EFFICIENT GAMING

GAME CONSOLE VOLUNTARY AGREEMENT (VA)
SECOND STEERING COMMITTEE MEETING

Friday 3 June 2016
Cambre Associates, Rue Defacqz 52, 1050 Brussels

PARTICIPANTS

Name	Company
1. Joshua Aslan	Sony
2. Tim Calland	Microsoft
3. Laura Carre-Diaz	Cambre Associates, VA Administrator
4. Julie Cheung-Rueckert	Nintendo
5. Lindsay Hughes	Sony
6. Jane Lee	Intertek
7. Adriana Mattei	Zetacast, Consultant to Microsoft
8. Kieren Mayers	Sony
9. Anna Negrini	Interel Group, Consultant to Sony
10. Emmanouil Patavos	Interel Group, Consultant to Sony
11. Cesar Santos	European Commission
12. Feriel Saouli	Cambre Associates, VA Administrator
13. Emil Schweiger	Nintendo
14. Laura Spengler	Oekopol *(via teleconference)*
15. Catherine Stewart	Interel Group, Consultant to Sony

Apologies

16. Stéphane Arditi	European Environmental Bureau
17. Lisa Rödig	Oekopol

AGENDA

1. Welcome and introductions
2. Presentation of the Independent Inspector's Annual Compliance Report
3. Update from the Signatories
- General
- VA website status
- VA 2017 technical review procedure
4. Update from the European Commission
- Overall feedback on progress with the SRI implementation
- VA Guidelines
5. AOB
6. Close of meeting

MEETING MINUTES

1. Welcome and introductions

As Chairman of the Steering Committee (SC), Tim Calland from Microsoft opened the meeting at 11.00 and reviewed the agenda. It was mentioned that Stéphane Arditi had submitted some questions by e-mail, which would be considered under AOB. There were no additional items brought forward.

Participants did a quick 'tour de table' stating their name and company/organisation.

2. Presentation of the Independent Inspector's Annual Compliance Report

Jane Lee from Intertek presented the first Independent Inspector Annual Compliance Report, covering the period from 1 January to 31 December 2015.

The presentation focused on:
- The VA's (Voluntary Agreement) key requirements
- The Independent Inspection process
- Data handling
- Compliance summary
- Recommendations

Jane Lee concluded that all Signatories met the VA's requirements based on the following:
- Signatories represent 100% of the EU market.
- All Product Compliance Reports were received by the 28 February deadline and were completed.
- All games consoles from all Signatories comply with the VA requirements.
- All consoles met Tier 1 requirements and two UHD consoles met Tier 2 Media playback requirements before the effective date.
- All consoles were compliant with APD and Standby limits.
- The total market and individual Signatory compliance was verified.
- All Signatories declared compliance to the non-energy requirements.
- All Signatories were compliant in providing additional information in the user instructions, including energy and non-energy related information.

Since this was the VA's first Compliance Report, Jane mentioned there were some minor issues associated with the information gathering and submission and highlighted some areas of inconsistency in the VA that deserves further discussion. She added that the lessons learned from this first exercise will help to improve the reporting process in future years, as well as possible areas of review in the VA.

In terms of data collection and processing, the issues raised were:
- "Top 3 games titles tested from the preceding year": this does not include a definition of 'Top'.
- Data on gaming is only for auto-power down (APD): is listing of 3 games necessary?
- Consumer information section requires data from the "Average of three proprietary games": not necessarily consistent with Top 3 games information.
- Top selling games can only be determined at the end of a reporting period: information to

consumer can only be updated at the end of the reporting period.

The technical review identified a couple of areas requiring clarification:
− APD values (mostly input errors).
− Location of information to consumers in manuals.

Jane noted that the VA requires non-compliance issues to be reported by the Independent Inspector up to 15 days after the submission date for the draft Annual Compliance Report and that:
− All the issues were communicated and resolved before the draft report was completed.
− None of the corrective action required changes in performance or product design.

