



August 15, 2023

Brian G. Kelly, Chairman of the Board
Activision Blizzard Inc.
2701 Olympic Boulevard
Building B
Santa Monica, CA 90404

Board Notice: Waste of Corporate Assets and Breach of Fiduciary Duties

Dear Mr. Kelly:

We write for concerned shareholders and customers of Activision Blizzard, Inc. (“Activision”). The purpose of this letter is to alert the Board to credible allegations suggesting that management at Activision may be engaging in practices wasteful of corporate assets, engaging in an intentional pattern and practice of violating workplace antidiscrimination laws (including Title VII of the Civil Rights Act of 1964, as well as California’s Fair Employment and Housing Act), and undermining Activision’s ability to compete in the market. Apparently, Activision’s executives have chosen to publicly push a political and social agenda unpopular with a large portion of its customer base, to discriminate against its employees based on protected characteristics, and to undermine the quality of Activision’s products. These actions have opened rifts with the gaming community (including streamers that do a great deal to promote Activision’s products), exposed the company to compliance risks, and led to the departure of high-level employees who now work at Activision’s competitors.

I. Background

Activision’s success is uniquely tied to its reputation for providing high-quality video games to its customers; and its ability to provide the entertainment experience that its customers want. The majority of Activision’s sales come from the sale of relatively few pieces of well-known intellectual property. For this reason, management identified the company’s reliance on a small number of franchises for a significant amount of the company’s revenue as a significant risk.¹ Damage to those franchises

¹ Activision Blizzard Inc., Annual Report (Form 10-K) (Feb. 23, 2023) (available at <https://bit.ly/3PXyiES>).

could be devastating to Activision as a whole. Similarly, the risk of adverse general political conditions, the potential negative impacts on business resulting from concerns about the workplace, the ability to attract, retain, and motivate skilled personnel, and competition could threaten shareholder interests.²

II. Waste and Fiduciary Duty Breaches

The Board has allowed management to infuse Diversity, Inclusion, and Equity (DIE) principles into all aspects of the company's products and operations to support a narrow, extreme, and divisive political and social agenda. Management's agenda threatens shareholders and employees in at least three ways: by creating reputational risk, legal risk, and competitive market risk. Management has alienated many customers and seems intent on alienating many more. It has violated civil rights laws by engaging in unlawful employment and contracting practices based on race, sex, and national origin. It has forced some of its most skilled developers to join other studios. Inexplicably, management has chosen to force the company's employees and products to serve idiosyncratic social and political ends that have nothing whatever to do with the business.

A. Reputational Risk

Management has infused DIE themes within the company and its products. Among other things, it hired Adrian Ledda, Head of Inclusive Game Design, and "embedded strategic [DIE] leaders" within all business units.³ Ledda leads the "Inclusive Game Design Team [sic]" which has spent \$2 million of the company's fund to increase Black, "Latinx," and Native American representation in tech.⁴ The team also spent \$250 million on social impact money market vehicles.⁵

The "Inclusive Game Design Team" has mandatory training that forces workers to create more "diverse" games. Activision has an internal developer requirement to create "diverse" characters in games and created a "diversity space tool" to help developers.⁶ This perverse creative quota measures every character based on their "Culture, Sexual Orientation, Gender Identity, Body Type, Ability, Age, and Ethnicity."⁷ Disturbingly, management encourages the company's employees to

² *Id.*

³ *Id.* at 36.

⁴ *Id.* at 32.

⁵ *Id.*

⁶ Anna C., *The Activision Blizzard Diversity Space Tool Controversy Explained*, GAMERANT (May 19, 2022), <https://bit.ly/3QdXhUD>.

