepts and themes from textual data. It uses concept seed words as the starting point for defining concepts, with more terms added to the definition of concepts from the text through learning (Leximancer Pty Ltd., 2021). This helps identify the key topics and ideas in text data. The resultant concepts can be words or definitions, such as groups of words that travel together throughout the text. During the analyses, Leximancer constructs a thesaurus list of closely related words associated with concepts using word frequency and concept counts (Cretchley et al., 2010). Fourth, relational analyses are used to capture how the identified concepts relate to each other within a document to form themes. Finally, the output results of the automatic analytical process allow Leximancer to provide visualisations in the form of concept maps that help explore and interpret the patterns and relationships identified in the text. Concepts that frequently travel together in the text appear as dots and clusters of concepts form themes that appear as circles (Martin & Rice, 2007). Themes represent the most dominant and influential factors expounded in the text analysed. They take their name from the most frequent and connected concept within the resultant circle. The concepts and themes identified appear in the form of a two-dimensional map which is known as a “concept map” or “theme network.” The concept map provides a bird’s eye view of the data showing the main concepts and how they interrelate and form themes. The importance of themes is determined by the number of concepts that form the theme rather than the size of the theme circle. Also, the importance of a theme is indicated by the circle colour with a gradation from hot (red, orange) being the most important to cold (green, blue)

being less important (Cretchley et al., 2010). Resultant models and visualisations were refined by adjusting the analysis parameters, such as the importance of specific terms or the inclusion/exclusion of certain words as described above. The final visualisations in Figures 2 and 3 can allow insights from the textual data analysed.

Limitations of the Leximancer Analysis

While Leximancer provides valuable tools for analysing large datasets, it is important to recognise its limitations, particularly in capturing changes over time and the challenges of applying quantitative methods to narrative data. Leximancer’s use of natural language processing (NLP) algorithms enables efficient handling of extensive textual data (Adadi, 2021). However, issues related to data quality – such as inconsistency, incompleteness, and bias – can be difficult to address and may limit the generalisability of findings across different fields (Xi et al., 2023).

Additionally, NLP methods, including those employed by Leximancer, face difficulties in fully capturing the subtleties and complexities of human language. The software may struggle with subtle expressions, colloquial phrases, sarcasm, or culturally specific meanings, potentially leading to interpretations that lack depth (Javaid et al., 2023). Although sustainability reports are typically clear and straightforward, there remains a risk of misinterpretation, particularly when clarifying ambiguous terms or uncovering implied meanings.

Another limitation stems from changes over time in the language or focus of sustainability reports. Leximancer provides snapshots of textual patterns but does not naturally account for how language, concepts, or themes evolve across reporting periods. This limitation may hide shifts in organisational strategies or trends over time, requiring careful human interpretation to draw meaningful conclusions.

Furthermore, while Leximancer reduces subjectivity by automating analyses, it transforms

data into visual representations and numerical outputs that may oversimplify complex narratives. This process risks losing the depth and context present in qualitative data, especially when examining intricate topics such as corporate sustainability or legitimacy strategies. Leximancer also analyses only textual data, excluding visual elements, which may restrict its applicability in certain contexts. As a result, researchers must interpret Leximancer outputs thoughtfully, supplementing findings with qualitative insights to preserve the richness of the narrative.

Finally, the reliability of Leximancer results depends heavily on data quality and preprocessing decisions. Choices such as removing specific terms, combining related words, or defining concepts involve subjective judgments that can influence outcomes. These limitations highlight the need to complement Leximancer analyses with manual checks and cross-verification to ensure robust and accurate interpretations.

Results

BCLC and Veikkaus serve as illustrative examples of state-owned gambling organisations operating in two distinct jurisdictions in North America and the EU, respectively. This study analyses the sustainability reports of these state monopolies using Leximancer to identify key themes and concepts related to their sustainability practices. Reast et al.'s (2013) framework is applied to examine the legitimacy-seeking strategies used to address concerns highlighted in the gambling literature.

The Leximancer analysis generates concept maps, highlighting the frequency and occurrence of key themes within reports. For BCLC, the concept maps and associated data are presented in Figure and Table 2, while those for Veikkaus appear in Figure and Table 3. These maps provide insights into dominant themes within the reports and reveal changes over two fiscal years for each organisation.

