ACTIVISION BLIZZARD 2020
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT
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## 2020 Environmental, Social, and Governance Report

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MESSAGE FROM OUR CEO

In a time like no other – with communities around the world tested by extraordinary social, environmental, economic, and public health challenges – the employees of Activision Blizzard have served the global community by keeping people connected safely and using our global platform to comfort, inspire, and draw communities together. Our mission – connecting and engaging the world through epic entertainment – has never been more important.

With that backdrop, we are pleased to present Activision Blizzard's first annual Environmental, Social, and Governance (ESG) report. Our culture values humility. Celebrating accomplishment for that which we consider our collective responsibility is not something we do easily. We will highlight our achievements in the service of our mission and our commitments to champion our people and players, advance more diverse and inclusive communities, and protect our planet.

While the report is new, our commitment to these practices is not. I could not be prouder of the people and partners of Activision Blizzard who have risen to the occasion over the last year to support each other, our communities, and our environment.

SPOTLIGHT ON 2020

For years, our video games have served as a broadly appealing means for social connection, providing joy, fun, and a sense of accomplishment for more than 400 million players in over 190 countries. We empower people to experience joy, thrill, and achievement. We foster social connections through the lens of fun, and we enable a sense of accomplishment through healthy competition. Like sport, but with far greater accessibility, our players can find purpose and meaning through gaming.

While other forms of social interaction have been difficult or impossible during the pandemic, games remained a way to connect with people across the globe. We believe gaming connects people more deeply than any other form of media, bringing players and fans together without regard to race, religion, ethnicity, sexual identity, gender, or gender expression.

During the COVID-19 pandemic, Activision Blizzard partnered with the World Health Organization’s #PlayApartTogether campaign, leveraging our game platforms to disseminate critical health and safety information while offering in-game events and rewards to promote physical distancing and enable social connectivity. We transitioned our professional esports leagues, The Overwatch League™ and The Call of Duty League™, to a remote broadcast format to keep our players and fans safe while continuing to deliver world-class esports content to our global audiences.
As we transitioned our nearly 10,000 employees safely to working from home, we also ensured that every Activision Blizzard employee and their families had access to high-quality medical care, including mental health counseling, to get through this difficult time.

We generously supported the communities in which our employees live and work. We donated more than $5 million to aid hospitals, healthcare organizations, and non-profits in our communities treating COVID-19 patients, supporting front line healthcare workers, conducting promising drug trials and convalescent plasma therapies, and providing employment services. In 2020, the Call of Duty Endowment was even more necessary in its mission to help find jobs for America’s veterans, who have sacrificed so much for our country.

Activision Blizzard responded to the traumatic events of the year. We stood with Black Americans and with all those fighting against systemic inequality and violence. We took meaningful steps to combat bullying and hateful speech in our gaming communities. We continued our work towards our commitment to all of our players seeing themselves represented and supported in our games. And we worked to broaden the diversity of our own workforce, our leadership, and the pipeline of talented individuals from which we recruit new employees.

We are proud of the work we’ve done, and we appreciate how much more there is to accomplish.

OUR COMMITMENTS GOING FORWARD

The new commitments we announce today will help us ensure that our organization serves our players, our employees, our shareholders, and our communities, and that those commitments are embedded into and across our business. Our cross-functional ESG working group, now chaired by our Chief Administrative Officer, will execute against these commitments under oversight from me as well as our Board of Directors. Over the course of the next year, we will continue to engage with shareholders to share our successes and commitments. We welcome your feedback on our investments in our ESG initiatives.

CHAMPIONING OUR PEOPLE

We value the increasingly global and diverse backgrounds of our players and employees, and we commit to delivering epic experiences that reflect the communities we serve. Achieving this requires us to attract and retain a diverse and inclusive group of highly talented and motivated employees. We are committed to providing our employees with the opportunities and resources they need to unlock their potential. We can uniquely leverage our scale to increase diversity in our industry and create richer, more fulfilling opportunities for future generations of game-changers. And we create pathways for our future employees by nurturing young minds through investments in education programs in science, technology, engineering, arts, and mathematics (STEAM).
ADVANCING MORE DIVERSE AND INCLUSIVE COMMUNITIES

Our games can responsibly influence popular culture, help to eliminate stereotypes, celebrate differences, and encourage players to embrace tolerance and understanding. Inclusive game and content design are central to our mission. We will continue to craft virtual worlds reflective of the celebration of diversity and acceptance we hope for the physical world, and we will continue to protect the privacy and safety of our players.

Our ability to drive positive impact also reaches beyond our products and our operations. We support our communities through targeted investments, and we are one of the world’s largest supporters of veterans’ employment initiatives through the Call of Duty Endowment.

PROTECTING THE PLANET

Our company cares deeply about the well-being of our planet. We are proud of our accomplishments shifting video game players away from plastic products and toward an all-digital world.

Our ongoing conversion to a more digital business allows us to set and achieve important sustainability goals. This year, we are in the process of establishing baselines and setting quantitative targets to measure our future progress in areas such as reducing packaging waste by 50% over the next five years and bringing our greenhouse gas emissions to net zero by 2050.

For years we have seen the benefits of our investments in thoughtful human capital management, sustainability, and good governance. While our culture of humility is rooted in the ideal that we do the right thing because it’s the right thing to do, not for acknowledgement or credit, we are proud of our commitments and are eager to share our activities with all of our communities.

Sincerely,

Bobby Kotick, CEO of Activision Blizzard
ABOUT US

We encourage our employees around the world to focus on our mission — connecting and engaging the world through epic entertainment. This last year demonstrated that this mission has never been more important.

We empower hundreds of millions of people to experience joy, thrill, and achievement. We foster social connections through the lens of fun, and we foster purpose and a sense of accomplishment through healthy competition. Similar to traditional sports, but with greater accessibility, our players find purpose and meaning through gaming.

We do this by creating courageously, driving inclusion, and thriving together. Most of all, we are committed to building teams that express the diversity needed to effectively serve our hundreds of millions of players around the world. Video games, unlike any other social or entertainment media, have the ability to foster understanding and to break down the barriers that drive intolerance. Celebrating differences is at the core of our culture and ensures we can create games for players of diverse backgrounds. The strength, creativity, and dedication of our talent make Activision Blizzard who we are today. We provide the leadership, innovation, and global resources to empower our employees to create amazing games. We develop and distribute content and services on video game consoles, PCs, and mobile devices. We also operate esports leagues and offer digital advertising within some of our content.

As a member of the Fortune 500 and a component company of the S&P 500, we have an extraordinary track record of delivering superior shareholder returns for over 30 years. Our sustained success has enabled us to support corporate social responsibility initiatives that are directly tied to our franchises. As an example, our support of the Call of Duty Endowment has helped it find employment for more than 85,000 veterans.

Learn more information about Activision Blizzard and its world of epic entertainment on our website, [www.activisionblizzard.com](http://www.activisionblizzard.com). More information about Activision Blizzard and its 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, 2020.