⁷ *Id.*

inform on their coworkers if they believe that designs fail to meet the specified quotas.⁸

Management's extreme DIE policies help to explain why a World War II Call of Duty game had "black female Nazi soldiers,"⁹ or why Overwatch featured a character that was pansexual. Overwatch now has a dedicated league and career program designed to "create equity and a safe space for 'underrepresented genders' in gaming."¹⁰ This also seems to explain why World Of Warcraft has made LGBTQ characters "front and center," releasing characters that are in a gay relationship and that use they/them pronouns.¹¹ As a result of these efforts and others, management has seen an increase in its ESG rating but alienated millions of customers.¹²

Also, on May 31, 2023, popular video game streamers that go by the handles "Nickmercs" and "TimTheTatman" had themed skin bundles of themselves released in the Call of Duty Modern Warfare 2 and Warzone 2.0 stores.¹³ About a week later, on June 7, 2023, in response to a tweet about a California school board voting to recognize "Pride Month," Nickmercs responded, "They should leave little children alone. That's the real issue."¹⁴ A day later, the official Call of Duty Twitter account confirmed that they had removed Nickmercs skin from the Modern Warfare II and Warzone stores, saying, "We are focused on celebrating PRIDE with our employees and our community."¹⁵ By retaliating against Nickmercs for expressing concern about the psychosexual indoctrination of young children, management demonstrated that it cares more about virtue signaling than shareholder value; when TimTheTatman requested that Activision remove his likeness bundle as well, in solidarity with Nickmercs, management complied.¹⁶ This public conflict led to an outcry from both the Call of Duty community and the gaming community at large. Fans and content creators alike decried the removal, damaging the company's goodwill, alienating loyal customers, and exacerbating revenue concerns. Anti-Call of Duty/Activision language was trending online, and there have been calls for a Call of Duty boycott.

⁸ ACTIVISION BLIZZARD INC., 2022 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT, 33, (May 11, 2023), (available at <https://bit.ly/3PZpMVJ>) (hereinafter 2022 ESG REPORT).

⁹ Erik Kain, *This Is Why There Are Black Nazis and no Swastikas in 'Call of Duty: World War 2' Multiplayer*, FORBES (June 21, 2017), <https://bit.ly/44JOD48>. One can only hope that these design choices are satire aimed at demonstrating the absurdity of management's directives.

¹⁰ 2022 ESG REPORT at 34, (May 11, 2023).

¹¹ *Id.*

¹² ACTIVISION BLIZZARD, INC., *Diversity, Equity & Inclusion*, <https://bit.ly/3pFHyCR>.

¹³ Olivia Richman, *Nickmercs and TimTheTatMan Get Call of Duty Operator Skins*, ESPORTS ILLUSTRATED, (May 10, 2023), <https://bit.ly/46OgsKb>.

¹⁴ FaZe Nickmercs (@Nickmercs), TWITTER, (June 7, 2023, 11:32 AM), <https://bit.ly/3rsl714>.

¹⁵ Call of Duty (@CallofDuty), TWITTER, (June 8, 2023, 8:47 PM), <https://bit.ly/46Rtyq7>.

¹⁶ TimTheTatman (@timethetatman), TWITTER, (June 10, 2023, 6:07 PM), <https://bit.ly/3JWhvhs>.

At all times relevant, management and the Board knew or should have known that this extreme and divisive social and political activism could have massively adverse financial consequences for the company’s shareholders. Management is free to use its own money for woke signaling to create social status with old college friends; company funds and company brands may not lawfully be used for this purpose. The fact that management was able to take such action suggests strongly that the Board has failed to protect the company’s assets by establishing appropriate internal controls.

B. Unlawful Hiring and Contracting Practices

Management is engaging in unlawful hiring and contracting practices; this too suggests that the Board has failed in its fiduciary duty to have and keep in place appropriate internal controls.¹⁷ Management has proudly boasted that it hires and contracts based on race, color, sex, and national origin in the name of “diversity.”¹⁸ Not only are such practices damaging to the brand and offensive to many of the company’s customers, they are also categorically illegal and subject the company to major legal risks.