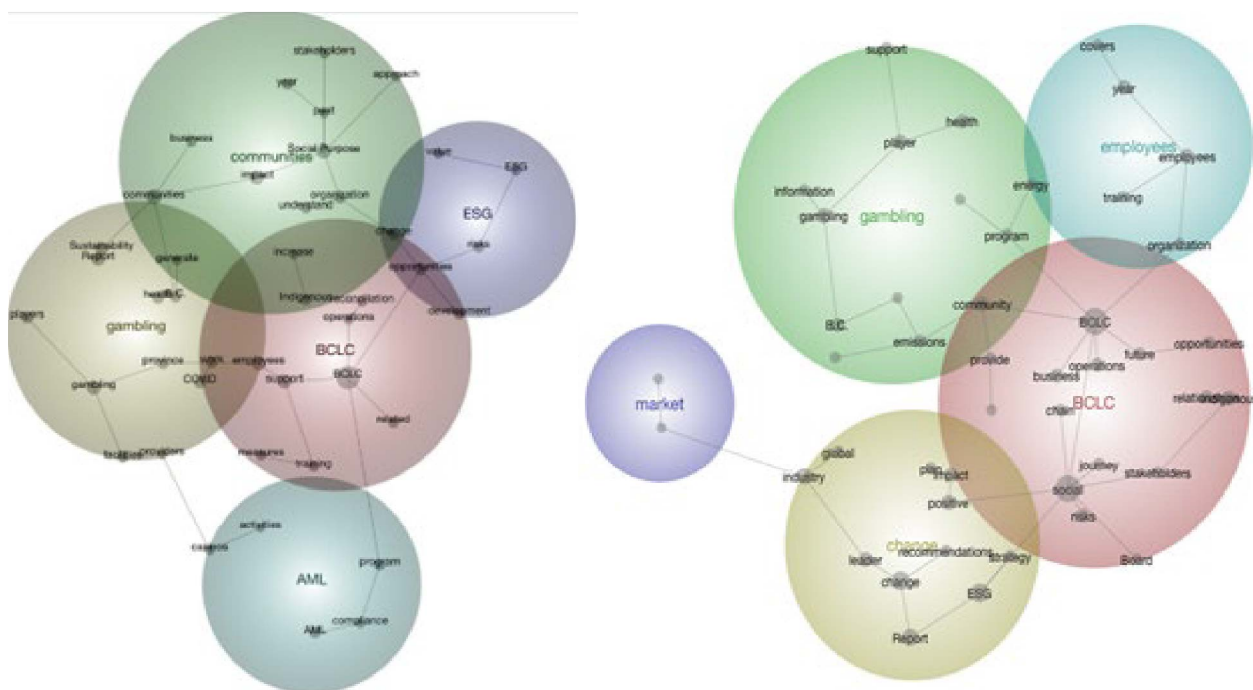
British Columbia Lottery Corporation (BCLC), Canada

The Leximancer conceptual maps highlight key thematic changes over the two years analysed. In fiscal year 2021, the dominant theme was 'BCLC,' followed by 'Communities.' However, the absence of 'Communities' in fiscal year 2022 indicates a shift in priorities. Unsurprisingly, 'Gambling' remained a prominent theme, reflecting the organisation's core business. Themes titled 'AML' and 'ESG' that appear in the fiscal year 2021 but not 2022 reflect a relative decline in these issues. A notable development in 2022 was the emergence of the theme "Change", reflecting the impact of the COVID-19 pandemic. This theme was accompanied by related themes titled 'Employees' and 'Market,' which highlight BCLC's adaptive response to the challenges brought about by the pandemic.

In both the fiscal years 2021 and 2022, a 'BCLC' theme remained prominent intersecting, with 'Communities'. This reflects BCLC's focus on Indigenous engagement, particularly following the launch of its Indigenous Reconciliation and Relations programme in 2021. The initiative aimed to strengthen relationships with Indigenous populations, recognising them as overlooked stakeholders.

The 2021 report notes that "BCLC is committing to supporting Indigenous People in all areas of its operations" (p. 9) in line with "The provincial government's unanimous passage of the Declaration of the Rights of Indigenous Peoples Act ..." where "... all Crown agencies, including BCLC, are expected to support" (p. 9). Support for Indigenous people continued in the fiscal year 2022, with BCLC stating that it intends to "build transformational relationships" (p. 31), instituting "an Indigenous and Stakeholder Engagement Framework" (p. 32) and "establishing a Senior Manager, Indigenous Relations and

Figure 2. Concept map for BCLC sustainability reports for fiscal year 2021 (left) and 2022 (right).



Reconciliation" (p. 28). BCLC claims to "have embarked on a journey to decolonize our operations while creating a better understanding of, and relationships with, Indigenous Peoples and communities" (p. 28).

In fiscal year 2021, 'Communities' emerged as the second most important theme closely linked to 'BCLC' theme. The report emphasises BCLC's commitment to embracing a social purpose, claiming that:

... we exist to generate win-wins for the greater good. We are excited by the opportunity to approach our business, our decisions and our interactions through a social purpose lens. (p. 1)

Moreover, BCLC's approach to stakeholder engagement is said to reflect its efforts to build relational trust and reinforce its legitimacy. The report for 2021 continues:

Our approach to engagement is guided by the following principles:

Significance: We deal with issues that are significant to our stakeholders and to us

Completeness: We understand the views, concerns, needs and expectations of our stakeholders

Responsiveness: We respond in a clear, timely and appropriate manner

Measurable: We track the quality, responsiveness and outcomes of our engagement (p. 21)

However, by fiscal year 2022, the focus had shifted from supporting diverse communities to a singular emphasis on the Indigenous community. The absence of a 'Communities' theme in 2022 reflects a narrowing of BCLC's commitment.