OUR 2020 FINANCIAL AND OPERATIONAL PERFORMANCE

In 2020, we saw the benefits of fundamental changes to some of our largest franchises, as we delivered deeper and more consistent experiences for existing and new players across multiple platforms. While the business benefited from shelter-at-home tailwinds, much of our growth was driven by strong execution in premium content, in-game operations, expanding our mobile presence, and ramping up new engagement models.
When the COVID-19 virus hit last year, we immediately took action to ensure the well-being of our people, their families, our players, and our communities.

OUR PEOPLE AND OPERATIONS

When traditional medical services came under huge demand at the onset of the pandemic, we created an extensive network of physicians to help ensure that our employees and their families had access to medical advice, including mental health support, to deal with the stresses of COVID-19. Our CEO shared his direct phone line and email with every employee and offered to assist any employee personally who needed support during the crisis.

We also implemented additional information security measures in response to COVID-19 focused on enhancing our ability to detect and respond to information security attacks in a global work-from-home environment and on anticipating COVID-19-themed attacks (e.g., phishing campaigns).

OUR PLAYERS, FANS, AND COMMUNITIES

We were proud to partner with the World Health Organization for the #PlayApartTogether campaign to promote social distancing and awareness of the WHO’s health guidelines to our vast network of players. We delivered over 70 million in-game messages to players, and we offered in-game events and rewards to promote social distancing. For example, King added free, unlimited lives to eight of its most popular games, resulting in 18 billion free lives being used and over four billion levels being passed.

In order to keep our esports players and fans safe, we pivoted matches to online play and remote broadcast for both The Overwatch League™ and The Call of Duty League™.

We also supported the communities in which our employees live and work. Activision Blizzard donated more than $5 million to aid hospitals, healthcare organizations, and non-profits that were treating COVID-19 patients, conducting promising drug trials and convalescent plasma therapies, and creating opportunities for veterans. These included a gift to University of California, Los Angeles Health for various initiatives to support front line healthcare workers; a gift to California’s Hoag Hospital to fund research programs and testing protocols; gifts to each of Albany Med, Mount Sinai, Hackensack University Medical Center, UCSE, and the Feinstein Institutes for Medical Research in New York to support research, including into the use of convalescent blood transfusions; and funding to UW Health Madison to vaccinate front line hospital workers.
Vaccination Distribution

Activision Blizzard and the Wisconsin Partnership Program have supported 388 Student Nurses and 60 Nurse Faculty in providing a total of 5261 Hours benefiting the public in partnership with 43 Organizations to assist the people of Wisconsin and beyond.

Our employees did their part too, organizing meal deliveries, caring for the elderly, and supporting first responders and medical staff on the front lines of the pandemic in their communities. The volunteer work done as part of our 2020 Veterans Day of Service resulted in the distribution of “stay well” kits to hundreds of veterans facing homelessness. Please see Advancing More Diverse and Inclusive Communities for more information about our Veterans Day of Service.
Activision Blizzard's purpose is to connect and engage the world through epic entertainment. We are mindful of the impact we have on the lives of hundreds of millions of our players around the world, on our talent, and in the communities where we operate. We are deliberate in the commitments we make to effect social change through the lens of joy and positive social engagement: commitments to champion our people, to advance more diverse and inclusive communities, and to protect the planet. We embed these commitments into our business while maintaining the highest standards of corporate governance.

**CHAMPIONING OUR PEOPLE**

Our talent is the lifeblood of Activision Blizzard. We are committed to providing 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.

We celebrate the global and diverse backgrounds of our players and employees, and we commit to delivering epic experiences that reflect the communities we serve. That begins with a diverse and inclusive workplace. We cannot successfully create broad-appeal entertainment without people with diverse backgrounds and skills. We commit to leveraging our scale and partnerships to increase diversity in our industry and create bigger and better opportunities for future generations of game-changers. And we nurture young minds through support for education programs in science, technology, engineering, arts, and mathematics (STEAM).

**ADVANCING MORE DIVERSE AND INCLUSIVE COMMUNITIES**

Our games can responsibly influence popular culture, help to eliminate stereotypes, celebrate differences, and encourage players to embrace tolerance and understanding. Inclusive game and content design are central to our mission. We will continue to craft virtual worlds reflective of the celebration of diversity and acceptance we hope for the physical world, and we will continue to protect the privacy and safety of our players.

Our ability to drive positive impact also reaches beyond our products and our operations. We support our communities through targeted investments, and we are one of the world’s largest supporters of veterans’ employment initiatives through the Call of Duty Endowment.

**PROTECTING THE PLANET**

We understand that our business impacts our global and local environment and that we have an obligation to operate sustainably. We commit to the well-being of our planet by taking steps to reduce our own environmental footprint and to promote sustainable behaviors throughout our supply chain.

Our ongoing conversion to a more digital business is enabling us to set and achieve important sustainability goals. This year, we are in the process of establishing baselines and setting quantitative targets to measure our future progress in areas such as reducing packaging waste by 50% and achieving net zero greenhouse gas emissions by 2050.
We believe Activision Blizzard is more than a place to work—it’s a platform to connect and engage the world through epic entertainment. Genuinely embodying this mission and responsibility to our communities is a powerful lever to attract the very best talent. We know our people are our most valuable assets, and our continued success and growth are directly related to our ability to attract, recruit, enable, retain, and develop diverse and innovative talent.

BUILDING A BIGGER, MORE DIVERSE TALENT PIPELINE

A bigger, more diverse group of talented people is essential to our recruiting program, and to advancing a more diverse video game industry more broadly. We spend millions of dollars investing into organizations and other efforts that increase the population of well-prepared, high-potential future leaders with skills we need from underrepresented minority groups.

- Our investment in Management Leadership for Tomorrow (MLT) allowed the organization to double participation in its extraordinary career preparation program, equipping high-achieving Black, Latinx, and Indigenous Americans with skills and coaching to accelerate their careers.

- We are participating in MLT’s Tech Trek, which is designed to coach college sophomores who are aspiring software engineers from some of the top colleges and universities in the nation and provide us with access to approximately 200 students who we will consider for summer internships across our company.

- Likewise, our support for the UNCF provided transformative scholarships to Historically Black Colleges and Universities for some of our nation’s most promising youth.

We work deliberately to connect with and recruit from underrepresented groups.

- In 2020, for the second year in a row, our University Relations team partnered with STEM Advantage, which helps us select promising talent for our internship program.

- In 2020, we helped launch the #RaiseTheGame pledge, a games industry diversity initiative being led by the U.K. Interactive Entertainment trade association, joining companies to ensure our industry reflects greater diversity.

- One of our principal business units, King, announced that it exceeded our 2019 target that 40% of total hires be women and established a 2020 goal that 50% of all hires be women or non-binary.

- Our broader Talent Acquisition team is focused on connecting with underrepresented groups. For example we participated in career fairs such as Grace Hopper Celebration and AfroTech World.

- We require our hiring partners (external or contract recruiters) to provide a diverse slate of candidates for all positions where possible.
• Our hiring managers and recruiters use our employee networks, employee referrals, development programs focused on the advancement of women in technology, and other tools to support our efforts to have the broadest group of applicants for every open position we have.