The Civil Rights Act of 1866 prohibits all forms of discrimination in private contracting.¹⁹ The late Justice Ginsburg wrote that this act was designed to “break down all discrimination between black men and white men regarding basic civil rights.”²⁰ Likewise, Title VII of the Civil Rights Act of 1964 prohibits hiring, training, and giving internships or promotions based on race, color, sex, or national origin.²¹ Case law has repeatedly held that policies seeking to impose racial balancing or quotas in employment, training, or recruitment, such as those highlighted in Activision’s ESG report, are prohibited.²² Management’s unlawful policies necessarily waste the company’s assets, reputation, and goodwill.

Additionally, in the company’s annual Form 10-K SEC filing management identified the need to attract and maintain high-level talent to continuously create new and significant products that generate recurring revenue.²³ Accordingly, anti-discrimination mandates are an essential and mission-critical part of managing regulatory compliance risk. The Board, among its other fiduciary obligations, has a

¹⁷ Kristen Hines, *Diversity, Equity, and Inclusion 2022 Look-Back*, ACTIVISION BLIZZARD (Mar 23, 2023), <https://bit.ly/3pRmkBO>.

¹⁸ *Id.*

¹⁹ 42 U.S.C. § 1981.

²⁰ *Comcast Corp. v. Nat’l Ass’n of Afr. Am.-Owned Media*, 140 S.Ct. 1009, 1020 (2020) (Ginsburg, J. concurring) (quoting *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 432 (1968)).

²¹ 42 U.S.C. §§ 2000e-2(a), (d).

²² *See, e.g., United Steelworkers of America v. Weber*, 443 U.S. 193, 208 (1979); *Johnson v. Transp. Agency*, U.S. 616, 621, 632 (1987).

²³ Activision Blizzard Inc., Annual Report (Form 10-K) (Feb. 23, 2023) (available at <https://bit.ly/3PXyiES>).

duty of oversight and must put into place a reasonable board-level system of compliance monitoring and reporting relating to these mandates.²⁴ Discrimination on the basis of race, national origin, and sex, as management claims it is doing, drives away talented people who prefer to be judged based on their skills and work ethic rather than based on their immutable characteristics. In violation of its fiduciary duty, the Board has allowed management to foment contention and resentment and to engage in business and employment practices that are “odious and destructive.”²⁵

The Supreme Court has long recognized that “it is a sordid business, this divvying us up by race.”²⁶ Nevertheless, in April 2022, management hired Kristen Hines, the company’s first Chief Diversity, Equity, and Inclusion Officer.²⁷ She has embedded policies, processes, and behaviors that “create and cultivate” DIE.²⁸ After her hiring, one of the first steps taken was a commitment to hiring quotas to increase the percentage of women and “non-binary” [sic] employees by 50% over five years.²⁹ As well, management mandated “diverse [sic] slates” for VP-level and above job searches.³⁰

The data shows that the number of women in “leadership positions” has quadrupled.³¹ The company mandates “training sessions” to teach hiring managers and recruiters to access “diversity pipelines,”³² changed its job application to weed out qualified applicants lacking management’s preferred immutable characteristics,³³ and created unlawful scholarships exclusive to women, “non-binary,” and “gender fluid” [sic] individuals.³⁴ The company operates a “boot camp” - run by human resources chief Julie Hodges) - to help engineering candidates advance in their careers. Apparently, admission to this “boot camp” is conditioned on race, sex, and national origin; according to management, 73% of the candidates are “diverse.”³⁵ Finally, management operates “Employee Network Groups,” designed to allow “everyone to thrive and shape the industry.” There are employee network groups for

²⁴ See *Marchand v. Barnhill*, 212 A.3d 805, 824 (Del. 2019); *In re Clovis Oncology, Inc. Derivative Litig.*, No. CV 2017-0222-JRS, 2019 WL 4850188, at *12 (Del. Ch. Oct. 1, 2019).

²⁵ *Texas v. Johnson*, 491 U.S. 397, 418 (1989).

²⁶ *League of United Latin Am. Citizens v. Perry*, 548 U.S. 399, 511 (2006) (Roberts, C.J., concurring in part).

²⁷ Kristen Hines, *Diversity, Equity, and Inclusion 2022 Look-Back*, ACTIVISION BLIZZARD (Mar 23, 2023), <https://bit.ly/3pRmkBO>.

