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2016 STEM EDUCATION
LEADERSHIP AWARD WINNERS



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2016 ANNUAL REPORT



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software
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13 IPOs THAT RAISED \$16.6 BILLION

143 IPOs THAT RAISED \$16.6 BILLION

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Cover: ESA's logo prominently displayed on Nasdaq's iconic video tower overlooking Times Square on May 19 during the STEM Education Leadership Awards.

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President and CEO Mike Gallagher speaks at an event during the Republican National Convention.

2016: A YEAR OF GROWTH AND INNOVATION

Friends:

It is my pleasure to present the Entertainment Software Association's (ESA) 2016 Annual Report. Over the last year, the video game industry thrived as games continue to impact nearly every sector across America, from entertainment to politics, education, business, sports, and the arts. Twenty years ago video games were considered niche entertainment. Today they are a strong engine for collaboration and innovation across sectors.

Our industry plays a significant role throughout society; more than half of American households play video games regularly, our industry generates over \$30 billion in revenue annually, and video game companies and degree programs now stretch across all 50 states. As the industry grows in communities across the country, we are engaging and developing the next generation of gamers. In 2016, we partnered with the U.S. Department of Education to recognize video game developers who are revolutionizing the way students learn through interactive educational technology.

As technology develops at a rapid pace, the video game community is attracting individuals from varying backgrounds, leading to gamers who are highly engaged and informed. In fact, a survey we conducted found that 80 percent of gamers cast their vote in the 2016 presidential election, compared to just 75 percent of the general population. These voters hold strong opinions on critical issues like immigration and, more than 1 million of them worked through the Video Game Voters Network (VGVN) to ensure their voices were heard. With such a powerful voice, the Gamer Vote will undoubtedly influence the political landscape in 2017 and beyond.

The tremendous growth of our industry has driven ESA to new heights. We welcomed leading companies — including Nordic Games, Pop Up Gaming, and Technicolor — as new members in 2016. We were also presented with a STEM Education Leadership Award on behalf of EverFi and Nasdaq for our efforts to improve science, technology, engineering, and math education and students' career readiness.

We continue to expand and protect the industry's frontiers. Where we once had a limited policy focus and often played defense, today we are active on dozens of issues — such as intellectual property protections and enforcement of copyright laws — and have established proactive partnerships that are having a meaningful impact. As a result of our efforts, the way people think and talk about video games is changing, and they increasingly understand that our industry is a vibrant part of American culture and the economy.

Since ESA was founded in 1994, we have seen unparalleled innovation in the video game industry. We have demonstrated how games play a pivotal role in business, education, sports, and other sectors. Games provide pathways to new worlds and a platform for us all to solve problems and be entertained. I look forward to continuing to foster innovation in our industry and seeing what endeavors we will take on next.

Sincerely,



Michael D. Gallagher

President and CEO

Entertainment Software Association

GAMERS ACTIVATED: VIDEO GAME VOTERS NETWORK IN 2016

The 2016 presidential election presented the Video Game Voters Network (VGVN) with an opportunity to recruit and unite civically engaged gamers like never before. To capitalize on the moment, VGVN started a voter recruitment and mobilization program called “Start Democracy.” From publishing original educational videos explaining the political process via social media to live-tweeting debates, the VGVN’s Start Democracy initiative guided gamers along the presidential campaign trail, growing membership and uniting a community that would vote to protect the games it loves. VGVN also partnered with organizations like Rock the Vote and National Voter Registration Day, ultimately registering more than 700,000 gamers this past election.

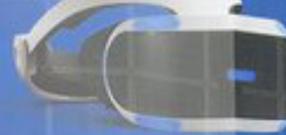
In the months leading up to election day, VGVN mobilized its members to combat a variety of issues affecting the video game community, including destructive legislation and an unfair e-sports immigration ruling.

To generate interest about the political cycle and legislative issues, VGVN built and maintained credibility with gamers by celebrating the games they love. This led to various contests, such as an E3 ticket giveaway, and partnerships with One Nation of Gamers (ONOG) and other e-sports tournament hosts. VGVN also created fun and engaging content around key moments throughout the year, including video game releases.

Leading up to the election, VGVN focused on its goal of getting gamers to the polls on Election Day, demonstrating that gamers are motivated and must be taken seriously by elected officials. To this end, VGVN focused efforts on the #GamersVote sticker giveaway, encouraging gamers to share their political involvement and gamer pride over social media. With more than 2,500 users attending the Facebook event, the campaign demonstrated the intense pride and civic engagement of VGVN’s member base.

With more than 1,700,000 members, a more passionate and engaged community than ever, and further authenticity and credibility amongst its members and elected officials, VGVN is poised to continue to rally civically engaged gamers whenever video games come under attack and help ensure the success of the medium.

PlayStation VR



Members of the Video Game Voter's Network meet at E3 2016.



Win the White House

LEADERBOARDS

[Weekly](#) [Monthly](#)

Running for the presidency isn't easy. In *Win the White House*, you get to manage

your campaign.

TEACHING STUDENTS THROUGH GAMES: ICIVICS

During an election season, it is critical for American students to learn the electoral process and understand the responsibilities of the commander-in-chief in order to prepare them for their future civic involvement. Thanks to the determined work of ESA Foundation grantee iCivics, teachers were ready with the perfect tool to help their students learn to navigate the presidential campaign and 2016 election: video games.

Founded by Supreme Court Justice Sandra Day O'Connor in 2009, iCivics supports and enhances civics education in schools by providing professional and non-partisan educational games and digital learning platforms. Developed with educators in mind, the games provide free, integrated lesson plans to enhance learning and inspire students, both in and out of the classroom.

In 2016, ESA Foundation proudly supported upgrades to one of iCivics' marquee video games, *Win the White House*, which teaches middle school students about government by immersing them directly into politics.

Win the White House appeals to student interests by having them take on a role – a judge, a Member of Congress, a community activist fighting for local change, and even the President of the United States – and having them play that role throughout the game. Concepts within the game enhance learning ability through experience, while effectively teaching civic engagement skills.

Win the White House was played an incredible 3.9 million times between its launch on March 1, 2016, and the election. That number rivals some of the most popular top retail video games. This also highlights how video game technology coupled with great content can powerfully engage and educate.

iCivics will bring more enhanced learning opportunities for students in 2017 through their game *Executive Command*, which gives players the ability to serve a term as president and take on the challenging responsibilities that come with being commander-in-chief. ESA Foundation will work with iCivics in 2017 to promote *Executive Command* throughout the first 100-days of the new Administration.

The ESA Foundation is proud to have been an early and vocal supporter of iCivics. With the video game industry's continued encouragement, it is rewarding to see this partnership make such a big impact at a crucial, teachable moment in American civic life.