We invest in developing high-potential, early-career talent through programs designed to support undergraduate and graduate students in growing their careers.

**MBA Graduate Rotational Program:** This two-year program provides MBA graduates the opportunity to experience three eight-month rotational positions across the global organization. In addition, graduates receive access to opportunities for leadership development including personal brand development, presentation skills, negotiation skills, behavioral assessments, mentorship, and business case evaluations. Over 90% of the MBA graduates from our first cohort have remained with the organization, equipped with extensive knowledge that sets them up for success and ensures they understand what matters most.

**Early Careers Program:** We hosted virtual internship programs for undergraduate and graduate students in the summer of 2020, with almost 200 interns across the organization. As part of this program, interns are embedded into working teams and tasked with contributing to real-world challenges, projects, and games. Events take place throughout the internship to connect interns to our games, leaders, and each other to build a sense of community and broaden their horizons on the career possibilities ahead.

**Referral Program:** We believe that great talent knows great talent. We have an enterprise-wide referral program through which employees can refer candidates to roles within any business unit, at any of our locations around the world. If a referral is successfully retained, the referring employee receives a cash award, with larger amounts paid for roles deemed critical, in order to increase the incentive to our employees to help fill those roles.

We have various community programs to promote STEAM learning and foster career opportunities for underrepresented groups in STEAM fields.

**GDC**

**IN 2021,** we will be offering women (whether cis or trans) and non-binary students considering a degree in gaming the opportunity to virtually attend the Game Developers Conference, an annual conference for video game developers. Twenty-one of the previous 50 scholarship recipients became full-time employees of the Company.

**SINCE 2016, WE HAVE PARTNERED WITH HELLO WORLD!,** a Swedish-based non-profit organization that, through summer camps and weekend meetups, encourages, and spreads interest and knowledge in science, technology and art using digital tools, with an emphasis on girls and children from socioeconomically vulnerable areas.
Our CEO has personally recruited the most talented individuals from historically underrepresented groups who hold senior roles throughout the Company, including at the C-level and within the leadership of each of our business units and corporate functions.

Creating truly diverse leadership teams sets the example and expectation that diversity is to be reflected throughout the organization.

- We expect all candidate slates for VP and above positions to include diverse candidates. Our commitment to diversity from the top sets the example for all of our employees.
- We prioritize a diverse panel of interviewers in our interview processes.
- We provide ongoing coaching and training to recruiters and hiring managers on methods to reduce unconscious bias.
- Our hiring processes use artificial intelligence-driven technologies and policies to maximize focus on candidate qualifications and experiences, and to minimize the effects of personal characteristics and unconscious bias on candidate selection.
- Starting in 2021, employees who have a succession plan as part of their performance objectives will be required to include at least one diverse external candidate.
- Also starting next year, we will make our consolidated EEO-1 report publicly available and will supplement our EEO-1 data with fuller information on the demographics of our workforce using classifications and job levels that we believe are more accurate and useful in assessing our progress in every country in which we operate.

IN 2020, we made a contribution to Ada, the National College for Digital Skills in London, of which we are one of the founding industry partners. Our employees served as industry mentors for students there, as well as judges for the games challenges.

IN 2020, we partnered with Gameheads, a non-profit focused on supporting youth of color to prepare them for a successful career in tech and games. We hosted a user research-focused panel where students received feedback on their research efforts.

IN 2020 AND 2019, we organized “Hour of Code” events in connection with the campaign by Code.org, a non-profit dedicated to expanding access to computer science in schools and increasing participation by women and underrepresented minorities.

IN 2018, we have partnered with Girls Who Code, a non-profit focused on closing the gender gap in technology, to host a seven-week Summer Immersion Program for high school-aged girls to learn coding and gain exposure to careers in tech.

SINCE 2018, we have partnered with Girls Who Code, a non-profit focused on closing the gender gap in technology, to host a seven-week Summer Immersion Program for high school-aged girls to learn coding and gain exposure to careers in tech.

WE ALSO PARTICIPATED IN THE THU CAREER CAMP IN 2020, which is a free three-day online event that allows attendees to boost their careers by meeting with top studios, participating in mentorships, attending skill and career development sessions, and mingling with fellow artists.
PROMOTION

We aim to hire talent that is “ready now” for their first role at Activision Blizzard. As a leader in video game development, it is no surprise that we further invest in our people by helping them “level up” and ascend to broader roles throughout the company. We further recognize exceptional performance and development of new capabilities with formal promotions.

13.5% OF EMPLOYEES WERE PROMOTED IN 2020

x2 INCREASE

WOMEN IN OUR GAME DEVELOPMENT LEADERSHIP ROLES SINCE 2016

EQUAL

PROMOTION RATES BETWEEN OUR MINORITY AND NON-MINORITY POPULATIONS.

HIGHER

PROMOTION RATES FOR WOMEN THAN MEN

DEVELOPING CAREERS AND GROWING LEADERS

Constantly developing both our internal and external talent pools is vital to our business. Our talent processes are focused on performance management, strategic talent assessment and succession planning, and career and leadership development opportunities through promotion and internal mobility.

Performance Management and Career Development: Recognizing and rewarding performance is a key objective of our talent processes. We focus on ensuring employees have a clear understanding of their strengths and development opportunities, while fostering a collaborative and productive relationship between employees and their managers. Our annual performance management process provides our employees with clear expectations, career development opportunities, and visibility into how their work impacts our games, our players, and the Company’s objectives. The process begins with goal-setting, followed by encouraged “check-ins” so employees have a clearer understanding of their strengths and how they are contributing to the Company. Finally, we provide clear, candid, actionable feedback, professional development resources, and real-time coaching to help our employees achieve their greatest potential and productivity.

Talent & Succession Planning: Robust succession planning helps ensure business continuity and drive growth at Activision Blizzard. We start by identifying critical leadership roles across the Company and then assess both internal and external candidates to evaluate their readiness to fill these critical roles. We place special focus on high-performing, high-potential, and diverse talent. Our succession plans are reviewed regularly and continuously evolve as our needs change and our people grow.

Equality & Diversity Training: Upon joining the Company, and again every two years, every employee is required to take our bespoke online Equality & Diversity Training, which underscores our commitment to creating a respectful workplace culture.
ENGAGING EMPLOYEES

Employees across the Company have the opportunity to join and contribute to one of our nine Employee Networks. These groups enrich our employees’ experiences, our culture, and our business by driving inclusion, cultural awareness, professional development, networking, and community involvement. They also positively influence talent attraction and inclusive game design. Our networks play an integral role in building connection and community. They partner with our DE&I team to host events that amplify the voices of our employees, educate and inspire, and raise awareness of diverse topics and events important to our industry and employees, including International Women’s Day, Black History Month, and Pride Month.