²⁸ *Id.*

²⁹ 2022 ESG REPORT at 3 (including letter from Brian Bulato, Chief Admin. Officer and Chair of the ESG Steering Comm.).

³⁰ *Id.* at 24.

³¹ *Id.* at 17.

³² *Id.* at 24.

³³ *Id.* at 21.

³⁴ *Id.* at 23.

³⁵ *Id.* at 21.

employees that are: Asian and Pacific Islanders, Black, “Latinx,” LGBT+, “SWANA” (Southwest Asian and North African), and Women.³⁶ These groups are used for job training and other similar purposes. But no such group exists limited to those with a “heterosexual,” “male,” or “white” identity.

C. Competitive Market Risk

Management is undermining the company’s standing in the marketplace by implementing policies that are at odds with the goal of creating games that generate revenue and create shareholder value. Management has lowered hiring standards, even encouraging those that are unqualified to apply for positions in order to reach the self-mandated race and gender quotas.³⁷ They also micro-manage developers with their diversity tool and force them to comply.³⁸ This leads to developers focusing more on creating games with “enough” diversity (however that is even measured) to comply with the DIE agenda, instead of focusing on features that core consumers actually want.

These quotas also discriminate against those that do not meet management’s “*desired characteristics*” causing them to go work at competing studios instead.³⁹ There is no greater evidence of this than Activision’s flagship IP, Call of Duty. Many of the lead developers of the most popular games in Call of Duty’s history have left to join other studios and create competitive games. The creators of the original Modern Warfare 2 left the franchise and created a direct competitor “Apex Legends,” which currently averages nearly double the player base of its Call of Duty counterpart.⁴⁰ Mark Rubin, another former Call of Duty developer, joined Ubisoft and is creating his own competitor to the Call of Duty franchise, “XDefiant.” This game has been dubbed the “COD (Call of Duty) Killer.”⁴¹ XDefiant has focused on addressing core Call of Duty players’ demands and bringing them an experience that they actually want. Content creators and gamers alike are ecstatic to have developers that listen to their requests.⁴² These days, instead of giving the customer what they want, management – as if they operate in Communist China or Soviet Russia – enforces diversity dictates and crams down approved political and social ideologies on its customers.

³⁶ *Id.* at 19.

³⁷ 2022 ESG REPORT at 21, (May 11, 2023), <https://bit.ly/3PZpMVJ>.

³⁸ Anna C., *The Activision Blizzard Diversity Space Tool Controversy Explained*, GAMERANT, (May 19, 2022), <https://bit.ly/3QdXhUD>.

³⁹ Activision Blizzard Inc., Annual Report (Form 10-K) (Feb. 23, 2023) (available at <https://bit.ly/3PXyiES>).

⁴⁰ Operehtor, *Could Apex Legends Overtake Warzone 2 as Preferred Battle Royale For Streamers?*, THE PORTAL, (May 17, 2023), <https://bit.ly/3NUzlTr>.

⁴¹ Joseph Pascoulis, *FaZe Jev Breaks Down Key Reasons XDefiant Could be the Call of Duty Killer*, CHARLIE INTEL (Apr. 21, 2023), <https://bit.ly/3OdOm3S>.

⁴² *Id.*

The customers, however, do not share Activision's priorities, and they have other options. This is clearly shown by the drastic decrease in the number of players Activision games attract. In Quarter 1 of this year, Activision's active player count decreased by 13 million players, and Blizzard's dropped by another 18 million players, even with Overwatch 2 being free to play (which should, in theory, lead to an increase in players).⁴³ Activision's other games are also seeing a decrease in users as consumers lose interest in them.⁴⁴ Last year Activision's net revenue was down 13.9% year-over-year, with **game sales down 45.3% year-over-year**.⁴⁵

Gamers are increasingly uninterested in the products that Activision is creating. With competitors like Apex Legends and the potential "COD Killer" XDefiant on the horizon, it is past time for Activision to abandon its DIE principle and again focus on creating quality games that attract consumers and generate revenue for shareholders.