E3 2016

E3 2016 brought together more than 70,000 people from over 100 different countries to participate in events throughout the week. This impressive number includes 50,300 video game professionals, analysts, journalists, and enthusiasts. Through an exclusive partnership with Twitch, more than 42 million gamers who could not attend in person participated in E3 online, an increase of more than 100 percent in viewership from 2015.

E3 is a showcase for ground-breaking technology and games. E3 2016 exhibited over 2,300 products in over 250 exhibition booths, including over 90 mobile game exhibitors and 53 virtual and augmented reality exhibitors. Engagement with these exhibitions has increased steadily from year to year, and 2016 was no different as technology continues to grow with the industry. There was a 30 percent increase in mobile game exhibitors and a 96 percent increase in virtual and augmented reality exhibitors.

E3 2016 also topped the charts in terms of social media engagement, with 10 million tweets leading up to the event and 7 million tweets during the show. In the month of June alone, 500,000 likes were issued on Twitter posts. E3 2016 also saw scores of new products and exhibitors, including 130 brand new games, hardware, and other products. E3 remains the preeminent hub for gaming technology and hardware, and the products and exhibitors presented at E3 2016 will continue to shape the industry.



70,000 ATTENDEES

FROM OVER
100 COUNTRIES





42 MILLION

GAMERS STREAMED

 **E3 ONLINE**

2,300

PRODUCTS SHOWN



7 MILLION 

TWEETS DURING THE SHOW

500,000 LIKES



10 MILLION

TWEETS LEADING
UP TO THE SHOW

NATIONAL PARTY CONVENTIONS

The 2016 national conventions presented an opportunity for ESA to engage and inform elected officials, policymakers, and thought leaders about the video game industry's contributions to the economy, education, business, and entertainment.

ESA sponsored forums at the Republican National Convention in Cleveland and the Democratic National Convention in Philadelphia. These discussions allowed ESA to showcase the video game industry leadership on critical policy issues.

In addition, ESA hosted evening receptions to maximize the video game industry's exposure, exhibit ESA member company products, integrate industry executives, and expand ESA's professional relationships with officials at the state and federal levels. ESA hosted three video game lounges in Cleveland and four lounges in Philadelphia, enabling the industry to be active in several places at once. These provided unparalleled opportunities to partner with technology and entertainment industry groups and reach a diverse range of participants at both conventions.

During the course of the conventions, ESA interacted with legislators on the state and federal levels, participating in official events and panels with Members of Congress including: House Majority Whip Patrick McHenry (R-NC), House Homeland Security Committee Chairman Mike McCaul (R-TX), Congressman Blake Farenthold (R-TX), House Democratic Leader Nancy Pelosi (D-CA), Congresswoman Suzan DelBene (D-WA), and Congresswoman Debbie Wasserman Schultz (D-FL).

ESA worked closely with the Higher Education Video Game Alliance (HEVGA) to ensure legislators gained an understanding of both the strength of video games as an entertainment product and the transformative power of video games for education.



UNPARALLELED RESEARCH ON A GROWING COMMUNITY

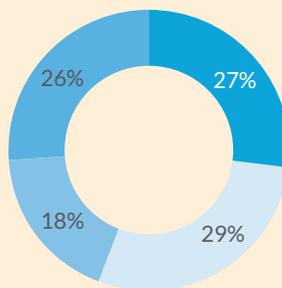
Americans are embracing the future through video games with higher percentages of game device ownership; increased awareness and interest in Virtual Reality (VR), mixed reality, and augmented reality; and more frequent socially-based online interactions. According to “Essential Facts about the Computer and Video Game Industry,” released in April 2016, 65 percent of U.S. households own a device to play video games and 51 percent of the most frequent gamers play a multiplayer mode at least weekly.

Not only are more Americans engaging with video games and virtual reality, the average age of game players is now 35 years old. Advancements in mobile phone and tablet technology make genres like puzzle games and board games increasingly popular and account for 38 percent of mobile gamer activity.

“Video games are the future. From education and business, to art and entertainment, our industry brings together the most innovative and creative minds to create the most engaging, immersive, and breathtaking experiences we’ve ever seen,” said Mike Gallagher, president and CEO of ESA. “The brilliant developers, designers, and creators behind our games have and will continue to push the envelope, driving unprecedented leaps in technology impacting everyday life for years to come.”

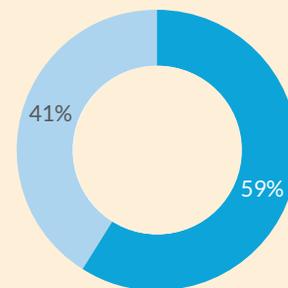
More people are playing video games with their families, citing it as influential in helping them spend time together. “Essential Facts about the Computer and Video Game Industry” also showed parents are setting limits on video game playing time, consulting ESRB ratings, and playing games with their kids. The report showed 79 percent of parents place limits on video game playing and 97 percent of parents report that the ESRB rating system is accurate.

Americans are utilizing video games to be more social not only through multiplayer games but through face-to-face interaction as well. The most frequent gamers who play multiplayer and online games spend an average of 4.6 hours per week playing with others in person. Friends are not the only group gamers choose to play with – 21 percent play with family members and 15 percent play with their spouse or partner.



AGE
of Game Players

27% under 18 years
29% 18-35 years
18% 36-49 years
26% 50+ years



GENDER
of Game Players

59% male
41% female



GOVERNMENT AFFAIRS

ESA President and CEO Mike Gallagher meets with then-Vice Presidential Candidate Mike Pence at the Republican National Convention.

FEDERAL GOVERNMENT AFFAIRS

The Federal Government Affairs campaign for ESA in 2016 focused on new ideas and ways to showcase the video game industry. From visits to offices on Capitol Hill to taking video games on the road and interacting directly with legislators, FGA took every opportunity to contextualize the industry for policymakers and elected officials in Congress and executive agencies.

E-Tech Caucus on the Rise

- The Congressional Caucus on Competitiveness in Entertainment Technology, better known as the E-Tech Caucus, more than doubled in membership in 2016. From a modest 52 members in January, the E-Tech Caucus swelled to 120 members by April. The E-Tech caucus now comprises over 25 percent of U.S. House members and is the largest industry-focused caucus in the U.S. Congress.