Employee engagement also plays a critical role in how we identify and improve the way we work. Our triannual employee engagement surveys allow us to hear directly from our employees. Our survey participation rates across the company—75% with respect to our most recent survey—demonstrate employees’ commitment to help us keep Activision Blizzard a great place to work. And our most recent engagement score (72) indicates that our employees are engaged.1 We recently added questions to measure manager effectiveness and employee sentiment around inclusion. Overall, our results show that employees feel that they are supported, well-communicated to by leadership, and treated fairly.

Surveys also help us understand our employees’ perspectives in critical moments. In December 2020, we asked employees about return-to-office safety measures and about how they feel enabled to do their job in the work-from-home environment. Our most recent employee survey showed that many employees appreciate the Company’s help in reimbursing expenses for home office setups.

1 Triannual surveys consistently “pulse” the organization for our employees’ perception on whether the Company is a “great place to work” and whether employees are “satisfied working at the Company.” Employees are asked to answer each using a five-point Likert scale (e.g., ranging from “very unlikely” to “very likely”). We consider an employee who answers favorably (i.e., with a score of “4” or “5”) to both questions to be engaged.
REWARDING AND SUPPORTING EMPLOYEES

A productive, balanced workforce is essential to delivering epic experiences to our players. We are committed to supporting all of our employees through benefits programs that are innovative and inclusive so that our employees and their families can live healthier and more secure lives. At the same time, we are committed to ensuring equal pay for equal work while always rewarding superior performance.

**Equal Pay for Equal Work:** It has been our practice for a number of years to specifically take into account our pay equity objectives when making compensation decisions. In our 2022 ESG report, we will publish the conclusions of our Company-wide analysis of pay by gender and non-binary populations. It is our promise to not let up on this work, and to continue to work towards the removal of unconscious bias and ensuring equal pay for equal work.

**Benefits:** We seek out pioneer partners who give our employees modern benefit experiences that encompass holistic health—mind, body, financial, and overall wellness. While benefits vary by geography, one example of these benefits, where applicable, are the ways we support both current and hopeful parents.

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<td><strong>Infertility treatment &amp; healthy pregnancy tools:</strong> Hopesful parents on our insurance programs can tap into support from Progyny.</td>
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<tr>
<td><strong>SNOO “SmartSleeper” bassinet.</strong></td>
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<tr>
<td><strong>Breast milk delivery service from Milk Stork.</strong></td>
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<td><strong>Mothers@Work:</strong> 24/7 access to lactation consultants for guidance on breastfeeding challenges and concerns.</td>
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**OUR PARENTHOOD BENEFITS**

Our employees should be able to embrace both parenthood and a career.

- **For all parents (birth and non-birth):** We want employees to bond with a newborn baby or newly adopted child. When combined with state and federal leave, where applicable, parental leave can generally offer leave for 12 weeks at full pay or include an additional 10 weeks of disability leave. When combined, birth mothers can generally take leave for 20-22 weeks at full pay in the U.S.
ADVANCING MORE DIVERSE & INCLUSIVE COMMUNITIES

Video games are redefining what it means to interact socially. Games empower players to take ownership of their interactive experiences and share those experiences across a global community. They offer an unparalleled storytelling capability, a multitude of options to personalize the player experience, and a massive number of ways to communicate, compete, and collaborate.

Our games can responsibly influence popular culture, eliminate stereotypes, celebrate differences, and encourage the hundreds of millions of people we reach to embrace tolerance and understanding.

ADVANCING DIVERSITY IN OUR GAMES

We are working to create the most diverse games in the world by creating innovative tools, training, and practices to ensure our players see themselves reflected in our games, including through characters of color, characters from the LGBTQ+ community, characters of differing abilities, and non-binary characters.

Our developers leverage the members of our Employee Networks, as well as the Company’s DE&I team, to provide feedback and input on content ranging from narratives, worlds, levels, character skins and names. For example, our LGBT+ & Allies Network provided input impacting some of our heroes’ storylines. Examples include the back stories for Tracer and Soldier: 76, LGBTQ+ characters from Overwatch®.

We also continue to introduce a variety of cosmetic options for our heroes (including character skins or outfits) that allow players to express themselves in-game. For example, players of World of Warcraft®: Shadowlands can fully customize their character—aside from their playable mythical race—without charge.
Making Our Games Accessible to All Players

Our players come to our games with varying needs, abilities, and preferences. We know that inclusive design considerations can help create accommodations and rich experiences that are enjoyable for all. We continue to invest in employees who are building industry-leading technology to help ensure great playing experiences that are accessible by all. For example:

- In 2020, we partnered with The AbleGamers Foundation, a non-profit organization and foundation dedicated to improving accessibility in video games, to host their Accessible Player Experience certification program.

- We have a suite of accessibility guidelines, created with the help of our Differing Abilities & Friends Employee Network, which includes recommendations and example solutions to address a wide number of potential accessibility barriers in games. We address accessibility challenges whenever feasible so that we can create experiences of the highest quality for all of our players.

- We also have an “Accessibility Heroes” initiative co-led by our UX Research and Player Initiatives teams to help identify design accessibility barriers and improve accessible player experience (APX). Players participating in the initiative include a mix of players who experience accessibility barriers themselves and people unable to play our games because of possible design barriers. Findings from the APX research studies provide our developers with valuable insights to help improve the player experience overall and welcome more players.

Examples of Accessibility Features in Some of Our Products Include:

- Colorblind Options
- Subtitles
- Control Options for Visual Customizations
- Challenge Level Adjustments
- Input Options
- Motion Sickness Fix
- Photo-Sensitivity Adjustments

NEW CHARACTERS

Tony Hawk’s Pro Skater™ 1+2
introduced a selection of new skaters, including women skaters from Brazil and Japan, and Leo Baker, a non-binary skater.

Shadowlands
Pelagos broke ground as the first openly transgender character in World of Warcraft.
CREATING A SAFE, PRIVATE ENVIRONMENT FOR OUR GAMERS

We honor the trust our customers put in us. They expect to feel safe playing our games and to know that we are guarding the data that they share with us.

FIGHTING UNACCEPTABLE BEHAVIOR

Activision Blizzard prohibits behavior on our platforms and in our games that is harassing, racist, hateful, obscene, or otherwise unacceptable.

- We encourage players to report unacceptable behavior and have channels and staff facilitating that reporting, including in-game reporting systems.
- We employ proactive methods to remove problematic content such as machine learning tools, moderation, and filtering. These tools enable us to prevent, detect, and take appropriate action against offenders. We acknowledge that there is more work to do on this issue, and we are consistently working to improve these systems by investing in both people and technology.
- We encourage our entire community to leverage mentalhealth.gov, which provides valuable education, resources, and support and can be accessed directly or via our company website.

PROTECTING THE PRIVACY AND DATA OF OUR EMPLOYEES, PLAYERS, AND FANS

Activision Blizzard is committed to implementing measures designed to maintain 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 employee 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, which we manage risk against. 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 (e.g., the Legal team, the PR team, and our Production team), 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.
SUPPORTING THE COMMUNITIES THAT SUPPORT US

CALL OF DUTY ENDOWMENT
The flagship of our corporate social engagement efforts is the Call of Duty Endowment (The Endowment), which helps veterans find high-quality careers by supporting groups that prepare them for the job market and by raising awareness of the value vets bring to the workforce.