III. Conclusion

Therefore, to prevent the waste of Activision's assets, to safeguard Activision's brand, goodwill, and reputation among the gaming community, to protect Activision's shareholders, in fulfillment of your fiduciary duties to Activision and its shareholders, and to ensure compliance with civil rights laws, we demand that the Board immediately take the following steps:

1. Retain an independent counsel for a full investigation of and a report on the events and circumstances behind management's decision to explicitly focus on a clear pattern of unlawful hiring, training, and promotion practices for admittedly race-based and sex-based purposes. To avoid the expense and disruption of litigation enforcing the Company's disclosure obligations under 8 Del. Code § 220, the Board should affirmatively and transparently disclose all of management's contemporaneous emails and other communications on this topic to the Company's employees and shareholders. Among other things, all communications to or from the Company's General Counsel regarding this matter should be made available. The Company should promptly and transparently publish all studies and analytics data that it possesses demonstrating that this policy enhances the Company's brand reputation and promotes alignment between its business and the tastes and preferences of its core customers.

⁴³ ModernWarzone (@ModernWarzone), TWITTER, (Apr. 26, 2023 11:52 AM), <https://bit.ly/46QRXMw>

⁴⁴ Ryan Lemay, *Swagg Explains Why Warzone 2 is Moving 'Backward*, DEXERTO (Dec. 21, 2022), <https://bit.ly/3OcB2wy>.

⁴⁵ Evgeny Obedkov, *Activision Blizzard Profit Drops 32% in Q3 Largely Due to Activision's Weaker Results*, GAME WORLD OBSERVER, (Nov. 8, 2022), <https://bit.ly/3XPm4Qq>.

2. Compel the Company to: (a) Immediately cease and desist from all employment practices that discriminate based on race, color, sex, or national origin, and/or that are designed to “match the combined demographics” of any racial or other groups; (b) immediately cease and desist from making any statements or representations promoting or promising employment outcomes based on race, color, sex, and/or national origin; and (c) retain an independent counsel to conduct a compliance audit of the Company’s hiring, promotion, recruitment, and purchasing practices and to ensure compliance with federal civil rights laws. Again, to avoid the expense and disruption of litigation enforcing the Company’s disclosure obligations under 8 Del. Code § 220, the compliance audit and all relevant emails and other management communications regarding the racial balancing and other prohibited hiring and contracting practices described in the Company’s 10-K should be made promptly and fully available. In anticipation of litigation, direct the Company to preserve all records relevant to the issues and concerns noted above, including but not limited to paper records and electronic information, including email, electronic calendars, financial spreadsheets, PDF documents, Word documents, and all other information created and/or stored digitally. This list is intended to give examples of the types of records you should retain. It is not exhaustive.

Thank you in advance for your cooperation.

Sincerely,

/s/ Nicholas R. Barry

Senior Litigation Counsel

America First Legal Foundation

APPENDIX

Advancing Diverse and Inclusive Communities: We see diversity and inclusion as foundational to our games, policies, and workforce. In 2022, we hired our first dedicated Chief Diversity, Equity, and Inclusion Officer and appointed our first head of Inclusive Game Design (IGD) to ensure a world-class standard for game inclusion and accessibility. IGD is focused on ensuring the widest possible audience can enjoy our games, with characters and narratives that are diverse and welcoming, while promoting positive gaming community interactions. We've also partnered with Reboot Representation to help increase the number of Black, Latina, and Native American women in technology.

Board of Directors: Highlights (As of May, 2023)



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



In any future search, our selection pool for new Independent Director nominees will include qualified women and racially/ethnically diverse candidates.



Our board engages with investors regarding our financial and operational performance, as well as executive compensation, ESG and other matters investors consider important.



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



Approximately 78% of our directors are independent, as are all members of our four Board committees.



Approximately 22% of our directors self-identify as having a diverse demographic background.¹⁸



Our directors are elected annually.



