

# 2021

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



ACTIVISION. **BLIZZARD** **king**

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# A LETTER FROM DANIEL ALEGRE



## Gaming for a better world.

At Activision Blizzard, we connect and engage the world through epic entertainment. Our games have the ability to celebrate our differences and break down barriers while uniting, inspiring, and bringing players closer together.

When I joined Activision Blizzard a little over two years ago, I knew this is a company that connected hundreds of millions of players around the globe, and that we would continue to grow the reach of our games through continued innovation and accessibility as we bring our beloved franchises to different platforms, including mobile. While we take this responsibility very seriously, we have also done it with a firm and continued commitment to operate responsibly and ethically, while keeping a laser focus on improving our workplace culture. Our top environmental, social and governance (ESG) priorities are summarized through these commitments:

**Championing Our People:** Attracting and retaining exceptional talent is core to being able to keep making the great games we are known for. Needless to say, employee safety and well-being are a top priority at every level of the Company. Our goal is to set the new standard in our industry. Over the last year, Activision Blizzard has doubled down on initiatives designed to enhance our workplace culture, and we will continue delivering on our commitments throughout 2022. These efforts include increasing the percentage of women and non-binary employees by 50% over the next five years, making an investment of \$250 million over 10 years to accelerate opportunities for diverse talent across the industry, increasing our resources in training and compliance, providing greater transparency on the results of our efforts, and holding our leadership at all levels accountable to our corporate mission and ethical standards.

**Advancing More Diverse & Inclusive Communities:** We are making bold strides in growing, supporting, and connecting our diverse and inclusive communities, and are committed to do this important work both in and out of our games. We embrace our responsibility to create content and diverse characters that reflect the global environment in which we operate. We believe that content designed with diversity and inclusion enables these global communities to grow. It also drives deeper engagement, as fans—both new and old—connect with us in new and meaningful ways. Player safety is also a top priority, and we continue to invest in resources and technology to help keep offensive behavior, hate speech, and harassment out of our games.

**Protecting the Planet:** For the first time in our company's history, we have a fulsome understanding of our global carbon footprint and are developing a detailed roadmap to achieve net zero greenhouse gas emissions by 2050, including our Scope 3 emissions. We are very firmly committed to doing our part to protect the planet for current and future generations.

We are excited about the progress we've made and the tremendous opportunities that lie ahead. We are also looking forward to working through the proposed merger with Microsoft as we focus on our continued execution for the future. We remain energized by our people who, thanks to shared inspiration, connect our players through our beloved games. We are a company that strives to bring positivity, inclusion, and understanding in everything we do both inside the Company and outside through our global reach of players around the world.

With gratitude,

A handwritten signature in black ink, appearing to read "Daniel Alegre".

Daniel Alegre  
President & Chief Operating Officer

# Recent Workplace Concerns

We are a company that is committed to building a healthy, safe, and inclusive workplace environment for all our teams around the world. In recent years, Activision Blizzard has faced investigations relating to our workplace, as well as significant media scrutiny. We have responded by working to address employee concerns with transparency, cooperating with investigating agencies, and taking action to strengthen our policies and improve our workplace. In September 2021, Activision Blizzard and the Equal Employment Opportunity Commission (EEOC) agreed to resolve certain claims through a consent decree that was approved by the United States District Court, Central District of California in March 2022. As part of the consent decree, we agreed to create an \$18 million fund to satisfy potential claims from eligible participants through a process administered by the EEOC. Undistributed funds will be donated to charitable organizations subject to EEOC approval whose missions advance women in the video game and technology industries or promote awareness around sexual harassment and gender equality issues, or, also subject to EEOC approval, to our diversity and inclusion efforts. We have engaged a third-party claims administrator to oversee the claims administration process, who has already established a website to provide claimants the necessary information to file their claims. We also agreed to hire an internal Equal Employment Opportunity (EEO) coordinator and to engage a third-party consultant to provide ongoing oversight of our compliance with the consent decree—and have already done so. The independent consultant's findings will be reported directly to the EEOC and provided to our Board of Directors. Additionally, we will continue to enhance our policies, practices, and training to further prevent and eliminate harassment and discrimination from our workplace, and we intend to implement an expanded performance review system with a new equal opportunity component.



**“Our people are the core of our business. Their safety and well-being are of the utmost importance.”**

*Julie Hodges (she / her)—Chief People Officer*

## Key Improvements

We are fortunate to have one of the most talented workforces in our industry. We do not take that responsibility lightly. We know we must continue to attract and retain top talent to deliver on our mission.

We remain deeply committed to ensuring Activision Blizzard is a place where every employee feels safe, heard, included, and empowered. These are some of the key improvements we have implemented and are implementing to build a better environment for our people:



- [Board of Directors established a new Workplace Responsibility Committee](#)
- [Expanded resources for Ethics & Compliance team](#)
- [Launched ABK Upward manager feedback mechanism](#)
- [Improved transparency to employees by providing regular updates on diversity representation and pay equity](#)
- [Launched a zero-tolerance harassment policy company-wide](#)
- [Expanded commitments to and investments in employee well-being](#)
- [Rolled out global policy strengthening guidelines around drugs and alcohol in the workplace and at Company-sponsored events](#)
- [Consolidated Investigations Unit within Ethics & Compliance](#)
- [Removed content from our games that we believe to be inappropriate](#)

Some of these steps will immediately impact our workplace culture. Others will drive transformation over time. We remain committed to implementing these and other changes, and we will allow our approach to evolve in response to employee feedback. For additional details regarding our people-centered progress and initiatives, [visit our 2022 Proxy Statement](#).

## About Us

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# ABOUT US

At Activision Blizzard, we make games that bring people together, foster friendships, and inspire joy. Our games are designed to be fun and represent everyone. Our mission—to connect and engage the world through epic entertainment—has never been more important as we continue **gaming for a better world.<sup>1</sup>**

## Our Players

We have over 350 million players globally.

## Our People

From designers and programmers to artists and accountants, we all embody the spirit of our communities—and we are committed to ensuring our games have a positive impact in society.

## Inclusion

We embrace our responsibility to create games that reflect society accurately, accessibly, and aspirationally.

## Shared Inspiration

Manifested in our creativity, our shared inspiration motivates us to perform at the highest level for our players.



## 2021 Performance

Activision Blizzard delivered record full-year generally accepted accounting principles (GAAP) results in 2021, growing GAAP revenue 9%, GAAP operating profit 19%, and GAAP earnings per share (EPS) 22%, in each case year-over-year. While these are impressive growth rates, particularly following very strong growth in 2020, it is important to note that these GAAP measures benefited from our business success in the prior year, and that the underlying business performance in 2021 was not as strong.

For example, net bookings<sup>2</sup> were broadly consistent, declining 1% year-over-year. This is still a creditable achievement

considering net bookings grew over 30% in the prior year, but we believe the business is capable of even more considering the breadth of our portfolio, the talent of our people, and the opportunities afforded in an industry with so many tailwinds.

Attracting the best talent in the industry remains a strategic priority. In 2021, we continued to increase our developer headcount by adding hundreds of talented professionals to our workforce.

<sup>1</sup> Our enduring franchises are among the world's most popular. More information about Activision Blizzard, our financial performance, and our products can be found on our [website](#) and in our SEC filings, including our [Annual Report on Form 10-K](#) for the year ended December 31, 2021.

<sup>2</sup> Net bookings is an operating metric that is defined as the net amount of products and services sold digitally or sold-in physically in the period, and includes license fees, merchandise, and publisher incentives, among others, and is equal to net revenues excluding the impact from deferrals.



## PR NEWS TOP WOMEN IN PR “CHANGEMAKER” WINNER

— Helaine Klasky (Chief Communications Officer)



## HITEC 100 MOST INFLUENTIAL HISPANIC LEADERS

IN TECHNOLOGY — Daniel Alegre (President and Chief Operating Officer)



## PROFILES IN DIVERSITY JOURNAL “ASIAN LEADERS WORTH

WATCHING” WINNER — Ken Wee (Chief Strategy Officer)



## FORBES “WORLD’S MOST INFLUENTIAL CMOS 2021”

— Fernando Machado (Chief Marketing Officer)



## 2021 Awards



## PROVOKE MEDIA—THE INFLUENCE 100 2021

— Helaine Klasky (Chief Communications Officer)



## CAMPAIGN LIVE CMO 50

— Fernando Machado (Chief Marketing Officer)



## ENGAGE FOR GOOD HALO AWARD FINALIST FOR THE BEST SOCIAL SERVICE INITIATIVE

— The Call of Duty Endowment’s #CODEMedicalHeroes Campaign



## STREAMYS SOCIAL GOOD AWARDS TROPHY FOR ACTIVISION

— Call of Duty Endowment



## Our Commitments -&- Progress

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## CHAMPIONING OUR PEOPLE

### 2020 Commitments

- Provide our employees with the opportunities and resources they need to unlock their potential, including through our benefits programs and our constant efforts to engage employees and improve their experiences
- Leverage our scale and partnerships to increase diversity in our industry and create bigger and better opportunities for future generations of game-changers
- Nurture young minds through support for education programs in science, technology, engineering, arts, and mathematics (STEAM)
- Conduct and share analysis of Company-wide median pay by gender and non-binary populations
- Make consolidated 2021 EEO-1 report publicly available

### 2021 Progress

- Launched ABK Upward, by which employees provide constructive, actionable feedback to their managers; we hold managers accountable to improving the work environment for their teams
- Waived required arbitration of individual sexual harassment, discrimination and related retaliation claims arising after October 28, 2021
- Made key benefit enhancements for U.S.-based temporary workers
- [Published our 2021 EEO-1 report](#)
- Launched Company-wide zero-tolerance harassment policy
- Established Company-wide Drug and Alcohol Policy
- Set goals to increase gender diversity
- Increased talent resources and support
- Increased transparency and published findings around pay equity
- Continued engagement with a variety of youth STEAM programs

### 2022 Future Commitments

- Announced in 2021: Over the next 10 years invest \$250 million to accelerate opportunities for diverse talent
- Announced in 2021: Increase the percentage of women and non-binary employees by 50% over the next five years
- Launch [Level Up U](#) to provide educational opportunities and source diverse talent for game developer roles
- Increased investment in our people, including converting more than 1,000 temporary positions to full-time positions in 2022, with most receiving increased pay and expanded benefits



## —ADVANCING MORE DIVERSE & INCLUSIVE COMMUNITIES—

### 2020 Commitments

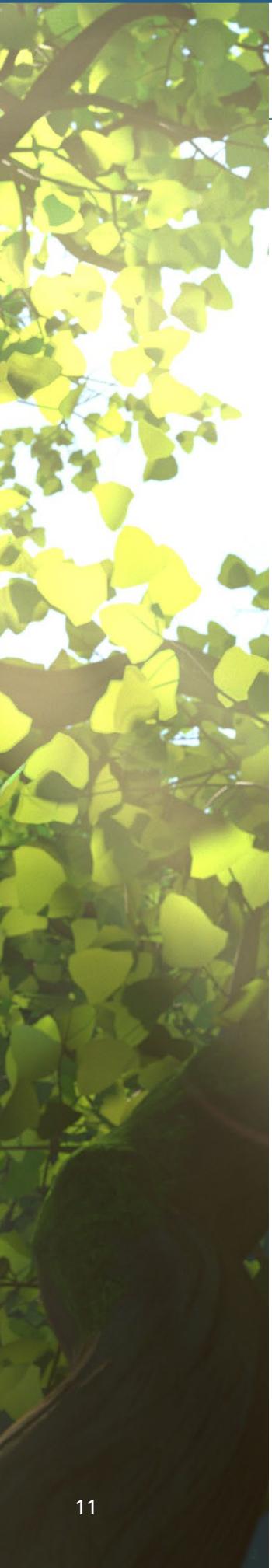
- Craft virtual worlds reflective of the celebration of diversity and acceptance we hope for in the physical world
- Protect the privacy and safety of players on our platforms
- Support our communities through targeted investments

