



ANNUAL REPORT 2019



**ENTERTAINMENT
SOFTWARE**
ASSOCIATION OF CANADA

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MESSAGE FROM THE PRESIDENT

OUR MEMBERS - ALWAYS FIRST

What does it mean when we say members first? The Entertainment Software Association of Canada is the voice of Canada's video game industry. Our primary purpose is to serve our members by acting on their interests and engaging with government nationally and provincially to advocate for policies that support an ecosystem of industry growth. We are also committed to advocating for positions at home and abroad in order to promote public understanding of how our industry contributes to Canada's economy and serves its consumers.



A few years ago, we developed six strategic pillars that outline what 'members first' means for the Entertainment Software Association of Canada.

- 1. We promote positive a regulatory environment**
- 2. We preserve tax credit frameworks**
- 3. We promote our industry to national and provincial policy makers and change makers**
- 4. We promote ESRB ratings, Parental Controls and age appropriate content**
- 5. We seek to build our membership base to strengthen our voice**
- 6. We raise awareness about the industry and ESAC as its voice**

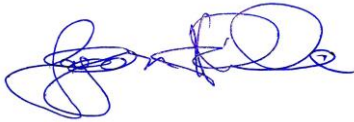
We act on our purpose by engaging our stakeholders and developing relationships with government officials across party lines; we also contribute to international policy discussions around issues that may be affecting our industry globally; we conduct environmental scans to keep up-to-date with changes in business and foresee any challenges or opportunities for our industry, and we provide support and advice to our provincial associations on issues at the regional levels.

Our industry has undergone major transformations over the last few years. We are a nexus point for innovation. We are seeing our members adopt AI and blockchain tools to create more realistic and engaging video games. Advances in digital technologies and frameworks have direct impact on how our members develop and deliver best-in-class video games to consumers.

This past fiscal, we launched the results of our 2018 research survey - and one of the big take-aways we were more than pleased to highlight was that Canada is truly a nation of gamers. We found that over 23 million Canadians are playing video games. And as a nation of gamers, we are well-positioned to promote the benefits of video games and video game technology at home and abroad.

Over the past fiscal year, the Entertainment Software Association of Canada has undertaken a series of activities aligned with our strategic pillars to support our purpose and promote the benefits of video game play. In this year's Annual Report, you'll see an overview of our activities for fiscal 2019.

I am proud of our progress and I am looking forward to building on our successes and continuing to promote the benefits of our industry next fiscal.



Jayson Hilchie
President & CEO

GOVERNMENT RELATIONS

PROMOTING POSITIVE POLICY AND REGULATORY ENVIRONMENTS

VIDEO GAMES ON THE HILL 2019

Each year, ESAC hosts Video Games on the Hill. We invite our members to showcase their games; our event is sponsored by a Member of Parliament which gives us access to venues on Parliament Hill in the Nation's Capital. Our showcase is held in concert with a series of lobby meetings where we meet with selected government officials to discuss issues related to our industry. We look to our members to support and engage in these discussions as well. Over the last few years, our event has garnered increased interest from Members of Parliament and their staff.



The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development at Video Games on the Hill sharing his ongoing support and interest in Canada's video game industry.

This past fiscal, Video Games on the Hill was held in the stunning Sir John A. Macdonald building, and we had a record number of attendees with over 250 participants, including 25 Members of Parliament. ESAC Membership participation included: Ubisoft, Nintendo, Other Ocean, EA, PlayStation, Xbox, Ludia, and Minors - the winner of ESAC's 2018 Student Video Game Competition.

Sponsored by Member of Parliament (MP) Andy Fillmore, Parliamentary Secretary to the Minister of Canadian Heritage and Multiculturalism, speakers included Jayson Hilchie, President & CEO, ESAC and the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development. Minister Bains and MP Fillmore were supportive of Canada's video game industry, highlighting our important contribution to our economy and our consistent leadership in innovation. See [Video Games on the Hill 2019](#) online.

Highlights. Xbox Adaptive Controller, racing sleds, Sony VR, Ubisoft's Assassin's Creed Odyssey, EA Sports' NHL 19, Nintendo's Super Smash Bros., and Square Enix's Shadow of the Tomb Raider.