Bringing the Video Game Industry Home

- The FGA team traveled the country to bring the video game industry home for Members of Congress. The FGA team held six events during which they interviewed members of the House of Representatives on the FGA Twitch channel, *GovGames*, while the Members played video games. The Members of Congress — from both sides of the aisle — all expressed a deep appreciation for the power of video games as a platform to build relationships.
- ESA's Senior Vice President of Government Affairs Erik Huey spoke on a panel at SXSW with Democratic Congressional Committee Chairman Ben Ray Lujan (D-NM) entitled "Beyond Urban: Startups and the American Landscape." The panel addressed ways in which the video game industry has been a leader in spurring the growth of small startup studios into multi-national success stories. The panel also addressed the need to get kids engaged in STEM fields and the arts at a younger age, encourage higher student retention, and build greater diversity in the STEM and arts pipeline.
- ESA hosted 15 staff members from different Congressional offices during E3 2016. These key, high-tech staffers learned about various facets of the industry via ESA's Games + Learning Summit, a tour of the University of South Carolina game design program, and instructive stops on the E3 show floor. Also during E3, ESA hosted Swedish Minister for Upper Secondary Education Aida Hadzialic on the show floor, along with representatives from the office of Rep. Janice Hahn (D-CA) and staff from the Department of Commerce International Trade Administration.
- FGA participated in the Games for Change Festival in New York City, which focused on tangible ways of increasing the use of games as educational tools and featured officials from the U.S. Department of Education and a broad variety of industry leaders. The event also featured the announcement of the *Civilization V* partnership between Take-Two Interactive and GlassLab. ESA's Erik Huey gave the opening remarks and legendary video game designer Sid Meier provided the closing keynote.

- The final judging of the ESA and AARP Game Jam, in partnership with the Higher Education Video Game Alliance (HEVGA), took place at E3 2016 with a “Shark Tank” style event featuring celebrity judges Sid Meier, actor John Ratzenberger (*Cheers*, *Toy Story*), film maker and gamer Freddie Wong, and AARP vice president Kamili Wilson. The three collegiate finalists hailed from Miami University of Ohio, George Mason University, and University of California, Santa Cruz Silicon Valley. UCSC Silicon Valley took the prize for its *Letters of Mystery* game.
- On February 8, ESA hosted an event, in partnership with the E-Tech Caucus, showcasing the work of local students participating in the After-School All-Stars program in Washington, DC. The students demonstrated their science and technology projects and helped emphasize the importance of engaging students in STEM fields early. Rep. Adam Schiff (D-CA) attended and participated on ESA’s Twitch channel, *GovGames*, discussing important issues in his district.



Congressman Adam Schiff (D-CA) takes a selfie in Los Angeles with After-School All-Stars.

STATE GOVERNMENT AFFAIRS

ESA's State Government Affairs (SGA) department focused its energy and resources on the positive aspects of video games with elected opinion leaders through advocacy, education, and building champions at all levels of government across the country. Leveraging its relationships with legislators, governors, and state attorneys general in 2016, SGA successfully navigated the politically charged elections to enhance environments that support industry growth, job expansion, and innovation.

2016 State Elections

On November 8, there were 12 gubernatorial elections, 10 contests for state attorneys general, and nearly 6,000 elections in the nation's state houses. By virtue of SGA's work to support candidates who understand and appreciate the value the video game industry brings to their local economies, the industry remains well-positioned going into the 2017 legislative sessions.

Pokémon Go

As consumers around the world enjoyed the wildly popular *Pokémon Go*, ESA fielded questions and corrected misconceptions among elected officials regarding augmented reality and the nuances of gameplay mechanics. However, the increased attention of the mobile game inspired some state legislators to introduce consumer protection and child privacy related legislation. ESA responded quickly to bills in New York, Massachusetts, California, and Illinois, and none passed in 2016.

Tax Incentives

Despite continued opposition to industry-specific tax programs at the state level, video game industry incentive bills were considered and passed in Ohio, Pennsylvania, and New York in 2016. Each of the three states countered the recent trend of eliminating or reducing incentives and passed bills to create or expand digital media production incentives instead.

Ohio: On June 28, Ohio Governor John Kasich (R) signed into law an extensive tax clean-up bill that included several adjustments to the state's existing film and digital media tax incentive program. Revisions to the program included the doubling of the total amount of credits that may be awarded each year from \$20 million to \$40 million. The law became effective on September 28.

Pennsylvania: On July 13, closed-door budget negotiations between Pennsylvania's state legislature and Governor Tom Wolf (D) resulted in the approval of a balanced state budget that included a new \$1 million tax incentive program for digital media development for fiscal year 2017/18. ESA worked closely with educational institutions throughout Pennsylvania, including Carnegie Mellon, Drexel, and Harrisburg University, to educate key leadership on the economic value of the video game industry to the Commonwealth. ESA will continue to work with these and other partners to ensure that the program is successfully implemented and able to grow in coming years.

New York: On July 3, the state legislature approved a \$25 million tax incentive program for video game development. The legislation, sponsored by State Senator Marty Golden (R), would have created a program to keep and expand video game development in the Empire State. Prominent New-York-based video game companies, including ESA member Take-Two Interactive and Vicarious Visions, joined prestigious institutions of higher learning, including New York University

and Rochester Institute of Technology, to support ESA in its effort to encourage Governor Andrew Cuomo (D) to sign the bill. On November 28, Governor Cuomo vetoed the legislation, citing the expected state funding deficit and the fact that the program was currently an unbudgeted program. ESA will leverage its legislative success to encourage the program's inclusion within the 2017 budget.

Content Regulation

Over the past several years, ESA defeated more than 20 media violence bills specifically aimed at the video game industry. Nevertheless, the threat is not gone, as evidenced by censorship bills introduced in 2016 in West Virginia, Maryland, and Utah. All of these bills were defeated successfully.

Additional Outreach

California: On March 14, ESA coordinated a tour of Take-Two Interactive's Novato, Calif., studio with California Lt. Governor Gavin Newsom (D).



(From left) ESA Senior Vice President of Government Affairs Erik Huey, Lt. Gov. Gavin Newsom (D), Take-Two Interactive CEO and ESA Board of Directors Chairman Strauss Zelnick, and ESA President and CEO Mike Gallagher at Take-Two Interactive's Novato Studio.

- E3 2016: Throughout E3, SGA hosted Utah's State Attorney General Sean Reyes, members of the California Legislature's Technology Caucus, and 10 elected officials from seven states (AR, FL, GA, NC, NM, TX and VA) who play an active role in technology-related issues within their respective state legislatures. Attorney General Reyes and the state legislators spent their time at the Los Angeles Convention Center touring E3 and meeting with ESA member companies.



(From left) California Technology Caucus members Sen. Jay Obernolte, Sen. Bob Wieckowski, Asm. Ling Ling Chang, Asm. Ian Calderon, and Asm. Evan Low at E3 2016.

- Washington: ESA's "Olympia Day 2016" lobby day took place on February 2, 2016, in Olympia, Wash. Meetings with Governor Jay Inslee (D), key policymakers, and other elected officials took place at the capitol building in Olympia. ESA hosted a reception for state elected officials and staff at the Washington Center for the Performing Arts. The reception showcased innovative products from ESA's members Microsoft, Nintendo and Sony.

- NCSL: On August 7, ESA hosted a video game lounge at the opening reception at the annual meeting of the National Conference of State Legislatures (NCSL) in Chicago. Hundreds of staff and elected officials visited the lounge to play or watch games showcased on game consoles from Nintendo, Microsoft, and Sony.
- New York: On May 19, EverFi and Nasdaq, as part of their STEM Education Leadership Awards, honored ESA with their Innovation in STEM Education Award. ESA received the award for its ongoing commitment to STEM education and its Digital Citizenship and STEM Career Readiness programs in Austin, Los Angeles, and New York, which have reached over 22,000 students through 55,000 hours of education in just four years.