### 2021 Progress

- Increased resources to support detection of inappropriate in-game behavior and guidelines enforcement
- Board of Directors formed their new Workplace Responsibility Committee
- Increased Ethics & Compliance resources
- Increased training investments in Ethics & Compliance, sexual harassment prevention, and discrimination prevention
- Removed what we perceived to be inappropriate in-game content
- Invested in opportunities for diverse communities

### 2022 Future Commitments

- Develop and roll out Diversity, Equity, and Inclusion Credo as the unifying principle guiding our efforts
- Hire our first dedicated Chief Diversity, Equity, and Inclusion Officer
- Ensure [ABK Gives Back](#) supports the efforts of our Employee Network Groups (ENGs)



## PROTECTING THE PLANET

### 2020 Commitments

- Take steps to reduce our environmental footprint and promote sustainable behaviors in our supply chain
- Disclose Scope 1 and 2 greenhouse gas (GHG) emissions and identify applicable Scope 3 emissions
- Consolidate data centers in North America to create business efficiencies and improve our environmental footprint
- Continue to reduce our plastic consumption by 50% over the next five years, using 2019 as a baseline
- Begin journey to achieve net zero GHG emissions by 2050 by measuring and determining a baseline for our emissions and setting measurable interim targets

### 2021 Progress

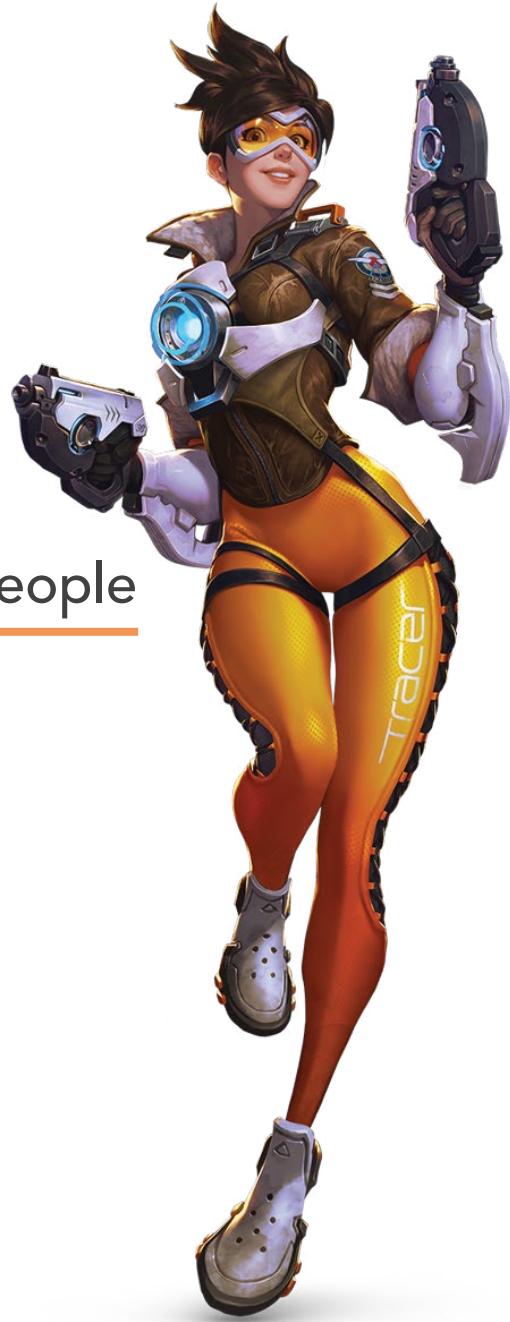
- [Established emissions baseline by measuring Scopes 1 and 2 and estimating Scope 3 emissions](#)
- Began developing a roadmap to reach net zero emissions by 2050 including Scope 3 emissions
- Worked with cross-functional stakeholders to identify opportunities to reduce emissions
- Expressed to our landlords, data center owners, and public cloud providers our expectation to obtain high-quality emissions, water usage, and waste data
- Drove further reductions in plastic packaging through ongoing digital product transition

### 2022 Future Commitments

- Develop and implement a comprehensive roadmap to achieve net zero carbon emissions by 2050, consistent with the Science Based Targets Initiative (SBTI)
- Create a detailed operating plan to reduce carbon intensity, water usage, and waste
- Launch annual company-wide employee Earth Day events to promote environmental sustainability practices across the Company

Championing Our People

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# BUILDING A THRIVING CULTURE

Activision Blizzard is committed to becoming the most inclusive, welcoming company in our industry. As we seek to set a new standard, we are investing heavily in building and maintaining a safe environment for all of our employees.

In 2021, our leadership took action to support meaningful change with initiatives designed to diversify our workforce and supply employees with enhanced resources and support. In addition, the Company hired [Julie Hodges](#) to the position of Chief People Officer in September 2021. As a key part of her responsibilities, she is spearheading our efforts to determine which talent resources will best support our goals going forward.

We will provide regular workplace initiative status reports to employees. Annual ESG reports will also cover these topics, in addition to updates on hiring practices and workplace culture. Our quest to grow as a company and positively impact lives through our games depends on how well we champion our people. We embrace our commitment to inclusivity, knowing it is necessary to achieve this end.



**“My heart jumps with joy when I see someone playing our games! I’m proud to work with **creative and highly motivated people**—who are also kind and happy—to create the best games in the world.”**

*Dmitry Drozdov (he / him)—Globalization Technical Project Manager—King*

## Overview of Employee Statistics (As of December 31, 2021)

Of our employees, approximately 68% either directly work on or support Activision Blizzard game and technology development. This represents an approximate seven percentage point increase from 2020.



[Read our consolidated 2021 EEO-1 report.](#)

# JOINING THE TEAM

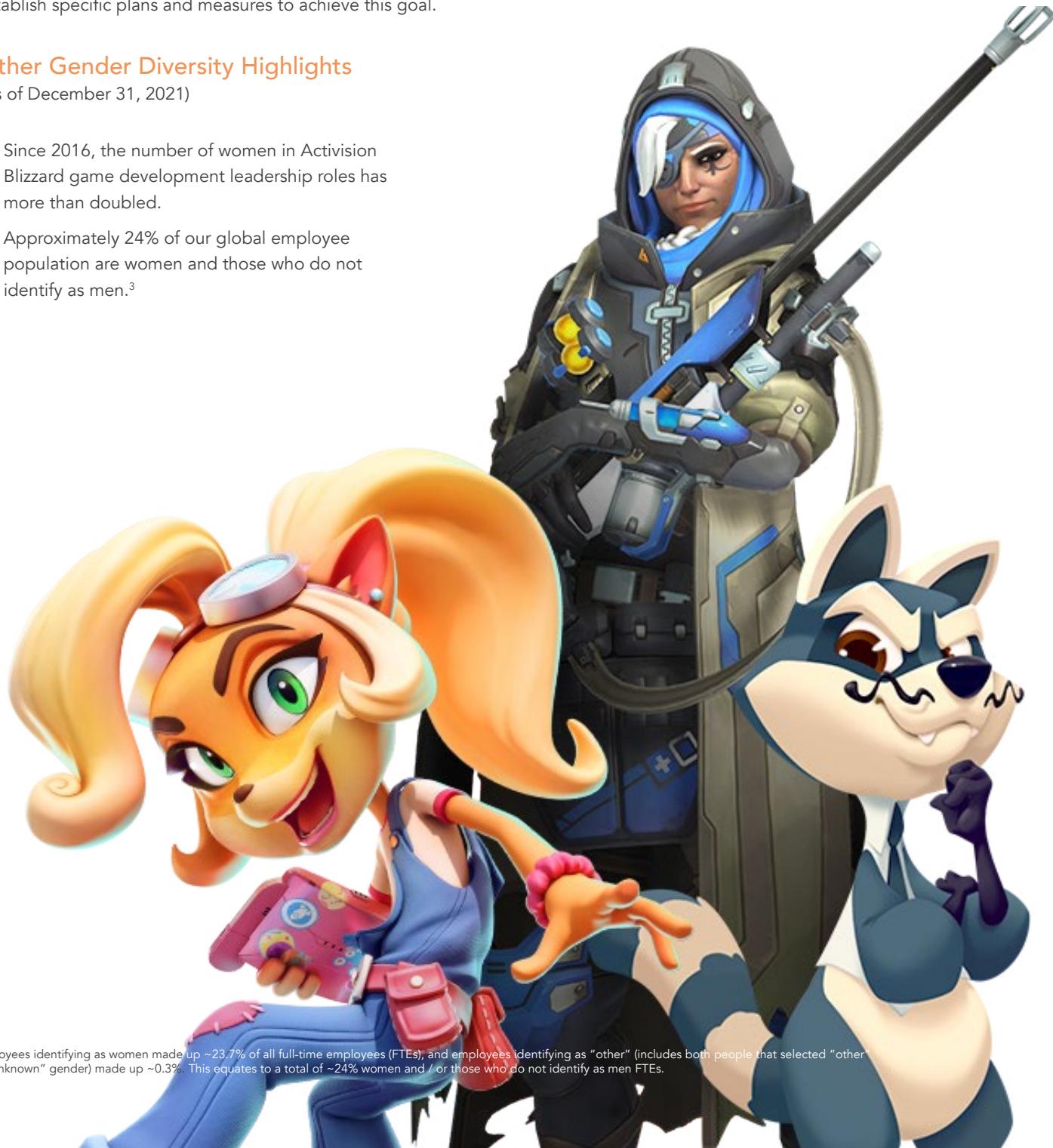
## Increasing Representation of Women & Non-Binary Employees

In October 2021, our CEO committed to increase in the percentage of women and non-binary employees at Activision Blizzard by 50% over the next five years. Each part of our organization will establish specific plans and measures to achieve this goal.

### Other Gender Diversity Highlights

(As of December 31, 2021)

- Since 2016, the number of women in Activision Blizzard game development leadership roles has more than doubled.
- Approximately 24% of our global employee population are women and those who do not identify as men.<sup>3</sup>



<sup>3</sup> Employees identifying as women made up ~23.7% of all full-time employees (FTEs), and employees identifying as "other" (includes both people that selected "other" or "unknown" gender) made up ~0.3%. This equates to a total of ~24% women and / or those who do not identify as men FTEs.

## Enhanced Transparency Regarding Pay Equity

In response to employee requests for further transparency, Activision Blizzard released a “U.S. Pay Equity Review 2020” in October 2021. That analysis showed that, after accounting for factors that impact pay like role, location, tenure, and job classification, in the U.S., women at the Company on average earned slightly more than men for comparable work in 2020 (women received approximately a dollar and one cent for every dollar received by men).

Following the first effort, we conducted a global pay equity review for 2021. After again accounting for factors that impact pay like role, location, tenure, and job classification, globally women and those who do not identify as men at the Company on average earned one dollar for every dollar received by men for comparable work.

In 2021, we also conducted a global median pay analysis comparing the median pay of employees who are men to the median pay of employees who are women or who do not identify as men. A median pay difference reflects the difference between the middle of the distribution of the earnings of all employees who do not identify as men compared to all employees who identify as men, across the entire Company, regardless of their job. It does not compare the pay of employees performing comparable work, like the pay equity review above. Globally in 2021, the median total compensation for men was 22.8% higher than the median total compensation for those who are women or who do not identify as men.

The 2021 pay equity and median pay difference analyses reflect non-temporary employees. They also reflect employees’ self-selection among the choices “women,” “men,” and “other,” and do not account for employees who selected “prefer not to say.”