Jane Lee made some recommendations, some for the SC to discuss and some regarding formatting or efficient data collection using the product reporting template:
− Listing several games for APD and power consumption declaration requirement.
− Template formatting – consistent alignment of data in the cells and shading to identify cells updated.
− Consumer information power consumption declarations – improvement in format of data collection and evidence.
− Review of whether Signatories should provide actual APD trigger times.
− Template provision for recording 3rd party market data for whole market.
− Template provision to declare all games consoles within the scope of the VA.
− Chronology of VA requirements – when power consumption data to consumers is tested in relation to 'top selling games' which are not known until the end of the reporting period.

Tim Calland thanked Intertek for thoroughly examining the VA and agreed that their issues raised would need to be addressed.

Laura Spengler stated that she wanted to know exactly which data was reported to the Independent Inspector and asked why the measurement data was not attached to the Annual Compliance Report, since other VAs do attach this data in an anonymized form. Jane Lee replied that due to confidentiality issues, that information was not included and that she is still finalising the format of the Product Compliance Report template. Jane Lee stated that there were 'teething problems' relating to its use but that individual Product Compliance Reports submitted by the Signatories will be made available on the Efficient Gaming website on 30 June (as stated in the VA).

Actions
• Signatories to send Product Compliance Reports to VA Administrator.
• VA Administrator to upload Product Compliance Reports on website by 30 June.

3. Update from the Signatories
General
Tim Calland gave a general update on the VA, highlighting that the SC had been set up in December 2015 and that all Signatory compliance reports were completed and submitted on time, with the Annual Compliance Report having been published on 31 May.

He thanked again Intertek for their comments and recommendations and added that the Signatories had also identified some issues that they are looking into. Discussions about how to address inconsistencies in the existing VA, including those raised by the Independent Inspector, have started, and the results of those discussions will be presented to the Commission prior to the next SC meeting. Planning for future review of the VA is to be concluded in 2017.

VA website status
Feriel Saouli presented the new [Efficient Gaming website](#), which was launched on 31 May as required by the VA. All VA website requirements have been met:
− The VA: contains information about the Signatories, the SC members, history of the VA, information about the VA and its structure. The text of the VA can also be downloaded.
− Compliance reports: contains information about the Independent Inspector and links to download the Annual Compliance Reports and individual Product Compliance Reports.
− Meetings and other activities: contains information about current and past SC meetings, such as date/time, location, agendas, minutes and other relevant documents (i.e. Power Point Slides used at the meetings).
− FAQ: contains additional information about the VA.
− Links: contains useful links related to the VA.
− Contact: contains contact details and an e-mail address for people to get in touch with the VA Administrator.

Feriel highlighted that comments and suggestions are welcome, as the content of the website can be edited easily.

VA 2017 technical review procedure
Tim Calland gave a short presentation about the VA 2017 technical review procedure, highlighting:
− It is a requirement for 2017, in order to:
  1) Evaluate the effectiveness of the VA in achieving its energy efficiency objectives.
  2) Evaluate current and future developments that may influence game consoles power consumption with a view toward revising the VA, if warranted.
  3) Set future targets, as appropriate, to increase game consoles energy savings.
− The review planning has started already, and a list of technical and editorial changes is currently being compiled.
− Items planned to be covered:
  ▪ Review of overall energy savings (expected vs. actual).
  ▪ Overview of compliance 2015-2017.
  ▪ Review of new technologies/developments.
  ▪ Review of performance benchmarking.
  ▪ Consideration of EU Circular Economy/material efficiency plans.
  ▪ Proposed forward plan for VA.

Tim Calland stated that the Signatories are committed to a review procedure in 2017 that would include the setting of future targets, including those relating to the Circular Economy, which remains unclear: What does it really mean, and how does that fit into the Signatories' business plans and methodology?

Laura Spengler mentioned the energy consumption caps issue raised by NGOs in the past, as it looks like they are made to fit consoles currently placed on the market. She asked what the process will look like for assessing the caps for future consoles. The three Signatories provided answers on behalf of their companies:

– Tim Calland (on behalf of Microsoft) said that given the historic evolution of silicon components, the console industry is able to increase gaming power while reducing the energy use. The VA prohibits backsliding on energy requirements, so any future improvements in console functionality will not come at the expense of increased energy usage for functionality that is already provided. Given technology development and proprietary issues, it is difficult to predict as a group what the future caps will be, but the three companies will continue their effort to decrease caps for already established functionalities in the consoles, even though they cannot predict what future functionalities will look like.