The initiatives aimed at building relationships with communities in the fiscal year 2021 and, more specifically, Indigenous people in the fiscal year 2022 underline a commitment to broader social issues that promote equitable engagement and address the risks of problem gambling and health concerns in vulnerable communities. These actions also indirectly support the justification of revenue allocation and regressive taxation concerns by showing how gambling revenues can

benefit and support disadvantaged populations. BCLC's focus on reconciliation with Indigenous people exemplifies Bargaining legitimacy rooted in active intervention and investment in tangible resources to build relationships and compensate an overlooked stakeholder.

In the 2021 report, the 'BCLC' theme also highlights measures taken to support employees during COVID-19 pandemic. Initiatives included "Flexible Work and Child Care Leave Program; Quarantine/Isolation pay; Vacation pay-outs; Vaccination time off and Remote work equipment support" (p. 20). In fiscal year 2022, a separate 'Employees' theme emerges (Figure 2), underscoring BCLC's continued focus on employee wellbeing. The report provides a table with data on "Employee wellbeing" and emphasises that "BCLC strongly encourages the development of our employees through development conversations and goals, a variety of training and development opportunities, and a preference toward internal candidates" (p. 36).

These efforts promoting employee wellbeing and ethical practices toward employees address social and ethical governance concerns. They also indirectly address one of the economic concerns of gambling dealing with inefficient revenue allocation by showing a willingness to invest gambling-generated funds to support employees. By prioritising employee wellbeing and training, BCLC adopts a Bargaining legitimacy-seeking strategy highlighting its active involvement with its workforce. This is reflected in its investment in pragmatic pandemic-related programmes such as flexible work arrangements, isolation pay, and remote work support.

The 'Gambling' theme representing BCLC's core business, features prominently in the concept maps for both fiscal years. In 2022, it ranks as the second most prominent theme, following the disappearance of 'Communities'. Its importance is reinforced in both reports, which emphasise that "Revenue generated by gambling helps fund important services across (the state) and the communities in our province benefit in

countless ways" (2021, p. 18; 2022, p. 25). Despite the challenges posed by the COVID-19 pandemic, BCLC underscores its continued contribution to the public purse. The 2021 report states that "the temporary closure of all gambling facilities managed by BCLC across B.C. to support public safety" (p. 3) meant that this "affected BCLC's ability to generate revenue" (p. 28). However, it also expresses pride by stating that "Despite these temporary closures and the ongoing challenges of the coronavirus pandemic, BCLC generated \$430 million in net income to the province" (p. 3). Similarly, the 2022 report includes a table titled "Community" (p. 37) detailing how revenue generated over the past two years was distributed to the government and the community.

These efforts to highlight the societal benefits of gambling revenues address two economic concerns that deal with gambling as a form of regressive taxation and the justification of revenue allocation.

By highlighting the positive impact of gambling revenues on communities and services, BCLC adopts an Earning legitimacy-seeking strategy that seeks passive acquiescence while aligning its operations with societal expectations, emphasising the broader value of its contribution to reassure stakeholders.

The emergence of a distinct 'ESG' theme in the Leximancer analysis of BCLC's 2021 sustainability report reflects a strategic shift in adopting an ESG perspective. The report states that "BCLC will conduct a TCFD (Task Force on Climate-related Financial Disclosures) guided climate change risk analysis concurrently with the development of the ESG strategy" (p. 8). This represents a transition from practices in previous years, as BCLC notes that "The ESG framework is replacing our past focus on Corporate Social Responsibility (CSR)" (p. 8). The report further outlines key themes and sub-themes within the ESG framework "addressing environmental, social and governance issues" (p. 6). BCLC also emphasises that it is "committed to establishing a higher

Table 2. Ranked concepts from BCLC sustainability reports

Fiscal Year 2021			Fiscal Year 2022		
Concept	Count	Relevance %	Concept	Count	Relevance %
BCLC	82	100	BCLC	123	100
Social Purpose	29	35	ESG	52	42
Report	23	28	Report	46	37
Sustainability	23	28	Indigenous	28	23
AML	21	26	State.	22	18
COVID	17	21	Board	13	11
ESG	16	20			
State	12	15			
Indigenous	9	11			
communities	35	43	social	105	85
gambling	29	35	change	60	49
employees	27	33	favourable	46	37
support	26	32	year	42	34
impact	21	26	employees	40	33
organization	20	24	industry	36	29
players	20	24	gambling	35	28
health	18	22	community	34	28
opportunities	17	21	player	30	24
work	17	21	impact	28	23
change	16	20	business	28	23
program	16	20	leader	25	20
business	13	16	positive	24	20
related	13	16	risks	24	20
province	12	15	health	23	19
risks	12	15	opportunities	22	18
training	11	13	future	21	17
facilities	11	13	support	21	17
year	11	13	operations	20	16
stakeholders	11	13	journey	18	15
casinos	11	13	emissions	18	15
development	10	12	program	18	15
value	10	12	organization	18	15
compliance	10	12	global	17	14
generate	9	11	relationships	17	14
approach	9	11	strategy	16	13
measures	8	10	stakeholders	15	12
providers	8	10	information	15	12
understand	7	9	covers	14	11
reconciliation	7	9	plan	13	11
operations	7	9	energy	13	11