## Enhancing Ethics & Compliance Resources

In 2021, we made the following enhancements to our Ethics & Compliance resources:

- We dedicated more resources to proactive misconduct prevention, such as training, engagement, and data analytics.
- We centralized our investigations resources into one “Investigations Unit” within Ethics & Compliance, and increased the resources dedicated to investigating employee concerns.

During 2021, Ethics & Compliance tripled the size of its team and engaged in staff expansion efforts that will continue through 2022.

## Company-Wide, Zero-Tolerance Harassment Policy

Activision Blizzard takes all reported workplace concerns seriously.

Our new zero-tolerance harassment policy addresses conduct that is inconsistent with our harassment and retaliation policies, thus promoting a safe and inclusive workplace for our employees. We continue to utilize existing channels and Ethics & Compliance resources to capture, investigate, and address claims.

## New Company-Wide Drug & Alcohol Policy

In 2021 we introduced a global policy to prohibit the presence and consumption of drugs and alcohol on all Company premises. By strengthening our guidelines and expectations around drug and alcohol use in the workplace as well as at work-related events, this policy supports our ongoing commitment to provide a safe, positive experience for every employee at Activision Blizzard.

# DIVERSITY, EQUITY, & INCLUSION (DEI) WINS

We believe the full power of our workforce can only be unleashed through a diverse, inclusive culture, and that an empowered workforce is part of what enables us to exceed players' and fans' expectations. Activision Blizzard is committed to building and sustaining a culture of belonging, in which our employees can succeed as their authentic selves and create games with the potential to make a positive difference in our gamers' lives.

The following pages explore steps we took in 2021 toward building a more inclusive culture. Our 2021 employee listening sessions, employee pulse surveys, and ABK Upward (manager feedback) were all key inputs for our DEI decisions.



**“I have a dream job. Let’s write the next chapter of the Blizzard book. Inclusion brings innovative ideas, insight, narrative, music, art, and development to our games. It drives relationships and interactions with a larger diverse audience. We are going to become a giant in diversity and we are going to continue to drive that change.”**

*Christine Meynard (she / her)—Engineering Manager—Blizzard*



# EMPLOYEE NETWORK GROUPS

Employees across Activision Blizzard are encouraged to join one of our ENGs, which were brought together as eight unified global networks in March 2021 (a ninth group, ABK Indigenous Employee Network, was added after this change). Some existing networks were renamed as part of this transformational unification process.

Our ENGs seek to cultivate an inclusive, welcoming internal culture in which employees can show up as their authentic selves. Emblematic of ‘gaming for a better world,’ ENGs help us by driving inclusion, cultural awareness, professional development, networking opportunities, and community involvement across Activision Blizzard.



**“Employee Network Groups help people feel like a sense of inclusion and understanding and empathy. I think it just pushes the community forward.”**

*Hamid Qasim (he / him)—Director, Global Growth Operations—Blizzard*

## Our Employee Network Groups<sup>4</sup>



### In 2021, our ENGs had opportunities to:

- Provide game insights and feedback that help us create more inclusive representation, character depictions, and in-game experiences (including emblems, character skins<sup>5</sup>, and cultural pieces)
- Host events to build cultural acumen and celebrate inclusivity and understanding
- Support our veteran hiring through part of our Company’s dedicated diversity sourcing efforts
- Provide guidance as inclusive pronouns were rolled out in Workday and other internal social accounts, including Zoom and Slack
- Support Hiring Our Heroes Corporate Fellows to hire more veterans into our Company
- Amplify resources available through organizations that focus on improving the health of our employees

<sup>4</sup> ENGs as of May 2022.

<sup>5</sup> A “character skin” is an in-game item players can acquire that changes the appearance of their video game character.

# BUILDING OUR DIVERSE TEAM

We are taking actionable steps to cultivate a broad, diverse talent pipeline and to foster an appropriately objective, equitable hiring process. We know this is essential to the success of our recruiting program, and to advancing diversity in the gaming industry more broadly. We are also investing millions of dollars in initiatives and organizations that seek to empower and advance talent from underrepresented ethnic groups (UEGs).<sup>6</sup>



**“I’m surrounded by supportive people and never feel stifled. I’ve not only been allowed to, but invited to experiment with systems that work best for my team and my own working style.”**

*Buffy Rice (she / her)—Associate Game Producer—Blizzard*

## Our Steps Toward a More Diverse Talent Pipeline

### 2021 Diversity Hiring Initiatives

- Established the Diversity Sourcing Council to educate recruiters and support diversity sourcing techniques and projects across Activision Blizzard
- Hosted Diversity Sourcing Jams across 15 different disciplines to help understaffed areas at the Company recruit diverse candidates for their open roles
- Trained our recruiters in methods to improve their abilities in sourcing diverse talent
- Built and deepened relationships with diverse talent communities by engaging with events and organizations such as LATINXINGAMING and a number of veterans’ organizations, including Hire Heroes USA and Hiring Our Heroes Corporate Fellowship Program
- Consulted with diversity-focused talent agencies to enhance Activision Blizzard talent pipelines

### 2021 Veteran Hiring Initiatives

- Updated [Veteran’s Guide to Activision Blizzard](#)
- Partnered with Hiring Our Heroes Corporate Fellowship Program
- Established dedicated veteran and DEI sourcing team
- Required recruiters to complete Hire Heroes USA’s veteran hiring training
- Created supplemental veteran onboarding program
- Initiated veteran mentorship program

### Achieved Veteran Hiring Goals

Our veteran hiring initiatives are also a key part of our efforts to cultivate diversity. Our veteran colleagues contribute traits and diverse experiences that strengthen our workforce. Activision Blizzard is deeply committed to the economic well-being of those who have served in the armed forces. We are proud that we exceeded our 2021 goal to have 3% of all new U.S. hires be veterans, achieving a 3.4% rate.

<sup>6</sup> Our ethnicity data is limited to the United States and, like our gender data, represents employees’ self selection. In this case the fields from which employees select include “White,” “two or more races,” “Hispanic or Latino,” “American Indian or Alaska Native,” “Black or African American,” “Asian,” “Native Hawaiian or Other Pacific Islander,” and “prefer not to say.” In calculating ethnicity representation, we consider the percentage of known employees (i.e., those who have not selected “prefer not to say”). We track and differentiate ethnicity in this report under the nomenclature “Underrepresented Ethnic Groups” or “UEGs,” which represents all non-white, known values.



## Talent Initiatives & Partnerships

### MBA Rotational Program

Each year, our MBA rotational program provides 10-15 MBA graduates an opportunity to rotate through three, eight-month positions across Activision Blizzard's global organization.

Of the MBA graduates who have participated since this program began, 81% remained with Activision Blizzard following their last rotation. Since 2018, 49 MBA graduates from top business schools have been hired to join the two-year rotational program at ABK. 31% of those 49 and 40% of the upcoming 2022 cohort are women.



### Activision Blizzard Early Careers Internship

In 2021, we hosted virtual internships for 235 undergraduate and graduate student interns across Activision Blizzard. Early Careers interns are included on our teams, where they contribute to real-world projects and games. To build a sense of community and broaden interns' sense of their career possibilities while further strengthening their connections to our games, leaders, and each other, we ensure that they participate in a wide-range of company events, including educational speaker series and networking gatherings.

## ABK Aspiring Women in Games Scholarship

The ABK Aspiring Women in Games Scholarship (formerly titled the GDC Scholarship) was founded in Europe by our King division in 2016, and beginning in 2020 expanded to our U.S. operations. The program provides women who aspire to join the gaming industry an opportunity to attend the annual Game Developers Conference (GDC) for free, where they can network with games industry experts from Activision Publishing, Blizzard Entertainment, and King. Non-binary people, those who are gender fluid, and women of transgender experience are encouraged to apply.

In 2021, we awarded 15 ABK Aspiring Women in Games Scholarships, investing over \$50,000 in virtual GDC conference passes and Coursera subscriptions for scholarship winners.

Profiles of the 2021 ABK Aspiring Women in Games Scholarship winners can be found here: [2021 Women in Games Scholarship Recipients](#).



## Management Leadership for Tomorrow (MLT)

MLT is a non-profit with a mission to build diverse leaders and equitable workplaces by encouraging high-achieving individuals from diverse backgrounds. MLT provides training, coaching, and network access that has not traditionally been available to individuals from underrepresented communities.

Our partnership with MLT grants us opportunities to engage, educate, and recruit from 8,000+ rising leaders who are members of diverse communities and over 1,800 students from various MBA and undergraduate programs. In 2021, we participated in seven of MLT's multi-day MBA and undergraduate events. As a result, six MLT Fellows accepted offers to join our 2022 summer internship program.

## STEM Advantage Partnership

In November and December of each year, Activision Blizzard's Early Careers team seeks out mentors who can connect with STEM Advantage<sup>7</sup> Fellows for a 12-month mentorship program. STEM Advantage mentors and mentees meet virtually on a monthly basis. In 2021 our involvement with STEM Advantage included:

- Nine Activision Blizzard employees serving as mentors
- Hosting a STEM Advantage info session for Company stakeholders
- Partnering to plan a "careers in entertainment" session where scholars had their resumes reviewed and two of our women engineers were featured speakers (in early 2022)

<sup>7</sup> STEM Advantage is a nonprofit organization providing science, technology, engineering and math (STEM) career opportunities to California State University students, the largest and most ethnically diverse 4-year public university system in the nation with over 50% of the student body comprised of people of color.

## Ada, The National College for Digital Skills

In 2021, we made a financial contribution to Ada, a school in London of which we are a founding industry partner. From 2020 to 2021, volunteers from King offered coaching to Ada College students, helping them build confidence in their knowledge and offering guidance as they began to consider their post-school plans. Activision Blizzard employees also served as judges for various games challenges at the school.

## Hello World!, Swedish Non-Profit

Since 2016, we have partnered with Hello World!, which hosts summer camps and other gatherings at which digital tools are used to encourage interest and spread knowledge about science, technology, and art. Hello World! emphasizes outreach to children from socioeconomically vulnerable areas.



## Rewriting the Code (RTC) Annual Summit

RTC supports women in tech at the undergraduate, graduate, and early career levels via intersectional communities, mentorship, industry experience, and educational resources. They are working to empower women to be the next generation of leaders in engineering and tech.

Our Early Careers team was proud to provide a Platinum sponsorship for RTC's annual Virtual Summit in August 2021.

# RECRUITING DIVERSE TALENT



“I have the privilege of collaborating with innovative and talented individuals who are passionate about providing an **impeccable candidate experience.**”

*Emely Moreno (she / her)—Candidate Experience Lead—Activision*

## Candidate Slates

### Diverse Candidate Slates:

We expect our internal recruitment teams and external agency partners to provide diverse slates of job candidates where practicable, and given the scarcity of diverse talent for some job profiles at the time of search there may be circumstances where we do not realize our aspiration.

In 2021, we invested in and launched tools and systems that allow us to better track representation of women and UEG candidates at the applicant, interview, and hiring stages of our recruiting processes, helping to reinforce our goal of having diverse candidate slates for open positions.

### Diverse Candidate Slates at the VP Level & Above:

We expect candidate slates at the VP level and above to be diverse, and aim to recruit diverse candidates across the Company.

Our Executive Recruiting team prioritizes diversity and equity at every stage of the search process. When candidates from diverse backgrounds appear to be difficult to find, this team is responsible for educating hiring stakeholders on ways to address the apparent challenges of talent availability. As part of this process, they collect and present statistics on outreach, engagement, and market data.

### Inclusive Hiring Best Practices Training:

In 2021, we've launched Inclusive Hiring Best Practices training to Activision Blizzard recruiters and hiring managers aimed at reducing the potential for unconscious bias.