Tom Foulkes, ESA Vice President of State Government Affairs (center), accepts the "Innovation in STEM Education" Award on ESA's behalf.

- Dallas: On May 25, Texas State Senator Royce West and Dallas ISD Board Trustee Joyce Foreman joined ESA to celebrate the first graduates of the ESA Digital Living Project at D.A. Hulcy STEAM Middle School in Dallas. The EverFi-developed program, which teaches STEM skills to middle school students, is available to students across Los Angeles, New York, and Austin at no cost to the schools, thanks to a sponsorship from ESA.

COMMUNICATIONS & INDUSTRY AFFAIRS

ESA's Communications & Industry Affairs team positioned the video game industry as a driving influence throughout 2016 by promoting its positive effects on the economy, education, health, and other sectors. Through partnerships, events, media outreach, social media, and grassroots advocacy, the Communications & Industry Affairs team continuously highlight the industry's contributions to policymakers and other key stakeholders.

E3: Inspiring New Worlds

- On June 14-16, C&IA oversaw the production of E3 2016. The show broke records for social media numbers across all channels, with more than seven million posts on Twitter alone. More than 42 million gamers watched E3 2016 content on Twitch, the highest viewership of any video game convention broadcast on the network. Coverage of the event exceeded 60 billion media impressions, including reporting by major news outlets such as ABC, NBC, CBS, FOX, MSNBC, CNBC, BBC, The New York Times, The Wall Street Journal, Associated Press, Bloomberg, and Reuters.

Video Games Driving the Economy

- In January, ESA and the NPD Group together released the U.S. video game industry's 2016 sales data — \$30.4 billion in revenue, which was covered by major game news outlets including Venture Beat, GamesIndustry.biz, and GameSpot.

Educating the Public

- Throughout 2016, ESA conducted several research studies on the video game community.
 - On April 28, ESA released the “2016 Essential Facts About the Computer and Video Game Industry.” The report found that video games are used in 60 percent of American homes, and that the most frequent video game player is 38 years old, on average, and has been playing

video games for about 13 years. The report received coverage from major outlets, including a front-page USA Today “snapshot” feature and articles in VentureBeat, Polygon, and other game publications.

- On June 2, ESA and AARP released the results from the “Video Games: Attitudes and Habits of Adults Age 50-Plus” survey, which found that more than 41 million people over age 50 play video games on a regular basis. The survey was covered by multiple news outlets, such as VentureBeat, GamesIndustry.biz, and WTOP.
- On September 6, ESA fielded a survey on the political leanings of those who play video games for more than three hours every week, which found that 80 percent of gamers cast their votes in the 2016 election cycle, compared to 75 percent of the general population.
- The Communications & Industry Affairs team also obtained speaking opportunities for association leaders to educate stakeholders on the industry's impact throughout 2016. ESA President and CEO Mike Gallagher spoke to multiple universities, including the Denius Sams Academy at the University of Texas-Austin and Becker College, to explain to students the benefits of pursuing a degree in game design. Mike Gallagher was a guest speaker at the 2016 GamesBeat Conference in Sausalito, Calif., and

the Mobile Intelligence Conference in Las Vegas, where he discussed how video games and wireless technology are revolutionizing the economy, government, and society. Additionally, he addressed the California Board of Accountancy during their annual Washington, D.C., meeting to discuss how the video game industry, specifically augmented and virtual reality, can impact the banking industry.

Membership

- ESA welcomed new members Virtuix, Magic Leap, Nordic Games, PopUp Gaming, and Technicolor to join the association during 2016, bringing total membership to 35 companies.

Promoting Industry Diversity

- In November, ESA partnered with the Hispanic Heritage Foundation (HHF) to host the annual ESA Leaders on the Fast Track (LOFT) Video Game Innovation Fellowship. Twenty minority students ages 15-20 were selected to present the video games and apps they developed to White House administration and Congressional staff. Guest speakers during the events included Rafael Lopez, Commissioner of the Administration on Children, Youth and Families; Michelle Moreno, Chief of Staff for the White House Initiative on Educational Excellence for Hispanics; and

Michael Echols, CEO of the International Association of Certified ISAOs.

Video Game Voters Network

- In July, in response to a White House Petition, the Video Game Voters Network (VGVN) partnered with One Nation of Gamers to sponsor an eSports tournament aimed at raising awareness of international eSports athletes who are denied P1 visas due to lack of education that exists around eSports, its sanctioning bodies, and sponsors. In addition to running ads that were seen by thousands that tuned in to watch the tournaments on Twitch, the ads were shared on social media, generating more than 10,000 impressions.
- The VGVN community defended video games from several unfounded attacks in the media in 2016. Most notably, the community shared news of State Senator Leland Yee's conviction in a corruption case, posted a VGVN blog that responded to a Brad Bushman attack in the *Washington Post*, and worked to set the record straight in response to a new book published by known video game detractor Dave Grossman. These posts were some of VGVN's most successful in terms of engagement, showing that the community is ready to defend video games.



ESA celebrates at its annual holiday party.

LEGAL, REGULATORY & POLICY AFFAIRS

ESA's Legal, Regulatory & Policy department supports the industry's intellectual property, tech policy, and First Amendment priorities. In 2016, those efforts included advocacy before the U.S. Supreme Court, federal and state agencies, and international regulatory bodies.

U.S. Supreme Court Amicus Brief

In September 2016, ESA joined an amicus brief urging the U.S. Supreme Court to review the current venue law that determines where patent litigation is filed, in the case *TC Heartland v. Kraft Foods*. The Supreme Court agreed to hear the case this term. In the merits brief, ESA advocates for a rule that requires that patent cases be filed in the district where a defendant is located instead of thousands of miles away in a jurisdiction with no relationship to the defendant.

U.S. Senate Commerce Committee Hearing on “Exploring Augmented Reality”

In November 2016, ESA Senior Vice President & General Counsel Stanley Pierre-Louis testified at the first-ever U.S. Senate Commerce Committee hearing on augmented reality and mixed reality. After the hearing, ESA submitted responses to follow-up questions posed by Chairman John Thune (R-SD), Sen. Marco Rubio (R-FL), and Sen. Joe Manchin (D-WV) regarding how augmented reality can affect cybersecurity, self-regulation, national defense, rural applications, education, and autism. ESA expects to see ongoing interest from the U.S. Congress as consumer use of these technologies grows.

FCC Accessibility Rule

In December 2016, the Federal Communications Commission (FCC) granted ESA’s request to extend its current waiver for video game software until the end of 2017. The waiver applies to the FCC’s rule on advanced communications services. This additional time will enable the industry to experiment with and implement accessibility solutions, including those that may grow out of continuing outreach to, and feedback from, the accessibility community.

