A Letter from Chief Operating Officer Daniel Alegre Regarding Activision Blizzard's 2021 Representation Data

December 16, 2021

SANTA MONICA, Calif.--(BUSINESS WIRE)--Dec. 16, 2021-- Activision Blizzard, Inc. (Nasdaq: ATVI) President and Chief Operating Officer Daniel Alegre today sent the following letter to employees showing the company's current data on global gender and US diverse representation, along with its commitments to continually improve these numbers over the next several years.

Dec. 16, 2021

Everyone,

While we still have a couple of weeks before the year's end, I wanted to reach out to thank you for your continued dedication to each other and to our players. While we have made great strides on a number of fronts this year, and in our games in particular, we hear you: there is undeniable frustration within the organization around our progress on, and responses to, workplace concerns.

Trust in leadership is critical, and I know that trust is earned through principled and committed action. Thanks to your input during listening sessions, all hands and many 1:1s held across the company, we have doubled our efforts to bring about significant changes, some completed and some still in flight. We created a space to continuously update you on our progress and to share new approaches where we will invest as part of the continuing dialogue we have, and want to continue, with you on workplace issues. While the initiatives may take time to be felt across the company, you will see additional important changes in the new year. Our (and my) commitment and resolve are unwavering.

One of the key areas of feedback has been the need to share more information openly as a company. I recognize that without being more transparent on important data it can make it harder to keep us accountable for progress where needed. That is not my intent, and this will change. As part of our resolve for greater transparency, we are sharing, for the first time, our current data on gender and diverse representation at ABK. As you will see by viewing the full data set, we are not sugar-coating the data or cherry-picking only those points where we excel. You can review the data sorted by full company, Corporate, Activision Publishing, Blizzard, and King here. We will share demographic updates on our progress quarterly and discuss with candor what we are learning and how we are responding. BU leaders are, or will be, sharing context with their respective teams, but here are two results from the full company data that stand out for me:

- Our employees who self-identify as women globally make up 24% of our overall workforce. That is identical to our peer gaming companies that publicly disclose this data. Within our business units, however, these numbers vary widely – with some exceeding this industry comparison and others behind. Importantly, women represented 29% of ABK hires and 26% of ABK attrition in 2021.
- In the U.S., 36% of employees identify as a member of an underrepresented ethnic group (UEG). This lags behind the data available from our peers (showing 40% representation).

While representation company-wide is similar to our peer gaming companies in the United States, this is wholly inadequate in my mind. We will do better. We have a lot of work to do as we build an organization where diversity is as much a core value as innovation.

A few weeks ago, we committed to increasing women and non-binary representation at ABK by 50% to account for more than one-third of our Company within the next five years. Leadership across the Company, myself included, is accountable to make this happen. Candid, engaged, and respectful dialogue between diverse, welcoming and passionate employees is crucial to these important ambitions. Your input and participation in this process is invaluable.

As we begin 2022, we will focus on several key areas:

- **Hire or put in place additional DE&I leaders** at the ABK and division levels
- **Tie yearly diversity goals to** respective ABK and division Executive Leadership **performance goals**
- **Invest in learning and development curriculum** that fosters a culture of inclusion
- **Stand up manager and executive mentorship and sponsorship programs** aimed at unlocking upward mobility for UEGs and women
- **Continue evolving our talent and recruiting system**, including launching ABK Academy

Each business unit will also have their own specific initiatives that I will support or adopt globally where appropriate. As stewards of this company, we have an opportunity and a responsibility to dramatically reshape our workforce so it reflects and expands our diverse global player base and unlocks new ideas and approaches that keep us at the leading edge of interactive entertainment. This is but one of the transparent reports you will see from us, and we will be sharing greater details on pay equity and a progress update on compliance.

Warmest wishes to all for the rest of 2021, and a safe and joyous start to the new year. I look forward to continuing this journey with you.

Daniel

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