# ENGAGING EMPLOYEES

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## Listening to Our Employees: ABK Upward

December 2021 saw the successful launch of our inaugural annual upward feedback survey campaign, ABK Upward. The program is an annual process that gives employees a formal opportunity to share constructive, actionable feedback with their managers through an anonymous survey. This feedback—about each people manager's inclusive behaviors and commitment to living our values—will be considered in the annual evaluation of each manager's performance.

### 2021 ABK Upward Results:

- Over 65% of eligible employees provided feedback on one or more managers.
  - More than 2,000 people managers (approximately 90% of our manager population) received a personalized feedback report.
- Employees were invited to offer comments about their managers' strengths and development needs.
- In response to the information gathered, learning and development resources will be designated to help managers convert employee feedback into actions and goals which are being provided to managers.



**“My team is always there to support me no matter my differences—I can show up as myself every day. I can be true to myself and to my work.”**

*Anna Wan (she / her)—Director, Manufacturing—Activision Blizzard*

## The Evolving Future of Work

As we imagine possibilities and make decisions about the “future of work” at Activision Blizzard, we are putting employee well-being at the forefront while also addressing business needs.

In 2021 we announced that, due to the differences in policies and medical care across the geographies in which we operate, we could not have a one-size-fits-all approach for returning to the office. Instead, each region, franchise, and business unit will help define the return-to-office approach that works best for them with employee safety continuing as a top priority. We implemented a process for offices to open safely based on a set of criteria that takes into account the latest local health and safety guidance, and provides sufficient notice to our employees.

# DEVELOPING CAREERS & GROWING LEADERS

We prioritize development of our diverse, innovative talent base as a vital part of Activision Blizzard's business health and success. Our talent processes focus on performance management, strategic talent assessment, and opportunities for career and leadership development.

- We facilitate for our employees clear understanding of their strengths and development opportunities.
- We foster collaborative relationships between employees and managers.
- To enable us to recognize and reward outstanding performance, we assess employee contributions to Company results and workplace culture.

Ours is a rapidly changing industry. We know our ability to sustain continuous innovation depends on a diverse, thriving talent base and leadership teams.



**“I’m grateful to do work that I’m passionate about, where my inherent curiosity is valued and a culture of learning and growing is celebrated.”**

*Joyce Chang (she / her)—Director, Product Management, Emerging Franchises—Activision*

## Performance Management & Career Development

Our Performance Management Process:

### 01 Employees Set Goals

**Purpose:** To allow our employees to take ownership of their ongoing success and engagement while helping drive business results.

### 02 Progress & Performance Check-Ins

**Purpose:** To give employees a clear sense of their strengths, contributions to the Company, and areas for improvement.

### 03 Assess Employee Contributions

**Purpose:** To recognize and reward outstanding contributions.

### 04 Annual Performance Review

**Purpose:** To cultivate high-performing and high-potential talent, DEI, performance, and succession for our most critical roles.

## DEI Mentorship Programs

In Q2 2022, Activision Blizzard will launch Together@ABK, our internal mentorship program, across the global organization. This program was first developed at King, where the DEI team launched their King Kicking Glass Mentorship Program with 150+ registrants, 200+ mentorship sessions, and a star satisfaction rating of 3.9 out of 4 from mentees. The upcoming 2022 global launch was developed and planned in 2021.

Scaling this program across our ENGs will enable us to connect mentees and mentors from different ENGs, company-wide. Our hope is that Together@ ABK will help us to comprehensively empower our workforce with meaningful connections, a more resilient community, and opportunities to help each other grow.



**“All these employees have really held space for me to be mentored, for me to be coached. I don’t think I would have been able to flourish, had it not been for those spaces.”**

*Misty Noor (she / they)—Business Operations Specialist—Treyarch*



# REWARDING & SUPPORTING EMPLOYEES



**“I really like coming to work. I have a lot of autonomy in my job, but also feel supported by my team and managers—both professionally and personally.”**

*Kathy Shin (she / her)—Platform Technical Support Manager—King*

At Activision Blizzard, we know a productive, empowered workforce is the foundation of our ability to deliver epic experiences to our players—experiences that have potential to better the world through gaming. We are committed to providing equal pay for equal work while always finding ways to reward superior employee performance. In addition, we support all of our employees with innovative, inclusive benefits programs so they and their families can live healthy, secure lives.

## Offering Competitive Compensation

We seek to provide compensation packages that attract, retain, motivate, and reward our employees for their outstanding performance—and to align employee interests with the interests of our shareholders—by linking compensation to the impact of individual employee contributions, company-wide performance, and business unit and franchise performance.

As mentioned earlier in this report, we released our “[U.S. Pay Equity Review 2020](#)” in October 2021 covering non-temporary employees. This review (which was conducted by an independent firm) showed that on average, women earned slightly more than men for comparable work in 2020.

Following the first effort, we conducted a global pay equity review for 2021, also covering non-temporary employees, comparing the total compensation for men with women and those who do not identify as men. The findings were one dollar to one dollar pay comparability.

## Updates to our Compensation Philosophy & Structure

Our Compensation Committee continually reviews the Company’s overall compensation structure and philosophy. As a result, we began implementing changes to our compensation payments for 2021, primarily to enhance employee equity ownership and bring our employee equity compensation in line with current industry practice. As an aspect of this change, for eligible employees, we settled amounts not yet paid as of December 31, 2021, under our annual performance plans in stock rather than cash, and those bonuses were generally paid at an approximate 10% premium to the cash amount. For information about the determination of bonus amounts for 2021, please see “Corporate Governance—Our Board’s Role in Risk Oversight—Compensation Risk Management” on page 30 of our [2022 Proxy Statement](#).



## Benefits Highlights

We seek to offer our employees benefit experiences that holistically support their mental, physical, financial, and overall wellness. In 2021, we announced that our benefits have been enhanced in the following ways:

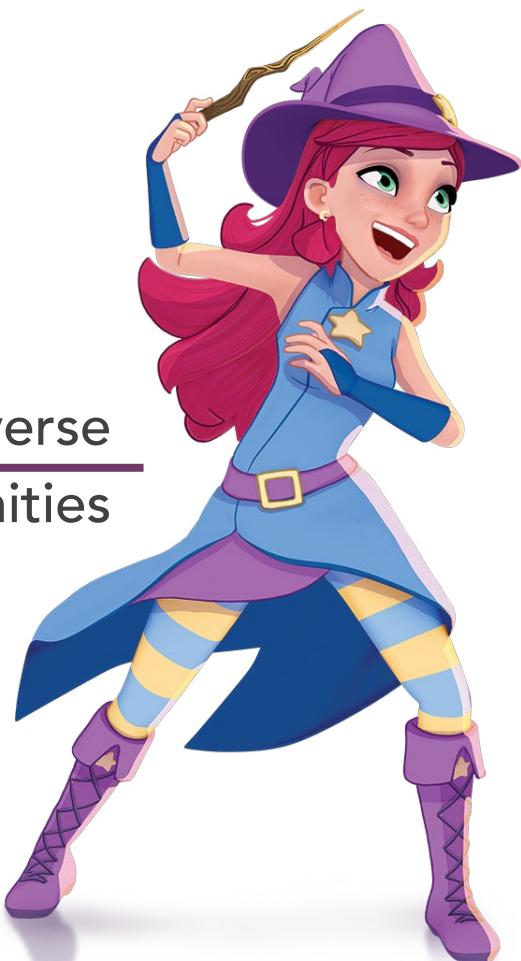
- Devised a new, in-network medical plan in Southern California that significantly reduces out-of-pocket costs by utilizing a narrow network of high-quality health systems
- Enhanced our mental health benefits by increasing the number of our Employee Assistance Program (EAP) sessions from six to eight, and by adding concierge services to help employees locate resources and appointments where they live
- Provided on-site COVID-19 vaccine clinics in Southern California and Minneapolis, MN
- Provided 100% coverage for COVID-19 testing and treatment for our employees
- Aligned our global time off programs:
  - All regular full-time employees (FTEs) now receive a 10-week paid minimum leave of absence plan for parental leave, compassionate leave, or extended bereavement
  - Increased vacation accrals to a minimum of 20–25 days, country depending
  - All full-time temporary employees receive 13 paid holidays per year

For comprehensive details on the range of benefits offered to our employees, please visit our [Benefits for Every World.](#)



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Advancing More Diverse  
& Inclusive Communities



Video games have the potential to unite people around the globe through the shared joy of gaming. At Activision Blizzard, we continue to make bold strides in supporting and connecting diverse, inclusive communities with our games. In 2021, we remained committed to our social responsibility, whether through the Call of Duty Endowment, which funded, from inception through 2021, the placement of more than 97,000 veterans in jobs; our social impact money market fund investments, which totaled \$1.25 billion and will support more diverse and inclusive communities; or our ABK Gives Back charitable donation-matching program for employees. We embrace our responsibility to honor our communities with inclusive content and by protecting player safety, seeking to better the world with games that positively influence popular culture, eliminate negative stereotypes, and celebrate differences.

## ADVANCING DIVERSITY IN OUR GAMES

In 2021, we made great progress toward increasing the diversity of our characters with the following actions from different parts of our business:

- We implemented and iterated a new character and content review pipeline that engages studio employees at all levels in identifying diversity opportunities and risks.
- We engaged members of our internal ENGs in character and content review.
- We established an ongoing relationship with an external consulting firm to assist with character and content review.
- We installed new, business-unit-level DEI Managers whose overall portfolio of responsibilities includes content production.



**“I get to have a front-row seat to the future of gaming and to help shape it for the better. We are challenging and growing the meaning of ‘gamer,’ with games played all over the world, by all genders and all ages.”**

*Thomas Baxter (he / him)—Director, Platform Partnerships—King*



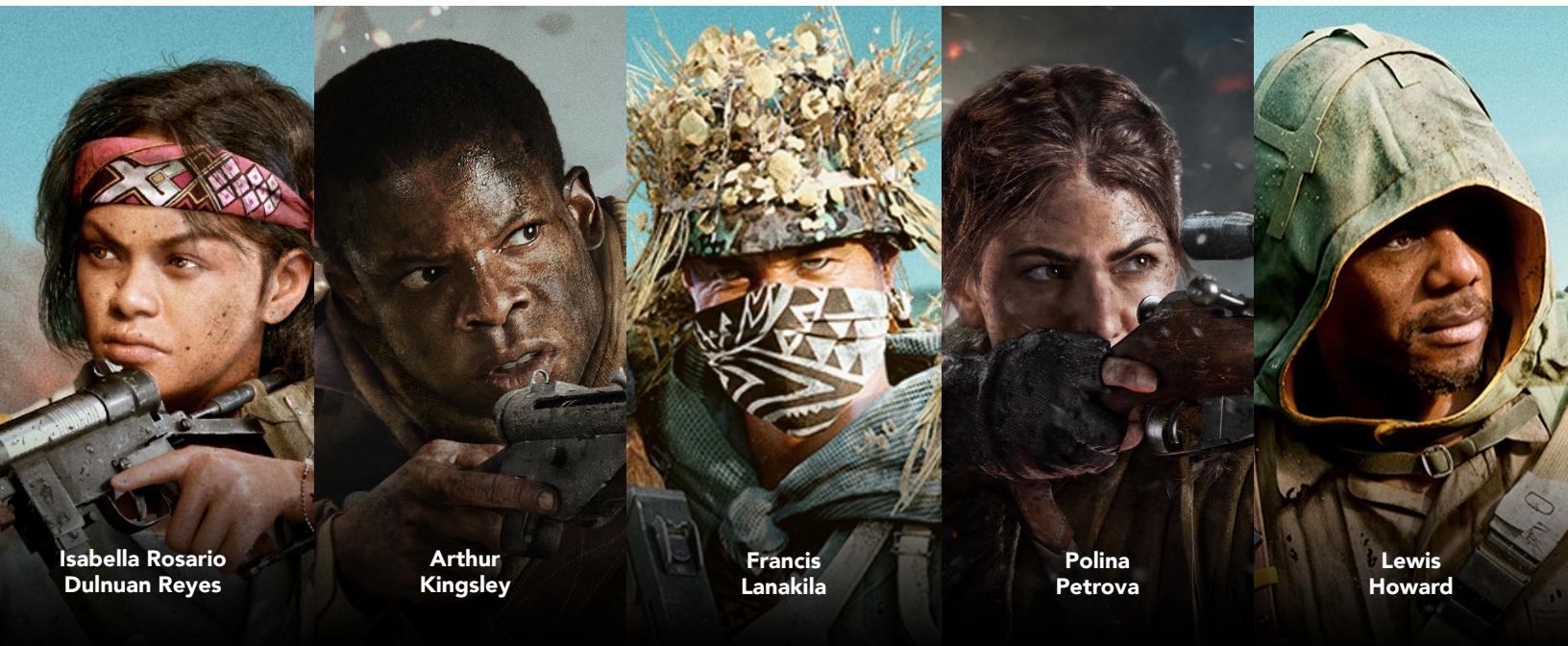
# DIVERSITY IN OUR GAMES

Activision Blizzard creates some of the most diverse games in the world. Our games increasingly reflect our global communities by featuring characters who are non-binary, possess differing abilities, are members of the LGBT+ community, and are racially and ethnically diverse. Below are examples of some of these characters.

