

## **Resolved**

Shareholders request the Board of Directors of Activision Blizzard, Inc., to oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of Company efforts to prevent abuse, harassment and discrimination against protected classes of employees. The report should also disclose the Company's progress on relevant metrics and targets such as the:

- total number and aggregate dollar amount of disputes settled by the Company related to sexual abuse, harassment or discrimination based on race, religion, sex, national origin, age, disability, genetic information, service member status, gender identity, or sexual orientation for the last three years;
- Company's progress toward reducing the average length of time it takes to resolve sexual abuse, harassment or discrimination complaints either through internal processes or litigation;
- total number of pending sexual abuse, harassment or discrimination complaints the Company is seeking to resolve through internal processes or litigation; and
- pay and hours-worked consolidated data required by the California Department of Fair Employment and Housing (Department)

This report should not include the names of accusers or details of their settlements without their consent and should be prepared at a reasonable cost and omit any information that is proprietary, privileged, or violative of contractual obligations.

## **Supporting Statement**

An investigation of the Company by the Department resulted in litigation alleging discrimination, retaliation, and unequal pay. The Department estimates the Company's total liability to 2,500 allegedly injured employees to be \$930,320,000. For years, there have been alarming news reports that detail allegedly rampant sexual abuse, discrimination, harassment, and retaliation directed toward female employees.

Despite the allegations of the Department investigation and other reports, the Company's 2020 ESG Report states that the Company "provid[es] our employees with the opportunities and resources they need to unlock their potential" develops games "that reflect the communities we serve . . . begin[ning] with a diverse and inclusive workplace," as "broad-appeal entertainment" cannot be developed "without people with diverse backgrounds and skills." The Company claims it is "committed to ensuring equal pay for equal work while always rewarding superior performance," and has considered "pay equity" in compensation decisions "for a number of years."

A report such as the one requested would assist shareholders in assessing whether the Company is improving its workforce management, whether its actions align with the Company's public statements and whether it remains a sustainable investment. Civil rights violations within the workplace including but not limited to sexual abuse, harassment, and discrimination can result in substantial costs to companies, including fines, penalties, legal costs, costs related to absenteeism, and reduced productivity.

The Company may also have difficulties in retaining and recruiting employees, given the public walk-outs and unmet demands for change by its employees. Reports and findings of misconduct at the Company may also jeopardize its relationships with key customers and consumers, putting the Company at further risk.