Approximately 33% of our directors are women.

Diversity Financial Impact Investments

In 2022, we invested \$250 million in money market funds selected for their support of diverse and inclusive communities. This was in addition to a \$1.25 billion investment in 2021. A large portion of the investment manager fees associated with these funds are reallocated to minority-led, women-owned, or disabled-Veteran-owned firms who use the earned profits to support underserved communities.

Our 2022 social impact investments included the following:

- \$100 million investment to support Black-led securities firm, Loop Capital
- \$100 million investment to support a women-owned securities firm, R. Seelaus & Co., who allocates a portion of earned fees to support gender equity in the technology sector
- \$50 million investment to support disabled-Veteran-owned securities firm, Drexel Hamilton

These investments provide revenue to financial firms that are dedicated to advancing diverse and inclusive communities. At the end of 2022, our combined \$1.5 billion of outstanding social impact investments represented 12% of our aggregate cash, cash equivalents, and short-term investments.

Diverse Candidate Slates:

We expect our internal recruitment teams and external agency partners to provide diverse slates of job candidates where practicable. Building on the tools and systems we launched in 2021, we held training sessions and created resources in 2022 to empower hiring managers and recruiters to access and better understand their diversity pipeline data. Tools such as the Diversity Pipeline Dashboard give our recruiters an aggregate view of the gender, racial, and ethnic group diversity of their candidate pipeline.

Diverse Candidate Slates at the VP Level & Above:

Our Executive Recruiting Team is tasked with bringing in the best leadership talent. In 2022, the team set a goal of having diverse candidate slates for at least 90% of our vice president level and above searches. We are proud to share that our team exceeded this goal, achieving diverse slates in 95% of our executive searches.

ABK Aspiring Women in Games Scholarship

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

Increasing the Combined Percentage of Women and Non-Binary Employees by 50% Over Five Years

Over the last year, we made meaningful progress toward our 2021 goal to increase the combined percentage of women and non-binary employees in our workforce by 50% over five years and we believe our continued investment in our DE&I programs will further enable us to meet this goal. As of November 30, 2022, approximately 26% of our global employee population self-reported as women or non-binary people, up from approximately 24% as of November 30, 2021.



\$250 Million Commitment to Accelerate Opportunities for Diverse Talent

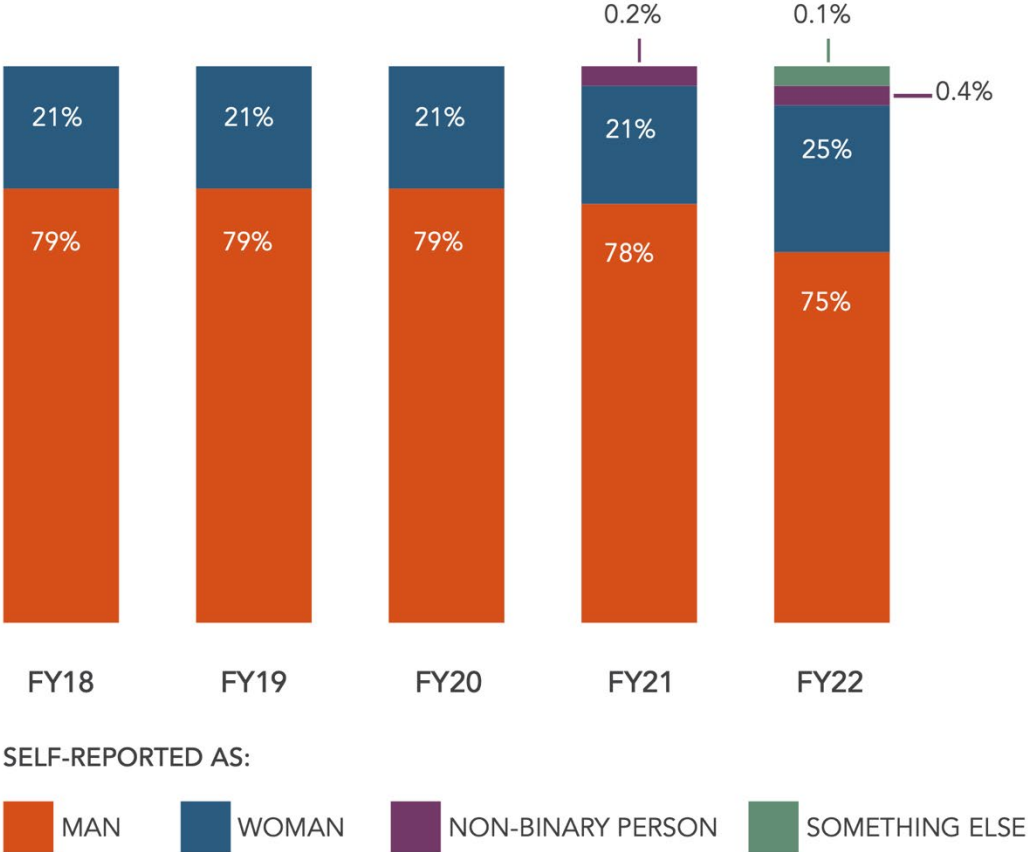
As part of our commitment to invest \$250 million over ten years in initiatives that accelerate opportunities in gaming and technology for diverse talent, we invested approximately \$19 million to launch Level Up U in 2022. Level Up U is a three-month training program for engineers starting out in the gaming industry. Within our class of over 100 [Level Up U](#) engineers, women and non-binary people made up 45% of the class, and the overall diversity of the class was 73%. We have also partnered with [Reboot Representation](#) to help increase the number of Black, Latina, and Native American women in technology through combined philanthropic efforts with 26 other companies.