## Activision®

At Activision Publishing, our teams worked alongside our ENGs for cultural consultation regarding character, environment, and representational content in Call of Duty®: Vanguard, identifying opportunities for diversity and authenticity to be reflected in our gaming content. The Call of Duty®: Vanguard development team consulted directly with ENGs on cultural / representation questions, concerns, and improvement opportunities during the game development process.

### Call of Duty®: Vanguard



Call of Duty character Arthur Kingsley next to real-life veterans Sergeant Sidney Cornell and Flight Lieutenant J H Smythe RAFVR in a mural painted in London.

# Blizzard®

## Overwatch®

In creating a welcoming experience that honors real world cultures, Overwatch® endeavors to lead by example in making significant representation strides with its diverse hero roster, map locales, and storytelling. Overwatch® aims to foster a more inclusive environment by combating inappropriate behavior through player engagement initiatives, both in-game and out.



## World of Warcraft: Folk & Fairy Tales of Azeroth

Focused on forging an in-game world that's inclusive and approachable, World of Warcraft® is consistently evaluating its approach to diversity in both new and old content, with an emphasis on accessibility functionality, player identity, and community initiatives designed to build a safe space for millions of players around the world.

The following 2021 World of Warcraft® short stories published by Blizzard were written by authors from diverse backgrounds (with regard to race, gender identity, and sexual orientation):

- “Lay Down My Bones” by Alyssa Wong
- “The Uninvited Guest” by Kami Garcia
- “Sister Is Another Word for Always” by Catherynne M. Valente
- “For Lies and Liberty” by E.C. Myers
- “The Courageous Kobold and the Wickless Candle” by Allison Avalon Irons



# King

The Candy Crush™ player experience provides the opportunity to celebrate diversity throughout the year.

## Candy Crush™

### Celebrating Pride:

In June 2021, King kicked off its annual, four-week, in-game Pride celebration with a dedicated live event and new game symbols and assets.



### 2021 Pride Symbols & Assets:

- New character skins
- A rainbow fountain
- Pastel pink and blue to represent the transgender community
- Brown and black pennants to emphasize the importance of trans people of color in the queer rights movement
- A rainbow season collectible item
- Narrative shaped around diversity and inclusion

### Celebrating Eid-Al-Fitr:

In 2021, King players in the Middle East, North Africa, and Southern and Southeast Asia were the recipients of a gifting campaign in celebration of Eid-Al-Fitr, in which they were given between one and 24 hours of unlimited lives by Olivia the Octopus.

This was King's first Eid-Al-Fitr celebration. It kickstarted a broader initiative to increase cultural diversity and celebration in our content.

### Celebrating the Lunar New Year:

To celebrate the Lunar New Year, Candy Crush Friends Saga™ players were given the opportunity to collect a Zodiac Tiger costume for Tiffi. To collect costume pieces, players completed levels in the Lunar New Year-themed event map.



# MAKING OUR GAMES ACCESSIBLE TO ALL PLAYERS

For our games to better the world by uniting people across experiences and geographies, they must be accessible. Our inclusive design strategies ensure our players with varying needs, abilities, and preferences can access rich experiences whenever they play our games.



**“I work to create gaming experiences that are equally accessible and fun, where diverse and inclusive cultures in our games can also inspire players.”**

*Takako Maeda (she/her)—Globalization Inclusivity Content Manager—King*

## Accessibility Highlights

- In partnership with the Differing Abilities ENG, we celebrated Global Accessibility Awareness Day in May 2021 with a panel event, “An Inside Look at Accessibility with Steve Saylor, Blind Gamer.”
- We elevated and celebrated our internal accessibility champions.
- We engaged with external media to have honest, open discussions on improving accessibility in our games and, in response, embarked on a journey to implement improvements.
- We presented a talk, “Connecting with Players with

Disabilities,” at the Game Accessibility Conference EU 2021 to share accessibility insights with the industry.

- We used Twitter and the hashtag #WZa11y to share accessibility practices and options available in Call of Duty®: Warzone.
- We highlighted major accessibility features in Company blogs, such as “How We’re Making Diablo® II: Resurrected™ More Accessible to Everyone” and “Enhance Your Gameplay: Accessibility Updates Now Live” for World of Warcraft®.

In 2021 we expanded our games’ accessibility options. Highlights include:

- Implemented updates to World of Warcraft® accessibility, including voice chat transcription, text chat narration, text-to-speech commands, speak for me (synthetic voice), quest text contrast, and specular lighting control
- Implemented new accessibility features in Diablo® II: Resurrected™, including auto-gold pick up, larger font sizes, miss indicators for combat, and a robust selection of adjustable audio channels
- Increased accessibility features in Call of Duty®: Vanguard, including a dedicated accessibility menu in “Options,” expanded subtitle options, adjustable

camera shake intensity to reduce motion sickness triggers, and expansive hold / tap / toggle input options

- Published “Call of Duty®: Warzone Accessibility FAQs”, which gamers can reference to help them understand the game’s array of accessibility features
  - The team behind this project also created an Accessibility Feedback Form gamers can use to share their experiences of accessibility barriers with our game development teams

## AbleGamers Partnership

Since 2020, Activision Blizzard has partnered with AbleGamers, a prominent non-profit in gaming accessibility and a respected community advocate for gamers with disabilities.

Activision Blizzard regularly sends developers of all disciplines to the AbleGamers Accessible Player eXperience (APX) certification training.

“Activision Blizzard is one of the most active game companies in our Accessible Player eXperience (APX) certification training with AbleGamers.”

*Mark Barlet, Founder of AbleGamers*

To date, we have supported over 70 professionals in obtaining their APX-certification. Having dedicated gaming accessibility subject matter experts across our workplaces encourages inclusive design practices and furthers discussions of accessibility.



# CREATING A SAFE, SECURE ENVIRONMENT FOR OUR GAMERS

## Creating & Protecting Socially Responsible Gaming Communities

We take seriously our responsibility to foster a gaming environment in which our players feel safe. More than 350 million players worldwide engage with our games for an average of over an hour per day when they play. It is thus important that we work to keep inappropriate behavior, hate speech, and harassment of every kind out of our games. We know this is not a simple task and that it requires sustained effort.

Our teams' focus on player safety has them continually working to improve in-game experiences in several ways:

- Encourage players to report unacceptable behavior (we have communication channels and staff designated to facilitate player reporting)
- Use machine learning tools, moderation, and filtering to proactively remove problematic content

**Call of Duty® franchise**—Over the last two years, we have continued making progress:

- Undertook comprehensive scrubbing of our global player database to remove users who treat other players inappropriately
- Renamed accounts that had inappropriate usernames, and added automatic username filtering to help filter and block inappropriate usernames upon creation
- Added additional languages for in-game, text-based chat and name creation moderation, bringing the total to 14 languages

**Blizzard franchises**—In 2021, our teams:

- Implemented a more refined chat filtering system for Overwatch®, which players can use to differentiate between “mature” and “unfiltered” chat preferences
- Implemented a warning system in World of Warcraft® to promote behavioral improvements among players who start to exhibit disruptive behaviors
- Implemented a message system we use to thank players whose reports lead to penalized accounts

The nature of gameplay within King's franchises limits the potential for inappropriate behavior by players.

In 2021 we made improvements for our gaming community through the following initiatives:

- Increased resources to support detection of inappropriate behavior and guidelines enforcement
- Provided additional monitoring and back-end technology
- Conducted consistent, fair reviews of enforcement policies
- Increased communication with the player community



# PRIVACY & RATINGS

## Protecting Privacy

Activision Blizzard is committed to maintaining the privacy of our employees, players, and fans. In support of this, we have privacy policies that provide transparency and detailed information regarding our practices. We disclose how we collect, use, and disclose personal information (including for advertising purposes) to our consumers and fans, and respect their data privacy rights and choices over the information collected. We also provide the transparency required in the event of a data breach. These policies follow global privacy principles and best practices and are periodically updated to take into account applicable privacy laws and regulations in the countries in which we operate.

Each of our employees is expected to follow these individual privacy policies through our Code of Conduct, and we provide training to employees on data privacy-related risks and procedures. We have measures in place designed to embed privacy and “privacy by design” principles in product design and development from the outset. A Company-wide data privacy steering committee, which includes executives and business unit leaders, reviews our overall position in regard to rules and regulations, and representatives from management report on privacy to the Audit Committee of our Board on a periodic basis.

We operate a risk-based security program to triage and assess risks to our infrastructure, people, players, and data. We have a comprehensive security policy framework against which we manage risk. We also perform risk-based vetting of third parties we do business with in order to uphold confidentiality, integrity, and availability of our data. We have a dedicated function focused on risk assessment and proactive vulnerability detection. In addition to traditional risk management, we have built a “threat intelligence” program which tracks the threat landscape relevant to our industry and business, providing us with relevant insights and early warning. If we identify a data security breach, it is promptly addressed with the assistance of our IT teams and other internal stakeholders, and appropriate notice is provided to impacted individuals as required by applicable law.

We leverage a variety of industry standard frameworks to inform our overall strategy (e.g., ISO 27001, NIST, The CIS 20 Controls, and PCI DSS), overlay them with knowledge of our threats, risks, and insight from internal stakeholders, and adapt the frameworks and our approach to our operating environment. We conduct different levels of security awareness training for the general employee population through new-hire training, routine email broadcasts, and reminders in our Code of Conduct, which employees acknowledge on an annual basis. Our security professionals undergo routine training to keep current on security best practices. Our Security team is overseen by our Chief Administrative Officer and periodically reports on threats and data security risks our organization faces, as well as the steps we take to prevent and remediate those risks, to the Audit Committee of our Board of Directors.

## Our Participation in Ratings Systems

In the United States and Canada, Activision Blizzard’s games are rated by the Entertainment Software Rating Board (ESRB), a non-profit, self-regulatory rating body for the video game industry. The ESRB’s rating system is a three-part rating approach that suggests age-appropriateness, notes content via Content Descriptors, and possesses interactive elements that inform parents and consumers of features like game user location sharing, in-game purchases, user interactions, and unrestricted internet access. With respect to our ESRB-rated games, Activision Blizzard follows the ESRB’s industry advertising guidelines.

A number of other countries have also established content rating systems to which we adhere. Several online stores, including Google Play, use the International Age Rating Coalition (IARC) rating system, which uses a single application to assign ratings in participating regions (including ESRB ratings). Apple uses its own proprietary “App Rating System.”