COMMITTEE APPEARANCES

SUPPORTING FAVOURABLE ECONOMIC POLICY

The ESAC is invited to appear before parliamentary committees to share its views on issues relevant to our industry. Last fiscal, Jayson Hilchie, President & CEO appeared before three committees and a commission to speak and respond to questions on issues related to broadcasting, culture, copyright and business models. These appearances are key to ensuring our federal and

provincial governments have the decision-making information needed to support continued growth of Canada's video game industry. We do not support increased regulation, instead we look to the creation of favourable economic policies for our industry.

- **Heritage Committee Appearance** - September 2018
- **Senate Committee on Foreign Affairs** - September 2018
- **Statutory Review of the Copyright Act** - October 2018
- **Quebec Access to Information Commission** - November 2018



The ESAC's President & CEO, Jayson Hilchie testifying at the Standing Committee on Canadian Heritage September 2018.

ENGAGING WITH INTERNATIONAL PARTNERS

INTERNATIONAL VIDEO GAME ASSOCIATIONS SUMMIT

Each year, ESAC participates in the International Video Game Associations Summit. The Summit is hosted by different countries on a rotating basis. The Summit provides opportunities for the international video game community to connect on global policy and public relations issues facing our industry, collaborate, align messaging, promote regional activities and share best practices. In fiscal 2019, the three-day Summit was held in Santa Monica, California. Associations in attendance included ESA, IGEA, UKIE, ISFA, KGames, GAME, SELL, Spanish and Swedish associations as well as global industry leaders. Attendees addressed the following topics: loot boxes, eSports, WHO and ICD-11, as well as privacy laws.

Next Summit. The next International Video Games Associations Summit will be held in Brussels, Belgium from December 4 to 6, 2019.

ADMINISTRATION

POLICY & GOVERNMENT RELATIONS



New Director

Paul Fogolin, Director, Policy & Government Affairs

Paul's career includes over seven years of experience at Queen's Park in various roles serving the Premier of Ontario, Minister of Health, and Minister of Tourism, Culture and Sport. Paul has experience in government relations at two previous trade associations, and has served as the President of the Empire Club. Paul is continuing to build relationships with government officials and support policy development for our industry.

COMMUNICATIONS & PUBLIC RELATIONS



New Director

Corinne Crichlow, Director, Communications & Public Relations

Corinne has over 15 years of experience in communications encompassing executive speechwriting, communications and digital strategies, public and media relations, Corinne has worked across federal and provincial governments as well as the voluntary and not-for-profit sectors. She is currently developing a comprehensive public relations strategy for launch fiscal 2020.

“ESAC is the voice of Canada’s video game industry. We’re engaging with media and we’re building relationships.”

PUBLIC RELATIONS & COMMUNICATIONS

SUPPORTING POSITIVE INDUSTRY NARRATIVES

While we're seeing a growing appreciation for video games across industries, we have had to manage difficult narratives this past fiscal. We spent a great deal of time this year reaching out to media and supporting a positive industry narrative.

In fiscal 2019, our two main issues from a public relations standpoint were the industry's use of loot boxes in video games, and the WHO's ICD-11 Classification of Gaming Disorder. We succeeded combating negative media around these issues with stories featured in four major newspapers: [National Post](#), [Financial Post](#), [Toronto Star](#) and [La Presse](#).

ICD-11, and loot boxes continue to be issues for our industry globally and we are working closely with our international counterparts to monitor and ensure consistent use of messaging.

PROMOTING OUR INDUSTRY

CANADA'S VIDEO GAME INDUSTRY: ESSENTIAL FACTS 2018

The ESAC is committed to providing an engaging accurate picture of Canada's video game industry, and we do this by conducting surveys every two years. The results of our research provide an opportunity to humanize the industry for our stakeholders. Research is our key tool for communicating the value of Canada's video game industry to our stakeholders; and we know we're doing this successfully because our research is consistently referenced by governments, in news articles, business networks, and other related industry research around the globe. For complete research overview, visit our [website](#) (resources under theESA.Ca). In fiscal 2019, our focus was on the consumer - the Canadian gamer.

We engaged NPD Group to gather information that would provide us with an in-depth analysis of gamers in Canada. They gathered demographic information, as well as statistics related to device, play, video game purchases, and ESRB rating awareness. We learned that Canada is a nation of gamers, with over 23 million Canadians playing video games on a regular basis. To ensure the benefits of playing games are going mainstream - we launched a campaign to promote our research and the positive impact of game play.