$53M+
GRANTS MADE BY THE ENDOWMENT SINCE ITS INCEPTION

15K+
VETERANS PLACED IN HIGH-QUALITY JOBS IN 2020 MAKING IT THE MOST SUCCESSFUL YEAR TO DATE

OF THOSE PLACED,
21% WOMEN,
AN ESTIMATED
28% BLACK

(WOMEN VETERANS AND BLACK VETERANS COMPOSE JUST 10% AND 12% OF THE U.S. VETERAN POPULATION RESPECTIVELY)
VETERANS DAY OF SERVICE

While COVID-19 prevented our workforce from gathering in person in 2020, the 7th annual Veterans Day of Service continued on remotely.

1,200+ volunteers from Activision, Blizzard, and Corporate
Including almost 80 interns
And over 100 players and staff from all nine U.S. teams in our Call of Duty League™

21 unique charities were supported by creating assistance kits curated to meet the specific needs of local veterans in their region. For example, “stay well” kits and kits with blankets and hats for veterans facing homelessness.

TOP CHARITIES SUPPORTED:
2020 HOLIDAY GIVING INITIATIVE

$200 each employee could pledge to the charity of their choice.  

$1.6M given to 3,211 charities around the world.

TOP TEN RECIPIENTS

Doctors Without Borders, 231 Donations
St. Jude Children’s Research Hospital, 117 Donations
World Wildlife Fund Inc., 107 Donations
UNICEF USA, 97 Donations
Second Harvest Food Bank of Orange County, 94 Donations
Trevor Project, Inc., 87 Donations
American Cancer Society Inc., 82 Donations
Equal Justice Initiative, 71 Donations
ACLU Foundation, 69 Donations
Save The Children Federation, 69 Donations

BREAST CANCER RESEARCH FOUNDATION

In direct response to our community, we partnered in 2018 with the Breast Cancer Research Foundation (BCRF) to launch its first charitable campaign by releasing Pink Mercy, a limited-time Legendary skin for the Mercy character in Overwatch®.

$12.7M raised for the Breast Cancer Research Foundation with help of our generous players. This was the largest donation by a corporate partner within one year in BCRF’s 25-year history.
We understand that our business impacts our global and local environment and that we have an obligation to operate sustainably. We commit to the well-being of our planet by taking steps to reduce our own environmental footprint and to promote sustainable behaviors throughout our supply chain.

In 2020, we derived approximately 82% of our revenues via digital channels. Our ongoing conversion to a more digital business is enabling us to set and achieve important sustainability goals. This year, we are establishing baselines and setting quantitative targets to measure our future progress in areas such as reducing our packaging waste by 50% over the next five years and achieving net zero greenhouse gas emissions by 2050.

**REDUCING OUR PRODUCT ENVIRONMENTAL FOOTPRINT**

Over the last five years, we estimate we have saved over 5.5 million pounds of plastic packaging. And as noted above, we are committed to continuing to reduce our plastic consumption by 50% over the next five years, using 2019 as a baseline.

**PRODUCT ENVIRONMENTAL FOOTPRINT EFFORTS**

- **Packaging Reductions through Digitization**
- **Material Reduction through Redesigns**
- **Increased Efficiency in Distribution and Transportation**
- **Product End-of-Life Management**

**5.5 MILLION POUNDS OF PLASTIC PACKAGING SAVED OVER FIVE YEARS**

**COMMITTED TO**

Reaching **NET ZERO EMISSIONS** by 2050

**50% REDUCTION IN OUR PLASTIC CONSUMPTION OVER 5 YEARS, USING 2019 AS A BASELINE**
REDUCING OUR FACILITIES’ ENVIRONMENTAL FOOTPRINT

We own two properties, consisting of warehouses and office space in Burglengenfeld, Germany and Venlo, the Netherlands; the remainder of our 80 offices and other facilities are leased. We actively engage with our landlords and property managers to advocate for environmentally friendly practices in our offices and other facilities. We are also working to gain visibility and become more transparent about the data related to our environmental footprint. Of our roughly 2.3 million square feet, approximately 350,000 square feet, or 15% of our portfolio, is LEED or ISO 14001 certified.

REDUCING OUR DATA CENTERS’ ENVIRONMENTAL FOOTPRINT

Environmental impact and energy efficiency are a priority in the selection of our data centers.

- In 2020, we began conducting environmental analyses with our landlords and property managers.
- In 2020, we also started working with data center providers to collect and analyze data on their energy, emissions, and water footprints, including power usage effectiveness (PUE) and water usage effectiveness (WUE), which measure the energy and water efficiency of data centers.
- In North America, we are consolidating our data centers to create business efficiencies and improve our environmental footprint by transferring most of our data and hardware to energy- and water-efficient data centers. We aim to have the majority of North American data center usage hosted by providers that prioritize optimizing their environmental footprint, particularly as related to energy use, greenhouse gas emissions, and water use.
- In Europe, all of our data centers are operated by a provider whose data centers run on 100% renewable energy.

COMMITTING TO REDUCE OUR EMISSIONS

As we work to reduce the environmental impact of our owned and leased facilities, as well as our data centers, we remain focused on our goal of achieving net zero greenhouse gas emission by 2050. To that end, this year we are in the process of understanding and measuring our emissions and determining a baseline and plan to set interim targets to show our progress toward achieving net zero emissions.
CORPORATE GOVERNANCE

BOARD OVERSIGHT OF ESG PRACTICES, PERFORMANCE, AND DISCLOSURE

Our Board and its committees oversee matters related to our ESG practices, performance, and disclosure. Through this process, directors provide management with feedback and guidance on the Company’s ESG efforts.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee, in consultation with the full Board, the Compensation Committee, and the Audit Committee, has oversight of the Company’s ESG strategy, practices, and policies, including the Company’s reporting on ESG matters.

BOARD

The full Board receives reports on our ESG matters, strategy, and activities, including a discussion of our annual ESG report. The Board also oversees succession planning for our senior management and reviews the conclusions of management with respect to the Company’s exposure to strategic enterprise-level risks, including strategies used to mitigate such risks.

COMPENSATION COMMITTEE

The Compensation Committee broadly oversees the Company’s human capital matters, including attracting, retaining, and developing talent; matters related to executive compensation and the long-term strategy of non-executive compensation; diversity, equity, and inclusion; employee engagement; other measures or objectives the Company uses to manage the business; and any other matters related to human capital management.

AUDIT COMMITTEE

The Audit Committee oversees our ethics and compliance program, including our Code of Conduct. The Audit Committee also assists in the management of systematic risks that the Company faces, including privacy and cybersecurity risks, risk related to the legal and regulatory environment in which the Company operates.

You can also read more about our corporate governance practices on our website.
MANAGEMENT ESG STEERING COMMITTEE AND ESG WORKING GROUP

ESG STRATEGY, PRACTICES, AND POLICIES

In 2020, our management established a cross-functional, enterprise-wide ESG working group, which includes members of our executive management team and employees from all of our business units and corporate functions. The working group supports the steering committee by identifying the ESG matters that are most relevant to our business. As part of our long-term strategy, we continue to expand our internal ESG expertise, advance our reporting activities, and identify new partnership opportunities to highlight our key ESG issues.