Fiscal Year 2021			Fiscal Year 2021		
Concept	Count	Relevance %	Concept	Count	Relevance %
activities	7	9	practices	12	10
increase	6	7	chain	11	9
past	6	7	training	11	9
favourable	6	7	provide	10	8
unfavourable	5	6	services	10	8
			reduce	10	8
			recommendations	9	7
			develop	8	7
			market	6	5
			research	6	5
			unfavourable	6	5

Note: Items above the line refer to names while those below are words

standard to measure the impacts of our programs and initiatives" (p. 10), particularly concerning player health.

The Leximancer analysis of the sustainability report for 2022 confirms BCLC's shift to an ESG focus with the emergence of a 'Change' theme that includes ESG. The report subtitled "Becoming an Industry Leader in addressing climate change and furthering the Circular Economy" underscores this renewed focus. BCLC undertakes to "align with The Task Force on Climate-related Financial Disclosures (TCFD) recommendations" (p. 8) and provides climate change metrics in the Appendix (p. 34). Furthermore, the 2022 report details the enactment of the "Canadian Net-Zero Emissions Accountability Act", which mandates that firms "set a commitment to reduce CHG emissions" (p. 14). To support these efforts, BCLC reports recruiting a sustainability innovation manager, who "In this role, the manager is: Developing long-term strategies to reduce GHG" (p. 10).

Beyond tackling the economic and social governance concerns often discussed in gambling literature, 2022 saw BCLC focus on ESG with an emphasis on sustainability and ecological and environmental issues. Its efforts in this respect focus on climate-related risk analysis and emissions reduction. These initiatives reflect an

Earning legitimacy-seeking strategy that involves passive acquiescence with societal values and expectations around sustainability and environmental responsibility while reassuring a broad stakeholder base.

The 'AML' theme arises from the importance given to AML activities in the fiscal report for 2021 where an entire section (pp. 12-13) is devoted to it. As stated in the report, BCLC is subject to the Federal Financial Transactions and Reports Analysis Centre of Canada – FINTRAC which as "Canada's financial intelligence unit, [is] mandated to facilitate the detection, prevention and deterrence of money laundering and financing of terrorist activities" (p. 13). Therefore, "To meet the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), BCLC is responsible for executing a compliance program for all casinos in the province" (p. 12). To this effect, "A dedicated compliance officer [...] is responsible for the implementation of the compliance program and works to ensure that all B.C. casinos are in full compliance with the PCMLTFA and Regulations" (p. 12). In addition, "Regular internal reviews of our AML program are conducted by internal and external auditors and any gaps are immediately addressed" (p. 13). However, the Leximancer analyses show that the 'AML' theme no longer

emerges as a separate theme in fiscal 2022. AML had a count mention of 21 and a 26% relevance in the fiscal year 2021 but received a count of less than 6 in the sustainability report for the fiscal year 2022 (Table 3).

The AML activities undertaken are legally mandated actions that seek to counter an important gambling industry concern related to the possibilities of ML. BCLC adopts a Capturing legitimacy-seeking strategy to address these issues by exhibiting active involvement and strengthening formal relationships and cooperation with regulatory agencies to improve compliance programmes.

In the fiscal year 2022, the 'AML' and 'ESG' themes are replaced by 'Employee' and 'Market' themes. The 'Employee' theme focuses primarily on organisation and training. From an environmental perspective, the report highlights energy efficiency efforts: "In 2021, BCLC used seven per cent less energy compared to 2019 and 0.5 per cent less compared to 2020 - as many employees continued to adopt a hybrid working model over the course of the year" (p. 11). However, it is unclear whether these figures include the energy consumption of their home-based staff. The report also includes a table with "Data covering employee well-being for the fiscal year" (p. 36).

The activities capture efforts of meeting environmental sustainability together with social and ethical governance concerns by emphasising a reduction in organisational impacts and fostering a responsible, supportive work environment. This is a continuation of an Earning legitimacy-seeking strategy where BCLC seeks passive support for initiatives highlighting energy efficiency efforts and employee wellbeing to align with societal expectations regarding sustainability and workforce development.