# SUPPORTING THE COMMUNITIES THAT SUPPORT US

Activision Blizzard empowers its employees to better the communities we serve through multiple high-impact philanthropic, volunteering, and investment programs.

## ABK Gives Back



In December 2021, we launched ABK Gives Back, an annual charitable donation-matching program that provides eligible employees the opportunity to donate money to the non-profit of their choice. Activision Blizzard matches employee donations dollar-for-dollar, up to \$1,000 (or local equivalent).

### 2021 statistics:

- 3,420 employee participants
- 2,036 charities supported in 57 countries

### Top 10 Cause Areas Supported Through ABK Gives Back

- Human Services
- Animal Related
- Health – General and Rehabilitative
- Education
- Employment
- International, Foreign Affairs, and National Security
- Environmental Quality, Protection, and Advocacy
- Civil Rights, Social Action, and Advocacy
- Voluntary Health Organization and Medical Disciplines
- Philanthropy, Voluntarism, and Grantmaking Foundations

## Diversity Financial Impact Investments

In 2021, we made \$1.25 billion of social impact investments<sup>8</sup> in money market funds selected for their support of more diverse and inclusive communities.

A large portion of the investment manager fees we pay to invest in these funds is re-allocated to minority depository institutions and women, and disabled-veteran-owned firms, who will in turn use the fees they earn to generate positive impacts in underserved communities.

More specifically, we made the following social impact investments in 2021:

- \$500 million investment to support a women-owned securities firm, R. Seelaus & Co., that will allocate a portion of the fees it earns to support initiatives focused on improving gender equity in the technology sector
- \$500 million investment to support minority depository institutions; fees will be allocated to six banks that have a Black or African American minority status designation by the Federal Deposit Insurance Corporation
- \$250 million investments to support the disabled-veteran-owned securities firms Drexel Hamilton and Academy Securities

These arrangements allow our cash management activities to provide ongoing revenue to financial firms that are dedicated to advancing diverse, inclusive communities.

<sup>8</sup> 12% of our total cash and investments as of December 31, 2021.

# 2021 CALL OF DUTY ENDOWMENT ACHIEVEMENTS



Founded in 2009, the Call of Duty Endowment is our flagship corporate social responsibility initiative. The Endowment helps veterans find high-quality careers by providing support to groups that prepare them for the job market, and by raising awareness of the value veterans bring to the workforce.

- Ending 2021 at more than 97,000 cumulative placements funded, The Endowment is ahead of schedule to hit its goal of getting 100,000 veterans back to work by 2024. This is a result of over \$53 million in grants the Endowment has made since its inception.
- Even with a volatile job market, 2021 was the Endowment's most successful year ever—it saw the placement of 16,138 veterans into high-quality jobs.
- In 2021, 19% of the veterans placed through the Endowment were women, and 20% were Black. We take great pride in these metrics, considering that those who identify as women and Black veterans compose just 10% and 12%, respectively, of the U.S. veteran community.
- We donated 100% of net proceeds received from Endowment-themed virtual items purchased in our games to veteran job placement. In 2021, these sales raised over \$3 million in net proceeds for the Endowment and will drive more than 5,500 veteran job placements.

Please view the Call of Duty Endowment's most recent [annual report](#) for more information.

## 2021 Veterans Day of Service

In November 2021, Activision Blizzard team members and their families participated in our 8th annual Veterans Day of Service (VDOS). This event invites our team members to donate time and effort to local veterans' organizations globally. Historically, our team members have volunteered one day of their time on-site; however, in 2021, VDOS activities were held remotely due to the COVID-19 pandemic.

930 employees from 21 locations across three continents assembled and donated over 1,900 handcrafted items to support veterans in need.



Protecting the Planet

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Activision Blizzard is committed to doing our part to protect the planet for current and future generations. We do this by reducing the environmental impact of our operations, from our digital and physical game design to the organizations we partner with to produce, distribute, and support our games. We know attending to our environmental responsibilities is one of the most important ways we can help build a better world.

## Net Zero Emissions

In 2020, we set a goal to achieve net zero GHG emissions by 2050 (this goal is in line with the Paris Agreement). In 2021, we developed a global emissions inventory to better understand our Scope 1, 2, and 3 emissions and the actions we must take to reach our net zero goal. Our goal to reach net zero emissions by 2050 was developed in accordance with the Science Based Targets Initiative (SBTI) Corporate Net Zero Standard and includes our Scope 1, 2, and 3 emissions footprints.

Now armed with insights into our emissions footprint, we have begun preparing a roadmap to reach net zero that integrates strategic abatement initiatives such as the following:

- Partnering with strategic suppliers across our value chain to identify joint sustainability priorities
- Advocating for the adoption of environmentally friendly practices with the landlords and property managers of our offices and other facilities<sup>9</sup>
- Working with our public cloud and data center providers to collect and analyze data around our energy, emissions, and water footprints (including power usage effectiveness and water usage effectiveness, and statistics that measure the energy and water efficiency of data centers)

**“Asking how we can help is a big part of how Blizzard will continue to ‘walk the talk’ through our actions. Regarding sustainability, I’m very happy that even before COVID-19 lockdowns our office had moved to a near-paperless approach, and that we seek to recycle or donate everything we can. I’m particularly proud of how we’ve recycled a number of our older PC towers by donating them to local groups: one school, and more recently a charity that works with children on the Autism spectrum.”**

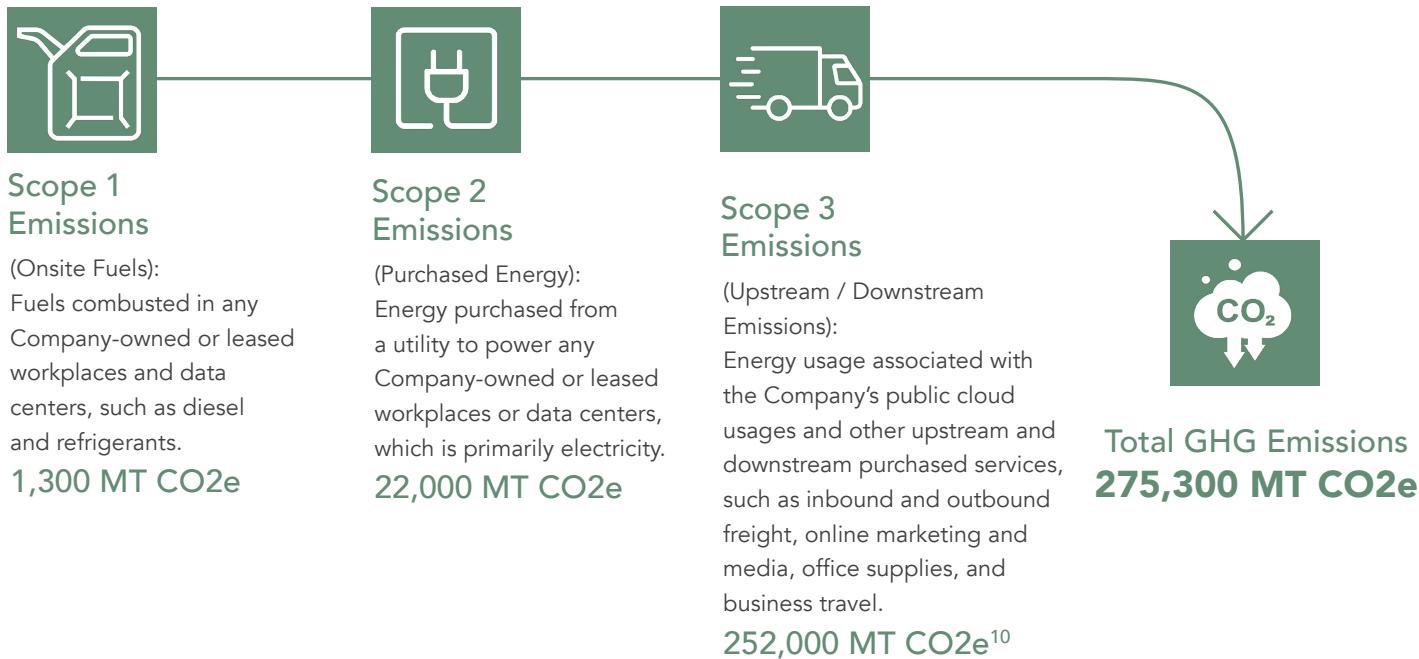
*Dean Constable (he / him)—Specialist Game Master—Blizzard*



<sup>9</sup> Properties owned: 2. Properties leased (excluding data centers): 75.

# GHG EMISSIONS REDUCTION GOALS & METRICS

## Our 2021 GHG Emissions Footprint



Our analysis demonstrated that our top three emissions sources are online marketing and media, mobile game distribution, and third-party distribution of our physical games, with each representing a significant portion of our Scope 3 emissions. Online marketing and media emissions result from the full lifecycle of these activities, such as consumers viewing this marketing on their phones or tablets, the services undertaken to create the marketing, the code developed to create and publish the media, and the energy used for the underlying storage and processing of the data for each of the above activities. There is a similar end-to-end lifecycle for mobile game distribution. Physical game distribution is more tangible and accounts for the emissions associated with the creation, transportation, consumption, and end-of-life treatment of Activision Blizzard games. **Taken together, these three sources represent 50% of our total Scope 1, 2, and 3 emissions** and we have insight into all sources of our emissions. We are focused on the strategy to collaborate with our value chain partners to reduce emissions across these areas of our business.

Our emissions intensity, a ratio of GHG emissions to revenue often used to compare the environmental footprint of different companies, is approximately 32 MT CO<sub>2</sub>e / \$M, and includes all of our Scope 1, 2, and 3 emissions.<sup>11</sup>

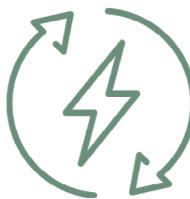
<sup>10</sup> To estimate our Scope 3 emissions, we conducted a detailed analysis of Activision Blizzard's FY21 spend data by category and vendor, and then mapped that data onto the U.S. Environmental Protection Agency's (EPA) Economic Input-Output Life Cycle Assessment dollar-based emissions factors. These emissions factors account for the "cradle-to-grave" emissions required to produce one dollar of the goods or services purchased. Where available, we integrated actual emissions data as reported to us by select vendors.

<sup>11</sup> Calculated by dividing most recent total disclosed Scope 1, 2, and 3 emissions data by same year revenue; this metric is known as emissions intensity.

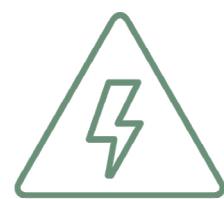
## Total Energy Use, Electricity Use, & Renewable Energy & Electricity Use



Electricity  
90.19%



Renewable Energy  
0.04%



Other Energy Sources  
9.77%<sup>12</sup>

**Total Energy Use  
63,848,270 kWh**

## Notable Supply Chain Updates

In 2021, 87% of our revenue came via digital channels, a revenue share that continues to increase (and which we are working to accelerate). Our ongoing conversion to a more digital business is enabling us to set and achieve important sustainability goals. Because of this shift to digital, 2021 saw a 60% reduction in plastic packaging waste,<sup>13</sup> a reduction that far surpassed our original goal of 50% by 2024.

## Our Facilities' Footprint

- Number of properties owned: 2 (a facility in Germany and another in the Netherlands)
- Square footage of properties owned is approximately 67 thousand
- Number of properties leased (excluding data centers): 75
- Global square footage of properties leased is approximately 2.2 million
- Percentage of portfolio that is LEED or ISO Certified: 10%

## Strategic Planning for Data Center Needs

When selecting data centers, we prioritize environmental impact and efficiency. In 2021, we requested all of our data center providers complete surveys about their energy, emissions, waste, and water footprints to help us establish a baseline of consistent, accurate environmental data. We also decommissioned two data centers as part of our ongoing efforts to retire inefficiently used sites with aging hardware.