– Kieren Mayers (on behalf of Sony) agreed that there are challenges when talking about development, confidential and/or unknown technology trends. But the points already mentioned in the foreseen 2017 VA review are a work in process, and the group's aim is to keep having an ambitious agreement. Over the past 10 years, the three companies have worked with the European Commission on the agreement, have looked at power caps and understood the need to include technology developments. The VA has delivered on verifiable and identifiable energy savings (despite technological developments).

– Julie Cheung-Rueckert (on behalf of Nintendo) said this issue had been previously discussed with NGO representatives in Berlin. The three VA Signatories are competitors, so some information about future technology needs to remain confidential during discussions, but the group is working together on this, and once it has more knowledge about functionality of next generation consoles, it will be able to see what can be included in future caps.

4. Update from the European Commission
Overall feedback on progress with the SRI implementation
Cesar Santos said the VA got off to a good start with publication of the first Independent Inspector Annual Compliance Report. The SRI approach is promising for this sector, and Signatories have understood well there is a possibility to be flexible, without abusing that flexibility. He congratulated all VA participants on the achievements so far, and reiterated nonetheless the need to remain vigilant.

He said he would welcome clarifications to the Annual Compliance Report's recommendations in December and asked each Signatory to comment on any difficulties they encountered in the SRI implementation and product compliance reporting, to which the Signatories replied as follows:

– Tim Calland (on behalf of Microsoft) said the recommendations were welcomed by the Signatories. The group is focused on producing the deliverables requested by the Commission, so a quick revision has been put in place address all the issues raised in the report. The Independent Inspector recommendations, as well as some updates from the Signatories, will be submitted to the Commission for review.

– Julie Cheung-Rueckert (on behalf of Nintendo) said the recommendations were very helpful, since this had been the group's first experience in drafting a VA (caps,

requirements, etc.). It was normal for some minor issues to come up, and the group sees them as suggested improvements to the process of communicating with the Independent Inspector, collecting data, and setting deadlines. Going back to Laura Spengler's question, she agreed that Product Compliance Reports should be published at the same time as the Independent Inspector's Annual Compliance Report, as it is the intention of the Signatories to keep the VA process transparent.

− Kieren Mayers (on behalf of Sony) agreed the Independent Inspector had been helpful and thorough in pointing out ambiguities in the VA, and that the issues raised were not major and could be clarified quickly. The group is putting down a list of recommendations and clarifications in coming weeks, and will bring it to the next meeting for review.

VA Guidelines

Cesar Santos mentioned some recent political developments in the Commission, which have an indirect implication on the VA. On 21 April the College of Commissioners[1] met to discuss eco-design, and decided to take more ownership of the eco-design regulatory process. College members are more interested in what types of products will be regulated, and not so much on how they will be regulated.

The College will be looking at this issue in packages up until autumn (around October). All eco-design files will be bundled together, with draft eco-design regulations for consultation, including VA guidelines. The instruction is to look at everything in one package. Cesar does not expect finalisation of the VA guidelines to be controversial, and if they are approved in autumn 2016, then the VA Signatories could consider them for the 2017 review.

Emmanouil Patavos (Consultant to Sony) asked the Commission representative to clarify if the review document (with clarifications made by Industry), will need to be signed-off by the College, as this would mean the Signatories would need to have it ready before the College meets in the autumn.

Cesar Santos urged Signatories to move at their own speed and according to their plan.

Actions
• Signatories to prepare review document (list of technical and editorial changes).
• Cesar Santos to check if College of Commissioner needs to sign-off on updated document.

5. AOB
1) Questions/comments sent by e-mail by Stéphane Arditi (EEB):
What are the results of the first assessment period and how you consider next steps, notably with regards to:
• Energy efficiency and consumption caps on navigation and media play modes.