FCC Spectrum Order

In December 2016, the FCC approved a proposal by satellite phone service provider Globalstar to re-purpose some of its satellite spectrum for a terrestrial broadband service.

Throughout 2016, ESA engaged in this proceeding with the goal of ensuring that this proposed new use of spectrum — which is adjacent to channels used by video game consoles and other unlicensed devices for Bluetooth and Wi-Fi signals — would not interfere with gamers’ enjoyment of their consoles. The FCC adopted safeguards sought by ESA to prevent any potential interference.

International Ratings Law

In 2016, the Guatemalan Congress considered two bills that would ban the manufacture, importation, distribution, sale, and use of video games and toys containing weapons of war content. ESA, through its local consultants, met with committee members and submitted memoranda in order to present the legal and practical deficiencies of the legislation. In August and September, the committees responsible for each bill issued opinions concluding that the bills are not viable, citing extensively ESA’s arguments.

Privacy/Biometrics Legislation

In 2016, ESA and its partners succeeded in defeating onerous “biometrics” bills in several states. These bills would have been broad enough to sweep in fitness and other games and contained tough notice and consent requirements that would have been disruptive to game play.



ESA Policy Counsel Delara Derakhshani meets with accessibility advocate and blogger Josh Straub of D.A.G.E.R.S.

Content Protection Program

ESA's Content Protection program seeks to protect member company assets from unauthorized uses. The program employs a variety of techniques to provide scalable enforcement initiatives that protect legitimate game sales by deterring casual infringement of ESA members' intellectual property. In 2016, ESA increased its scanning of online marketplaces and removed an unprecedented number of listings reselling online game accounts and circumvention devices; a prominent game infringement website that ESA referred to UK Law Enforcement was shut down; and ESA organized its second game development contest in Mexico, strengthening relationships with senior government officials, local developers, and consumers by highlighting the commercial potential and importance of video game intellectual property.

Expansion of Online Enforcement

In 2016, ESA expanded its online marketplace enforcement activities to remove listings for resale of online game accounts and circumvention devices on consumer-to-consumer platforms like eBay and Mercado Libre, the most popular e-commerce platform in Latin America. As a result, there was a significant increase in the removal of such listings. On average, ESA removed three times the number of listings removed during the same period in 2015. In September, ESA expanded its notice-and-takedown program to include websites located in the People's Republic of China (PRC) that provide access to illegal copies of games. To better deter casual infringers, ESA's expanded protection includes removing links to infringing game files from Baidu, the most popular search engine in the PRC.

Law Enforcement Initiatives

In October 2016, the City of London Police Intellectual Property Crime Unit (PIPCU) shut down the private torrent site Blackcats-Games and arrested two of the site's operators. ESA collaborated with the UK Interactive Entertainment Association (Ukie) to refer Blackcats-Games to PIPCU and provided assistance to agents before and during the investigation. Before it was shut down, Blackcats-Games was one of the most popular torrent trackers dedicated to the illegal distribution of video games in the world and was estimated to have facilitated the wide-scale infringement of over 20 million gigabytes of video game content.

Latin America Content Protection Initiatives

In October 2016, ESA announced the winners of its second annual Video Juegos MX contest at a ceremony during Mexico's Entrepreneurship Week. The president of the Instituto Nacional del Emprendedor (INADEM) — the Mexican equivalent of the U.S. Small Business Administration — presented the Video Juegos MX awards to the winners. Over 240 contestants entered this year's competition, representing more than a 60% increase in submissions from last year. Last year's winning game, *MilitAnt*, was published by BANDAI NAMCO and is currently available on Steam.

Photo below: ESA, ESA Canada, ISFE, and their members convened to discuss global IP and tech issues affecting the video game industry.



ESA FOUNDATION

Created by the U.S. video game industry, ESA Foundation provides scholarships to the next generation of industry innovators and supports organizations that leverage entertainment software and technology to make a positive difference in the lives of America's youth. The proceeds from a signature annual fundraiser, Nite to Unite, and other charitable initiatives support this mission.

In 2016, ESA Foundation enhanced and expanded NTU, the video game industry's annual fundraiser, to include a format change and new timing. Also new this year, ESA Foundation created a second award to honor innovators who, through their work in the industry or other spheres, bring new solutions to existing challenges. In 2016, Peter Moore of Electronic Arts and John Graham, co-founder of Humble Bundle, received the ESA Foundation Champion and Innovator Awards, respectively. NTU continues to be the primary source of ESA Foundation funding thanks to the generous support of our member companies.

Humble Bundle and ESA Foundation collaborated in 2016 to feature ESA Foundation as Humble Bundle's charitable partner in the E3 digital game bundle. Humble Bundle allows consumers to purchase digital games and add-on content, pay what they want and choose how their payment is divided between game publishers, Humble Bundle, and a partnering charity. In 2016, the ESA Foundation E3 bundle was the most successful campaign to date for Humble Bundle and a charitable partner. This would not be possible without key partners like Twitch and support from the video game industry. The funds raised through this effort directly support the work of ESA Foundation grantees and scholarship recipients.

Extra Life and ESA Foundation partnered on the third annual ESA Foundation Extra Life Challenge, benefiting Children's Miracle Network (CMN) Hospitals. The Challenge encourages gamers' fundraising efforts during the annual Extra Life 24-hour video game marathon by providing the incentive of two \$30,000 grants for the hospital whose players raise the most money and the hospital with the highest per capita fundraising total. In 2016, the competition was fierce, and in the end, UCSF Benioff Children's Hospitals in Oakland, Calif. and The University of Vermont Children's Hospital in Burlington, Vt. won the Challenge. Extra Life 2016 raised more than \$8 million to help CMN Hospitals provide outstanding pediatric health care to every child in need, regardless of their family's ability to pay.

Hopelab and ESA Foundation celebrated two milestones in 2016: the 10th anniversary of *Re-Mission*, the first video game scientifically proven to improve health outcomes for kids with cancer, and ESA Foundation and Hopelab's 10-year partnership. Since 2006, ESA Foundation has supported Hopelab's work developing original video games like *Re-Mission* and *Re-Mission II*, promoting their games and establishing partnerships with organizations like Starlight Children's Foundation to place Hopelab games on tablets provided to pediatric cancer centers across the country, at no cost. Thousands of children coping with illnesses benefitted from Hopelab's innovative use of video game technology to engage and educate about cancer treatments.

Thirty women and minority students received scholarships in 2016. Since the creation of the scholarship program in 2007, ESA Foundation has awarded nearly \$1 million in scholarships. In 2016, the recipients come from 18 states and Puerto Rico and attend 27 schools, including Duke University, Brown University, Rochester Institute of Technology, Savannah College of Art and Design, DigiPen Institute of Technology, University of Pennsylvania, and University of Texas at Dallas. Each student received \$3,000 to advance their education in subjects including game art and design, computer animation, and virtual technology.