We continually work to enhance our business efficiencies and improve our environmental footprint by consolidating data centers. Much of this work is accomplished by the transference of data and hardware to energy- and water-efficient facilities. We aim to have the majority of our data center use hosted by providers who are committed to optimizing their environmental footprints.

<sup>12</sup> Other energy sources include green power purchases and onsite fuel consumption.

<sup>13</sup> Using 2019 as a baseline.

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**Corporate Governance &  
ESG Oversight**



# BOARD OVERSIGHT OF ESG PRACTICES, PERFORMANCE, DISCLOSURE

Activision Blizzard's Board of Directors plays a critical role in our efforts to champion our people, advance more diverse and inclusive communities, and protect the planet. Our Board and its committees oversee matters related to our ESG practices, performance, and disclosure.

Activision Blizzard's **Nominating and Corporate Governance Committee**, in consultation with the full Board, the Compensation Committee, the Audit Committee, and the Workplace Responsibility Committee, oversees our ESG strategy, practices, and policies, including ESG reporting.

## Board of Directors

The Board regularly reviews management's conclusions and recommendations regarding potential exposure to strategic enterprise-level risks and proposed strategies to mitigate such risks. The Board also oversees succession planning for our Chief Executive Officer and our other most senior officers.

## Compensation Committee

The Compensation Committee oversees matters including attracting, retaining and developing talent. The committee annually reviews the risks that may be created by our compensation programs and policies, and determines if disclosure of potential compensation risk is necessary in our proxy statement for the annual meeting of shareholders.

## Audit Committee

The Audit Committee monitors the adequacy of our Ethics & Compliance program, including compliance with our Code of Conduct. The Audit Committee also discusses with management any systematic risks faced by Activision Blizzard. In addition, it oversees our data privacy and cybersecurity risk management programs and our management of risks related to the legal and regulatory environment in which we operate.

## Workplace Responsibility Committee

The Workplace Responsibility Committee is responsible for overseeing the Company's progress in successfully implementing new and updated workplace policies, procedures and commitments, including commitments made to appropriate regulatory agencies, and working with management in developing such additional enhancements or best practices as the committee deems appropriate. In consultation with management, this committee is responsible for developing key performance indicators and / or other means to measure progress and ensure accountability.

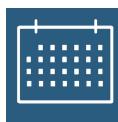
## Corporate Governance: Highlights

We are committed to strong corporate governance practices.<sup>14</sup> We know a foundation of strong corporate governance creates an environment of accountability and promotes the long-term interests of our stakeholders.

### The Workplace Responsibility Committee

In November 2021, the Board of Directors established a Workplace Responsibility Committee, described in the above section, which consists of three independent directors as of Q2 2022, to oversee the Company's progress in successfully implementing new and updated workplace policies, initiatives, and commitments.

## Board of Directors: Highlights (as of May 2022)



Our directors are elected annually.



Over 25% of our directors are women.



Our board engages with investors regarding ESG, executive compensation, and governance practices.



In any future search, our selection pool for a new, external CEO would include qualified women and racially or ethnically diverse candidates.



Over 80% of our directors are independent, as are all members of our standing Board committees.



Over 25% of our directors are members of an underrepresented community.<sup>15</sup>



Our Board Chairman and CEO are separate positions and we have a Lead Independent Director in place.



Our selection pool for new Independent Director nominees includes qualified women and racially or ethnically diverse candidates.

## CEO Pay Approach

On October 28, 2021, our CEO, Bobby Kotick, asked the Board of Directors to reduce his total compensation to the lowest amount permitted to be paid to exempt employees under California law. The request was honored and since that date, our CEO has had a base salary of \$62,500 (which is the current minimum amount, rounded to \$500) and has not been awarded bonuses or new equity. This compensation arrangement will remain in effect until the Workplace Responsibility Committee of the Board has determined that the Company has made appropriate progress toward the achievement of the transformational gender-related goals and other commitments our CEO requested [in a letter to our employees](#).

<sup>14</sup> Please see our [Corporate Governance Principles and Policies](#).

<sup>15</sup>Any individual who self-identifies as African American or Black, Alaskan Native or Native American, Asian, Hispanic or Latinx, Native Hawaiian or Pacific Islander, or two or more races or ethnicities, and / or is LGBTQ+.

## ESG Steering Committee & Working Groups

In 2020, we established an ESG Steering Committee and task-specific, cross-functional, enterprise-wide ESG working groups. Our ESG working groups are composed of individuals from our executive management team and employees from across our business units and corporate functions. They support the committee by identifying relevant ESG matters. The ESG Steering Committee and working groups grew and guided our efforts across 2021.

The purpose of our ESG Steering Committee is to identify ESG matters that are most relevant to our business. Specifically:

- Provide ESG Program direction
- Identify initiatives that are of highest applicability to our business, investors, and stakeholders
- Maintain accountability to our ESG commitments through regular progress updates

### ESG Steering Committee Members

- |                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Chief Administrative Officer, Chair</li> <li>• Chief Compliance Officer</li> <li>• Chief Communications Officer</li> <li>• Chief People Officer</li> <li>• Chief Legal Officer</li> <li>• Chief Financial Officer</li> </ul> | <ul style="list-style-type: none"> <li>• President &amp; Chief Operating Officer</li> <li>• Chief Marketing Officer</li> <li>• Chief Creative Officer</li> <li>• SVP of Investor Relations</li> <li>• VP of Corporate Social Responsibility</li> </ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Code of Conduct

Our [Code of Conduct](#) provides the ethical foundation for everything we do at Activision Blizzard and outlines our expectations for all of our employees. To ensure our employees understand and adhere to our Code of Conduct, we require all employees to review and acknowledge it annually.

## Ethics & Compliance Training

Upon hire, and again every three years, every Activision Blizzard employee is required to take our Way2Play training, an interactive online course that covers the key concepts in our Code of Conduct.

Also upon hire, and again every two years, every Activision Blizzard employee is required to take our bespoke, online Equality & Diversity Training. This training underscores our commitment to a respectful workplace culture, as does additional training in areas like sexual harassment prevention which employees are periodically required to take.

# WAY2PLAY: OUR ETHICS & COMPLIANCE PROGRAM

Our global Corporate Ethics & Compliance team is known as the Way2Play Team. Way2Play helps Activision Blizzard, and all of our employees, follow our Code of Conduct, Company policies, and the laws that impact us. They are responsible for creating and sharing policies, communications, initiatives, and resources that help employees navigate **the right way to play** at Activision Blizzard. Building a global culture in which employees feel empowered to speak up is a motivating goal for Way2Play.



In 2021, Way2Play partnered with Employee Communications to host our most recent Speak Up campaign, which reminds everyone to do business with integrity and sound judgement. During the campaign, Way2Play shared a variety of employee Ethics & Compliance resources across our internal channels. Speak Up aims to empower every employee to escalate whenever they encounter unethical behavior, and to do so without fear of retaliation.

The **Way2Play Heroes** initiative trains and empowers "Heroes"—employees with a passion for promoting Ethics & Compliance in their local workplaces. Heroes are also invited to help Way2Play identify opportunities to strengthen our overall Ethics & Compliance program.

## The ASK List

Employees who wish to speak up about workplace conduct have a range of resources available to them. Internally, we name this go-to list of resources "The ASK List," and invite employees to reach out to those on the list they are most comfortable contacting:

- The employee's manager
- Another manager the employee trusts
- Any member of HR (including Employee Relations)
- Any member of the Way2Play Team
- The Integrity Line, which is available 24 / 7 at [Way2Play.ethicspoint.com](http://Way2Play.ethicspoint.com)

Any employee can reach out to a Way2Play Hero to understand more about their reporting options.



# POLITICAL ACTIVITIES

You can find more information about how Activision Blizzard participates in public debate in the U.S. through direct and indirect advocacy by accessing our [Political Activities Disclosures](#) online.

## Political Involvement Policy

Pursuant to our Code of Conduct, our resources may not be used for employees' personal political activities, and lobbying activities are permitted only in compliance with applicable law and by individuals designated to represent the Company in such capacity.

## Direct Advocacy

Activision Blizzard engages with government officials and policy makers at the federal, state, and local levels regarding legislation, regulations, and policies that affect our business and operations. We also occasionally retain outside consultants to support our engagement with government officials and policymakers. Activision Blizzard complies with all federal, state, and local lobbying regulations that require entities and individuals who engage in public policy advocacy to register and disclose relevant expenditures.

## Political Contributions & Expenditures

Activision Blizzard does not make direct political contributions to individual candidates, parties, committees, or IRS Section 527 entities or to influence the outcome of campaigns or ballot measures, nor do we directly pay for any independent expenditure or electioneering communication (as those are defined by law). Activision Blizzard does not make payments to 501(c)(4) tax-exempt organizations that the recipient may use for political purposes and we do not have a political action committee. If we decide, on an exception basis and with the prior approval of our Chief Executive Officer, to make a direct political contribution, we will disclose that contribution in our ESG reports.

## Indirect Advocacy & Trade Association Memberships

We belong to several trade associations, including the Entertainment Software Association (ESA) in the United States. These bodies have taken stances on legislative matters and engaged in lobbying on issues that affect the video game industry. Trade associations are independent organizations that represent a variety of members, and whose political or policy positions we may not always share. Our membership and participation in these associations are reported annually to the Nominating and Corporate Governance Committee of our Board.

According to the ESA, during the ESA's 2021 fiscal year, \$53,248 of the Company's membership dues were used for political contributions or expenditure and \$635,398 of the Company's membership dues were used for Section 162 lobbying expenses. No other dues paid by the Company to any other United States trade association or similar tax-exempt organization that received at least \$25,000 in dues from us during 2021 were used for political contributions or expenditures. No portion of the Company's membership dues were used for payments to tax-exempt organizations, such as 501(c)(4)s, that the recipient may use for political purposes.

## About This Report

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# ABOUT THIS REPORT

Activision Blizzard understands that reporting on Environmental, Social, and Governance (ESG) matters is of increasing importance to many of our stakeholders, especially as embedded ESG initiatives, policies, strategies, and goals can help mitigate risk, reduce costs, protect brand value, and identify market opportunities. It was developed with oversight from and the support of the ESG Steering Committee and cross-functional, enterprise-wide ESG working groups. This work was informed by the Sustainability Accounting Standards Board (SASB) reporting framework, specifically that for the Technology & Communications: Software & IT Services sector. In conducting this research, we have relied on information provided and representations made by various third parties, including owners of the cloud computing services, data centers, and property landlords we use and other vendors we work with. We are relying on these third parties and the information they provided for this report since we are unable to confirm independently its accuracy or completeness.

This document covers the period January 1, 2021 through December 31, 2021, unless otherwise noted. In addition, unless otherwise noted or unless the context otherwise requires, "Activision Blizzard," "we," "us," "our Company," and "Company" refer to Activision Blizzard, Inc. and its subsidiaries on a consolidated basis.

We take seriously the views of all our stakeholders and actively seek their input. We will revisit and revise our commitments and evolve our programs on an ongoing basis. For any feedback or questions, please contact [esg@activision.com](mailto:esg@activision.com).

