



European
Games Developer
Federation



15.3.2025

JOINT EGDF-SGA STATEMENT ON OMNIBUS PROPOSAL

IN GENERAL

1. **European game developer studios consider environmental responsibility to be one of the key building blocks of the sustainable digital future.** This involves, for example, taking an active role in reducing humankind's carbon footprint. As a technological, cultural, and economic forerunner, the games industry has mapped out more efficient solutions for digital markets for years, including less consuming distribution methods and more energy-efficient games.
2. **Therefore, both EGDF and SGA share the European Commission's conviction that addressing climate change is one of the most critical challenges of the 21st century.** Due to the nature of the games business, the main environmental impacts of its operations are often indirect (e.g. related to the electricity needed to play games on both the device and the server-side). Currently, the games industry acts as a pathfinder for the use of climate-friendly technologies in the digital B2B value chain.
3. **EGDF and SGA underline that it should be an utmost priority for the European Commission, Parliament and the Council to ensure that the development of the European regulatory framework happens in a predictable manner.** It is therefore essential that the negotiations on the updated Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) are concluded timely and without any risk of the requirements from the old versions of the directives entering into force as the updates are stuck in the negotiations between European decision-making bodies.
4. **In principle, EGDF and SGA welcome more affordable compliance with the European regulatory framework.** However, the associations would like to remind the European decision-makers that each update on the regulatory framework costs time and money for European companies and therefore, in the long run, European policy makers should avoid jumping back and forth with the regulatory requirements from one commission term to another.

5. **EGDF and SGA would like to remind the Parliament and Council that it is essential to keep the European regulatory framework as harmonised as possible.** The fragment requirements across 27 EU members create significant market access barriers into the digital single market area and can easily create more regulatory red tape than was cut through the Omnibus process.

THE SIMPLIFICATION OF CSRD

6. **EGDF and SGA welcome the Commission proposal to ease the administrative burden caused by the Corporate Sustainability Reporting Directive (CSRD) by raising the threshold for companies required to undertake the whole European Sustainability Reporting Standard (ESRS) process.** According to the commission proposal, the reporting requirements would only apply to large undertakings with more than 1000 employees (i.e. undertakings that have more than 1000 employees and either a turnover above EUR 50 million or a balance sheet total above EUR 25 million). Many companies under this threshold, especially SMES, have struggled to get ready to meet the strict and complex reporting obligations.
7. **The current proposal risks producing a 'data gap' of smaller, large companies that make up a key part of the European games industry's service providers.** Most European game developer studios are SMEs whose environmental sustainability actions (e.g. reductions of their carbon footprint) rely on data and information access from their, often large, service providers. Consequently, EGDF and SGA would like to see a middle-ground option that adds key important risk management disclosures in line with the Double Materiality Assessment (DMA) principle from the ESRS for large companies. This could be done, for example, by requiring compliance with the Voluntary Standard for Non-listed Micro-, Small- and Medium-Sized Undertakings (VSME) and DMA for companies that are bigger than SMEs but smaller than the new threshold for full ESRD reporting obligations. This approach would ensure a reduction in the compliance burden and costs, while still preserving access to important risk identification and due diligence information for SMEs that enables them to take voluntary actions to reduce their environmental impact.

THE SIMPLIFICATION OF CSDDD

8. **The European games industry is built on value chains that are international, complex and often opaque.** European game developer studios are reliant on their value chain partners affected by the Corporate Sustainability Due Diligence Directive (CSDDD) to ensure that adequate standards of responsible business conduct are upheld across the entire value chain – for example, in the sourcing of materials for, and manufacturing of, game hardware or digital infrastructure which multiplayer and online games rely on.

9. **Without the provisions of the CSDDD obliging these very large business partners to undertake due diligence across the entire value chain, European game developer studios will be left with less transparency, and less power to undertake their own due diligence across their complex game value chains.** This represents an increased risk for European studios relying on the services provided by these very large business partners, and for this reason, we suggest that the European Parliament and Council reintroduce the requirement for very large companies to undertake due diligence across the entire value chain.

THE SIMPLIFICATION OF ESRS

10. **EGDF and SGA welcome the revision of the European Sustainability Reporting Standard.** However, it should not come at the cost of value chain transparency, and meaningful sustainability metrics. Therefore, the associations support a revised ESRS process that simplifies data collection and the number of data points required, without compromising transparency and the important dimensions of identifying and disclosing climate risk.

THE SIMPLIFICATION OF EU GREEN TAXONOMY

11. **EGDF and SGA note that the proposal to reduce the taxonomy's scope may result in reduced availability and comparability of information.** This could lead to reduced opportunities to take advantage of green financing and finding investors looking for game investments that are aligned with sustainability.

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About EGDF

1. **The European Games Developer Federation e.f. (EGDF)**¹ unites 24 national trade associations representing game developer studios based in 22 European countries: Austria (PGDA), Belgium (FLEGA and WALGA), Croatia (CGDA), Czechia (GDACZ), Estonia (Gamedev Estonia), Finland (Suomen pelinkehittäjät), France (SNJV), Germany (GAME), Italy (IIDEA), Lithuania (LZKA), Netherlands (DGA), Norway (VIRKE Produsentforeningen), Poland (PGA and IGP), Portugal (APVP), Romania (RGDA), Serbia (SGA), Slovakia (SGDA), Spain (DEV), Sweden (Spelplan-ASGD), Switzerland (SGDA), Turkey (TOGED) and the United Kingdom (TIGA). Through its members, EGDF represents more than 2 500 game developer studios, most SMEs, employing more than 45 000 people.
2. **The games industry represents one of Europe's most compelling economic success stories.** Located at the crossroads of the ICT and cultural industries, the game industry is one of the rapidly growing segments of the cultural and creative industries. In 2022, there were around 5 300 game developer studios and publishers in the EU, employing over 90 000 people and running a combined turnover of over €19bn². In 2023, Europe's video games market was worth €25,7bn, and the industry has registered a growth rate of 5% in key European markets³. The European digital single market is the third-largest video game market globally.

About SGA

3. **The Sustainable Games Alliance (SGA)** is a non-profit cooperative founded by the world's leading game entrepreneurs and environmental researchers with one goal: to make the games industry the leader in sustainability by setting ambitious and achievable standards for environmental and social responsibility. Founded in August 2024, SGA already has 28 members from 10 different countries including PC, console & mobile game developers, research groups, and local as well as pan-European trade associations.

¹ For more information, please visit www.egdf.eu

² EGDF-VGE 2023 European games industry insights report
<https://www.egdf.eu/wp-content/uploads/2024/06/2022-European-video-games-industry-insight-report.pdf>

³ ISFE-EGDF 2023 Key Facts <https://www.videogameseurope.eu/publication/2023-video-games-european-key-facts/>