HIGHLIGHTS OF OUR CORPORATE GOVERNANCE PROGRAM

We are committed to adopting and following strong corporate governance practices that benefit all of our stockholders. We believe that a foundation of good corporate governance creates an environment of accountability and otherwise promotes the long-term interests of our stakeholders.

Highlights of our corporate governance program include:

- Annual election of directors
- 20% of directors are women
- Selection pool for new external CEO will include qualified women and racially or ethnically diverse candidates
- 80% of directors are independent, as are all members of our three standing Board committees
- 20% of directors are underrepresented minorities (URM)*
- Engage with investors on executive compensation and governance practices
- Separate Chairman and CEO; lead independent director
- Selection pool for independent Director nominee will include qualified women and racially or ethnically diverse candidates
- Director “overboarding” policy; no director on more than one other public company board

Please see page 18 of our 2021 Proxy Statement and our Corporate Governance Principles and Policies for a more detailed explanation of our corporate governance practices.

*An underrepresented minority, or URM, is an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, and/or who self-identifies as gay, lesbian, bisexual, or transgender.
WAY2PLAY: OUR ETHICS AND COMPLIANCE PROGRAM

The right way to play starts with our Code of Conduct, which is our ethical foundation outlining our guiding principles and key ethics and compliance policies. Our Code requires that we obey all applicable laws and conduct our business with integrity, and it outlines our expectations of all employees. We have multiple other policies which support or elaborate on the principles of our Code.

We operate a robust global ethics and compliance program known as the “Way2Play” program. The Corporate Ethics & Compliance team (known as the “Way2Play Team”) creates policies, trainings, communications, and initiatives, and provides other resources that help employees navigate the “right way to play” while working at the Company. Although the core Way2Play Team is based at the Company’s headquarters, the broader team extends globally and includes individuals from various offices and across the Legal team, Human Resources team, and other corporate functions.

Additionally, our “Way2Play Heroes” initiative trains and empowers carefully chosen employees, known as “Heroes”, from across the Company to promote ethics and compliance in their local workplaces. Together with our Heroes, the Way2Play Team regularly engages in interactive “roadshow” trainings across the globe, specifically developed for individual locations and their needs. These ethics and compliance trainings, done in person or virtually, address the ethics and compliance needs and concerns as they arise.

We also have robust online trainings for all of our employees. Every new employee is required to take our “Way2Play Training,” which is a bespoke, interactive online course covering the key concepts in the Code of Conduct, including anti-bribery and anti-corruption. To help ensure continued global commitment to the Code of Conduct, we also require all employees to review and acknowledge the Code of Conduct on an annual basis. Every new employee is required to take our bespoke online Equality & Diversity Training (see Developing Careers and Growing Leaders for more information). In addition, employees are periodically required to take additional training in areas like sexual harassment prevention training and privacy.

Building and maintaining a culture of “speaking up” is a fundamental tenet of the Way2Play Team’s work. This is reinforced and reflected in all parts of the Way2Play program: our online and roadshow trainings, the Company’s “speak up campaign” and the day-to-day advocacy and support provided by the global Way2Play Team and Heroes. We provide a number of ways for employees to raise concerns, including via anonymous reporting. Our trainings and “speak up” campaigns reinforce these various reporting mechanisms and make clear that we do not tolerate retaliation against any employee who makes a good faith report or assists in good faith in an investigation.

All reports or disclosures that come through the Integrity Line or other employee-reporting avenues are taken seriously, and we conduct timely and thorough investigations as appropriate. We do not tolerate retaliation against any employee who makes a good faith report or assists in good faith in an investigation.
## Policies and Business Ethics

Building upon the ethical foundation laid out in our Code of Conduct, we have a robust set of policies that further detail and elaborate on our principles and expectations, some of which are included below. Our employees receive comprehensive training on the key policies included in the Code of Conduct, as described above.

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Code of Conduct</th>
<th>Vendor Code of Conduct</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anti-Bribery &amp; Anti-Corruption Policy</strong></td>
<td>(Anti-Corruption: Business Without Bribery section)</td>
<td>(No Bribery section)</td>
</tr>
<tr>
<td><strong>Anti-Discrimination &amp; Anti-Harassment Policies</strong></td>
<td>(Harassment: Don’t Do It; Diversity and Non-Discrimination: Respect Differences sections)</td>
<td>(Discrimination: Respect for Individuals section)</td>
</tr>
<tr>
<td><strong>Conflict Minerals Policy</strong></td>
<td>(Responsible Sourcing of Minerals section)</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Governance Policies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fair Competition Policies (i.e., antitrust policies)</strong></td>
<td>(We Play Fair, Trade Associations: Participate With Care, and Compete With Integrity sections)</td>
<td>(No Unfair Business Practices; Privacy sections)</td>
</tr>
<tr>
<td><strong>Human Rights Policy</strong></td>
<td>(Respect Human Rights section)</td>
<td></td>
</tr>
<tr>
<td><strong>Reporting &amp; Non-Retaliation Policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vendor Code of Conduct</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Vendor Code of Conduct includes the "Third Parties: Demand Integrity" section.*
POLITICAL ACTIVITIES

Below we describe how Activision Blizzard participates in public debate in the United States through direct and indirect advocacy at the federal, state, and local levels.

OUR CODE OF CONDUCT

Pursuant to our Code of Conduct (“Political Activities: Be Responsible” section), 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.

POLITICAL CONTRIBUTIONS AND 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. 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.

DIRECT ADVOCACY

Activision Blizzard engages with government officials and policy makers at the federal, state, and local levels on legislation, regulations, and policies that affect us. We also retain outside consultants to support our engagement with government officials and policy makers.

We comply 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.

INDIRECT ADVOCACY AND TRADE ASSOCIATION MEMBERSHIPS

We belong to trade associations that are focused on issues that affect us including the Entertainment Software Association in the United States. These trade associations may engage in lobbying or advocacy activities on behalf of their members. We engage with these associations to ensure they represent our core interests, but these are ultimately independent organizations representing a variety of members and may take political or policy positions we do not share.
During the ESA's 2020 fiscal year, according to the ESA, $40,793 of Activision Blizzard's ESA dues were used for political contributions or expenditures. No other dues paid by Activision Blizzard to any U.S. trade association or similar tax-exempt organization that received at least $25,000 in dues from us during 2020 were used for political contributions or expenditures. If and when dues paid by Activision Blizzard to any U.S. trade association or similar tax-exempt organization that received at least $25,000 in dues from us during a given year are used for political contributions or expenditures, we will disclose that fact. No portion of Activision Blizzard's dues are used for payments to tax-exempt organizations, such as 501(c)(4)s, that the recipient may use for political purposes.
## OUR AWARDS AND RECOGNITION