The 'Market' theme in the fiscal year 2022 is primarily linked to market research and highlights the use of a "Problem Gambling Severity Index (PGSI)" which "is a self-reported, standardized measure of assessing at-risk gambling

behaviours" (p. 21). This index is monitored by a "continuous tracking survey conducted online by a third-party market research professional" (p. 21).

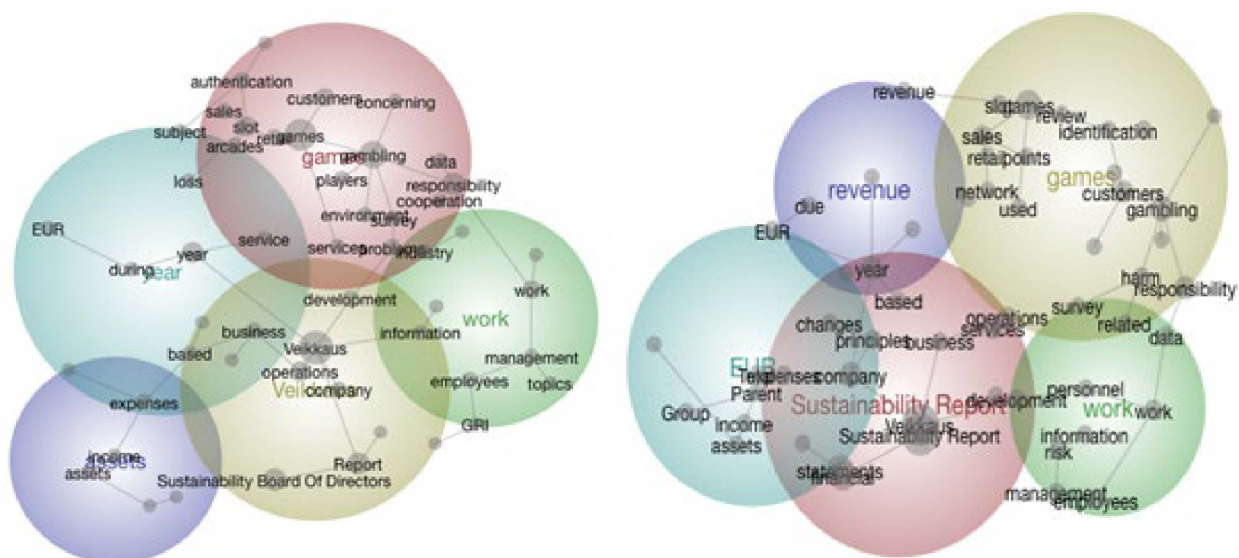
This activity addresses problem gambling and health concerns by emphasising the need for research and monitoring to mitigate the risk of problem gambling. BCLC adopts a construing legitimacy-seeking strategy that allows BCLC to garner passive support through problem understanding via research. However, since the study is commissioned by BCLC this may give rise to a conflict of interest and detract from its credibility. (e.g., Adams, 2016)

Veikkaus, Finland

The conceptual maps for Veikkaus highlight five key themes across the two years analysed. In 2021 the primary focus is on a 'Games' theme, followed by a 'Veikkaus' theme that captures its operations including sustainability activities. However, in 2022 the themes are reversed, with a main 'Sustainability Report' theme, followed by a 'Games' theme. During Fiscal year 2021, the next three themes are 'Work', 'Year', and 'Assets'. In contrast, in fiscal 2022, these themes shift to 'Work', 'Euro', and 'Revenue'.

Gambling games form the core business of Veikkaus, and the 'Games' theme in the 2021 and 2022 fiscal reports captures the organisation's activities in the sector. The reports state that at Veikkaus "we create joy through games" (2021, p. 12; 2022, p. 12) offering "joy and interesting games, but not at any cost" (2021, p. 4; 2022, p. 4) and acting "to make sure that the joy of gaming is preserved, and that gaming is kept as a form of entertainment in which people engage in moderation" (2021, p. 4; 2022, p. 4). These offerings align with legislation that seeks "the directing of the demand for games from offerings not part of the monopoly system" (2021, p. 8; 2022, p. 8). Additionally, the 2022 report highlights the concerns arising from "the war in Ukraine and the resulting general consumer uncertainty and lower purchasing power (that

Figure 3. Concept map for Veikkaus sustainability reports for fiscal year 2021 (left) and 2022 (right).



have also affected the demand for Veikkaus games” (p. 6).

The focus by Veikkaus on promoting joy, moderation and responsible gaming aligned with the legislation to ensure safe experiences suggests a focus on problem gambling and health concerns and a justification of revenue collection and allocation. Veikkaus adopts an Earning legitimacy-seeking strategy that seeks passive acquiescence while aligning its operations with societal expectations, emphasising the broader value of its contribution to reassure stakeholders. The ‘Games’ theme in the 2022 report is eclipsed by a dominant ‘Sustainability Reporting’ theme. It highlights the effects of sustainability measures, which “reduce Veikkaus’ (Gross Gaming Revenue) GGR significantly. Veikkaus has regularly informed the beneficiary ministries about the revenue prospects” (p. 33). Various activities related to sustainability are highlighted:

We work continuously to improve the energy efficiency of our premises, to increase the share of renewable energy and heat, and to optimise our own transportation. We are lessees in most of our offices and thus unable to directly

affect the energy solutions on the premises. (p. 41)

Moreover, “over 4,000 beneficiaries receive support from our gambling revenue every year” (p. 42) while “The beneficiary ministries will distribute the settled funds to the categories of beneficiaries defined by law” (p. 67).