To further diversify our pipeline of candidates, we revamped our Diversity Sourcing Council to educate recruiters and support diversity sourcing techniques and projects across Activision Blizzard. We also hosted Diversity Sourcing Jams⁷ across 19 different disciplines to assist the Company's understaffed areas in recruiting diverse candidates for their open roles.

Our Employee Network Groups⁵

- ABK Asian Pacific Islander Employee Network
- ABK Black Employee Network
- ABK Differing Abilities Employee Network
- ABK SOMOS (Formerly LatinX) Employee Network
- ABK LGBT+ Employee Network
- ABK SWANA Employee Network
- ABK Veterans Employee Network
- ABK Women's Employee Network
- ABK Indigenous and Aboriginal Employee Network
- ABK Multicultural Employee Network

Gender Diversity^{a,b,j} of People Leadersⁱ Since 2018



Growth of Women Game Development Leaders

The Company saw an increase in the combined representation of women and non-binary employees last year. When you specifically look at women in game development leadership roles, the number has **more than quadrupled** since 2016. We saw the most progress between **2021 and 2022**, when the percentage of women in game development leadership roles **increased by 58%**.

- **45%** of participants who self-reported as either a woman or non-binary person
- **40%** of participants who self-reported as Hispanic or Latinx, Black or African American, Native Hawaiian or Pacific Islander, Asian, Native American or Alaska Native, or more than one of these identities
- **10%** of participants who self-reported as Veterans

Connecting Diversity, Equity, and Inclusion (DE&I) Across Everything We Do

We believe that our employees and players around the world deserve to be seen, heard, and feel valued. To help advance that goal, we announced the addition of Kristen Hines as Activision Blizzard's first Chief Diversity, Equity, and Inclusion Officer in April 2022. She has helped us continue to prioritize our commitment to DE&I, reframe how we think about DE&I, and embed DE&I in everything we do as an organization. To provide more transparency on our progress, we recently published our [2022 DE&I Look-Back](#) which outlines the DE&I purpose, wins, and plans for the future.

DE&I is a business-wide priority, and we will continue to learn and grow as we move forward. In 2022, we set the necessary groundwork and made meaningful progress toward our ambitious goals. And we know there is always more work to be done. As we look ahead, we'll continue to evolve our work to positively impact employees' lived experiences across every part of Activision, Blizzard, and King.