## **Cautionary Note Regarding Forward-Looking Statements:**

This report contains, or incorporates by reference, statements reflecting our views about our future performance that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical facts and include, but are not limited to: (1) statements of our plans and objectives, including those related to our workplace, diversity, and sustainability policies, plans,

and commitments; (3) statements of future financial or operating performance; (4) statements related to our workforce, including plans to enhance our workplace culture, to increase the representation of people who identify as underrepresented minorities or who identify as women or who do not identify as men in our workforce, to improve transparency to our employees, and otherwise to attract and retain the talent needed to meet our objectives; (5) statements relating to keeping offensive behavior, hate speech, and harassment out of our games, and (6) statements relating to our greenhouse gas emissions goals and associated costs and other steps to reduce our environmental footprint; and (7) statements regarding our proposed merger with Microsoft Corporation ("Microsoft") (such transaction, "the proposed merger with Microsoft"), including any statements regarding the expected timetable for completing the proposed merger with Microsoft, the ability to complete the proposed merger with Microsoft, and the expected benefits of the proposed merger with Microsoft; and (8) statements of assumptions underlying such statements. Activision Blizzard generally uses words such as "outlook," "forecast," "will," "could," "should," "would," "to be," "plan," "aims," "believes," "may," "might," "expects," "intends," "seeks," "anticipates," "estimate," "future," "positioned," "potential," "project," "remain," "scheduled," "set to," "subject to," "upcoming," and the negative version of these words and other similar words and expressions to help identify forward-looking statements. Forward-looking statements are subject to business and economic risks, reflect management's current expectations, estimates, and projections about our business, and are inherently uncertain and difficult to predict.

We caution that a number of important factors, many of which are beyond our control, could cause our actual future results and other future circumstances to differ materially from those expressed in any forward-looking statements. Such factors include, but are not limited to: the effect of the announcement or pendency of the proposed merger with Microsoft on our business relationships, operating results, and business generally; risks that the proposed merger with Microsoft disrupts our current plans and operations and potential difficulties

in employee retention as a result of the proposed merger with Microsoft; risks related to diverting management's attention from ongoing business operations; the global impact of the ongoing COVID-19 pandemic (including, without limitation, the potential for significant short- and long-term global unemployment and economic weakness and a resulting impact on global discretionary spending; macroeconomic impacts arising from the long duration of the COVID-19 pandemic, including labor shortages and supply chain disruptions; and volatility in foreign exchange rates); negative impacts on our business from concerns regarding our workplace; our ability to attract, retain, and motivate skilled personnel; negative impacts from unionization or attempts to unionize by our workforce; our ability to successfully implement our sustainability goals, including the achievement of net zero greenhouse gas emissions and the unpredictability of the cost of implementation of such goals; our ability to manage growth in the scope and complexity of our business; substantial influence of third-party platform providers over our products and costs; risks and uncertainties of conducting business outside the U.S., including the need for regulatory approval to operate, impacts on our business arising from the current conflict between Russia and Ukraine, and the impact of cultural differences on consumer preferences; difficulties in integrating acquired businesses or otherwise realizing the anticipated benefits of strategic transactions; relating to behavior of our distributors, retailers, development, and licensing partners, or other affiliated third parties that may harm our brands or business operations; our reliance on tools and technologies owned by third parties; risks associated with undisclosed content or features that may result in consumers' refusal to buy or retailers' refusal to sell our products; risks associated with objectionable consumer- or other third-party-created content; climate change; ongoing legal proceedings related to workplace concerns and otherwise, including the impact of the complaint filed in 2021 by the California Department of Fair Employment and Housing alleging violations of the California Fair Employment and Housing Act and the California Equal Pay Act and separate investigations and complaints by other parties and regulators related to certain employment practices and related disclosures; successful implementation of the requirements of the court-approved consent decree with the EEOC; intellectual property claims; increasing regulation in key territories; regulation relating to the Internet, including regulation concerning data privacy, including China's recently passed Personal Information Protection Law;

scrutiny regarding the appropriateness of our games' content, including ratings assigned by third parties; insolvency or business failure of any of our business partners, which has been magnified as a result of the COVID-19 pandemic; risks associated with our reliance on discretionary spending; and the other factors included in "Risk Factors" included in Part I, Item 1A of our [Annual Report on Form 10-K](#) for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission on February 25, 2022.



## SASB Index

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# SASB<sup>16</sup> INDEX

## Technology & Communications—Software & IT Services

### METRIC 2021

Revenue	In 2021, Activision Blizzard had \$8.8 billion in revenue, 87% of which was from digital channels.														
Total workforce	<p>As of December 31, 2021, Activision Blizzard had approximately 9,800 full-time and part-time employees. These employees approximately break down by segment as follows:</p> <table> <tr><td>Activision .....</td><td>36%</td></tr> <tr><td>Blizzard .....</td><td>40%</td></tr> <tr><td>King .....</td><td>17%</td></tr> <tr><td>Other .....</td><td>6%</td></tr> </table> <p>These employees approximately break down by region as follows:</p> <table> <tr><td>North America .....</td><td>68%</td></tr> <tr><td>Europe, Middle East, and Africa .....</td><td>25%</td></tr> <tr><td>Asia Pacific .....</td><td>7%</td></tr> </table>	Activision .....	36%	Blizzard .....	40%	King .....	17%	Other .....	6%	North America .....	68%	Europe, Middle East, and Africa .....	25%	Asia Pacific .....	7%
Activision .....	36%														
Blizzard .....	40%														
King .....	17%														
Other .....	6%														
North America .....	68%														
Europe, Middle East, and Africa .....	25%														
Asia Pacific .....	7%														
Entity-defined measure of user activity (monthly active users [MAUs]) SASB: TC-IM-000.A	<p>For the quarter ended December 31, 2021, Activision Blizzard had 371 million MAUs, which breaks down by segment as follows:</p> <table> <tr><td>Activision .....</td><td>107 million</td></tr> <tr><td>Blizzard .....</td><td>24 million</td></tr> <tr><td>King .....</td><td>240 million</td></tr> </table>	Activision .....	107 million	Blizzard .....	24 million	King .....	240 million								
Activision .....	107 million														
Blizzard .....	24 million														
King .....	240 million														
Net Bookings <sup>17</sup>	<p>For the year ended December 31, 2021, Activision Blizzard's net bookings were \$8.35 billion, over half of which were from in-game net bookings. Segment net revenue for the year ended December 31, 2021 were as follows:</p> <table> <tr><td>Activision .....</td><td>\$3.48 billion</td></tr> <tr><td>Blizzard .....</td><td>\$1.83 billion</td></tr> <tr><td>King .....</td><td>\$2.58 billion</td></tr> </table>	Activision .....	\$3.48 billion	Blizzard .....	\$1.83 billion	King .....	\$2.58 billion								
Activision .....	\$3.48 billion														
Blizzard .....	\$1.83 billion														
King .....	\$2.58 billion														
Data processing capacity, and percentage which is outsourced SASB: TC-SI-000.B	Not Reported														
Amount of data storage, and percentage which is outsourced SASB: TC-SI-000.C	Not Reported														
Number and location of data centers	As of December 31, 2021, 36 data centers. All of Activision Blizzard's data centers were externally managed; we did not own or operate any data centers.														
Global square footage of buildings and facilities (excluding data centers) on December 31, 2021	As of December 31, 2021, approximately 2.2 million square feet across 75 leased and two owned properties that equal 67,000 square feet.														

TOPIC	Accounting Metric	Unit of Measure	Code	Information
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Kilowatt Hours (kWh), Percentage (%)	TC-SI-130a.1	Total Energy Consumed: 63,848,270, of which 90.19% is grid electricity, 9.45% is onsite fuels, 0.32% is green power purchased, and 0.04% is renewable.
	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Gallons (gal), Percentage (%)	TC-SI-130a.2	Total Water Withdrawn: 31,921,371, of which 8.5% comes from regions with high water stress, and 15.3% comes from regions with extremely high water stress.
	Discussion of the integration of environmental considerations into strategic planning for data center needs	n / a	TC-SI-130a.3	When selecting data centers, we prioritize environmental impact and efficiency throughout our planning as detailed in our " <a href="#">Strategic Planning for Data Center Needs</a> " section.
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	n / a	TC-SI-220a.1	See " <a href="#">Privacy &amp; Ratings</a> " section of this report.
	Number of users whose information is used for secondary purposes	Number	TC-SI-220a.2	Activision Blizzard does not currently track this information.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Reporting Currency	TC-SI-220a.3	In 2021, Activision Blizzard suffered no material losses as a result of legal proceedings associated with user privacy. If and when we have material losses, they will be reported in our <a href="#">Annual Reports on Form 10-K</a> .
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Number, Percentage (%)	TC-SI-220a.4	At this time, we do not track this metric. Given our business, we do not believe that it would be a significant number.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	n / a	TC-SI-220a.5	At this time, we do not track this metric. Given our business, we do not believe that it would be a significant number.

TOPIC	Accounting Metric	Unit of Measure	Code	Information
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	TC-SI-230a.1	Not Reported
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	n / a	TC-SI-230a.2	See " <a href="#">Privacy &amp; Ratings</a> " section of this report
	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	TC-SI-230a.3	Foreign Nationals..... 20.4% Employees Located Offshore ..... 45.3%
Recruiting & Managing a Global, Diverse, & Skilled Workforce	Percentage of gender and racial / ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	TC-SI-330a.3	We measure our diversity metrics using the following categories: Women (Global) ..... 24% Underrepresented Ethnic Groups (UEG, U.S. Only) <sup>18</sup> ..... 36% Diversity at SVP level and above Women (Global)..... 28% UEG (U.S. Only) ..... 22% Diversity at VP level Women (Global)..... 23% UEG (U.S. Only) ..... 29% Diversity at Director level Women (Global)..... 25% UEG (U.S. Only) ..... 27% Diversity at Manager level Women (Global)..... 23% UEG (U.S. Only) ..... 36% Diversity at Entry level Women (Global)..... 29% UEG (U.S. Only) ..... 41%

<sup>18</sup> All data reflects all non-temporary employees – known internally as “FTEs” – and is as of 11/30/2021. Our gender data is global and represents employees’ self selection between fields of “woman,” “man,” “other,” and “prefer not to say.” In calculating gender representation, we consider the percentage of known employees (i.e., those who have not selected “prefer not to say”). Note that at this time we have not included the “other” or non-binary data in our representation calculations but intend to do so in future quarterly updates. Our ethnicity data is limited to the United States and, like our gender data, represents employees’ self selection. In this case the fields from which employees select include “White,” “two or more races,” “Hispanic or Latino,” “American Indian or Alaskan Native,” “Black or African American,” “Asian,” “Native Hawaiian or Other Pacific Islander,” and “prefer not to say.” Again, in calculating ethnicity representation, we consider the percentage of known employees (i.e., those who have not selected “prefer not to say”). We track and differentiate ethnicity in this report under the nomenclature “Underrepresented Ethnic Groups” or “UEGs,” which represents all non-white, known values. In categorizing our levels, for the sake of simplicity, we include SVP, EVP and ABK-wide executive leadership team (e.g. COO, CFO, CPO) roles in the “SVP+” category. Additionally, we define manager as a manager of people and/or processes and projects. The methodology chosen for this presentation is not intended to have any legal significance and should not be viewed as stating any position on the appropriate legal analysis in any jurisdiction. This data represents our best estimates based on data included in our systems.

TOPIC	Accounting Metric	Unit of Measure	Code	Information
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Reporting currency	TC-SI-520a.1	In 2021, Activision Blizzard suffered no material losses related to anti-competitive behavior regulations. If and when we have material losses, they will be reported <a href="#">in our Annual Reports on Form 10-K</a> .
Managing Systemic Risks From Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, Days	TC-SI-550a.1	While very rare, there are times when our products may experience temporary, unplanned service disruptions due to unforeseen circumstances. Typically, these outages are limited to one region, game, or country and do not impact the majority of our players.
	Provide description of business continuity risks related to disruptions of operations	n / a	TC-SI-550a.2	For information concerning the Company's management of systemic risks from technological disruptions, please refer to our most recent <a href="#">Annual Report on Form 10-K</a> , including the Risk Factors section contained in that report.