The text addresses the economic viability of gambling revenues, indicating revenue impacts and the allocation of funds to beneficiaries in line with legal requirements underlining a revenue justification concern. It also highlights sustainability measures, suggesting an environmental sustainability focus. Veikkaus adopts a Construing legitimacy-seeking strategy that seeks passive acquiescence and to build relationships, dialogue and understanding.

The ‘Veikkaus’ theme is the second most important theme after the ‘Games’ theme in the 2021 report. The sustainability report states that “Veikkaus is a Finnish gambling company entirely owned by the Finnish State. We were founded in 2017,” from the merger of three former Finnish gambling operators (p. 4).

Table 3: Ranked concepts from Veikkaus sustainability reports

Fiscal Year 2021			Fiscal Year 2022		
Concept	Count	Relevance %	Concept	Count	Relevance %
Veikkaus Sustainability Report	360	100	Sustainability Report	449	100
EUR	346	96	Veikkaus EUR	445	99
GRI	77	21	EUR Group	85	19
Total	32	9	Total Parent	54	12
	30	8		43	10
				36	8
games	278	77	games	252	56
gambling	212	59	financial statements	220	49
responsibility	166	46	gambling	191	43
year	140	39	company	154	34
operations	127	35	responsibility	148	33
work	114	32	year	141	31
slot	102	28	customers	118	26
customers	98	27	work	108	24
development	69	19	services	87	19
favourable	66	18	operations	77	17
authentication	65	18	employees	72	16
management	65	18	used	72	16
sales	62	17	sales	70	16
employees	61	17	data	66	15
business	60	17	slot	61	14
company	57	16	development	60	13
retail	54	15	information	60	13
expenses	54	15	principles	57	13
based	51	14	management	55	12
data	49	14	expenses	53	12
services	48	13	assets	50	11
survey	48	13	identification	50	11
cooperation	46	13	business	49	11
during	46	13	revenue	47	10
income	46	13	based	46	10
information	45	12	review	44	10
assets	45	12	harm	43	10
unfavourable	44	12	related	42	9
arcades	44	12	income	41	9
problems	43	12	personnel	41	9
players	43	12	favourable	41	9
industry	40	11	risk	39	9
environment	39	11	concerning	39	9

Fiscal Year 2021			Fiscal Year 2022		
Concept	Count	Relevance %	Concept	Count	Relevance %
service	37	10	recognised	39	9
concerning	37	10	changes	36	8
topics	37	10	value	36	8
subject	35	10	points	35	8
loss	34	9	due	34	8
personnel	34	9	period	34	8
value	34	9	environment	33	7
period	33	9	survey	31	7
sheet	28	8	cooperation	30	7
health	27	8	unfavourable	29	6
betting	27	8	retail	28	6
international	26	7	experience	27	6
emissions	26	7	digital	27	6
protection	25	7	lottery	25	6
economic	25	7	system	24	5
			arcades	23	5
			network	21	5
			emissions	21	5

Note: Items above the line refer to names while those below are words

According to the Lotteries Act, Veikkaus must provide games in a way which ensures the legal protection of those engaging in the games, working to prevent fraud and crime, and to prevent and mitigate the economic, social, and health-related harms induced by gambling. (p. 4)

The report further notes that Veikkaus employs some 1,440 employees, and its proceeds are used for the common good in its entirety. The allocation of the proceeds is decided by the government

The activities emphasise the mitigation of economic, social, and health-related harms induced by gambling addressing problem gambling and health concerns. Veikkaus adopts a Capturing legitimacy-seeking strategy that seeks active involvement with formal cooperation and interaction with key stakeholders.

The 'Work' theme is the third most prominent theme in both the 2021 and 2022 concept maps. The 2021 report highlights the "Lotteries Act reform" and consultation (p. 8); Veikkaus's objective of becoming the "best place to work" in the gaming sector (p. 9); fostering "Wellbeing at work" (p. 10); and the approval of "Veikkaus' sustainability programme" until 2025 (p. 14). The 2022 report revisits these elements. "The target culture that Veikkaus' renewal efforts and strategy enable was also reworded. Therefore, the culture is summarised in a three-word tagline: Courageously – Together - Caring" (p. 71). The 'Work' theme also captures wellbeing at work "measured by following the shares of sick leave of total working hours" (p. 44) and "assess human rights impacts, especially in relation to supply chains and children's rights" (p. 36).