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[1] The College of Commissioners includes the President of the European Commission, his seven Vice-Presidents, including the First Vice-President, and the High-Representative of the Union for Foreign Policy and Security Policy and 20 Commissioners in charge of different portfolios. Commissioners are members of project teams, which are led by Vice-Presidents. These focus on particular policy areas: Energy Union with a Forward-Looking Climate Change Policy, Jobs, Growth, Investment & Competitiveness, Digital Single Market and A Deeper and Fairer Economic and Monetary Union.

- Possible monitoring of gaming mode, even if I am aware of some difficulties to capture a 'standard gaming mode'.
- Resource use aspects towards 'commercial life time', upgradability and end of life.

Tim Calland said the issue of energy efficiency and caps had already been covered when the Signatories replied to Laura Spengler's question (see above).

On the issue of gaming mode, Tim Calland said the VA has a clause that requires Signatories to measure gaming mode power. This has been done and has been included in the Product Compliance Reports. Signatories will continue to do this measuring as a benchmark. He added that a big question concerning this issue is what actually happens during gaming mode. This is defined by the technology that's available at the time, so given this framework, Signatories cannot know in advance what the energy use would be, but can have a better idea at what it might look like by looking at product trends in the past. Signatories keep a record of the gaming power and once there are new developments, they will put it on the agenda for the next VA review cycle.

Kieren Mayers added that all points are covered in the planned review, and Signatories are currently looking at different possible ways to benchmark performance in consoles. A report on this will be available soon (this was a request from the Commission). The group already started working on the review, even though it has to be submitted only next year.

On the issue of the life-cycle and end of life, Tim Calland said Microsoft is also following this. Game console architecture is usually compared to that of processors, but there are some differences. The same technology that allows game consoles to reach their energy life-cycle potential, silicon die-shrink, results in a much shorter-lived life cycle in the computer industry, with more powerful computers placed on the market at more rapid intervals. This can result in frequent consumer upgrades for computers, while game consoles will remain virtually unchanged for many years (10, 12, 20 years). The hardware of game consoles does not become obsolete as quickly as other product groups. Another difference is the reparability/upgradability of consoles which can be updated through firmware/software updates, which is quite unique. This transcends the Signatories' commitments to the VA. The repair process is very closely monitored and hosted by authorized repair centers that will service throughout life cycle. The first priority is to repair not to recycle consoles.

Julie Cheung-Rueckert added that more clarity is needed about some of the issues raised in the Circular Economy, such as how the concept of end-of-life should be understood. When does a console reach its end-of-life? An issue particular to games consoles is that lots of people stop using a certain model not because it has broken down and does not work anymore but because it is replaced by a newer generation. Instead of disposing older versions, it is not unusual for users to hold on to them for safekeeping, even long after console makers have stopped their manufacture. Given the nostalgic value of older consoles, they are often not thrown away, which makes the determination of end-of-life difficult.

Kieren Meyers added the game console product lot is the first one to offer a commitment to Circular Economy, none of the others have done it. This commitment seems to be in line with what the Member States want to be included in the final outcome of the package i.e. that

industry should allow for repair of products outside of the warranty, and for producers to design products so that they can be repaired without being destroyed. This is already the case for game consoles which are therefore off to a good start in the process. There should be a way for end-of-life costs to be differentiated based on actual cost of recycling under producer responsibility, such that non-recyclable products are pick up costs of treatment. Also, not all products can be upgraded by software updates like consoles can, so that is an advantage.

Jane Lee asked if a record was available of why consoles cannot be repaired and have reached their end of life. Tim Calland replied this issue touches upon technical and probably proprietary information. Microsoft has a user scenario that includes a certain number of user cycles. The company guarantees a 3 year no questions asked warranty.

Kieren Mayers added there is a well-developed eco-system around refurbishment, repair and recyclability. Some things taking place in this process are more complexed and technical than what is included and considered in the Circular Economy.

2) Date of next meeting
The next Steering Committee meeting will be held in December 2016, exact date TBC.

3) Others
Cesar Santos mentioned he will be on leave and would be back to work on 16 August.

Actions
- VA Administrator to send Doodle poll for December 2016 SC date.
- VA Administrator to prepare and share minutes of the current meeting.

6. Close of meeting
Tim Calland thanked all participants and closed the meeting at 12.30.