GRANTEES

ESA Foundation awarded seven grants to organizations and academic institutions in 2016 to support interactive entertainment software and technology projects that create educational opportunities and expand horizons. In 2016, ESA Foundation's programs directly impacted more than 500,000 youth and many more through online programs.

The Alliance for Young Artists and Writers identifies and encourages literary and artistic talent in students. With ESA Foundation's support, the Alliance developed workshops where students learned principles of storytelling and video game design. The Alliance strengthened their category for video games within their Scholastic Art & Writing Awards by using ESA Foundation funds to train adjudicators to properly evaluate video games for the Scholastic Art & Writing Award selection process.

Bootstrap, a program of Brown University, teaches middle and high school students algebra through proprietary video game design software and curricula. ESA Foundation provided Bootstrap a grant to expand its in-school offerings in Washington, D.C., and on the west coast. With ESA Foundation's support and with the goal of making computer science truly accessible to all, Bootstrap also rewrote the code of the user interface of their programming environment to work with

screen readers, which helps visually and sensorimotor-impaired students use the software. Bootstrap open-sourced these features so that other organizations are free to benefit from the accessibility improvements ESA Foundation funded.

Children's Museum of Indianapolis — the world's largest children's museum — creates extraordinary learning experiences across the arts, sciences, and humanities. With ESA Foundation's support, the museum created a series of interactive, educational video games that allow children and their families to imagine they are part of a team of astronauts aboard the International Space Station. The games are available online and as an in-gallery experience at the *Beyond Spaceship Earth* exhibit, which will reach an anticipated audience of more than 250,000 children in the first year. Additionally, these ESA Foundation-funded games are now available in a free downloadable app, which allows many more students to benefit from them.

CMN Hospitals and ESA Foundation partnered to support Extra Life, a 24-hour video game marathon and fundraiser that has raised nearly \$30 million for medical research and treatment at CMN Hospitals across North America since its inception. For the third year, the ESA Foundation partnered with Extra Life to issue the ESA Foundation Extra Life Challenge, offering a "bonus level" \$30,000 grant to the hospital whose players raised the most money during the marathon and also to the hospital with the highest per capita fundraising. The UCSF Benioff Children's Hospital in Oakland, Calif. and the University of Vt. Children's Hospital in Burlington, Vermont, each received a \$30,000 grant from the ESA Foundation for achieving these top fundraising totals.

Girlstart promotes high school-age girls' early engagement and academic success in STEM, helping to resolve the gender gap that currently exists in today's STEM workforce. In 2016, with support from ESA Foundation, Girlstart offered 28 week-long

summer camps in geographically diverse cities that encourage girls to participate in STEM activities, with a particular focus on computer science and video game design. More than 750 girls participated in a Girlstart camp in 2016, and the post-camp evaluations demonstrate a tremendous increase in knowledge of scientific inquiry and reasoning, as well as STEM career opportunities and how to pursue them. Following the conclusion of the camp, two statistics underscore the value of the program: 98 percent of participants reported that they are more interested in STEM after attending Girlstart Summer Camp and 99 percent of participants believe that doing well in STEM in college can lead to increased job opportunities.

HopeLab harnesses the power and appeal of technology to motivate measurable positive health behaviors in young people. In 2016, ESA Foundation partnered with Hopelab to help commemorate the 10th anniversary of the original *Re-Mission* game.



Extra Life's founder, Jeremy Adams, and a group of video game streamers meet at E3.

ENTERTAINMENT SOFTWARE RATING BOARD

The Entertainment Software Rating Board (ESRB) is the self-regulatory arm of the U.S. video game industry, established in 1994 to:

- Administer a world-class content rating system for video games and apps that continues to be among the most comprehensive and trusted entertainment rating systems in use today;
- Enforce advertising and marketing guidelines for the video game industry through the Advertising Review Council (ARC); and
- Help companies maintain compliance with the growing complexity of online and mobile privacy protection laws through ESRB Privacy Certified (EPC).

In 2016, ESRB President Patricia Vance continued to chair the International Age Rating Coalition (IARC), an independent non-profit organization governed by rating agencies from around the world that administers a streamlined rating process for digitally delivered games and apps. The award-winning IARC rating system is currently deployed on three digital storefronts (Google Play, Nintendo eShop, and the Windows Store) with at least three additional storefronts expected to implement the system in the first half of 2017.

2016-2017 Priorities & Accomplishments

ESRB Ratings

- Virtually all packaged video games sold in the U.S. display ESRB ratings. The ESRB also provides rating summaries as a supplemental source of information that provides parents with more specific details about the content of each rated game and the context in which it is featured. Rating summaries, which are only available for packaged video games, continue to be very popular among consumers, with approximately 2.3 million page views in 2016. They are accessible via the rating search function on ESRB's website and mobile app.
- ESRB also assigns ratings for digitally delivered games and apps through either the IARC rating system or its predecessor, the Short Form process. As a result, consumers can consult ESRB ratings across a growing number of mobile devices and online platforms, including Google Play, Microsoft's Xbox and Windows Stores, Nintendo's eShop, the PlayStation Store, and others.
- In 2016, ESRB began rating VR and AR games submitted either directly or via the IARC rating system.
- Alongside the rapid expansion in smartphone use among children, parental concerns about safety and privacy have been increasing. ESRB's interactive elements — a new type of descriptor that went into use in 2013 — now provide parents and other users with upfront notification that a digital game or app may share the

geographic location of the user, whether users can interact or make digital purchases, or if unrestricted internet access is provided.

- In February, ESRB commissioned Hart Research Associates once again to conduct a survey to assess parents' awareness and use of the ESRB rating system. The survey found that 86 percent of parents are aware of the ESRB rating system and 73 percent regularly check a game's rating before making a purchase. This is an increase of two percent and four percent respectively compared to the 2014 Hart survey. The 2016 survey also found that 76 percent of parents prefer the ESRB rating system over digital storefronts' proprietary rating systems, an increase of seven percent compared to the results of the prior survey.

International Age Rating Coalition

- Founded in 2013 by the ESRB, developers can now access the IARC rating tool through a digital storefront's web portal, generating age and content rating information and interactive elements for ESRB (North America), PEGI (Europe), USK (Germany), ClassInd (Brazil) and the Classification Board (Australia), as well as Russia. A set of generic IARC age ratings are assigned in the remainder of the world. IARC is engaged in ongoing discussions with other potential rating authority participants from around the world, with particular focus on Asia.
- On January 7, the Windows Store deployed the IARC rating system to administer ratings for all digital games and apps.
- In the fall, the IARC system was updated to include a set of ratings developed specifically to be legally compliant in Russia. The IARC questionnaire expanded to include a set of questions addressing gambling in games.