The focus of Veikkaus is on its longer-term target culture that encompasses sustainability and wellbeing and provides justifications for the revenue generated through gambling activities.

Veikkaus employs an Earning legitimacy-seeking strategy involving passive acquiescence through reassuring stakeholders.

The fourth theme in the 2021 report is the 'Year' theme while in 2022 it is replaced by the 'EUR' theme. Being an annual report, the 'Year' theme is not surprising, capturing the key events of 2021 that include "the opening of Finland's second casino" (p. 7); approval of "regulatory reforms for carrying out sustainability measures" (p. 31); the "overhaul of the Veikkaus' app" (p. 66); a decrease in supervision costs and fees (p. 67); and the prepayment of the financial profit of EUR 658 million to Government (p. 67). The 'EUR' theme in the 2022 report similarly highlights key achievements, often expressed in monetary terms. These include "a gross gaming revenue of EUR 1,071.0 million, of which EUR 679.9 million were returned to the ministries" (p. 42); "building a carbon roadmap" (p. 18); and the fact that "games reach a majority of Finnish adult population" (p. 51).

The activities captured by both the 'Year' and 'EUR' themes underline the efficient allocation of revenue. Veikkaus employs an Earning legitimacy-seeking strategy that seeks passive support that attracts and reassures stakeholders by leveraging tangible achievements.

The fifth and final theme in 2021 is 'Assets' while in 2022 it shifts to 'Revenue', both of which are closely related. The 'Assets' theme includes financial tables detailing "Tangible assets and depreciation" (p. 81) and "Intangible assets and amortisation" (p. 82). The 'Revenue' theme for 2022 includes "Gross gaming revenue" (pp. 68; 69) and "Key indicators 2020-2022" (p. 81).

The activities captured by both the 'Assets' and 'Revenue' themes underline the professional management and performance of the organisation, justifying revenue allocation. This is achieved by employing an Earning legitimacy-seeking strategy that pursues passive support through reassuring stakeholders.

Findings

Tables 4a and 4b summarise the key findings for BCLC and Veikkaus, including ranking of the themes arising from the Leximancer analysis and their related activity. It also identifies the legitimacy-seeking strategy pursued and infers the gambling concern it seeks to address.

Implications for Theory and Management

The findings offer valuable insights for both theory and management. The legitimacy-seeking strategy matrix by Reast (2013), combined with Leximancer analyses, provides a practical framework for examining sustainability reports in the gambling industry and other controversial sectors.

From a management perspective, the findings suggest that content analysis using Leximancer software can serve as a diagnostic tool, grouping and ranking themes in sustainability reports to reveal organisational priorities. These reports are often outsourced to communication agencies, with varying levels of managerial input. For example, BCLC's legitimacy strategies reflect an organisational perspective, as seen in its government-mandated "Indigenous Reconciliation and Relations program." In contrast, Veikkaus appears to take a more managerial approach to sustainability reporting. This analysis helps assess whether communicated messages align with intended strategies.

Both managerial and organisational approaches to legitimacy strategies require clear objectives, even if these are not explicitly stated in reports. BCLC's reports suggest a Bargaining strategy, focusing on relationships with Indigenous communities and employees to address problem gambling, health concerns, and governance issues.

This reflects an adaptive response to societal and regulatory pressures. Veikkaus, on the other hand, emphasises Earning and Construing strategies, targeting problem gambling, health, and environmental concerns

Table 4a. Summary of findings from the analysis for BCLC

Leximancer theme	Activity	Gambling concern/s	Legitimacy-seeking strategy
BCLC/ Communities	Indigenous Reconciliation and Relations program	Problem gambling and health concerns; Justification of revenue allocation and regressive taxation	Bargaining
BCLC	Pandemic-related programmes	Social and ethical governance concerns; Justification of revenue allocation	Bargaining
Gambling	Societal benefits of gambling revenues	Regressive taxation; Justification of revenue allocation	Earning
ESG/ Change	ESG; ecological and environmental sustainability	Ecological and environmental sustainability	Earning
AML	Anti Money Laundering activities	Money Laundering (ML)	Capturing
Employee	Reduction in organisational impacts; fostering a supportive work environment	Environmental sustainability; Social and ethical governance	Earning
Market	Problem Gambling Severity Index (PGSI)	Problem gambling and health concerns	Construing

Table 4b. Summary of findings from the analysis for Veikkaus

Leximancer theme	Activity	Gambling concern/s	Legitimacy-seeking strategy
Games	Gaming (gambling) as a form of entertainment	Problem gambling and health concerns; Justification of revenue allocation	Earning
Sustainability Reporting	Revenue prospects and sustainability measures	Justification of revenue allocation; Ecological and environmental sustainability	Construing
Veikkaus	Mitigation of harm	Problem gambling and health concerns	Capturing
Work	Longer-term target culture	Justification of revenue allocation	Earning
Year/ EUR	Efficient allocation of revenue	Justification of revenue allocation	Earning
Assets/ Revenue	Professional management and performance	Justification of revenue allocation	Earning

ESG and Sustainability as Strategic Priorities

ESG and sustainability reporting provide significant opportunities for controversial industries like gambling. They offer a platform for legitimacy-seeking strategies while addressing economic, social, governance, and ecological concerns (Brown et al., 1987; Jeurissen, 2000; United Nations Global Compact, 2004; Leung, 2019; Sweeney & Coughlan, 2008). Key issues

include problem gambling, mental health issues, and money laundering risks.