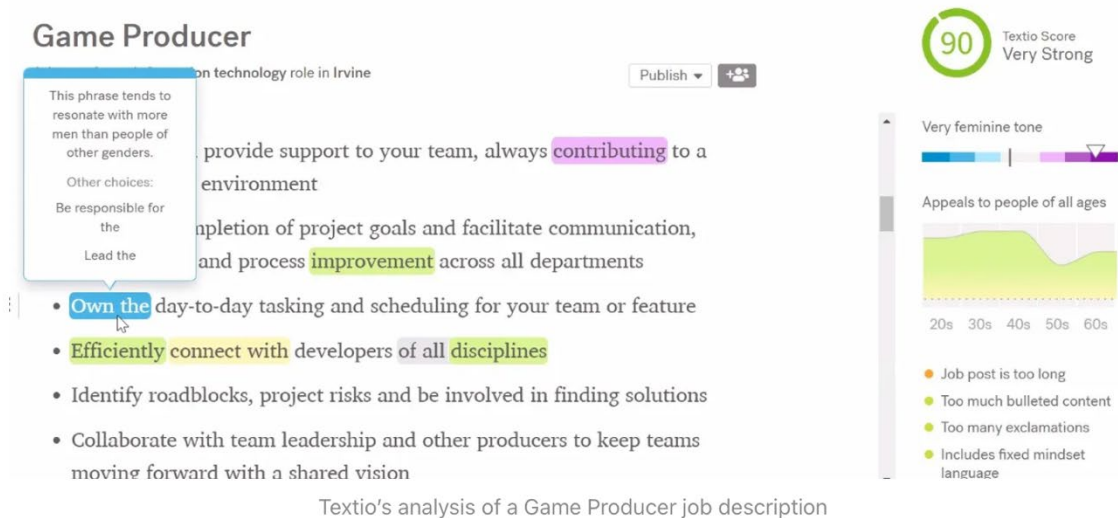
KRISTEN HINES
(she/her)
Chief Diversity, Equity,
and Inclusion Officer
- Activision Blizzard



“I’m excited to be part of a company that is committed to DE&I and making progress on its ambitious goals. In an industry with historical underrepresentation, I’m looking forward to leading the Company’s efforts to build a workplace that values transparency, equity,

and inclusivity. Gaming connects communities around the world and showcases heroes from all backgrounds. I value playing a part in expanding the landscape of talent that creates these

We also implemented “Textio,” a writing tool that helps make the job description language more inclusive and gender-neutral. In 2022, the Talent team revised more than 5,500 job descriptions using Textio as a tool.



Level Up U

In 2021, we committed to investing \$250 million over ten years to accelerate employment opportunities for diverse talent in the gaming industry. In April 2022, we took an important step in making good on that commitment and invested approximately \$19 million to launch Level Up U. Level Up U is a groundbreaking, scalable, immersive talent training program that creates opportunities for developers.

Through Level Up U, we aim to remove barriers to employment and introduce new talent to Activision Blizzard, while also reshaping the industry's talent pool. Level Up U serves as a low-risk entry point for engineers from all backgrounds looking to begin a new career path. Participants are paid as full-time engineers during the program's duration, and regardless of background or experience, the program can help them obtain their first job, opening up opportunities for them in game studios around the world.

To design and lead the program, we hired Tad Leckman as Director of Learning and Development, and Dean of Level Up U. Tad brings more than 20 years of experience creating learning and development content for artists, designers, writers, and engineers. He's held senior roles in the gaming industry as well as several university professorships.

Level Up U was successful beyond our expectations. After completing a rigorous online assessment of their programming and problem-solving skills, more than 100 engineer applicants were hired into the Level Up U class. The selected applicants came from a broad range of backgrounds, including finance, defense, tech, and military fields. The cohort was also deeply diverse, including:

- **45% of participants who self-reported as either a woman or non-binary person**
- **40% of participants who self-reported as Hispanic or Latinx, Black or African American, Native Hawaiian or Pacific Islander, Asian, Native American**