Campaign rollout. Jayson Hilchie, President & CEO, toured the country and hosted events in Toronto, Montreal, Vancouver and Halifax. ESAC also launched a robust social media campaign in partnership with an Ottawa-based not-for-profit, [Do a Barrel Roll](#). Our focus was on creating narratives in support of our research results. Do a Barrel Roll is a supporter of the video game industry and actively seeks to promote stories which highlight the interactive and collaborative nature of games which made them an ideal partner.

STUDENT VIDEO GAME COMPETITION 2018

ESAC annually hosts its Canadian Student Video Game Competition, inviting post-secondary students from across the country to participate and showcase their development skills and demonstrate excellence in three (3) core areas: Originality/Creativity, Artistic Expression and Technical Proficiency. Video games are an important part of today's society and students from across our country are creating exciting and innovative experiences as part of their post-secondary education.

In fiscal 2019, the ESAC received video game submissions from 20 schools from across Canada. This year's title was awarded to students from the University of Quebec Abitibi-Témiscamingue (UQAT) Centre in Montreal for their game Minors, a cooperative game touching upon the reality of child labour in the mining industry.



Jayson Hilchie, President & CEO of ESAC William Homs, Delyan Farashev, Eva-Léa Longue Ngambi, Felix Liberali, Lydiane Beaulne-Bélisle, Nicolas Crevier, Alex Battista, Sijia Mao and Léandre Monette in LA at E3 Expo 2018.

A group of expert judges from Xbox Canada, Relic Entertainment, Other Ocean Interactive and Solutions2Go Inc. scored each participant based on originality/creativity, artistic expression, and technical proficiency. Winners of the competition are awarded the opportunity to showcase their game at the E3 Expo held in Los Angeles, California.

ADVOCACY

PROMOTING PARENTAL CONTROLS

PARENTAL CONTROL VIDEOS: XBOX ONE, PS4, NINTENDO SWITCH & MOBILE



Tech expert Marc Saltzman giving step-by-step instructions for using the Nintendo Switch app & console.

Our members support parental engagement in video game play and in fiscal 2019, we partnered with Microsoft (Xbox), Sony (PlayStation) and Nintendo (Switch) to develop and launch a series of parental control videos in both official languages. These videos, hosted by well-known Canadian personalities, Marc Saltzman and Carl-Edwin Michel, provide

parents with step-by-step instructions for setting up controls for supporting healthy video game play. To watch our videos, visit our YouTube Channel at [TheESACanada](#).

Campaign rollout. ESAC launched the videos during the winter holidays to coincide with potential increases in console and mobile sales. Our campaign included a series of Facebook video advertisements aimed at educating parents on the available options to ensure their children are accessing video game products in ways that are responsible, appropriate and healthy.

BUILDING OUR MEMBERSHIP BASE

CURRENT AND NEW MEMBERS

The ESAC was created to serve active members of Canada's video game industry. Over the last seven years, we have maintained a consistent membership base.

In fiscal 2019, the ESAC was pleased to welcome two new major Canadian publishers as members, Codename Entertainment and Kabam.



Codename Entertainment is located in Victoria, BC and is best known for their hit game Idle Champions of the Forgotten Realms.



Kabam's headquarters are in Vancouver, BC and is a wholly-owned subsidiary of Korea's netmarble. Kabam is also known for delivering the popular title Marvel Contest of Champions and Transformers: Forged to Fight.

Future members. ESAC, with the support of its Board of Directors, will continue to build our membership by seeking out Canadian-owned independent studios, developers, publishers and national distributors as well as international developers.

ABOUT ESAC

The ESAC (Entertainment Software Association of Canada) is the national voice of the video game industry in Canada. We work for our members – Activision Blizzard, Glu, EA, Gameloft, Ubisoft, Kabam, Other Ocean Interactive, Ludia, Microsoft, Nintendo, Sony Interactive Entertainment, Relic Entertainment, Solutions 2 Go, WB Games, Square Enix, Take 2 Interactive and Codename Entertainment – to ensure legal, regulatory and public affairs environments are favourable to long-term business development. For more information, visit theESA.Ca.