State lottery organisations, such as BCLC and Veikkaus, highlight the economic benefits of gambling revenue, as it funds public services and social programs. However, this revenue often comes from lower-income individuals, raising ethical questions about the sustainability of this model. Transitioning from state monopolies to licensing systems could jeopardise the social dividends generated by gambling revenue, a challenge policymakers seem reluctant to address.

Ecological concerns, while less prominent in gambling, are addressed through initiatives like reducing emissions and improving energy efficiency. However, the industry's most pressing challenges lie in social and ethical governance, particularly problem gambling. Veikkaus's 2021 report acknowledges its legal duty to mitigate gambling-related harms, while BCLC's 2022 report adopts the Problem Gambling Severity Index (PGSI) to monitor at-risk behaviours. Problem gambling, though affecting a small percentage of the population, has significant social costs, comparable to disorders like anorexia nervosa (Mizerski, 2013, p. 1587).

State-owned gambling monopolies often follow government directives rather than proactively addressing gambling-related issues. For example, BCLC's focus on Indigenous communities stems from provincial mandates, not internal initiatives. Research in Canada shows higher rates of problem gambling among Indigenous populations (Williams et al., 2022).

Similarly, concerns about money laundering are addressed through anti-money laundering (AML) practices, with both BCLC and Veikkaus implementing protocols like Know Your Customer (KYC) requirements and compliance monitoring (Mills, 2000).

Limitations and Future Research

The qualitative research analyses reported are based on a convenience sample consisting of two state gambling monopolies in Canada and Finland. While insightful, the findings cannot be considered a comprehensive review, as they rely solely on the sustainability reports for fiscal years 2021 and 2022 published on the organisations' websites. Future research could expand this work by examining sustainability reports from state gambling monopolies across all Canadian provinces to identify commonalities potentially driven by federal regulations. Similarly, in Europe, a comparison of state gambling organisations across EU countries, possibly comparing operators in Nordic and Southern states, could identify interesting commonalities and differences. Moreover, the integration of the legitimacy-seeking framework with Leximancer's analytical tools offers an objective and scalable model for exploring legitimacy strategies employed by gambling organisations. This approach could be extended to investigate firms in other controversial industries. While Leximancer's software eliminates count and choice errors in content analysis, it still involves some degree of researcher interpretation, particularly in understanding conceptual maps and determining the number of themes. Future studies could compare results using alternative content analysis tools, such as IBM Watson or Diction to further validate and refine the methodology.

Conclusion

The negative consequences of gambling have long been recognised with traditional monotheistic religions condemning the practice

(Binde, 2007). From a Catholic social-teaching perspective, Iglesias-Rodriguez (2023) argues that contemporary commercial gambling violates core moral principles. Using the concept of "social usefulness," the author contends that any positive outcomes from gambling cannot justify its legitimacy, given the significant social costs it incurs.

However, shifting attitudes toward religion particularly in Western societies, have led to widespread acceptance of gambling. Players are now seen as "consumers" (Cosgrave & Klassen, 2001) free to spend their time and money as they choose. Gambling, whether land-based or increasingly online, is often perceived as just another form of entertainment. To bolster its legitimacy, the industry highlights its role in providing quality employment. For instance, the 2022 sustainability reports of both BCLC and Veikkaus emphasise their provision of stable jobs, employee training and welfare programmes for thousands of employees. Pro-gambling advocates argue that without legal gambling options, the industry would go underground (Ferentzy & Turner, 2009). While this argument has merit, there is a significant difference between offering controlled, limited gambling opportunities and actively promoting and expanding gambling networks to attract a broad audience.

Both BCLC and Veikkaus have adopted ESG and sustainability reporting as part of their legitimacy-seeking strategies. Despite their limitations, sustainability reports serve as effective tools for communicating with different stakeholders. However, balancing moral responsibility with economic, social, ethical, and ecological considerations often conflicts with profit-making goals. This tension creates contradictions that are difficult to resolve.

Gambling concerns, particularly the disproportionate impact on lower-income individuals and the prevalence of problem gambling, represent the "elephant in the room" for the industry. These issues challenge the

sustainability of state gambling monopolies, presenting politically uncomfortable dilemmas. Addressing them would require stricter regulations and a restriction on gambling opportunities – a circle that is impossible to square.

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