<table>
<thead>
<tr>
<th>Source</th>
<th>Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adweek</strong></td>
<td>• Johanna Faries, the Commissioner of the Call of Duty League™, was named one of the Most Powerful Women in Sports (2020)</td>
</tr>
<tr>
<td><strong>Built in Los Angeles</strong></td>
<td>• Activision Blizzard was named on the 100 Best Places to Work in Los Angeles in 2020</td>
</tr>
<tr>
<td><strong>Comparably</strong></td>
<td>• Claudine Naughton, Chief People Officer, was included in 50 People Leaders Driving Positive Change (2020)</td>
</tr>
</tbody>
</table>
| **Engage for Good’s Halo Awards** | • In 2020, Activision Blizzard and The Endowment won a Halo Award in “Social Service” category (Activision Blizzard and The Endowment’s third win) for The Endowment’s #HireHonor campaign  
• In 2020, Activision Blizzard was nominated for a Halo Award in the “Group Volunteerism” category for our 2019 Veterans Day of Service |
| **Forbes**      | • In 2020, Activision Blizzard was on America’s Best Employers list |
| **FORTUNE**     | • Activision Blizzard has been one of Fortune’s “World’s Most Admired Companies” since 2016 |
| **Human Rights Campaign** | • Activision Blizzard was named one of the “Best Places to Work for LGBTQ Equality” in 2020 (for the third consecutive year)  
• Activision Blizzard has a 100% rating on HRC’s 2020 Corporate Equality Index |
| **PRovoke**     | • Helaine Klasky, our Chief Communications Officer, was included in The Influence 100 (2020) |
| **Webby**       | • In 2020, Activision Blizzard and The Endowment were finalists for a Webby in the “Public Service & Activism” category for The Endowment’s #HireHonor campaign |
| **Vetty**       | • In 2019, The Endowment received a Vetty Award in the “Employment Category” |
ABOUT THIS REPORT

Activision Blizzard understands that reporting on environmental, social, and governance 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. Therefore, our management established a cross-functional, enterprise-wide ESG working group, which includes members of our management. Please see Corporate Governance for more information about our working group. This team identified, gathered, and analyzed a wide spectrum of Activision Blizzard ESG-related data with the goal of reporting on the information we determined was of most significance to our business and our stakeholders. This work was informed by the Sustainability Accounting Standards Board (SASB) reporting framework, specifically that for the Technology and 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 data centers 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, 2020 through December 31, 2020, 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 operating units 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.

Cautionary Note Regarding Forward-looking Statements: The statements contained in this report that are not historical facts are forward-looking statements. We generally use words such as such as “will,” “could,” “should,” “would,” “to be,” “plan,” “aims,” “believes,” “may,” “might,” “expects,” “intends,” “seeks,” “anticipates,” “estimate,” 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 the Company’s business, and are inherently uncertain and difficult to predict. The Company cautions that a number of important factors, many of which are beyond the Company’s control, could cause Activision Blizzard’s actual future results and other future circumstances, including our ability to satisfy any commitments we have made in this report, to differ materially from those expressed in any forward-looking statements. Such factors include, but are not limited to, the ongoing global impact of COVID-19 (including, without limitation, the potential for significant short- and long-term global unemployment and economic weakness and a resulting impact on global discretionary spending; potential strain on the retailers and distributors who sell our physical product to customers; effects on our ability to release our content in a timely manner; the impact of large-scale intervention by the Federal Reserve and other central banks around the world, including the impact on interest rates; and volatility in foreign exchange rates); our ability to consistently deliver popular, high-quality titles in a timely manner; concentration of revenue among a small number of franchises; our ability to satisfy the expectations of consumers with respect to our brands, games, services, and/or business practices; our ability to attract, retain, and motivate skilled personnel; rapid
changes in technology and industry standards; competition, including from other forms of entertainment; increasing importance of revenues derived from digital distribution channels; risks associated with the retail sales business model; the continued growth in the scope and complexity of our business, including the diversion of management time and attention to issues relating to the operations of our newly acquired or started businesses and the potential impact of our expansion into new businesses on our existing businesses; substantial influence of third-party platform providers over our products and costs; risks associated with transitions to next-generation consoles; success and availability of video game consoles manufactured by third parties; risks associated with the free-to-play business model, including dependence on a relatively small number of consumers for a significant portion of revenues and profits from any given game; our ability to realize the expected financial and operational benefits of, and effectively implement and manage, our previously announced restructuring actions; our ability to quickly adjust our cost structure in response to sudden changes in demand; risks and costs associated with legal proceedings; intellectual property claims; changes in tax rates or exposure to additional tax liabilities, as well as the outcome of current or future tax disputes; our ability to sell products at assumed pricing levels; reliance on external developers for development of some of our software products; the amount of our debt and the limitations imposed by the covenants in the agreements governing our debt; the seasonality in the sale of our products; counterparty and credit risks relating to customers, licenses, licensors, and manufacturers; risks associated with our use of open source software; piracy and unauthorized copying of our products; insolvency or business failure of any of our partners; risks and uncertainties of conducting business outside the United States; increasing regulation of our business, products, and distribution in key territories; compliance with continually evolving laws and regulations concerning data privacy, intellectual property, and other cybersecurity risks; and the other factors identified in the “Risk Factors” sections included in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. Any forward-looking statements in this report are based on information available to the Company as of the date of this release, and the Company assumes no obligation to update any such forward-looking statements. Although these forward-looking statements are believed to be true when made, they may ultimately prove to be incorrect. These statements are not guarantees of the Company’s future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and may cause actual results to differ materially from current expectations.
## TECHNOLOGY AND COMMUNICATIONS – SOFTWARE & IT SERVICES