What developers have to say about IARC

- **Jools Watsham, Atooi Games**
 - "Helped tremendously in the UK market."
 - "Makes it much easier to do everything."
- **Simon (Darkside) Jackson, Zenith Moon Studios**
 - "Can't even begin to say how fantastic this is, an awesome achievement. Forgotten just how much time and energy I've lost chasing certifications for titles. Time for a party me thinks!"
- **Ronny Gydar, Gydar Industries**
 - "I absolutely love this! This will make this process so much easier for us tiny developers!"
- **Alex Neuse, Totally Choice Games**
 - "... [IARC is] insanely good and easy to use."
 - "... so forward thinking."
 - "So much happier with rating systems than [I was] 15 years ago."
 - "ESRB is the most forward thinking of all the rating authorities."

IARC Recognition



- On January 27, Australia's IARC team received a Department of Communications and the Arts' Australia Day Achievement Award for providing the people of Australia with trusted Australian classification and consumer advice for online and mobile games.
- On March 21, the Initiative Mittelstand in Germany recognized IARC as a finalist at the 2016 Innovations-IT Awards in the "Apps" category, stating that the IARC rating system has become one of the best IT solutions for businesses in the games and mobile industry.

IARC - Expansion into Asia



On June 15, Myeung-Sook Yoh, Chairman, Game Rating & Administration Committee (GRAC), South Korea, and Patricia Vance, President, ESRB, and Chairperson, IARC, signed a memorandum of understanding during E3 2016. IARC and GRAC continue to work earnestly towards their participation in IARC in 2017.

Advertising Review Council (ARC)

- In 2016, ARC continued to monitor and enforce industry-adopted advertising and marketing guidelines to ensure that video games are properly labeled, marketed responsibly, and that ad content is appropriate. Most game publishers now pre-clear their advertising and media plans through ARC to ensure compliance with its guidelines.
- In September 2016, ESRB issued an updated ARC Manual to address the ever-changing media landscape.
- The ESRB Website Council (EWC) includes the participation of the top game enthusiast sites such as GameSpot, GameFly, GameRevolution, IGN, and Machinima. ARC implements biannual audits of EWC member websites to measure their voluntary compliance with ARC guidelines such as posting correct rating information and using age-gates for trailers that promote games rated (or anticipated to be rated) Mature. In 2016, compliance among EWC members was at 89.1 percent for rating accuracy and 90.7 percent for the proper age-gating of trailers that promote games rated (or anticipated to be rated) Mature.

ESRB Privacy Certified Program (EPC)

- The ESRB Privacy Certified Program (EPC) provides its member companies with:
 - Children's Online Privacy Protection Act (COPPA) Safe Harbor protection since 1999 with a perfect track record that consists of no EPC member ever being cited for non-compliance by a state or federal regulator;
 - Individualized privacy risk assessment for online and mobile products;

- Global compliance including Canada, Asia-Pacific region, South America, and the European Union General Data Protection Regulation and EU-U.S. Privacy Shield Framework;
- A Federal Trade Commission (FTC) approved solution for obtaining verifiable parental consent;
- Guidance on consumer-friendly privacy disclosures and privacy policies; and
- Ongoing consultation, monitoring, and reporting to ensure continued compliance and protection.
- In July, Privacy Certified led a partnership initiative with the Toy Industry Association culminating in an educational webinar designed to help creators of online-enabled “smart toys” understand privacy and data collection laws and best practices.
- In July, the augmented reality location-based mobile game *Pokémon Go* was released in North America. By the end of the year, the game had been downloaded more than 500 million times worldwide, making it one of the most popular mobile games in history. Through Privacy Certified’s exclusive partnership with Veratad, the Pokémon Company was able to obtain verifiable parental consent for every child under the age of 13 registering through the Pokémon Trainer Club.
- In 2016, the Privacy Certified seal was included on a physical retail package for Hasbro’s Love2Learn Elmo. This is the first time a Privacy Certified seal has been incorporated into the packaging of a “smart toy.”
- Six new member companies (Blizzard, Budge, Robison Technologies, Square Panda, SuperAwesome, UNICEF) joined the Privacy Certified program in 2016, bringing total membership to 32 companies representing almost a thousand websites and mobile apps that display the Privacy Certified seal.

Ratings Education and Outreach

- In July, ESRB joined Facebook and Google as co-sponsors of the Family Online Safety Institute’s (FOSI) “How to be a Good Digital Parent” program, which launched at the National Parent Teacher Association (PTA) annual convention. The program provides state and local PTA leaders with the resources to host chapter meetings on the topic of online safety that show parents how to check the ESRB rating information of games and apps, set parental controls, and manage their children’s use of internet-connected devices.
- On September 28, ESRB’s Patricia Vance was featured in a USA Today insert on the future of gaming, in which she discussed the importance of the ESRB ratings and how parents can make informed decisions about which games and apps are appropriate for their children.



*Over 10,000 names available!
Visit www.playskool.com/elmo



Hasbro values your privacy. The Love2Learn Elmo connected experience is designed with privacy in mind and is ESRB Privacy Certified for compliance with applicable laws.

App not final. Images and content may differ.

- The ESRB website continues to be a useful resource, generating nearly 12 million user sessions and 2.6 million rating searches annually. Traffic to ESRB.org was further supported by a re-launch of the ESRB social media channels in June 2016. Subsequently, ESRB's Twitter following and Facebook audience increased by 13 percent and 25 percent respectively.
- Consumers conducted approximately 400,000 rating searches in 2016 using ESRB's mobile apps.
- ESRB implemented a holiday outreach campaign promoting ratings awareness and use and other ESRB resources for parents, which included:
 - Engaging ESRB's Parent Ambassadors, approximately 20 parent bloggers, to promote parental control guides and instructional videos for game consoles that are available on ESRB.org;
 - Socializing tips from parents about choosing which games are appropriate for children and other family members;
 - Working with GameStop to socialize gaming tips for parents; and
 - Distributing a mat release generating more than 252 million impressions.

ESRB and Retailers

- The ESRB Retail Council (ERC) includes Amazon, Best Buy, GameStop, Target, Toys 'R' Us, and Walmart, which collectively represent more than 85 percent of the overall packaged video game market. ESRB implements two mystery shopper audits of ERC members' retail outlets annually to measure their compliance with enforcing voluntary store policies not to sell games rated M (Mature) to children under 17 without permission from a parent. The most recent audit, completed in November 2016, found (weighted by market share) that store policy was enforced 81 percent of the time while 86 percent of stores displayed the correct ESRB rating and store policy signage. ESRB also checks ERC member websites biannually for accurate display of ESRB rating information. The latest audit conducted in October 2016 found that 86 percent of webpages presented accurate age rating information.





ENTERTAINMENT SOFTWARE ASSOCIATION OF CANADA

The Entertainment Software Association of Canada (ESAC) is the voice of the Canadian video game industry. ESAC represents major video game console makers, publishers, independent developers large and small, and national distributors.