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>In 2020, Activision Blizzard had $8.1 billion in revenue, more than 80% of which was from digital channels.</td>
<td>In 2019, Activision Blizzard had $6.5 billion in revenue, more than 75% of which was from digital channels.</td>
</tr>
<tr>
<td>Total workforce</td>
<td>As of December 31, 2020, Activision Blizzard had 9,630 employees (9,429 of which were full-time and the remaining 201 were part-time). These employees approximately break down by segment as follows:</td>
<td>As of December 31, 2019, Activision Blizzard had 9,234 employees (9,154 of which were full-time and the remaining 80 were part-time). These employees approximately break down by segment as follows:</td>
</tr>
<tr>
<td></td>
<td>▶ Activision: 27%</td>
<td>▶ Activision: 26%</td>
</tr>
<tr>
<td></td>
<td>▶ Blizzard: 45%</td>
<td>▶ Blizzard: 46%</td>
</tr>
<tr>
<td></td>
<td>▶ King: 20%</td>
<td>▶ King: 21%</td>
</tr>
<tr>
<td></td>
<td>▶ Other: 7%</td>
<td>▶ Other: 7%</td>
</tr>
<tr>
<td></td>
<td>These employees approximately break down by region as follows:</td>
<td>These employees approximately break down by region as follows:</td>
</tr>
<tr>
<td></td>
<td>▶ North America: 68%</td>
<td>▶ North America: 66%</td>
</tr>
<tr>
<td></td>
<td>▶ Europe, Middle East and Africa: 28%</td>
<td>▶ Europe, Middle East and Africa: 30%</td>
</tr>
<tr>
<td></td>
<td>▶ Asia Pacific: 4%</td>
<td>▶ Asia Pacific: 4%</td>
</tr>
<tr>
<td>Entity-defined measure of user activity (monthly active users (MAUs))</td>
<td>For the quarter ended December 31, 2020, Activision Blizzard had 397 million MAUs(^1), which breaks down by segment as follows:</td>
<td>For the quarter ended December 31, 2019, Activision Blizzard had 409 million MAUs(^1), which breaks down by segment as follows:</td>
</tr>
<tr>
<td></td>
<td>▶ Activision: 128 million</td>
<td>▶ Activision: 128 million</td>
</tr>
<tr>
<td></td>
<td>▶ Blizzard: 29 million</td>
<td>▶ Blizzard: 32 million</td>
</tr>
<tr>
<td></td>
<td>▶ King: 240 million</td>
<td>▶ King: 249 million</td>
</tr>
<tr>
<td>Net bookings</td>
<td>For the year ended December 31, 2020, Activision Blizzard’s net bookings(^2) were $8.42 billion, over half of which were from in-game net bookings(^2). Segment net revenues for the year ended December 31, 2020 were as follows:</td>
<td>For the year ended December 31, 2019, Activision Blizzard’s net bookings(^2) were $6.39 billion, over half of which were from in-game net bookings(^2). Segment net revenues for the year ended December 31, 2019 were as follows:</td>
</tr>
<tr>
<td></td>
<td>▶ Activision: $3.94 billion</td>
<td>▶ Activision: $2.22 billion</td>
</tr>
<tr>
<td></td>
<td>▶ Blizzard: $1.91 billion</td>
<td>▶ Blizzard: $1.72 billion</td>
</tr>
<tr>
<td></td>
<td>▶ King: $2.16 billion</td>
<td>▶ King: $2.03 billion</td>
</tr>
<tr>
<td>METRIC</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Data processing capacity, and percentage which is outsourced</td>
<td>Not Reported</td>
<td>Not Reported</td>
</tr>
<tr>
<td><strong>SASB: TC-SI-000.B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of data storage, and percentage which is outsourced</td>
<td>Not Reported</td>
<td>Not Reported</td>
</tr>
<tr>
<td><strong>SASB: TC-SI-000.C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number and location of data centers</td>
<td>32 data centers (as of December 31, 2020). All of Activision Blizzard’s data centers were externally managed; we did not own or operate any data centers.</td>
<td>33 data centers (as of December 31, 2019). All of Activision Blizzard’s data centers were externally managed; we did not own or operate any data centers.</td>
</tr>
<tr>
<td>Global square footage of buildings and facilities (excluding data centers)</td>
<td>2.3 million sq. ft. across 80 properties (as of December 31, 2020).</td>
<td>2.4 million square feet across 95 properties (as of December 31, 2019).</td>
</tr>
<tr>
<td>TOPIC</td>
<td>ACCOUNTING METRIC</td>
<td>UNIT OF MEASURE</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Environmental Footprint of Hardware Infrastructure</strong></td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Gigajoules (GJ), Percentage (%)</td>
</tr>
<tr>
<td><strong>Environmental Footprint of Hardware Infrastructure</strong></td>
<td>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>Thousand cubic meters (m³), Percentage (%)</td>
</tr>
<tr>
<td>Discussion of the integration of environmental considerations into strategic planning for data center needs</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Description of policies and practices relating to behavioral advertising and user privacy</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of users whose information is used for secondary purposes</td>
<td>Number</td>
<td>Number</td>
</tr>
<tr>
<td>Total amount of monetary losses as a result of legal proceedings associated with user privacy</td>
<td>Reporting Currency</td>
<td>Reporting Currency</td>
</tr>
<tr>
<td>(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure</td>
<td>Number, Percentage (%)</td>
<td>Number, Percentage (%)</td>
</tr>
<tr>
<td>List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>TOPIC</td>
<td>ACCOUNTING METRIC</td>
<td>UNIT OF MEASURE</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Data Security</strong></td>
<td>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</td>
<td>Number, Percentage (%)</td>
</tr>
<tr>
<td>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</td>
<td>n/a</td>
<td>TC-SI-230a.2</td>
</tr>
<tr>
<td>Percentage of employees that are (1) foreign nationals and (2) located offshore</td>
<td>Percentage (%)</td>
<td>TC-SI-330a.1</td>
</tr>
<tr>
<td>Employee engagement as a percentage</td>
<td>Percentage (%)</td>
<td>TC-SI-330a.2</td>
</tr>
<tr>
<td>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</td>
<td>Percentage (%)</td>
<td>TC-SI-330a.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The percentages exclude individuals who responded with “unknown” or “prefer not to say”.
** Racial & Ethnic Minorities: Black or African American, Hispanic or Latinx, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Two or More Races.
<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>UNIT OF MEASURE</th>
<th>CODE</th>
<th>INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual Property Protection &amp; Competitive Behavior</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations</td>
<td>Reporting currency</td>
<td>TC-SI-520a.1</td>
<td>In calendar year 2020, Activision Blizzard suffered no material losses related to anti-competitive behavior regulations. If and when we have material losses, they will be reported in our Annual Reports on Form 10-K.</td>
</tr>
<tr>
<td>Managing Systemic Risks From Technology Disruptions</td>
<td>Number of (1) performance issues and (2) Service disruptions; (3) total customer downtime</td>
<td>Number, Days</td>
<td>TC-SI-550a.1</td>
<td>While very rare, there are times when our products may experience temporary, unplanned service disruptions due to unforseen circumstances. Typically, these outages are limited to one region, game, or country and do not impact the majority of our players.</td>
</tr>
<tr>
<td></td>
<td>Description of business continuity risks related to disruptions of operations</td>
<td>n/a</td>
<td>TC-SI-550a.2</td>
<td>For information concerning the Company’s management of systemic risks from technological disruptions, please refer to our most recent Annual Report on Form 10-K, including the Risk Factors section contained in that report.</td>
</tr>
</tbody>
</table>

1 We monitor MAUs as a key measure of the overall size of our user base. MAUs are the number of individuals who accessed a particular game in a given month. We calculate average MAUs in a period by adding the total number of MAUs in each of the months in a given period and dividing that total by the number of months in the period. An individual who accesses two of our games would be counted as two users. In addition, due to technical limitations, for Activision and King, an individual who accesses the same game on two platforms or devices in the relevant period would be counted as two users. For Blizzard, an individual who accesses the same game on two platforms or devices in the relevant period would generally be counted as a single user. In certain instances, we rely on third parties to publish our games. In these instances, MAU data is based on information provided to us by those third parties, or, if final data is not available, reasonable estimates of MAUs for these third-party published games.

2 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. Net bookings is equal to net revenues excluding the impact from deferrals. In-game net bookings primarily includes the net amount of downloadable content and microtransactions sold during the period and is equal to in-game net revenues excluding the impact from deferrals.