Approximately 475 companies across Canada collectively contribute \$3 billion to Canada's GDP each year, making it an important sector in Canada's digital economy.

ESAC works on behalf of its member companies to ensure that Canada remains a great place to innovate, create, and publish video games. ESAC works with decision makers on regulatory issues that impact members at the provincial and federal levels and regularly conducts and publishes original research highlighting the impact of our industry in Canada.

ESAC members include the nation's leading interactive software developers and publishers, such as EA, Ubisoft, Activision Blizzard, Capcom, Microsoft Canada, Nintendo of Canada, Sony Computer Entertainment, Disney Interactive Studios, Take-Two Interactive, Square Enix, Warner Brothers Interactive Entertainment, Other Ocean, Gameloft, Glu Canada, Silverback Games, Ludia, and Relic Entertainment, as well as distributors Solutions to Go and Team One Marketing.

2016 Ottawa Parliamentary Day

On February 22, ESAC held its 9th annual Parliamentary Day in Ottawa. The evening event at the Château Laurier was attended by 265 people, including 30 Members of Parliament and Senators. Mere months after the general election, ESAC's goal was to educate and introduce our industry to political representatives and to strengthen the position of the innovative and successful video game industry in Canada.

During the day, ESAC members and staff attended meetings with the Rt. Hon. Justin Trudeau, prime minister of Canada, as well as with the Minister of Immigration, Refugees, and Citizenship; the Minister of Innovation, Science and Economic Development; the Minister of Small Business and Tourism; the Minister of Canadian Heritage; and related Members of Parliament, critics, and senior political staff.



Prime Minister Justin Trudeau sits down with ESAC President & CEO Jayson Hilchie and board members Francis Baillet (Ubisoft), Craig Hagen (EA), Deirdre Ayre (Other Ocean), and Pierre-Paul Trepanier (Nintendo) on Parliament Hill in February, 2016.

Digital Skills Study Launch

ESAC released a report in March with recommendations on how the federal government can play a leadership role in creating digital competencies and skills for Canadians. Highly skilled workers are necessary for the video game industry's ongoing needs, but also critical to Canada's future success in an increasingly digital economy.

ESAC also published an op-ed titled “Playing For The Future: How Video Games Are Leading Innovation” in the Huffington Post Canada. The article, timed with the Governor General’s inaugural Innovation Awards, also supported the federal government’s focus on innovation as a foundation of Canada’s economy. The article highlighted how ESAC members and Canadian academic institutions are using game technologies to support and contribute to many other industries. ESAC is highlighting innovation as an anchor to its continued conversation around digital skills and the temporary foreign worker program - both key elements to the continued success of the Canadian video game industry.

Digital Skills Study Panel - Ottawa

ESAC hosted a morning panel discussion on “Digital Skills Training in Canada and Around the World” at the British High Commission in October. Moderated by President and CEO Jayson Hilchie, the panel featured noted experts from Canada and from the global video game industry, including Dr. Jo Twist, CEO, UK Interactive Entertainment (UKIE); Craig Hagen, Global Head of Government Affairs, Electronic Arts (EA); Francis Baillet, Vice-President, Corporate Affairs, Ubisoft; Dr. Neil Randall, Director and Associate Professor, The Games Institute – University of Waterloo; and Kate Arthur, Founder and Executive Director, Kids Code Jeunesse. Panelists shared insights on how their countries successfully implemented strategies to better educate, attract, and retain skilled workers in an effort to prepare the workforce for the jobs of tomorrow. Panelists also discussed the practical ways to address the current challenges facing Canada’s digital workforce. Leading policymakers in the Canadian government attended the event.



ESAC President & CEO Jayson Hilchie (far right) moderates a Digital Skills Panel at the British Embassy in Ottawa last October. (L to R) Panelists include: Jo Twist (UKIE), Neil Randall (University of Waterloo), Francis Baillet (Ubisoft), Kate Arthur (Kids Code Jeunesse), and Craig Hagen (EA).

Video Game Industry Associations Summit - Vancouver

In November, ESAC and ESA jointly hosted the Video Game Industry Associations Summit in Vancouver, British Columbia. With representatives from the global video game industry in attendance, the summit took place at EA Vancouver’s state-of-the-art studio. With the combined efforts of ESAC and ESA, the summit deepened and broadened the knowledge of the industry and formulated stronger and more coordinated approaches to the global issues facing our industry.

Student Video Game Competition

ESAC launched its second annual Student Video Game Competition in March, and ESAC announces that *Arrow Heads*, a game developed by students from Sheridan College in Oakville, Ontario, the winner for 2016. The competition recognizes top video game talent and skills from Canadian academic institutes. *Arrow Heads* was made by a team of six students who excelled in video game development, digital promotion, and business networking. The competition exceeded ESAC’s expectations, as more schools from across the country continue to compete for the opportunity to showcase their games at E3.

Temporary Foreign Workers

In the fall of 2016, Canada's Minister of Finance announced plans to create a new Global Skills Strategy designed to better align Canada's immigration system with economic needs. This would include reforms to the Temporary Foreign Workers program to facilitate the expedited processing of highly skilled workers.



While many details are still being determined by officials, this is a major step forward and a win for the advocacy strategy that ESAC has employed for the past six years, and specifically, in the first year of the new Liberal government. To support efforts in the final days prior to the government announcement, ESAC released an op-ed in the Huffington Post Canada entitled "Attracting Foreign Born Talent Can Take Canada's Tech Sector Global." In addition, ESAC's Jayson Hilchie appeared on Business News Network (BNN), Canada's leading business television channel, to discuss the importance of global talent to the Canadian video game industry.

Membership

ESAC welcomed Capcom as its newest member in 2016. The Vancouver facility is the city's third-largest games studio with over 250 active employees.

ESA MEMBERS

AS OF FEBRUARY 2017

345 Games

505 Games

Activision Blizzard, Inc.

Bandai Namco Entertainment, Inc.

Bethesda Softworks, LLC

Capcom Co., Ltd.

Deep Silver

Disney Interactive Studios, Inc.

Electronic Arts, Inc.

Epic Games, Inc.

Focus Home Interactive

Gearbox Publishing, LLC

Grey Box

GungHo Online Entertainment America, Inc.

Konami Digital Entertainment, Inc.

Legends of Learning

LEVEL-5 International America, Inc.

Magic Leap, Inc.

Microsoft Corporation

Natsume, Inc.

NEXON America, Inc.

Nintendo of America

NVIDIA Corporation

Pop Up Gaming

Snail Games

Sony Interactive Entertainment, Inc.

Square Enix, Ltd.

Take-Two Interactive Software, Inc.

THQ Nordic

Technicolor

Tencent

Triseum

Ubisoft, Inc.

Vantiv, LLC

Virtuix

Wargaming Public Company, Ltd.

Warner Bros. Interactive Entertainment, Inc.

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